



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 24th June 2022
Zoom Video Conference



Agenda

Item 1	10:00	Welcome	Chris Brodie	
Item 2	10:05	Minutes from March 2022 meeting Declarations of Interest Matters arising: <ul style="list-style-type: none">• Welcome to new Directors	Chris Brodie and Adam Bryan	Pg. 3
Item 3	10:10	Plans for 22/23 and Beyond Decision: <ul style="list-style-type: none">• Adopt the Delivery Plan 22/23	Adam Bryan	Pg. 7
Item 4	10:35	Chairs Recruitment Decisions: <ul style="list-style-type: none">• Agree to begin the recruitment process• Agree that no allowances will be paid for the roles of Chair and Deputy Chair	Adam Bryan	Pg. 18
Item 5	10:45	Capital Programme Update Decisions: <ul style="list-style-type: none">• Agree the approach for the development of a new GBF prioritised project pipeline• Agree GBF spend beyond 31 March 2022 for the Swan Modular Housing Factory project	Helen Dyer	Pg. 21
Item 6	11:00	Housing Update	Liz Gibney & Brian Horton	Pg. 36
Item 7	11:20	Growth Hub Update Decisions: <ul style="list-style-type: none">• Agree to the draft Schedules which will constitute the Growth Hub delivery model for 2022/23• Agree to delegate to the CEO any subsequent minor changes	Jo Simmons	Pg. 38
Item 8	11:40	Policy Updates Decisions: <ul style="list-style-type: none">• Agree the change to the Assurance Framework• Agree the change to the Conflict of Interest Policy	Amy Ferraro	Pg. 43
	11:45	AOB & Close		

For information:
COVID-19 Recovery Funds Update
SSF Delivery Update

Future Strategic Board meeting dates:
7th October, 9th December

Minutes of Strategic Board: 18th March 2022

Attendees

Chris Brodie	Chair
Sarah Dance	Deputy Chair
Adam Bryan	CEO
Ana Christie	Team East Sussex
Angela O'Donoghue	Further Education Representative
Claire Lewis	Success Essex
Clive Soper	Team East Sussex
Cllr Graham Butland	Essex District/Borough/City Councils representative
Cllr Lesley Wagland	Essex County 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
David Rayner	Success Essex (non-voting)
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: Aideen Sadler, Carol Ford, Cllr Keith Glazier (substituted by Cllr Rupert Simmons), Cllr Kevin Bentley (substituted by Cllr Lesley Wagland), Cllr Mark Coxshall, Perry Glading (substituted by Mark Curle).

Other attendees:

Alex Riley	SELEP Secretariat	Jo Simmons	SELEP Secretariat
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
Dave Evans	East Sussex County Council	Paul Chapman	Essex County Council
Ellie Clow	SELEP Secretariat	Richard Dawson	East Sussex County Council
Emma Lindsell	Southend Borough Council	Sarah Nurden	KMEP
Geoff Miles	Kent Ambassadors	Sharon Spicer	SELEP Secretariat
Helen Dyer	SELEP Secretariat	Stephanie Ennis	Essex Legal Services
Helen Russell	SELEP Secretariat	Sunny Ee	Medway Council
Howard Davies	SELEP Secretariat	Vivien Prigg	SELEP Secretariat
Ian Lewis	Opportunity South Essex	Zoe Gordon	SELEP Secretariat
Iwona Bainbridge	SELEP Secretariat		

This meeting was held as a 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 and asked members to introduce themselves individually.

Item 2: Minutes of last meeting, declarations of interest, matters arising (6'22" timestamp on video)

2.1. The Board agreed the minutes of the last meeting as an accurate record pending the following amendment:

i) 2.4 should read "Hailsham and District Bid Ltd." instead of "Aylesham and District Bid Ltd."

2.2. The following interests were declared:

i) Jo James declared an interest in relation to item 7 as Kent Invicta Chamber of Commerce delivers the Kent and Medway Growth Hub.

ii) Sarah Dance declared an interest as the Co-Chair of the South East Creative Economy Network, who are requesting a project change under item 6.

2.3. Adam Bryan provided an update regarding Freeport East and Thames Freeport. A formal update regarding Freeport East will be circulated to the Board.

2.4. Adam Bryan informed the Board that the Government's Cities and Local Growth Unit is undertaking a Deep Dive of East Sussex projects where the delivery partner is Sea Change Sussex. This is being undertaken in accordance with the National Assurance Framework.

2.5. SELEP and Essex County Council have been in receipt of a number of FOI requests and formal complaints regarding East Sussex projects which are being delivered by Sea Change Sussex, all of which are being handled in accordance with the requirements of our Assurance Framework.

2.6. The Board has received the following public question:

"Councillor Kevin Dixon, the Rother District Council representative on the SeaChange board, has resigned from the board, citing the 'reputational risk' to both himself and the council of continued association with SeaChange. He went on to criticise the slow progress of multiple SeaChange projects and said that, "The reality is that SeaChange is in constant conflict with all three authorities and the regeneration aims and objectives of all parties are severely compromised as a result".

"Rother Council voted unanimously not to nominate another councillor to sit on the SeaChange board "until such time as that person is able to represent the best interests of the company without compromising the values of the council." The Hastings Borough Council representative on the board has suggested (HBC Overview and Scrutiny Committee, 8 March) that he may well take the same step as Cllr Dixon.

"Given these very serious criticisms, and the numerous delays and significant cost overruns of almost every single SeaChange project funded by SELEP, I would like to know what due diligence SELEP has carried out on SeaChange in the past to ensure itself it is a proper recipient of public money, before awarding funding."

The response is:

SELEP and Essex County Council have not contracted directly with Sea Change Sussex. There is a Service Level Agreement in place between SELEP/Essex County Council as the Accountable Body and East Sussex County Council.

East Sussex County Council have confirmed that the agreement between Sea Change Sussex and East Sussex County Council sets out the relevant rights and obligations imposed on East Sussex County Council under the terms of the Service Level Agreement.

East Sussex County Council have their own governance processes in relation to third-party contracts, and have confirmed that they have undertaken all required due diligence.

- 2.7. Chris Brodie extended his thanks to Angela O'Donoghue, Miles Adcock, Ron Woodley and Claire Lewis for their valuable contributions during their time on the Board.

Item 3: Assurance Framework Updates and New Directors (18'37")

- 3.1. Adam Bryan presented to the Board.
- 3.2. The Board agreed the changes to the Assurance Framework.
- 3.3. The Board resolved to enter into the Power of Attorney for a period of 12 months.
- 3.4. The Board approved the filing of the Confirmation Statement to the Registrar of Companies.
- 3.5. The Board noted the appointment/reappointment of:
- i) Claire Lewis and Miles Adcock as Directors representing Success Essex for a period of 12 months from 1st March 2022, and David Raynor as a representative on an interim basis from 1st April 2022;
 - ii) Ana Christie, Clive Soper and Graham Peters as Directors representing Team East Sussex for a period of 12 months from 1st March 2022;
 - iii) Perry Glading and Aideen Sadler as Directors representing Opportunity South Essex for a period of 12 months from 1st March 2022; and
 - iv) Liz Gibney, Carol Ford, Matthew Arnold, Jo James and Vince Lucas as Directors representing the Kent and Medway Economic Partnership for a period of 12 months from 1st March 2022.
- 3.6. The Board noted the upcoming resignation of Claire Lewis (date to be confirmed) and Miles Adcock (effective 31st March).
- 3.7. The Board noted the latest log of decisions made under the SELEP Ltd Power of Attorney.

Item 4: Levelling Up and SELEP (28'00")

- 4.1. Chris Brodie provided an update to the Board regarding the Levelling Up White Paper and the detailed letter that is expected imminently.
- 4.2. Adam Bryan provided an update to the Board regarding the Adjournment Debate regarding the future of LEPs.
- 4.3. The Board noted the impact of Government's Levelling Up White Paper on SELEP and the ongoing work to ensure that it remains fit for purpose in filling the policy space that has been created for it.
- 4.4. The Board noted the current funding situation affecting the LEP and the operations of the Growth Hub across its three delivery arms.
- 4.5. The Board agreed to not make any new Sector Support Fund awards, noting the challenges associated with completing projects before March 2023 and the opportunity to use that remaining funding to undertake work of strategic added value and central to the LEP's delivery plan for 2022/23 such as activities to support the housing and development agenda, including the function of the SELEP Housing and Development Group, and work to continue activities in view of Government and business such as the Skills Advisory Panel and the Major Projects Group's activities around skills.
- 4.6. The Board agreed to adopt the first quarter activities of the Delivery Plan. A revised version of the document will be brought to the Board when more is known around the future role of LEPs.

Item 5: Capital Programme Update (52'00")

- 5.1. Helen Dyer presented to the Board.
- 5.2. The Board agreed LGF spend beyond 30 September 2021 for the Bexhill Creative Workspace project – completed January 2022.
- 5.3. The Board agreed GBF spend beyond 31 March 2022 for the following seven projects, noting that the Accountability Board had agreed extensions of up to 6 months for all the projects other than Techfort which was granted an extension of up to 9 months:
 - i) Tendring Bikes and Cycle Infrastructure – expected completion September 2022
 - ii) Laindon Place – expected completion of GBF elements September 2022
 - iii) Discovery Park Incubator – expected completion August 2022
 - iv) Romney Marsh Employment Hub – expected completion May 2022
 - v) ASELA LFFN – expected completion April 2022
 - vi) Seven Sisters Country Park Visitor Infrastructure Uplift – expected completion September 2022
 - vii) Techfort – expected completion by December 2022
- 5.4. It was noted that a review of the deliverability of all projects which had received approval for GBF spend beyond March 2022 would be conducted in advance of the next Accountability Board meeting. The outcome of this review will be reflected in the Capital Programme Update report provided at the next Board meeting, allowing an interim review of the projects to be undertaken by the Board.

Item 6: Sector Support Fund Update (1h5'33")

- 6.1. Helen Dyer presented to the Board
- 6.2. The Board endorsed the change request to extend the delivery timetable end date for the SELEP Creative Open Workspace Master Plan and Prospectus project from March 2022 to September 2022.

Item 7: Growth Hub Update (1h08'00")

- 7.1. Jo Simmons presented to the Board.
- 7.2. The Board noted that action is now underway in SELEP and Area Growth Hub Lead Authorities to mitigate the delay in confirmation from Government of Growth Hub core funding for 2022/23 and to help manage the risk of a break in Growth Hub service from 1st April 2022.
- 7.3. The Board agreed to the repurposing of up to £232,797 of ERDF Legacy Funding, previously awarded to Kent County Council for the delivery of a Recover, Pivot and Scale-up business support programme, to cover all or part of core Growth Hub service costs in 2022/23, should the need arise.

Item 8: COVID-19 Recovery Funds Update (1h24'30")

- 8.1. Jo Simmons presented to the Board.
- 8.2. The Board noted the updated to the delivery of the COVID-19 Recovery Funds, including modifications to the KPI targets.

Item 9: AOB & Close (1h35'56")

- 9.1. Chris Brodie closed the meeting.

Item 3: Plans for 2022/23 and beyond

Executive Summary

1. Overview

- 1.1. Board members will recall the positive appraisal of the role of LEPs which was reported in the Levelling Up White Paper (LUWP) and discussed at the March 2022 Strategic Board meeting alongside the agreement of the Delivery Plan activities for the first quarter of the financial year.
- 1.2. Informed by the receipt of the follow up letter to LEPs received from Government on the 31 March, this paper seeks to agree the LEP's activities for the remainder of 2022/23, as well as set the foundations for next year's body of work – notwithstanding the uncertainties caused by the reducing levels of funding available to this and other LEPs.
- 1.3. As well as agreeing the Delivery Plan, this paper will report on the CEO's recent round of meetings with all Board Directors and will start to consider what wider governance changes might need to be considered at future meetings on the basis of the changing role of SELEP.

2. Decisions: Board is recommended to:

- 2.1. **Agree** to adopt the 2022/23 Delivery Plan as detailed at Appendix A.
- 2.2. **Note** the emerging plans for SELEP's work beyond 2022/23 and the discussions required to secure the medium-term future of the partnership.
- 2.3. **Note** the headline messages accompanying SELEP's refreshed body of work and that they will be used in electronic messaging from the date of the board meeting.

