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**Minutes of the meeting of the SELEP Accountability Board, held in Mid-Kent College of Higher & Further Education (Maidstone Campus, Oakwood Park, Tonbridge Road, Maidstone, Kent, ME16) on Friday, 27 January 2023**

**Present:**

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| Cllr Lesley Wagland                      | Essex County Council                    |
| Cllr Roger Gough                         | Kent County Council                     |
| Cllr Nick Bennett                        | East Sussex County Council              |
| Cllr Rodney Chambers                     | Medway Council                          |
| Cllr Stephen George (Virtual attendance) | Southend-on-Sea City Council            |
| Cllr Deborah Arnold                      | Thurrock Council                        |
| Rosemary Nunn (virtual attendance)       | Higher Education representative         |
| Simon Cook                               | Further Education/Skills representative |

**Also Present:**

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|-----------------|---|
| Line Bannister  | Essex County Council  |
| Mark Bradbury   | Thurrock Council  |
| Bernard Brown   | Member of the public  |
| Nicholas Brown  | Southend-on-Sea City Council  |
| Adam Bryan      | SELEP   |
| Alex Colbran    | East Sussex County Council  |
| Ellie Clow      | SELEP   |
| Howard Davies   | SELEP   |
| Helen Dyer      | SELEP   |
| Amy Ferraro     | SELEP   |
| Michael Neumann | Essex County Council (as delegated S151 Officer for the Accountable Body) |
| Kevin Munnelly  | Thurrock Council  |
| Tim Rignall     | Southend-on-Sea City Council  |
| Freya Shelley   | Southend-on-Sea City Council  |
| Lisa Siggins    | Essex County Council  |
| Steve Samson    | Kent County Council   |
| James Winkworth | South Downs National Park Authority                                       |

## 1 Welcome and Apologies for Absence

- Cllr Keith Glazier substituted by Cllr Nick Bennett
- Cllr Kevin Bentley substituted by Cllr Lesley Wagland
- Cllr Mark Coxshall substituted by Cllr Deborah Arnold

Simon Cook acted as Chair and advised the Board that as Sarah Dance is now Chair of SELEP, she is no longer a member of this Board and therefore he was helping to chair the meetings until a new SELEP Deputy Chair and Chair of Accountability Board has been appointed.

## 2 Minutes of the previous meeting

The minutes of the meeting held on Friday 25 November 2022 were agreed as an accurate record.

## 3 Declarations of Interest

Cllr Nick Bennett declared that he is a Director of East Sussex Energy Infrastructure and Development Ltd (trading as Sea Change Sussex) and of Hastings and Bexhill Renaissance.

## 4 Questions from the public

Adam Bryan, Chief Executive Officer SELEP advised the Board that one Public Question had been received. He read the question and response to the Board.

### Submission by Mr M Jones

The SELEP Accountability Board awarded Sea Change Sussex £4m additional public LGF grant monies on 23rd February 2018 for the Queensway Gateway Road Project.

East Sussex County Council reported that Sea Change needed the additional grant funding partly for the following reason, on [page 118](#) & 119 of the Board Agenda Pack:

“Whilst the Queensway Gateway project is currently allocated £6m, there have been cost increases to the Project...”

“The original project cost included the provision of a compensation cost for the relocation of Bartlett’s SEAT car showroom at the eastern end of the proposed road alignment, based on the dealership being able to finance the bulk of their relocation costs. However, the dealership has not been able to secure the necessary funding to fully finance this move so additional funding has been required to enable this relocation.”

And in relation to the North Queensway GPF Project on [page 83](#):

“The second tenant [Bartlett’s SEAT car showroom] will be locating at the [North Queensway] site but this has been agreed as part of the funding package to relocation [sic] the business to enable the completion of the North [sic] Queensway Gateway LGF project.”

Sea Change never offered the SEAT car dealership any compensation or funding assistance towards its relocation costs, despite having received the additional £4m LGF funding from SELEP. Instead, Sea Change threatened the car dealership with a CPO, which would put them out of business with the loss of 19 skilled local jobs.

Meanwhile, the full £10m Queensway Gateway Road LGF grant has been spent by Sea Change and the SEAT car showroom remains in the same location.