3. Rationale for Decisions

- 3.1. The LUWP and the subsequent letter from Government has set the immediate direction of travel for SELEP and all other LEPs in the country which creates a time limited space for LEPs to operate and thrive in prior to them transitioning to work within new democratic structures which are introduced in response to the LUWP. Whilst we do not perceive that there are imminent moves around devolution in our area, we must now work closely with partners to ensure that our activities are commensurate with our funding envelope, the political direction of travel, the areas of work picked up by other local partners, and the expertise and capabilities that are still retained by SELEP.
- 3.2. The letter from Government which was received on 31 March stipulated that LEP Delivery Plans for 2022/23 should be published by 30 June 2022. This Strategic Board provides us with a timely opportunity to agree the Delivery Plan in accordance with Government's expectations.

4. Background

- 4.1. The LUWP was published on 2 February and confirmed that LEPs would continue to play a key role in supporting the levelling up agenda across England. While much more work is needed to flesh out the details of what the LEP role will look like, it is clear that the Government values many of the functions that were highlighted through the LEP Review, from strategic planning and convening partners through to business support and skills initiatives.

- 4.2. The follow-up letter which was received on 31 March cemented the role of LEPs up until the transition to local democratic institutions over the coming years. The letter also outlined the role for LEPs in that interim period and confirmed a notional core funding settlement of £375,000 for 2022/23, reduced from the £500,000 which has been available to LEPs over previous years. An element of this funding is required to be match-funded by local contributions. The Government have yet to advise on the process for applying for this funding.
- 4.3. These contributions were agreed at the May 2022 Accountability Board as follows: East Sussex CC £18,000; Essex CC £49,335; Kent CC £49,845; Medway £8,965, Southend £5,775 and Thurrock £5,581. In addition, as in previous years, the remaining £50,000 of the match contributions is expected to be included to reflect part of the 'in kind' support by the private sector members of the Strategic Board in their wider involvement in SELEP working groups and associated activities.

Levelling Up White Paper and the follow up letter

- 4.4. To recap, the LUWP referenced LEPs on page 146 of the document as follows:

For the last decade, LEPs have acted as important organisational means of bringing together businesses and local leaders to drive economic growth across England. They have also been responsible for the delivery of a number of major funding streams. It is important to retain the key strengths of these local, business-oriented institutions in supporting private sector partnerships and economic clusters, while at the same time better integrating their services and business voice into the UK Government's new devolution plans.

To that end, the UK Government is encouraging the integration of LEPs and their business boards into MCAs, the GLA and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy. Where devolution deals cover part of a LEP, this will be looked at on a case by case basis. Further detail on this transition will be provided in writing to LEPs as soon as possible.

- 4.5. That detail was provided in writing on 31 March in a letter which was shared that same evening with all Board Directors, with my narrative as below:

[Starts]

We have this evening received the (very) long-awaited letter from Government which seeks to chart the future for LEPs, providing guidance on how LEP functions will be transitioned into local democratic institutions across the country by 2030, as per the commentary on devolution deals in February's Levelling Up White Paper. I attach the letter, which also had a wide circulation across local government, for your information.

*Caveated by the requirement for a business case, the letter provides core funding for 2022/23 of **£375k**, which represents a 25% reduction on all previous years. There is the requirement for 50% of this funding to be matched. I will be working closely with colleagues in the Accountable Body to ensure that we position ourselves as strongly as possible – particularly given that many of our*



responsibilities for monitoring the capital programme will run well beyond 31 March 2023.

Government is clear that LEPs will be maintained until devolution deals are agreed, which of course provides a much needed boost to my team and in many ways, whilst not perfect, the letter closes the book on what's been a challenging year professionally. I am grateful for their continued fantastic work and I know that you all share this view.

There is a section of the letter on the role of LEPs which gives us something to get our teeth into. It reads as follows:

“The future role of individual LEPs will differ depending on local circumstances and the status of devolution locally. Broadly, we expect the future role of LEPs – or the local democratic institution after LEP functions have been integrated – will be to:

- Embed a strong, independent and diverse local business voice into local democratic institutions.*
- Carry out strategic economic planning in partnership with local leaders that clearly articulates their area's economic priorities and sectoral strengths. This should involve building and maintaining a robust local evidence base that identifies local strengths and challenges, future opportunities and the actions needed to support priority sectors, aligned to the relevant levelling up missions. The nature of this role will depend on individual LEPs' integration pathway. Across all pathways, LEPs, or local democratic institutions where LEP functions and roles have been integrated, should continue to use their convening power to bring together business, education and other local economic stakeholders.*
- Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice where relevant. Future programme and funding decisions will be taken by each respective department according to their own decision-making and business planning processes, priorities and timescales. However, at the present juncture we would expect departments to continue to engage with LEPs, or begin to engage with the respective local democratic institution once LEP functions have been integrated, on the delivery of:*

- I. Growth Hubs, on behalf of the Department for Business, Energy and Industrial Strategy;*
- II. International trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects, on behalf of the Department for International Trade;*
- III. Local Digital Skills Partnerships, on behalf of the Department for Digital, Culture, Media and Sport;*
- IV. Careers Hubs, on behalf of the Department for Education;*
- V. Local skills analysis via Skills Advisory Panels, on behalf of the Department for Education; and*



VI. Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.

Where appropriate, LEP business boards can help broker and support new or deeper devolution deals, where requested by local partners. New or deeper devolution deals will not need to be signed off by LEPs.”

Now’s the time to continue our good work, build on our Delivery Plan and to commence individual conversations with each of you on the way forward. This will set us on the best possible course for continuing to support the economic growth of our area and, indeed, support all your efforts as individual institutions until such time as we undertake that transition to something new.

[ends]

Board Member meetings

- 4.6. Since the March Board meeting, the SELEP CEO has spoken on an individual basis to almost all Board Directors to discuss the LUWP and hear all your thoughts on where the LEP has succeeded or otherwise, and where we should place our future focus.
- 4.7. These meetings have been varied in terms of the topics covered, but every single one has been valuable and I am grateful for Board Directors for giving me your time and offering me your unvarnished views. Your support to me and the team remains steadfast and that is very much appreciated. For those handful of board members who I have not seen yet, I look forward to those meetings.
- 4.8. The table below offers some consistently expressed views and a commentary as to how these views will be taken on board as we move the LEP forward. Further views expressed by Board Directors will be discussed as this item is presented at the meeting.
- 4.9. Please note that this table is inclusive of meetings on or before 6th June.



Board Director view	SELEP CEO commentary
Our sector-based work (particularly coastal, rural, tourism) has had a real impact	We recognise the impact of our work across these agendas and they will therefore be the focus of our efforts across the 'Strategy Network' and the planned work on 'coastal inward investment'
My county will want its own arrangements in time, reflecting its own economy	It should be our intention to go with the grain of policy and work to support the transition to whatever structures are newly established
I am supportive of a 2–3-year interim plan to enable the LEP to deliver and the staff to feel secure	I am committed to ensuring that some stability can be found to support the LEP and the team until March 2024
The Sector Support Fund and CV19 funds have been a marvellous example of the LEP's work	We will look to measure the actual impact of these schemes in terms of outputs and advise the board accordingly on future opportunities
SELEP's work around skills is beyond what other organisations could do	We have retained skills expertise in the team for the short term and will review this shortly
The business voice must be retained, whatever the structures in place	In managing the transition which the LUWP talks about, we should be absolutely clear that businesses should have a central role in new arrangements, as they have with LEPs
The business influence at SELEP has weakened since Covid, it is very politically led, and we do not know each other like we used to. Business expertise is under-utilised	This is very valuable feedback. We have an opportunity to re-engineer our working practices post-Covid and I would welcome board members' views here
In bringing people together the LEP has been vital. Don't want to lose that cohesion	That 'business voice' and 'convening power of LEPs' is roundly acknowledged by Government as being an important part of our offer and one which must translate into new arrangements in time
Best value has not been achieved more recently as the conversations have been too internally focused and reactive	We will look to ensure that future board meetings are focused on what we are achieving for the economy and keep 'LEP Review' style discussions to a minimum wherever possible
The LEP needs to be better at communicating all that it can do	We have an opportunity to launch some strong and front-footed comms on the back of agreeing our new Delivery Plan

Delivery Plan 22/23

- 4.10. The completed Delivery Plan for this financial year is attached below at Appendix A for your approval. Board Directors will be familiar with the format as it is consistent with the Delivery Plans submitted over the last three years and is built upon the foundation of the first quarter activities which were agreed back in March.
- 4.11. This Delivery Plan manifests the evolution of SELEP, emphasising the importance of strategic economic planning and regional-level intelligence. It speaks to the importance of our convening role, on delivering against our own strategic intentions and also our bread and butter of ensuring delivery against the capital programme and utilising our strong governance arrangements.
- 4.12. As Board Directors should expect, the Delivery Plan is appended with details on the delivery of the capital programme, the revenue programme and the operational budget. The Risk Register is updated to take account of the changes to our operating environment since Spring 2021/22. The Quarterly Economic Recovery and Renewal Dashboard, attached as Appendix B, also provides an overview of activities in support of the Strategy and the aligned KPIs.

Matrix

- 4.13. Prior to a meeting of the Chair, Deputy Chair and Federated Area Chairs in May, the below matrix was prepared as a summary of our work programme which is rehearsed in more detail in the Delivery Plan. Whilst some elements of this are more aspirational than others, it does at least provide Board Directors with an at-a-glance summary of SELEP's outward-facing body of work for this year. Please note that it does not cover all SELEP activities, rather focuses on those which have an external economic impact.
- 4.14. This matrix will form the basis of discussion at the board meeting.

Strategic Planning & Intelligence	Communicating, Collaborating and Convening the business voice	Delivery
<ul style="list-style-type: none"> ▪ Setting and monitoring the extant SELEP <u>Economic Strategy</u> ▪ Provision of a <u>robust economic evidence base</u> and local analysis available for interrogation and manipulation ▪ Lead the activities of the <u>Catalyst South</u> group of LEPs, using intelligence to plan future joint activities. ▪ Deep <u>economic analysis</u> on an ad hoc basis to support sector-based interventions and/or strategy development or local planning ▪ Support the <u>strategic housing agenda</u>, ensuring delivery aligned with capital programme and wider initiatives such as Garden Communities. ▪ Provision of local <u>skills and labour market analysis</u> to support strategic activity around skills, such as our Skills Advisory Panel and the LSIPs in the local area. ▪ Maintain strong relationships with the <u>regional network of BROs</u> (Chambers, FSB, CBI, IoD, etc.) to ensure that issues relating to supporting growth are supported. Strengthen joint work with sub-regional collaborations such as ASELA. ▪ <i>Develop plans for devolution transition support work to Local Authorities in the 2023/24 FY.</i> ▪ Establish as the Intelligence Hub for the South East 	<ul style="list-style-type: none"> ▪ Convening the <u>South East Major Projects Group</u> and developing its activities around skills/supply chain mapping according to the direction set by its constituent major businesses ▪ Expanding, maintaining and communicating the SELEP <u>Strategic Network</u> as our means of supporting active local groups geared towards growth of regional impact. This to incorporate existing SELEP Working Groups, as well as expanding and improving our engagement with businesses and external sector groups. ▪ Coordinate and market the activities of the <u>Skills Advisory Panel</u> using it as a springboard for other activities around skills which add value to local work. ▪ Coordinate ad hoc meetings of <u>MPs</u> and other senior politicians to take forward interventions in support of local businesses in accordance with the LU agenda. ▪ Work closely with National Highways to ensure that the <u>Lower Thames Crossing's</u> development is aligned with business. ▪ <i>Convene <u>Inward Investment agencies</u> and launch support/investment across our coastal communities</i> ▪ <i>Reframing our <u>website</u></i> ▪ <i>Work across the area to develop our USP on the <u>Net Zero agenda</u> and identify interventions of impact.</i> ▪ <i>Work with U9 group on <u>regional innovation</u>, focus on improving access to UKRI/IUK funding for businesses</i> ▪ Become a forum for inward investment 	<ul style="list-style-type: none"> ▪ Deliver the remainder of the <u>capital grant programme</u> (LGF, GBF) ensuring that all milestones are met and that reporting and monitoring is completed accordingly. ▪ Delivery and continued iteration of the <u>Growth Hub</u> across the area to ensure that all metrics around business support are met and that it evolves according to the strategic direction set by Government. ▪ Develop and deliver the <u>Skills Action Plan</u> emanating from the Major Projects Group. ▪ Deliver a strong <u>analysis of all SELEP's investments</u>, celebrating success, highlighting case studies and recording delivery to inform future approaches. This to include LGF, GBF, GPF, SSF and the CV19 funds. ▪ Support the delivery of a discreet set of activities into which SELEP is one of many contributors, including: <ul style="list-style-type: none"> ✓ Freeport East (joint board member) and Thames Freeport ✓ Town Boards ✓ Greater South East Net Zero Hub ✓ Spend of remaining ERDF/ESF ✓ Sub-national transport bodies (TfSE, Transport East) ▪ <i>Consider a future round of <u>Growing Places Fund</u></i> ▪ <i>Use residual and returned funding to <u>stimulate regional activities</u> which aggregate from common themes of UKSPF activities</i> ▪ Be the go-to organisation for external funding streams
<p>Normal text: Existing activities</p>	<p><i>Italicised text:</i> Possible activities</p>	<p>Emboldened text: Stated ambition</p>

Governance changes and Board Effectiveness

- 4.15. Conversations are beginning between the SELEP secretariat and the Cities and Local Growth Unit around their ongoing expectations of LEPs and the team and governance structure that we have in place to deliver against our agenda. We will advise the Board of any required changes to our governance arrangements as those conversations continue over the course of the calendar year.
- 4.16. We are mindful of the requirements of the Board indicated by the first LEP Review and the subsequent Assurance Frameworks, in that a 50:50 gender split should be in place by January 2023. As we will no doubt evolve to support the transition towards LUWP implementation, we should approach previously communicated governance change with due care and attention, and in consultation with Government officials, given the resource requirement and opportunity cost associated with meeting this particular target.
- 4.17. The Board Effectiveness Survey, carried out last summer, offered a useful insight into opinions on the current operation of the LEP and should be borne in mind as we work with partners on building for 2023/24. To recap, the headline messages to take away were as follows:
- i. The Board has the required competencies to fulfil its duties*
 - ii. Happy with frequency of meetings*
 - iii. The Chair and Deputy Chair are well engaged*
 - iv. There is room for improvement with stakeholder engagement (Board member engagement rather than secretariat)*
 - v. Board is diverse enough for meaningful discussion but there is room for improvement*
 - vi. Chair is effective*
 - vii. Secretariat is effective*
 - viii. Room for improvement with best use of sub-committee/working groups*
 - ix. Room for improvement with decision making dynamic*
 - x. Would like more training (diversity mentioned mostly)*
 - xi. Generally, would like a mixture of in person/virtual meetings or give the option for each meeting*
- 4.18. We have taken early steps to address some of the feedback, including the development of the 'Strategy Network' approach, discussed today, which will provide best use of our existing working groups and prioritise our support for those activities which require our engagement and support. **We will also support a mix of in-person and virtual meetings and will host the December 9th Strategic Board in person, as well as the next SELEP AGM**, when plans are finalised. Timings and venues will be communicated in due course.
- 4.19. In respect of further changes and improvements, the letter of 31 March stipulated that LEP Delivery Plans for 2023/24 should be agreed with DLUHC by November 2022. We anticipate that this process will be material in ensuring that we move to the most appropriate model of operation for 2023/24 and will be instructive in establishing how fit for purpose our current arrangements will continue to be. The lessons from the Board Effectiveness Survey will be applied as we move forward.

2023/24 plans

- 4.20. Given the timescales involved in instigating organisational change linked to the LUWP and given the expectation that LEPs will be submitting 2023/24 Delivery Plans to Government during this calendar year, we should have our 2023/24 activities in mind already.
- 4.21. A significant proportion of the activities outlined for 2022/23 will be ongoing into the following financial year. Certainly, the management of and reporting on the capital programme will remain an item for SELEP funding to resource until Government is satisfied that it no longer requires monitoring returns from LEPs and the obligations of the Accountable Body are satisfied in terms of delivery, reporting and evaluation. Added to this, the clear expectation that Government has around LEPs supporting that transition to new democratic organisations (whether Mayoral Combined Authorities or otherwise) will mean that this will be a strong feature of next year's activities.
- 4.22. There remains a concern around funding these activities where it is unlikely that direct core funding from Government, should it appear, will get close to being enough. We will need to explore all avenues to supporting LEP activities into 2023/24 and will need to move quickly to preserve at least the current levels of staffing to undertake this and avoid losing more staff through a new wave of funding uncertainty or an enforced redundancy consultation exercise.
- 4.23. Recognising that all board members, through the individual meeting series, have expressed a desire to see the staffing resource secure in roles until at least the end of 2023/24, the SELEP CEO will work with colleagues in the Accountable Body to militate against any further degradation of the staffing resource that SELEP has at its disposal and establish what options are available, within the envelope of the operational reserve.
- 4.24. At the same time, we will work with local areas at the highest possible official and political levels to ensure that the activities and resources of SELEP are fully intertwined with nascent local planning in response to the LUWP to ensure that no knowledge and expertise is lost as new arrangements are entered into, however long that process takes.

Headline messages

- 4.25. Encapsulating all the above is important in terms of both summarising our direction of travel, but also arriving at the messaging which have been acknowledged by Board Directors as being so important in communicating what SELEP is able to do.
- 4.26. We therefore propose that the following messaging is used as we push ahead with our activities over the course of this financial year:
 - 4.26.1. SELEP is delighted to be given an opportunity to continue to support strategic economic growth and is actively developing and delivering its programme of work whilst supporting local partners in their response to the Levelling Up White Paper
 - 4.26.2. SELEP has a critical and unique role in promoting economic intelligence, capping off a mammoth capital programme and convening and providing the voice of business at a time when investing in our economic potential is as important as ever in respect of levelling up the whole of the UK
 - 4.26.3. SELEP is emerging as the intelligence hub for the South East, and will continue to undertake activities around important agendas such as skills and housing, so critical to and characteristic of the area. This will be underpinned by a robust economic evidence base which remains available to all partners for the development of



strategy across the area.

4.26.4. The SELEP area will emerge as a beacon of investment and economic activity. SELEP will support this through its Major Projects Group of transformative investments and the focus there on supply chain and skills development and supporting the delivery of their ambitions around carbon reduction and net zero. This will be supplemented by our *Strategy Network* which will continue to galvanise sector and thematic based activities of regional significance.

4.26.5. SELEP will continue to work closely with local partners in the delivery of its capital programme, ensuring that all outcomes are achieved and that the network is used to align any residual funding in aggregate with other available funding (e.g. UKSPF) to stimulate regional activities of tangible impact.

5. Next Steps

- 5.1. If it is agreed today, the Delivery Plan 2022/23 will be published online ahead of the 30 June 2022 deadline.
- 5.2. The SELEP secretariat will continue to operate to deliver against the Delivery Plan and will pick up on activities which are newly agreed today. Where temporary recruitment is necessary, appropriate measures will be taken by the CEO to strengthen the team and ensure that we are able to successfully deliver against our new programme of work.
- 5.3. A refreshed approach to communications, reflecting the opportunities now available to SELEP, will be taken and the headline messages above will be deployed across various digital communications channels to tell local stakeholders and local businesses about what the LEP has to offer.
- 5.4. The secretariat will continue to push for confirmation of the process relating to core funding for 2022/23 and will apply for this accordingly.
- 5.5. Work will begin early with CLGU on ensuring that the 2023/24 Delivery Plan is set, replete with all new KPIs, in time for agreement by the Strategic Board in October and subsequent Government approval ahead of publication in November. This will crystallise SELEP's future role, including the role we play in informing and supporting devolution, and should help identify the amount of central funding available to support our activities next year.
- 5.6. On that same theme, the SELEP CEO will work with the Accountable Body to determine what steps need to be taken to balance the revenue budget for the 2023/24 Financial Year. Together with a final version of the Delivery Plan, subject to progress with Government officials, this will be reported to the Strategic Board at the 7 October meeting for approval.

6. Comments from the Accountable Body

- 6.1. It is a requirement of the National Local Growth Assurance Framework (NAF) that LEPs publish a delivery plan as part of the assurance monitoring process. The delivery plan is expected to set out a well-developed understanding of the local economic evidence base to identify opportunities and obstacles to inclusive growth, prosperity and improved productivity. This will be considered as part of HMG's annual assurance process of LEPs, alongside the annual report, which is a retrospective review of the year.
- 6.2. The NAF confirms that a delivery plan is required to be published at the beginning of each financial year. The Board agreed to adopt the first quarter activities of the Delivery Plan

presented at the March 2022 meeting.

- 6.3. The costs associated with implementing the Delivery Plan for each respective year must be met within the SELEP annual operational budget approved by the Accountability Board.
- 6.4. The approved revenue budget for 2022/23 was based on the assumption that no new funding would be received and that the operational reserves would be the primary source of funding.
- 6.5. Assuming that the £375,000 of core funding can be secured from Government, plus match funding contributions from the respective local authorities of £137,500 in 2022/23 (and £50,000 in kind match), this gives an opportunity to improve the budgeted position for 2022/23 and to rely less on reserves to fund the budget in this year; this will ensure some funding will be retained in the operational reserve to support delivery in 2023/24. In determining the most appropriate application of this funding, consideration must be given to not increasing the financial commitment of the LEP beyond the known available resources. The Accountable Body will continue to work with the SELEP CEO to review the 2022/23 budget for consideration by the Accountability Board in July and to determine a balanced revenue budget for 2023/24 working within the forecast operational reserve envelope.
- 6.6. The receipt of £375,000 core funding for 2022/23 from government is not confirmed at this time. It is assumed the process is as in prior years, whereby the funding is applied for, before a letter of confirmation is returned, and the funding is received. There remains a match funding requirement to secure the core funding; this is set out in section 4.3 of this report.

7. Appendices, Supporting Documents and Previous Decisions

- 7.1. The Delivery Plan is attached at Appendix A.
- 7.2. The Quarterly Economic Recovery and Renewal Dashboard is attached at Appendix B
- 7.3. For further information please contact Adam Bryan – adam.bryan@southeastlep.com

Item 4: Chairs Recruitment

Executive Summary

1. Overview

- 1.1. The purpose of this report is to recommend beginning the process to replace the current Chair ahead of the end of the agreed 12-month extension to 28th February 2023.
- 1.2. The Deputy Chair will also need to be reappointed as the role was subject to the same 12-month extension. This decision will follow the appointment of the Chair.

2. Decisions: Board is recommended to:

- 2.1. **Agree** to begin the recruitment process for the Chair and form a selection panel with delegated responsibilities as detailed in Section 4.
- 2.2. **Agree** that no allowances will be paid for the role of Chair and Deputy Chair once the current terms of office have expired. This would apply to any extension of term that might be offered to the Deputy Chair.

3. Rationale for Decisions

- 3.1. It was agreed in December 2021 that the existing Chair and Deputy Chair would be reappointed for a further 12-month term up to 28th February 2023 due to the uncertainties regarding the future of LEPs.
- 3.2. The Articles of Association require a Chair and a Deputy Chair to be appointed at all times (articles 12.1 and 12.2), therefore a new Chair and Deputy Chair need to be reappointed for March 2023. This decision focuses on the appointment of the Chair and a separate decision will be taken in respect of appointment of the Deputy Chair.

Further Information

4. Decision 1: Agree to begin the recruitment process and form a selection panel

- 4.1. The open and transparent process for recruiting the Chair is set out within the SELEP Recruitment Policy (Appendix A).
- 4.2. Budget constraints will need to be considered throughout the process and during the appointment of the recruitment agency. The previous level and scope of recruitment undertaken when appointing the current Chair will not be achievable under the current financial circumstances.
- 4.3. It is proposed that the Board delegate the responsibilities of agreeing the job profile/specification and shortlisting criteria to the Selection Panel to allow for a timely process.
- 4.4. The Selection Panel must have a business member majority. It is proposed that the Selection Panel consists of (at a maximum):
 - 4.4.1. One representative from each of the Federated Boards (one to act as Chair of the

Panel)

4.4.2. Three public sector representatives

4.4.3. One Higher/Further Education representative

4.5. Directors that intend to apply for either the role of Chair or Deputy Chair are not eligible to sit on the Selection Panel. Members of the Selection Panel will not be eligible to apply for either role.

4.6. **Board members that are interested in being a member of the Selection Panel should email hello@southeastlep.com to express their interest by the end of June 2022.**

4.7. The Strategic Board will be asked to agree the Selection Panel by Electronic Procedure following this meeting. If there are more applications than spaces, Board members will be asked to vote on the membership of the Panel.

4.8. The Terms of Reference for the Panel would be as follows:

4.8.1. **Purpose:** to oversee the recruitment process and make a recommendation of preferred candidates for the role of SELEP Chair to the SELEP Strategic Board.

4.8.2. **Membership:** as above at 4.4. Members of the Selection Panel can nominate a deputy for any meeting of the Panel, but they must be members of the SELEP Strategic Board. Only Panel members can vote on final selection of the preferred candidate (majority vote required on preferred candidate).

4.8.3. **Meetings:** the Panel will meet to agree the job profiles, specifications and shortlisting criteria for the role. The Panel will then meet to shortlist candidates and to assess the shortlisted candidates following interviews. These meetings will be private and will be held virtually.

4.8.4. **Responsibilities:** agree the job profile, specification and shortlisting criteria for the role and agree the approach to advertising and campaigns; shortlist from a long-list of candidates presented by the Secretariat; agree approach to selection; attend and conduct interviews of shortlisted candidates and propose preferred candidate to the next available meeting of the Strategic Board. The Panel should be mindful of diversity related to the recruitment of Directors.

4.9. Interviews will be held with the shortlisted candidates to select an appropriate candidate. The interviews will include at least three members of the Selection Panel with a private sector majority.

4.10. An appropriate officer from the Accountable Body will attend to oversee the interview process and the Secretariat will also provide support to the Panel.

4.11. Following a suitable candidate being identified by the Selection Panel, approval will be sought from the Strategic Board for the individual to be appointed for up to a two-year term.

5. Decision 2: Agree that no allowances will be paid for the role of Chair and Deputy Chair

5.1. Given the difficult financial situation facing the LEP it is proposed that the allowances for the Chair and Deputy Chair roles (currently £20,000 per annum and £10,000 per annum respectively) are removed from the end of the current terms. These allowances also attract oncosts, which, when taken into account, gave a total cost of £45,935 in 2021/22.



- 5.2. There are many examples across the country of LEP Chairs and Deputy Chairs not being paid an allowance and this has not restricted the quality of candidates. The Chair and Deputy Chair would still be able to claim expenses in line with the Subsistence and Hospitality Policy.

6. Next Steps

- 6.1. **Board members that are interested in being a member of the Selection Panel should email hello@southeastlep.com to express their interest by the end of June 2022.**
- 6.2. The Selection Panel will be appointed by the Board via Electronic Procedure by 7th July 2022.
- 6.3. The Selection Panel will convene its first meeting during July 2022. The Panel will then meet at regular intervals to agree the job description/specification and shortlisting criteria.
- 6.4. An update will be brought to the October Board meeting by the Selection Panel, including an update regarding the recruitment agency who will be appointed to assist with the process.
- 6.5. Interviews for the Chair's role will be held during December 2022—January 2023.
- 6.6. The Strategic Board will be asked to agree the new Chair during February 2023.
- 6.7. The process for the (re)appointment of the Deputy Chair will immediately follow the appointment of the Chair, with compliant interim arrangements made, if required, for the chairing of the subsequent Accountability Boards once the process has commenced. The March 2023 Strategic Board meeting will be appraised accordingly.

7. Comments from the Accountable Body

- 7.1. Under SELEP Ltd's Articles of Association, the company must have a Chair and Deputy Chair at all times. Recruitment of these roles must take place in accordance with the process as set out in the Assurance Framework. Strategic Board is required to agree the role profile, specification and shortlisting criteria prior to the vacancy being advertised. Under Article 8 of the Articles of Association, Strategic Board may delegate any of the powers conferred on them to any such person/committee to such an extent in relation to such matters on such terms as they think fit. Therefore, as set out in this report, Strategic Board is permitted to delegate to the Selection Panel the power to agree the role profile, specification and shortlisting criteria.
- 7.2. The 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.
Costs for the recruitment of the Chair and Deputy Chair will be funded from the Secretariat existing budget.
- 7.3. Any allowances payable in respect of the Chair and the Deputy Chair are required to be managed in accordance with the advice and processes of Essex County Council's payroll service and may incur associated fees and on-costs, such as employers National Insurance contributions. The full cost of the allowances and on-costs are required to be met by the SELEP budget. The budget position for SELEP in future years remains uncertain as there continues to be no confirmation from Government of funding beyond that which is expected to be made available in 2022/23.

8. Appendices, Supporting Documents and Previous Decisions

- 8.1. Appendix A- Recruitment Policy

For more information contact amy.ferraro@southeastlep.com

Item 5: Capital Programme Update

Executive Summary

1. Overview

- 1.1. This report provides the Strategic Board (the Board) with details of the recommended approach to developing a new Getting Building Fund (GBF) project pipeline, which will be used to inform the timely reallocation of any GBF funding returned to Essex County Council (as the Accountable Body for SELEP).
- 1.2. This report also provides the Board with details of projects where Getting Building Fund (GBF) spend is expected to extend beyond 31 March 2022, alongside an update on the overall position of the LGF and GBF programmes and the status of all high risk projects within both programmes.
- 1.3. The Board is asked to approve the spend of any GBF beyond 31 March 2022. One GBF project which is seeking retention of funding beyond 31 March 2022 is brought forward for Board consideration at this meeting, meaning that the total number of projects due to spend GBF funding beyond 31 March 2022 will be 14.

2. Decisions: Board is recommended to:

- 2.1. **Agree** the approach set out within this report and the associated appendices for the development of a new GBF prioritised project pipeline.
- 2.2. **Agree** GBF spend beyond 31 March 2022 for the following project:
 - 2.2.1. Swan Modular Housing Factory, Basildon - expected completion March 2024

3. Rationale for Decisions

- 3.1. In May 2022, the Accountability Board were informed that the Riding Sunbeams Solar Railways GBF project was no longer able to deliver in accordance with the Business Case due to insurmountable technical issues. As a result, the Accountability Board agreed that the project should be removed from the GBF programme with the full £2.528m GBF allocation due to be returned to the Accountable Body for reallocation to alternative projects.
- 3.2. Following the award of GBF funding to five new projects in February 2022, there is only one project remaining on the existing GBF prioritised project pipeline which is seeking maximum GBF investment of £1.709m (the ongoing need for this funding is still to be confirmed). There is therefore a need for a new GBF prioritised project pipeline to be established to facilitate the timely reallocation of the remaining balance of the funding due to be returned to the Accountable Body.
- 3.3. In April 2022, an indicative outcome of SELEP's 2021/22 Annual Performance Review (APR) with Government was received and a concern regarding the amount of GBF funding which remained unspent at the start of Q4 2021/22 was raised. In light of this concern and the need to demonstrate timely completion of the GBF programme, it is recommended that the available GBF funding is reallocated to existing GBF projects which have experienced a cost increase due to the impacts of the COVID-19 pandemic and Brexit or due to the current high inflation levels.
- 3.4. This approach is recommended as there is a risk that, if further financial support is not provided to



those projects which have experienced cost increases, the projects will not be able to deliver in accordance with their agreed Business Cases. It may be necessary for some projects to reduce the outputs delivered, thereby also reducing the scale of benefits that will be realised. In addition, there is a risk that delivery of the projects will be further delayed if there is a need to seek alternative funding sources to bridge the funding gap, which may impact on the ability of the projects to complete their GBF spend in a timely manner.

- 3.5. As the GBF programme officially ended on 31 March 2022, it is considered that the introduction of new projects to the GBF programme at this stage would be too time consuming and would not align with the Accountability Board's position which requires full GBF spend by 31 March 2023 at the latest. The proposed approach will allow faster reallocation of the available funding and will enable completion of a less resource intensive process for all parties involved, including SELEP, the Accountable Body, Federated Boards, local partner authorities and delivery organisations whilst still complying with the requirements of the SELEP Assurance Framework.
- 3.6. 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.
- 3.7. 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.
- 3.8. The one GBF project outlined in this report was considered by Accountability Board in May 2022 and it was agreed that GBF funding could be retained against the project beyond March 2022, subject to Board endorsement.
- 3.9. If Board endorsement is not provided, the project will be removed from the GBF programme and the funding will be reallocated to alternative projects through the new GBF prioritised project pipeline, as the project is no longer able to deliver by 31 March 2022 as originally expected.

Further Information

4. Decision 1: Agree the approach set out for the development of a new GBF prioritised project pipeline

- 4.1. In March 2021, the Board agreed a prioritised project pipeline to facilitate the reallocation of any GBF funding returned to the Accountable Body following the cancellation of an existing project. This pipeline consisted of six projects, which had been included in the long list of projects previously considered by Government but, which were initially unsuccessful in securing the requested funding.
- 4.2. As a result of the removal of the Fast Track Business Solutions for the Hastings Manufacturing Sector project from the GBF programme in November 2021, the £3.5m of GBF funding released was reallocated to support delivery of all projects remaining on the pipeline. All projects received the full GBF allocation requested, other than the Braintree Active Travel project (previously referred to as the Station Approach Braintree Station Access project) which only received

£291,000 of the £2m sought. The remaining £1.709m requested to support the Braintree Active Travel project is the only item remaining on the existing GBF project pipeline, although the ongoing need for this investment has not yet been confirmed. It is anticipated that confirmation as to whether this funding is required will be provided in advance of the Board meeting.

- 4.3. As set out above, the Riding Sunbeams Solar Railways project was removed from the GBF programme in May 2022 due to insurmountable technical issues which meant that the project could not be delivered at this time. Following the cancellation of the project £2.528m GBF will be returned to the Accountable Body by East Sussex County Council for reallocation to alternative projects.
- 4.4. Regardless of whether there is an ongoing need for further GBF investment in the Braintree Active Travel project, there is a need for a new GBF prioritised project pipeline to be established as the amount of funding being returned to the Accountable Body exceeds that remaining on the pipeline. If it is confirmed that no further funding is required to support the Braintree Active Travel project, the new pipeline will be used to facilitate the reallocation of the full £2.528m GBF available. If, however, further funding is required to support the Braintree Active Travel project, the pipeline will be used to facilitate the reallocation of the remaining £818,500 available GBF.
- 4.5. Given that the GBF programme officially ended on 31 March 2022, and in light of feedback from Government following SELEP's recent Annual Performance Review, advice was sought from Government officials as to how they felt that the reallocation of the GBF funding should be managed. The preferred approach identified by Government was to invest the available funding in existing GBF projects. The second approach suggested the introduction of new projects to the GBF programme. These projects would need to be taken from the original long list of projects considered by Government, would need to align with the strategic objectives and outcomes expected from the GBF and be deliverable within the 2022/23 financial year.
- 4.6. The final approach suggested by Government included the addition of completely new projects to the GBF programme. These projects would require Ministerial approval, would need to align with the strategic objectives and outcomes expected from the GBF and be deliverable within the 2022/23 financial year.
- 4.7. It is apparent from the advice provided by Government that there is an expectation that any remaining GBF funding should be fully spent during the 2022/23 financial year. This expectation is in line with the position taken by the Accountability Board at their meeting in May 2022.
- 4.8. Whilst consideration has been given to a number of approaches to the development of a new project pipeline, as outlined in Appendix B, the majority of the options available would not allow for full GBF spend prior to 31 March 2023 and have therefore been discounted. This includes the addition of new projects to the GBF programme as the timeline for preparation of the required Business Cases and completion of the ITE review process, following the agreement of the new prioritised project pipeline, would be too time consuming and it is unlikely that the GBF funding would be awarded until February 2023 at the earliest. This would make project delivery within the 2022/23 financial year very challenging.
- 4.9. In addition it is considered that, given the relatively small amount of GBF funding available for reallocation, the approach adopted should be proportionate and the introduction of new projects would require commitment of significant resource by local partners, delivery organisations, Federated Boards and the SELEP Secretariat. The recommended approach is lighter touch and is less resource intensive for all parties.

Recommended approach to the development of a new pipeline

- 4.10. There have been widespread reports of increased materials and labour costs across the GBF programme as a result of either COVID-19 or Brexit impacts on the supply chain. These cost increases present a risk to the ability of the projects to deliver in accordance with the agreed Business Cases and may result in a funding gap or a reduction in the outputs of each project. This, in turn, is likely to lead to a reduction in the benefits realised through project delivery.
- 4.11. In order to mitigate this risk, it is proposed that the available GBF funding is awarded to those existing GBF projects which have been adversely impacted by the COVID-19 pandemic or Brexit or which have experienced cost increases due to the current high inflation levels.
- 4.12. All projects seeking additional GBF funding will need to present a legitimate case for why additional funding is required to support delivery of the project, including a clear explanation as to how the COVID-19 pandemic, Brexit or high inflation levels have impacted on the project. The implications for the project, and its' ability to deliver in accordance with the agreed Business Case, if additional funding is not awarded will also need to be made clear.
- 4.13. In light of Government and Accountability Board expectations that the remaining GBF funding should be spent in full by 31 March 2023, projects seeking additional GBF funding must be in a position to deliver quickly and should not be subject to any significant delivery risks. Assurances will be sought regarding the ability of each project to complete GBF spend by 31 March 2023, and these assurances will need to be accompanied by a robust delivery programme.
- 4.14. In line with the SELEP Assurance Framework, there is an ongoing requirement for all GBF projects to offer High value for money. Due to the time constraints attached to the award and spend of the remaining GBF funding, it is recommended that only those projects which evidenced a Benefit Cost Ratio (BCR) comfortably above 2:1, as required to demonstrate High value for money, or which applied one of the exemptions set out within the Assurance Framework at the time of funding award can apply for additional GBF funding. Any value for money concerns would require completion of an updated value for money assessment, which would need to be reviewed by the ITE prior to the award of any additional funding and this would significantly extend the timeline required to reallocate the available GBF.
- 4.15. Projects seeking additional GBF funding will need to clearly demonstrate the additionality which will be realised as a result of the award of extra funding. It is acknowledged that there is unlikely to be additionality which extends beyond that set out within the original project Business Case, however, it is possible that the award of extra funding will allow previously removed elements of the project to be reinstated or will allow additional works to be completed which are now required to ensure delivery of the forecast benefits.
- 4.16. If it is confirmed that the Braintree Active Travel project does not require any further GBF funding, it is recommended that an upper limit is placed on the amount of GBF funding that can be sought by any given project so as to ensure that as many projects as possible benefit from the receipt of additional GBF funding. In this scenario, it is recommended that the maximum amount of GBF funding that can be sought by any individual project is £400,000.
- 4.17. Conversely if it is confirmed that the Braintree Active Travel project does require the remaining GBF funding shown on the existing prioritised project pipeline, it is recommended that no upper limit is placed on the amount of GBF funding that can be sought by any given project. In this scenario, the total available for reallocation is likely to be £0.8185m and therefore if a limit is applied, the ability of the funding to effectively support delivery of impacted projects will be

diluted.

- 4.18. Projects which have been removed from the GBF programme due to deliverability issues cannot be considered for the award of additional GBF funding. Only those projects remaining within the GBF programme will be eligible to apply for additional funding and this funding must be used to support delivery of the programme as set out in the original project Business Case.
- 4.19. If the Board agree the process set out within this report, the application form (as shown at Appendix A) and a process note will be circulated to local partners and Federated Boards by the end of June 2022. Projects seeking additional GBF funding will be asked to complete the application form and return it to both SELEP and the relevant Federated Board officer lead by 29 July 2022.
- 4.20. Federated Boards will then be asked to consider all applications for additional funding received from projects in their area, and to determine the order in which they would recommend that funding allocations are made. It is acknowledged that there are likely to be no Federated Board meetings in August, and therefore the deadline for supplying the prioritised lists to SELEP will be 23 September 2022.
- 4.21. The Board will be asked to combine the Federated Board prioritised lists into a single prioritised project pipeline at their October meeting. It is anticipated that the Accountability Board will be able to formally award the additional funding to those prioritised projects at their November meeting.

5. Decision 2: Agree GBF spend beyond 31 March 2022 for the Swan Modular Housing Factory, Basildon project

- 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 2021 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 13 projects beyond 31 March 2022. It has previously been agreed that the Riding Sunbeams Solar Railways project could retain its' GBF funding beyond March 2022, however, as the project has now been removed from the GBF programme, it has not been included within the 13 projects referenced. There is one further project 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 Swan Modular Housing Factory, Basildon project.

Table 1: Summary of project seeking approval for GBF spend beyond 31 March 2022

Summary of project 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
Swan Modular Housing Factory	4.530	1.044	1.421	2.065	Mar-24	Mar-24

- 5.4. Delivery of the Swan Modular Housing Factory, Basildon project has been impacted by a number of factors, including significantly longer lead-in times for some items than originally anticipated, the need to identify alternative suppliers in order to mitigate cost increases and in some cases the need to develop alternative solutions so as to mitigate the issues caused by



cost increases and extended lead in times. As a result, approval for retention of the GBF funding against the project beyond March 2022 for a maximum period of 6 months is sought.

- 5.5. Delivery of the project is ongoing, with the majority of equipment orders having now been placed. It is noted that the delivery and commissioning of the contracted services and purchased equipment presents the greatest risk to project delivery. However, at present, there is no indication that any of these are subject to an abnormal level of risk and the extended lead in times have been factored into the programme for project delivery.
- 5.6. The other identified significant risk to project delivery is the recruitment of the required workforce. It is noted by the scheme promoter that, in recent months, recruitment has become significantly more challenging as employment levels increase locally. To mitigate this the budget for recruitment has been increased and expectations regarding the duration of the recruitment process have been revised and factored into the updated project programme.
- 5.7. It is now expected that manufacturing will commence in the factory in July or August 2022.

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 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 that 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 £13.614m. A further £50.716m of the GBF funding has been reported as spent during 2021/22, leaving an unspent balance of £20.785m as at 31 March 2022 (figure adjusted to account for removal of the Riding Sunbeams Solar Railways project from the GBF programme).
- 6.4. In accordance with Government requirements, and in line with the decisions taken by the Accountability board in February 2022, the remainder of the GBF allocation was transferred to local partners prior to 31 March 2022. However, it should be noted that following the removal of the Riding Sunbeams Solar Railways project, £2.528m of the GBF funding will be returned to the Accountable Body prior to the end of June 2022.
- 6.5. To date 25 of the 40 projects which remain in the GBF programme have fully spent their GBF funding allocation. The remaining projects have either received approval for or have submitted

requests for retention of their GBF funding allocation beyond March 2022.

- 6.6. 9 projects within the GBF programme have been reported as complete. A number of projects which have spent their full GBF allocation are ongoing due to spend of match funding contributions.
- 6.7. Delivery of the ongoing GBF projects and spend of the funding transferred to local partners will continue to be monitored until all projects have reached completion.

Management of the GBF programme

- 6.8. The objective of the GBF funding stream was to support projects which would play an important and immediate role in the positive reset of the national economy post-COVID-19. Government were clear that the funding was designed to support projects which were shovel-ready and which could be delivered by 31 March 2022.
- 6.9. As the GBF programme has now officially ended, and in light of the feedback from Government following SELEP's Annual Performance Review, a complete review of all ongoing GBF projects was conducted in advance of the May Accountability Board meeting. This review was designed to confirm that the ongoing projects remain deliverable and to feed into the establishment of a mechanism for ensuring timely completion of the GBF programme. Full details of the review can be found within the May Accountability Board agenda pack.
- 6.10. Following consideration of the outcome of the review of GBF projects, the Accountability Board agreed that all projects forecasting GBF spend beyond March 2022 must meet the following requirements:
 - 6.10.1. All GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023.
 - 6.10.2. All planning requirements must be met by 15 July 2022.
 - 6.10.3. All other (non-planning) required consents and approvals must be received by 15 July 2022.
 - 6.10.4. Contractual commitments must be in place with the construction contractor by 30 September 2022.
 - 6.10.5. Any changes to total project cost (prior to construction contract award) and forecast benefits must be reported to the SELEP Secretariat to enable ongoing monitoring of the value for money offered by the project.
 - 6.10.6. Ongoing reporting to the SELEP Secretariat on progress towards project delivery including provision of updated delivery milestones and notification of any changes to the funding sources identified to support project delivery must be provided.
- 6.11. Whilst these requirements have been agreed as a mechanism for ensuring timely completion of the GBF programme, there remains an expectation that projects should complete their GBF spend by the date agreed by the Accountability Board under the terms of the extension granted to each individual project. Any further requests for an extension on GBF spend beyond that already agreed will need to be brought back to the Accountability Board for consideration and should only be agreed in exceptional circumstances.
- 6.12. The Accountability Board will continue to receive regular updates on delivery of the remaining GBF projects and progress towards complying with the above requirements.

High risk projects – LGF and GBF

6.13. There are 9 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.

6.14. Projects with a risk score of 5 are listed in Table 2 below and an individual update is set out in Appendix C.

Table 2: High Risk LGF projects

Project Name	Scheme Promoter	Total LGF allocation (£m)	LGF spend to end 2020/21 (£m)	Reported LGF spend to end 2021/22 (£m)	LGF spend forecast - 2022/23 and beyond (£m)	Main project delivery constraint
Queensway Gateway Road	East Sussex	10.000	10.000	-	-	Land acquisition required for several parcels of land to enable completion of the project
A127 Fairglen Junction Improvements, Essex	Essex	15.000	1.500	-	13.500	Awaiting DfT approval of the Business Case
A28 Chart Road, Kent	Kent	2.760	2.760	-	-	Awaiting release of S106 funding to enable the delivery of the project
Maidstone Integrated Transport Package	Kent	8.900	4.592	0.939	3.369	Complex programme of interventions
A28 Sturry Link Road	Kent	5.900	1.109	0.400	4.391	Required land acquisition is ongoing
A289 Four Elms roundabout to Medway Tunnel	Medway	1.820	1.820	-	-	HIF funding is being used to deliver project and the HIF works are currently still at consultation stage
London Gateway/Stanford-le-Hope, Thurrock	Thurrock	7.500	7.500	-	-	Planning permission is outstanding for Phase 2. Increased costs and uncertainty regarding benefit realisation
A13 Widening, Thurrock	Thurrock	76.500	76.500	-	-	Project programme and costs have differed significantly from position set out in Business Case
Grays South	Thurrock	10.840	4.490	-	6.350	Project costs have increased significantly, land acquisition is ongoing and the project is subject to GRIP process.

6.15. The Accountability Board continue to receive regular updates on all projects identified above.

6.16. There are 7 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.

6.17. Projects with a risk score of 5 are listed in Table 3 below and an individual update is set out in Appendix D.

Table 3: High Risk GBF projects

Project Name	Scheme Promoter	Total GBF allocation (£m)	GBF spend to end 2020/21 (£m)	GBF spend reported - 2021/22 (£m)	GBF spend forecast - 2022/23 (£m)	Main project delivery constraint
UTC Maritime and Sustainable Technology Hub	East Sussex	1.300	-	-	1.300	Work ongoing to resolve the complications encountered with securing the lease for the building
Riding Sunbeams Solar Railways	East Sussex	2.528	-	0.05	-0.05	Project removed from GBF programme due to insurmountable technical issues. Full GBF funding award to be returned to Accountable Body for reallocation to alternative projects
Food Street	East Sussex	0.100	-	-	0.100	Project delivered but work ongoing to determine whether the GBF funding can be applied to these works
Jaywick Market and Commercial Space	Essex	1.972	-	0.244	1.728	Project costs have risen significantly, which led to a funding gap and a value for money concern
Swan Modular Housing Factory	Essex	4.530	1.044	1.421	2.065	Project is unable to spend full GBF allocation by 31 March 2022
Laindon Place	Essex	0.790	-	-	0.790	Planning consent for the highway works was outstanding
Techfort	Kent	1.009	-	-	1.009	Scheduled Monument Consent and Planning Consent were outstanding

- 6.18. The challenges faced by the Swan Modular Housing Factory project are already outlined within this report, as is the position with the Riding Sunbeams Solar Railways project.
- 6.19. 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 progress has been made. It is now expected that the land ownership matters will be fully resolved in June 2022.
- 6.20. It has been advised that additional costs have been incurred in order to complete the required acquisition to allow delivery of the project. These costs are believed to be in excess of £0.5m and therefore, in accordance with the SELEP Assurance Framework, must be reported to the Accountability Board for approval. This will need to be accompanied by confirmation that the project continues to offer High value for money when the extra cost is taken into account. It is expected that the required approval will be sought at the Accountability Board meeting in July. In the meantime, due to ongoing uncertainty as to whether the project continues to offer High value for money, the Accountability Board have agreed that GBF spend on the project should be placed on hold. This position will be reviewed at the next Accountability Board meeting.
- 6.21. At the last meeting, the Board were advised that the Jaywick Market and Commercial Space project had reported a significant cost increase following procurement of a contractor to deliver the planned works and that work was ongoing to bridge the funding gap and to demonstrate that the project continued to offer High value for money. The Accountability Board received confirmation at their meeting in May 2022 that a full funding package is now in place and that, following ITE consideration of an updated value for money assessment, the project continues to

offer High value for money. Construction commenced onsite in late May 2022 and it is therefore expected that the level of risk attached to the project will be reduced in future updates.

- 6.22. With regard to the Laindon Place project, the Board were advised at the last meeting that there was an outstanding Section 73 Minor Material Amendment application which covered changes to the highway design. Determination of this application had been delayed on a number of occasions and was impacting on the ability of the project to deliver. When considering whether to release the GBF funding awarded to the project to Essex County Council (as Upper Tier Local Authority responsible for project delivery) at the end of 2021/22, the Accountability Board set a deadline of 31 March 2022 for determination of the planning application.
- 6.23. The planning application was ultimately determined on 6 April 2022, which was after the deadline set by the Accountability Board. As a result, the project continued to be flagged as High risk until the Accountability Board could consider whether the GBF funding should remain allocated to the project. The project was considered at the May Accountability Board meeting, and it was agreed that, given that planning consent has now been granted, that the project should progress to delivery and that the GBF funding award should remain allocated to the project. It is therefore expected that the level of risk attached to the project will be reduced in future updates.
- 6.24. In February 2022, £1.009m GBF was awarded to support the delivery of the Techfort, Dover project. The project was considered to be High risk due to outstanding planning and Scheduled Monument Consents which needed to be secured before delivery of the project could commence. When the Accountability Board reports were prepared, it was confirmed that Scheduled Monument Consent had been secured but that planning consent remained outstanding. As a result, the project continued to be flagged as High risk. Subsequent to the publication of the Accountability Board agenda pack, it was confirmed that planning permission had been granted on 19 May 2022. The project can now proceed to delivery, and whilst progress will continue to be monitored closely, it is expected that the risk rating will be reduced in future updates.
- 6.25. The Accountability Board will continue to receive regular updates on all GBF projects identified as High Risk.

LGF and GBF project pipelines

- 6.26. The Board agreed a pipeline of LGF projects on 11 December 2020. This pipeline consists of existing LGF projects which have reported a funding gap, either due to cost increases or loss of local funding sources due to the impacts of the COVID-19 pandemic. Funding has been awarded to the first 12 projects on the pipeline and the remaining projects continue to be presented to the Accountability Board for consideration should any further funding be returned to SELEP for reallocation.
- 6.27. In February 2021, the Accountability Board approved the award of an additional £0.207m LGF to the A127 Essential Maintenance project through the LGF project pipeline. To date, this funding has not been spent. Southend-on-Sea City Council have now confirmed that delivery of the A127 Essential Maintenance project is complete. In light of this, the Accountability Board took the decision to reallocate the £0.207m LGF from the A127 Essential Maintenance project to the Southend Airport Business Park project, which is next on the pipeline, and to remove the remaining A127 Essential Maintenance project additional LGF ask from the pipeline.
- 6.28. The Board agreed a pipeline of GBF projects in March 2021. As indicated above, following the award of funding to the 5 new GBF projects in February 2022, a very limited GBF prioritised

project pipeline remains in place. Whilst consideration will be given to the ongoing need for GBF funding to support delivery of the remaining pipeline project, a new GBF prioritised project pipeline needs to be established to support the full reallocation of the funding released following the removal of the Riding Sunbeams Solar Railways project from the GBF programme. The Board are asked to consider the proposed approach to developing this pipeline as set out in this report. It is currently expected that the Board will be asked to agree the prioritisation of the new pipeline in October 2022.

Growing Places Fund

Leigh Port Quay Wall (Cockle Wharf)

- 6.29. Round 3 of the Growing Places Fund was launched in October 2019 and culminated with the Board agreeing the prioritised project pipeline in June 2020. Since the agreement of the prioritised project pipeline, regular funding decisions have been taken by the Accountability Board, in line with the level of funding available for reinvestment. As of February 2022, Leigh Port Quay Wall (Cockle Wharf) was the only project remaining on the GPF project pipeline.
- 6.30. Southend-on-Sea City Council have now confirmed that Levelling Up Fund funding has been secured to deliver the Leigh Port Quay Wall project and that a Memorandum of Understanding with Government in relation to the Levelling Up Fund funding has been signed. As a result, GPF funding is no longer required to support project delivery and the Accountability Board agreed the removal of the project from the pipeline in May 2022.
- 6.31. Following this decision there are currently no projects remaining on the GPF project pipeline. At this time, due to the ongoing work to agree the future role of SELEP there are no immediate plans for a new round of GPF funding to be launched. It is intended that once there is a clearer picture of the role that SELEP will play that both the Board and the Accountability Board will be asked to consider the future management of SELEP funding, including the ongoing function of the GPF.

Herne Relief Road – Bullockstone Road Improvement Scheme

- 6.32. In March 2021, the Board agreed the award of £3.5m GPF to support the delivery of the Herne Relief Road – Bullockstone Road Improvement Scheme. At the time of the funding decision, it was reported that the GPF loan would be repaid using S106 contributions due to be received by Kent County Council in future years in relation to two upcoming developments.
- 6.33. Whilst the developer contribution in relation to the Lower Herne Village development was committed, it was noted that there remained some uncertainty regarding the developer contribution in relation to the Hillborough development due to the decision by the local planning authority to refuse the planning application for the development.
- 6.34. An appeal had been submitted by the developer but had not been determined at the time of the funding decision. As a result of the outstanding appeal, the value of the S106 contributions and the timetable for this funding being released could not be confirmed which presented a significant GPF repayment risk against the project.
- 6.35. To mitigate this repayment risk, the Board agreed that the funding should be released in two tranches. The first tranche, £2.1m, was available to Kent County Council following the decision by the Board in March 2021. It was agreed that the second tranche, £1.4m, would only be released upon receipt of evidence of planning approval for the Hillborough development following the appeal hearing.
- 6.36. It has now been confirmed that, following the planning appeal hearing, the Secretary of State

took the decision to allow the appeal and to grant planning permission for the development. In addition, the agreement in relation to the S106 contributions has been completed and requires payment of the developer contributions towards the Herne Relief Road – Bullockstone Road Improvement Scheme at the commencement of development at the site which will help to ensure timely repayment of the GPF loan.

- 6.37. In light of this update, the Accountability Board agreed in May 2022 that the remaining GPF funding could be released to Kent County Council following completion of a variation to the existing GPF loan agreement.

Eastbourne Fisherman’s Quayside and Infrastructure Development project

- 6.38. The Eastbourne Fisherman’s Quayside and Infrastructure Development project was awarded £1.15m GPF in December 2017. The funding was awarded to support the build of a Fisherman’s Quay in Sovereign Harbour, to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne’s inshore fishing fleet.
- 6.39. A repayment of £250,000 was due to be made against the project prior to the end of 2021/22. However, in March 2022, SELEP were advised that it would only be possible for a repayment of £100,000 to be made against the project prior to the end of the financial year. This repayment was received in March 2022, leaving a balance of £825,000 owing on the loan.
- 6.40. The GPF loan agreement in place between Essex County Council (as the Accountable Body for SELEP) and East Sussex County Council states that interest is chargeable on the loan at a rate of 2% below the Public Works Loan Board (PWLB) fixed standard new loan interest rate. At the time of preparing the loan agreement, the PWLB interest rate was 1.99% and therefore no interest was chargeable on the loan. However, the loan agreement indicates that the 2% discount on the PWLB interest rate ceases to apply when the Borrower (East Sussex County Council) does not make a repayment on the date specified in the repayment schedule. As a reduced repayment was made in March 2022, interest is now chargeable on the balance of the loan until the repayments are brought back into alignment with the agreed repayment schedule.
- 6.41. East Sussex County Council have advised that further time is required for the Eastbourne Fisherman’s Under 10m Community Interest Company (CIC) (delivery partner and recipient of the GPF funding) to carry out an options appraisal and to reconsider their financial model before a proposed revised repayment schedule can be provided for Accountability Board consideration. East Sussex County Council will be working closely with the Eastbourne Fisherman’s Under 10m CIC over the coming months to input into this process and to seek the necessary assurances regarding the underlying assumptions behind any proposed revised repayment schedule. A revised repayment schedule will be brought forward for Accountability Board consideration in September 2022. Interest will be chargeable on the loan until either the Accountability Board agree the proposed revised repayment schedule or an additional repayment is made to bring the project back into alignment with the agreed repayment schedule.
- 6.42. A number of changes to the repayment schedule for the project have previously been agreed and, as a result, the Board will also be asked to consider the proposed revised repayment schedule in October 2022.
- 6.43. The Accountability Board will receive a further update on the project and progress towards establishing a proposed revised repayment schedule at their July meeting.

7. Next Steps

- 7.1. If the Board agree the proposed approach to developing a new GBF prioritised project pipeline, the application form (at Appendix A) will be shared with local partners and Federated Board leads by the end of June 2022. Federated Boards will be asked to review all applications for additional funding submitted by projects in their area, and to determine the order in which they would recommend that funding allocations are made. Federated Board prioritised lists should be submitted to SELEP by 23 September 2022 at the latest, allowing the Board to agree a SELEP wide GBF prioritised project pipeline in October 2022.
- 7.2. 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.
- 7.3. 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).
- 7.4. Following a full review of the deliverability of all projects which have received approval for retention of GBF funding beyond March 2022, progress against the requirements agreed by the Accountability Board (as set out in Section 6.10 of this report) will be closely monitored to ensure timely completion of the GBF programme.
- 7.5. At each Accountability Board meeting, an update is provided on the high-risk projects listed in Appendices C and D, with the Board often receiving individual update reports to note progress or to agree next steps.

8. Comments from the Accountable Body

- 8.1. Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. LGF, GBF and GPF are all capital grants awarded by Government and are subject to the following condition:

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.

In accordance with expectations from Government when the funding was awarded, LGF and GBF are operated as grant schemes, whereas GPF is operated as a recyclable loan scheme.

LGF

- 8.2. 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 of 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.
- 8.3. 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.

- 8.4. As all remaining LGF has been transferred in advance to the Local Authorities to support Project delivery, there is a requirement to continue to effectively monitor the progress of the LGF projects in order to provide assurance of delivery in line with the agreed business cases.
- 8.5. Updates to the Board should include ongoing monitoring of possible risks which may impact delivery of LGF projects along with proposed mitigations is essential, due to the current uncertain economic climate and increasing inflation, together with ongoing impacts experienced following Covid-19 pandemic and Brexit.
- 8.6. A number of LGF projects remain as high risk in respect to the delivery of the Project, which whilst is not a risk with respect to the grant conditions, remains a reputational risk for SELEP due to the delay in realisation of the anticipated economic benefits associated with the respective business cases.

GBF

- 8.7. Should the Board choose not to endorse the spend of GBF beyond 31 March 2022 for the recommended Project, a decision will need to be made by Accountability Board on the future position of the project, 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.
- 8.8. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all GBF funding was defrayed by 31 March 2022. Therefore, there is reputational risk to SELEP where defrayal of funding and delivery cannot be demonstrated – Government have indicated a concern in this respect as part of the Annual Performance Review of LEPS.
- 8.9. As with LGF, and in accordance with the decisions of the Board, all the remaining GBF funding has been transferred in advance to the Local Authorities to support Project delivery, which highlights the requirement to continue to effectively monitor the progress of the GBF projects in order to provide assurance of delivery in line with the agreed business cases. Where the project has been cancelled, the funding is required to be returned to the Accountable Body in line with the agreed SLA in place with East Sussex County Council.
- 8.10. Essex County Council will support SELEP to ensure that any returned funding is reallocated in accordance with the decisions of the Board and the requirements of the SELEP Assurance Framework.

GPF

- 8.11. A total of £13.039m GPF was held by the Accountable Body at the end of 2021/22. Of this balance, £8.89m is uncommitted increasing to £14.51m uncommitted balance for 2022/23, should all loan repayments be received in line with current Board decisions and credit agreements in place. There is a risk this balance will drop pending a request to come forward to the Accountability Board for a change to repayment relating to Eastbourne Fisherman's Quayside and Infrastructure Development project, which could drop the available uncommitted balance of GPF to £13.685m for 2022/23.
- 8.12. The existing GPF project pipeline has now been expended, with no further projects due to come

forward for consideration of GPF award at this time and no plans for a new round of GPF funding to be launched. Due to ongoing uncertainty from Government regarding the future role of LEP's, it is advised that options for the use of the available balance of GPF will be brought forward for consideration in 2022/23 and decisions made on the future management of GPF as a recyclable capital loan scheme.

- 8.13. The default in the loan repayment in respect of the Eastbourne Fisherman's Quayside and Infrastructure Development project means that, in accordance with the credit agreement in place, interest will be applicable on the loan until either the default element is repaid or a new repayment schedule is agreed by the Accountability Board; should this be in September 2022, the applicable interest due is £7,826
- 8.14. East Sussex County Council have advised that any interest payable will be passed through to the Eastbourne Fisherman's Under 10m CIC under the terms of the loan agreement between both parties.
- 8.15. The current economic climate means that there is a continued risk that scheduled repayments by existing projects will not be made as planned due to difficulties experienced as a result of Brexit, COVID-19, and economic uncertainty due to the high levels of inflation. All GPF credit agreements include a notice period of 3/4 months of loan repayments not being made as agreed; it is a requirement of the credit agreements that the respective Local Authority that is the recipient of the loan, monitors the repayment position and advises SELEP and the Accountable Body of any potential risks in this respect to enable mitigations to be agreed and implemented.

9. Appendices, Supporting Documents and Previous Decisions

- 9.1. Appendix A: Application form for additional GBF funding
- 9.2. Appendix B: Options for GBF pipeline creation
- 9.3. Appendix C: Summary of high risk LGF projects
- 9.4. Appendix D: GBF Projects spending beyond 31 March 2022 and a summary of high risk GBF projects
- 9.5. Background documents
 - 9.5.1. [Accountability Board Agenda Pack 27 May 2022](#)
 - 9.5.2. [Addendum to Agenda Item 5 Getting Building Fund Update - Accountability Board 27 May 2022](#)
- 9.6. For further details contact: SELEP Capital Programme Manager, Helen Dyer (helen.dyer@southeastlep.com)

Item 6: Housing Update

Executive Summary

1. Overview

- 1.1. From the inception of the South East Local Enterprise Partnership (SELEP), there has been the stated ambition to accelerate housing delivery. This was outlined in the 2014 publication 'Building the Future', which set out the broader Growth Deal ambitions of SELEP.
- 1.2. SELEP has continued to work to accelerate housing delivery through infrastructure investments, and collaboration with sector representatives, primarily through our Housing and Development Working Group.
- 1.3. A briefing update on SELEP's strategic housing work overall will be the principal presentation of this Board meeting agenda item.

2. Summary of update:

- 2.1. The SELEP Housing and Development Working Group brings together all housing sector stakeholders such as local councils, central government representatives and major developers on a quarterly basis to promote housing growth by assembling evidence, identifying obstacles and finding solutions.
- 2.2. The working group supports the SELEP Economic Recovery and Renewal Strategy, responding to the challenges and maximizing opportunities post-pandemic. This is central to the ambitions under the Building Communities for the Future strategic priority. Namely, the priority to lead the UK in reimagining, designing, and creating communities that are fit for the accelerated changes in which people live and work.
- 2.3. Following the Government's publication of the Levelling Up White Paper, the group has also committed to providing support and advocacy to communities with ambitious growth plans, including the delivery of the Levelling Up missions and the completion of Garden Communities.
- 2.4. As part of the broader evidence sharing remit of the group, there have been regularly monthly sessions with the Developer Group Chairs, including the Chair of the SELEP Housing and Development Group, and representatives from the Department for Levelling Up, Housing and Communities (DLUHC), including the Minister of State for Housing. These regular sessions, which began during the start of the COVID-19 pandemic, are an opportunity to share information on the state of the sector, help remove barriers to housing delivery and promote the accelerated delivery of new homes.

3. Rationale for update

- 3.1. The SELEP Recovery & Renewal Strategy underlines the importance of housing growth to the broader economy of the South East. This is particularly true for the Building Communities for the Future strategic priority, where there is an emphasis on the accelerated delivery of new communities and an acknowledgement of the special position that SELEP has in this respect – with 25% of planned garden communities within SELEP's boundaries.
- 3.2. There has been significant work to promote growth in the sector, primarily through engagement

with SELEP Housing and Development Working Group members, and this has led to progress in delivery outputs. Most notably the target for new homes set out in the SELEP Strategic Economic Plan, for 100,000 new homes by March 2021, which was met and exceeded by 10,100 new homes, as detailed in Appendix 1. Supporting the delivery of this target, to date SELEP capital programmes have supported the delivery of 28,603 new homes.¹ Outlining these successes and future plans to the Board will ensure they have a deeper understanding of the work of SELEP relating to housing and development.

4. Next Steps

- 4.1. The Board will be updated regularly on the activity of the SELEP Housing & Development Working Group, and broader engagement with the sector, through the quarterly strategy progress dashboard updates.

5. Comments from the Accountable Body

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

6. Appendices, Supporting Documents and Previous Decisions

- 6.1. Appendix A - Additional Homes Data
- 6.2. Appendix B - Presentation

For further information contact Alexander Riley, Sector Engagement Lead
(alexander.riley@southeastlep.com)

¹ SELEP Delivery Plan 2022-23

Item 7: Growth Hub Update

Executive Summary

1. Overview

- 1.1. The purpose of this report is to provide an update to Strategic Board (the Board) on the provision of the SELEP Growth Hub service in 2022/23.
- 1.2. A report was provided at the March 2022 Board meeting on measures being taken to mitigate the delay in confirmation of Growth Hub core funding for 2022/23, and to help manage the risk of a break in Growth Hub service from 1st April 2022.
- 1.3. On 30th March 2022, SELEP received confirmation from the Department for Business, Energy and Industrial Strategy (BEIS) that Growth Hub core funding would be forthcoming for 2022/23, with a 50% reduction on the core budget for last year. This has resulted in all LEP notional allocations for Growth Hubs being halved and for SELEP, this equates to £445,000 for 2022/23.
- 1.4. Since the letter of comfort, SELEP has worked at pace with Growth Hub Lead Authorities to define and agree realistic and pragmatic modifications to the Growth Hub delivery model, in order to continue providing a core service across the area within a substantially reduced funding envelope.

2. Decisions: Board is recommended to:

- 2.1. **Note** the late notification of Growth Hub core funding allocations and associated terms and conditions, and the 50% reduction in the 2022/23 core budget from 2021/22 funding levels.
- 2.2. **Agree** to the draft Schedules 1 and 3, presented in Appendices A and B respectively, which will constitute the Growth Hub delivery model for 2022/23 and which draw on the principles developed and agreed with Growth Hub Lead Authority area leads as summarised in paragraph 5.6.
- 2.3. **Agree** to delegate to the SELEP CEO any subsequent minor changes to the schedules 1 and 3 to reflect any feedback from BEIS or the S151 Officer of the Accountable Body.

3. Rationale for decisions

- 3.1. Lack of clarity around Growth Hub core funding for this financial year has resulted in significant uncertainty for the service. Since 30th March, detailed consideration has been given to the operational model of the SELEP Growth Hub, to identify the most plausible way of delivering a consistent core service with reduced funding.
- 3.2. Practical changes to the delivery model have been identified at pace, which will enable the funding to be accessed and a core service to continue. To secure the core funding grant, BEIS required SELEP to submit Schedules describing activities to be undertaken this year and associated costs, by 13th June. These Schedules are presented in Appendices A and B and have been submitted to BEIS for comment and with the caveat that they are draft and subject to agreement by the SELEP Strategic Board and the Accountable Body.
- 3.3. SELEP now seeks Board's agreement to these Schedules, which remain subject to amendments required by BEIS and/ or the Accountable Body. The final Schedules will form the Grant Offer Letter between SELEP and BEIS, and the Service Level Agreements between SELEP and the Growth



Hub Lead Authorities.

On receipt of the Grant Offer Letter, SELEP and Growth Hub Lead Authorities will implement the changes from Quarter 2 this year. Principle modifications revolve around in-year improvements to the Growth Hub's digital offer and website functionality to improve light touch support, and a reduction in the number of navigators and advisors, who will focus on medium and high intensity support. Communications, marketing, and website content generation will be streamlined and delivered once for all area hubs.

Further Information

4. Update 1: Growth Hub core funding

- 4.1. SELEP receives funding annually from the Department for Business, Energy and Industrial Strategy (BEIS) to deliver the Growth Hub service. Confidence that funding will be forthcoming is typically expressed at the beginning of the calendar year, to enable continuity of service through timely business planning and local area underwriting of costs.
- 4.2. Notification of notional allocations for 2022/23 arrived on 30th March, announcing a 50% core budget reduction for Growth Hubs from 2021/22 levels. For SELEP, this equates to £445,000, down from £890,000 received last year. Terms and conditions of the funding, including the activities required from the funding, followed on 19th May. LEPs were then required to submit a service description for the year together with costings by 13th June to inform the Grant Offer Letter.
- 4.3. Business planning has been underway since 30th March to review resources and capacity, and reconsider redundancy notices as appropriate, to ensure a continuation of the service. There has however been unavoidable loss of skilled and experienced staff. Given the significantly reduced funding envelope, it is also necessary to modify the service delivery model so that it is affordable and flexible to further change in the future, whilst remaining compliant with the terms and conditions of funding.
- 4.4. This year there are twelve funding conditions, compared to five in previous years. These can be seen in Appendix B and show little change to the core service requirements from previous years, thus driving the need for the SELEP Growth Hub to be smarter and more streamlined by modifying some aspects of the delivery model, to maintain the required service provision.
- 4.5. BEIS state that for previous years a range of other activities beyond core functions have been expected, such as specialist programmes, and that this year LEPs are encouraged to provide what further services they can, based on local business and economic needs and on the LEP and Growth Hub's capability and capacity.
- 4.6. The significant funding reduction and tight timeline to secure a Grant Offer letter has required rapid consideration of down-scaling needed to ensure that there is no break in service, and that unnecessary liabilities are not incurred by SELEP or Growth Hub Lead Authorities. There has been limited time in which to do this, and the exercise replaces a previous proposal to Board around the development of recommendations to evolve the Growth Hub delivery model in line with previous levels of funding and national business support reform.
- 4.7. SELEP and Growth Hub Lead Authority area leads have reviewed work to date on evolving the Growth Hub delivery model, and drawn from it some principles that will enable the provision of a service that is affordable, sustainable and compliant with the funding conditions. This requires



modifications to the delivery model, together with revised costings and budget allocation, which have been worked up and agreed across the SELEP Growth Hub leads. Schedules 1 and 3 have subsequently been drafted and submitted to BEIS for consideration and, in parallel, SELEP is now seeking Board agreement to the proposals to progress to a formal Grant Offer from BEIS.

5. Update 2: Modifications to the SELEP Growth Hub delivery model 2022/23

- 5.1. The core service comprises access to advice and support via a free and impartial single point of contact, providing triage, diagnostics and signposting to make sure that all businesses can know what is available and can access the right support at the right time.
- 5.2. Funding to date has provided for an operating model largely reliant on human resource – business navigators and advisors – which utilise a large proportion of the budget. The option for a business to speak to a member of staff is undoubtedly welcome, and indeed necessary to undertake diagnostics (to explore a business’s needs in more detail). Simpler transactions however, such as provision of general information and guidance, early triage, and signposting can equally be done online. This requires a modern, comprehensive, and up-to-date digital offer, which facilitates self-service available 24/7, and potentially extends the reach and impact of the service.
- 5.3. Substantial cost savings can be achieved through a hybrid delivery model comprising an optimised website and a streamlined team of navigators and advisors. Further savings can be achieved through efficiencies of scale for communications, marketing and promotion of the Growth Hub and business support landscape, and in generating and curating website content on behalf of all area hubs.
- 5.4. Some of these savings have already materialised in certain areas, where steps were necessarily taken to minimise liabilities prior to receiving confirmation of funding. Additionally, insight and recommendations are available from the Growth Hub Website Optimisation project on how best to improve the Growth Hub’s digital offer. Tools such as LiveChat, gated website content, online learning and how-to guides, can all be employed to enable a business to self-serve, reducing the demand on navigator and advisor time that can then be deployed to better effect towards businesses needing medium and high intensity support.
- 5.5. Removal of some activities that improve but do not comprise the core service is also necessary. These include a financial contribution to a cluster-level fund for additional activities, event delivery and attendance, provision of data and intelligence resource, and external service evaluation.
- 5.6. The following principles have been developed and agreed with Growth Hub Lead Authority area leads, and agreements reached, to the way in which the Growth Hub core budget is allocated in Quarters 2 to 4, and which are dependent on receipt of a Grant Offer Letter for this financial year:

Equitable reduction in area hub budgets for navigators and advisors, resulting in a reduced number of staff
Reduction in budget allocation for Growth Hub management resource
One-off budget allocation for creating new and improved area-owned websites, which will be a bespoke project led by SELEP
Removal from the budget of area hub allocations for communications, marketing, events, travel, and sundries



Re-design of SELEP Growth Hub Lead post and provision of additional SELEP Growth Hub resource to undertake marketing and website content generation and curation
Removal of the SELEP Growth Hub Data and Intelligence post
Removal from the budget of a cluster-level funding allocation for additional activities
Removal from the budget of an externally procured end-of-year evaluation
Removal of the historic funding allocation formula from the process, which when applied to the reduced funding envelope, does not provide for core service across the whole geography
Design of a core service that can be fully funded from Growth Hub core funding and not reliant on substantive alternative funds
Postponement of a new and/or improved Growth Hub CRM

- 5.7. A full service description that demonstrates compliance with the funding conditions, and associated costings, are presented in Appendices A and B, in the form of the Schedules required by BEIS to constitute the Grant Offer Letter. These Schedules remain subject to agreement by BEIS and the Accountable Body.
- 5.8. 2022/23 will be a transition year for the SELEP Growth Hub service, with 9 months available to improve the digital offer, recruit lost and new resource (including that required for the activities to be done once on behalf of all three area hubs), and assimilate and bed down the changes.
- 5.9. A strategic shift is also required in the capture and use of data and intelligence generated by Growth Hub activities, to contribute to one of SELEP’s core objectives – to be the voice of business – as the Growth Hub acts as a channel for those businesses needing and receiving support. Also, to ensure that data and intelligence is driving and informing the local support landscape. This can be achieved in part by a renewed strategic focus for the SELEP Growth Hub Steering Group.
- 5.10. Consistency of a core offer across the whole area is essential and will be achieved through agreed KPIs, the development of objectives and shared processes and the provision of resource in the SELEP Secretariat for do-it-once tasks such as digital content generation and marketing. At the same time, the service can be tailored to local requirements through attention to detail of the digital offer and continued convening and collaboration between local stakeholders and service providers. This is particularly important given future dependence of publicly funded business support on UKSPF, which now sits with local districts and could also benefit from strategic insight.
- 5.11. The model also supports the option for area hubs to leverage in local funding to enhance the service, should the opportunity arise. It is important however that the core offer remains within the Growth Hub funding envelope and not rely on transient or geographically constrained alternatives, in the interests of fairness and sustainability, and to be transparent about the limitations that come with a significant reduction in funding.
- 5.12. These modifications necessarily pare back the core offer of the Growth Hub service, to work within the reduced funding envelope. The model can be scaled up, or streamlined further, and importantly will provide a digital legacy and assets for the future (subject to funding being available for website content maintenance and hosting costs) should there be further shift in funding decisions and the direction of travel for Growth Hubs in the future.

6. Next Steps

- 6.1. SELEP will work with the Accountable Body to submit final Schedules for 2022/23 by the end of



June, in response to feedback from BEIS and subject to agreement by Board, to secure a Grant Offer Letter for the core funding.

- 6.2. SELEP and Lead Authorities will progress with procurement, recruitment, and outstanding redundancies in line with the activities and budget set out in Appendices A and B.
- 6.3. An update on Growth Hub service delivery, alongside progress on specific modifications to the delivery model, will be presented to Board at the next meeting in September 2022.

7. Comments from the Accountable Body

- 7.1. The activities and objectives of the Growth Hubs are subject to Core funding being secured and received from Government for 2022/23. At the time of writing a letter of comfort has been received from Government with an indicative grant funding allocation of £445,000 and a request to SELEP for Schedules 1 & 3 to be completed and returned, subject to approval by the Accountable Body and the Board. The respective grant offer letter and funding has not been received and the Growth Hubs continue to operate at risk without confirmation of funding at this time.
- 7.2. A delay in receipt of the Core funding from Government continues to impact the delivery of activities from the Growth Hubs. The ongoing delay presents a risk that not all activities of the proposed delivery plan for 2022/23 can be completed in the grant period.

The activities and delivery of the Growth Hub in 2022/23 will be limited to current year without the commitment of funding into future years, and therefore the generation of a digital service offering would require ongoing funding to maintain.

8. Appendices, Supporting Documents and Previous Decisions

- 8.1. Appendix A – Draft Schedule 1 for 2022/23 Growth Hub Core Grant Funding
- 8.2. Appendix B – Draft Schedule 3 for 2022/23 Growth Hub Core Grant Funding
- 8.3. Strategic Board Agenda Pack (Item 6), Growth Hub Update and ERDF Legacy Funding:
https://www.southeastlep.com/app/uploads/2020/06/SELEP-Strategic-Board-June-2020_Agenda-Pack.pdf
- 8.4. Strategic Board Agenda Pack (Item 5) Evolution of the Growth Hub and Business Support:
https://www.southeastlep.com/app/uploads/2019/11/SELEP-Strategic-Board-Agenda-Pack_Dec-2020.pdf
- 8.5. Strategic Board Agenda Pack (Item 8) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2020/10/SELEP-Strategic-Board-Agenda-Pack-June-2021_amended.pdf
- 8.6. Strategic Board Agenda Pack (Item 8) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2020/10/SELEP-Strategic-Board_Agenda-Pack_Oct-2021.pdf
- 8.7. Strategic Board Agenda Pack (Item 7) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2020/10/SELEP-Strategic-Board_Agenda-Pack_March-2022.pdf

For further information please contact Jo Simmons, Business Development Manager
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Item 8: Policy Updates

Executive Summary

1. Overview

- 1.1. The purpose of this paper is to ask the Strategic Board (the Board) to agree changes in the Assurance Framework to reflect funding decisions made at the Accountability Board and a change to the Conflict of Interest Policy to increase clarity.

2. Decisions: Board is recommended to:

- 2.1. Agree the change to the Assurance Framework as detailed at 4.2.
- 2.2. Agree the change to the Conflict of Interest Policy as detailed at 5.2.

3. Rationale for Decisions

- 3.1. The Board must maintain and adhere to an Assurance Framework and Conflict of Interest Policy, and they must be kept up to date.

Further Information

4. Decision 1: Agree the change to the Assurance Framework

- 4.1. As detailed in the Capital Programme Update earlier in the meeting (Item 5), the Accountability Board has agreed that all GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023. Previously the extension was a maximum of 6 months.
- 4.2. The following update to the Assurance Framework is therefore requested:

Current Wording

- Y.3.2.** In July 2021, the Accountability Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied. The agreed criteria and conditions were as follows:
- i. The maximum extension offered to a GBF project is 6 months, to 30 September 2022.
 - ii. Only projects which have been delayed by external factors which could not have been foreseen at the time of Business Case development can be considered for retention of GBF funding beyond 31 March 2022. External factors could relate to the impact of external agencies (i.e., Network Rail or Central Government departments) or failure of suppliers/contractors to deliver in accordance with an agreed programme.
 - iii. Projects must demonstrate that they meet the following six conditions before the Board will be asked to consider approving retention of GBF funding beyond 31 March 2022:
 1. Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
 2. Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile;
 3. Written confirmation that all planning requirements will be met by 31 December 2021;
 4. Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022;
 5. Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money;
 6. Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022.
 - iv. Any projects which receive approval from the Accountability Board to retain their GBF funding beyond 31 March 2022 will provide updates at each subsequent Accountability Board meeting to demonstrate that the project remains on track to

meet the agreed extended GBF spend deadline.

Proposed Wording

Y.3.2. Following consideration of the outcome of the review of GBF projects, the Accountability Board agreed that all projects forecasting GBF spend beyond March 2022 must meet the following requirements:

- i. All GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023.
- ii. All planning requirements must be met by 15 July 2022.
- iii. All other (non-planning) required consents and approvals must be received by 15 July 2022.
- iv. Contractual commitments must be in place with the construction contractor by 30 September 2022.
- v. Any changes to total project cost (prior to construction contract award) and forecast benefits must be reported to the SELEP Secretariat to enable ongoing monitoring of the value for money offered by the project.
- vi. Ongoing reporting to the SELEP Secretariat on progress towards project delivery including provision of updated delivery milestones and notification of any changes to the funding sources identified to support project delivery must be provided.

5. Decision 2: Agree the change to the Conflict of Interest Policy

5.1. Currently, our Conflict of Interest Policy does not explicitly address Council-held interests for Members representing a Local Authority. Each Member declares their interest in the Local Authority they are representing as part of the declarations of interest process. All interests of a Council are not required to be declared, the Member is required to declare a Council-interest where it falls under one of the circumstances set out in the Conflict of Interest policy. It is therefore proposed to bring the Conflict of Interest Policy in line with practice.

5.2. The following addition to the Policy is recommended for accuracy and completeness:

“Council Representatives on the Strategic and Accountability Boards are not required to declare interests held by their Council. Council-held interests do not automatically affect their ability to join discussions or vote, unless there is an individual conflict or perceived conflict of interest as a result of the Council-held interest. Members are required to declare interests relating to themselves as an individual, which may preclude the Member from joining the discussion and/or voting in accordance with this policy.”

6. Next Steps

6.1. If agreed, the policies will be updated and re-published on the SELEP website.

7. Comments from the Accountable Body

7.1. The proposed amendments to the Conflict of Interest policy clarify the position with regards to Council-held interests for Members who are acting as a representative of a Council, having been appointed by the Council to the SELEP Strategic Board and/or Accountability Board. A Council-held interest does not need to be declared unless there is an individual conflict/perception of conflict and it falls under the circumstances set out in paragraph 2 of the Conflict of Interest policy.

8. Appendices, Supporting Documents and Previous Decisions

8.1. Appendix A – Assurance Framework

8.2. Appendix B – Conflict of Interest Policy

For more information contact amy.ferraro@southeastlep.com