Sea Change is now proposing an alternative signalised connection of the Queensway Gateway Road to the A21 that revokes the need for the SEAT car dealership to relocate.

Therefore, the approved purpose for which a sizeable proportion of the additional £4m LGF public funding was awarded in 2018 has also been revoked.

Will the SELEP Accountability Board commit to claw-back the proportion of LGF grant money from Sea Change, that it approved and paid to assist with the relocation of the SEAT car showroom?

If not, please can the SELEP Accountability Board provide an explanation why it has approved that Sea Change is still to be paid large sums of LGF public grant money for works or services NOT received?

### **Response**

In February 2018, the Accountability Board were advised that the cost of delivering the Queensway Gateway Road project had increased due to a number of factors including:

- Project delays experienced through the planning process as a result of two applications for judicial view of the planning application
- Challenging ground conditions during Winter 2016/17, resulting in lost days during the land remedial works
- The need to relocate the Bartlett’s SEAT car showroom; and
- The requirement for additional utility works to be undertaken.

It was noted that it was the additional utilities works that had had the greatest impact on the project cost.

The update to the Board in February 2018 indicated that Sea Change Sussex, as delivery partner, would also be contributing up to £2m to support completion of the project.

The additional LGF funding awarded to support delivery of the Queensway Gateway Road project was to be used in conjunction with the funding committed by Sea Change Sussex, to address the cost increases outlined. The different funding sources were not allocated to specific areas of cost increase and therefore the LGF funding was not specifically awarded to support the relocation of the Bartlett's car showroom but could be applied to other eligible expenditure incurred in delivery of the Project. As a result, there is not a requirement for the Accountability Board to clawback the LGF funding awarded in this respect.

It is acknowledged that there is currently a risk in relation to the funding previously committed by Sea Change Sussex to support project delivery, and this risk will be closely monitored by the Accountability Board as the project moves towards completion.

## **5 Getting Building Fund update**

The Accountability Board (the Board) received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was to provide the Board with a brief update on the Getting Building Fund (GBF) programme. The report solely focused on decisions which needed to be made in advance of the next meeting (10 March 2023) and which will have a bearing on the ability of local partners to complete their GBF spend by 31 March 2023 in accordance with Government expectations. A full update on the GBF programme will be provided at the next meeting.

The report provided an update on the Swan Modular Housing Factory project and the ASELA LFFN Phase 3 project.

The Board were advised that the report solely focused on decisions which needed to be taken urgently in order to maximise GBF spend by 31 March 2023.

Helen Dyer explained that the recommendation in relation to the Swan Modular Housing Factory project had been amended from that presented in the agenda pack. The updated decision requires partial return of the GBF funding allocated to the Swan Modular Housing Factory project within 4 weeks of the Board meeting, with the remaining balance due to be repaid by 31 March 2023. This will ensure that sufficient funding is returned now to support the reallocation decisions being taken at this meeting, whilst also giving Essex County Council additional time to engage with Swan Housing about their repayment schedule.

Helen further advised that advice had been sought from Government as to their position in relation to any GBF spend which extends beyond 31 March 2023, and confirmed that Government advice was that responsibility for such decisions sat with the S151 Officer for the Accountable Body. She proceeded to explain that it was proposed that all GBF spend allocated to existing projects or awarded to projects at this meeting should be completed by 30 June 2023 with Michael

Neumann, representing the S151 Officer, confirming that this approach was acceptable.

Cllr Chambers sought clarification regarding the end date for GBF spend, with Helen confirming the date of 30 June 2023. Cllr Chambers also sought clarification as to the timeline for reallocating the remaining GBF funding. Helen advised that the Strategic Board would be asked to agree an approach to allocating the funding at their next meeting and that discussions were under way with the Accountable Body in this regard.

It was confirmed that any project currently in the GBF programme including those being considered at today's meeting would be expected to complete spend of funding by 30 June 2023 but that a longer time period would be allowed for delivery of projects added to the programme at a later date due to the duration of the required governance processes which need to be completed prior to the allocation of the funding.

Cllr Gough asked for clarification regarding the split of responsibilities between the Strategic Board and the Accountability Board, which was provided by Helen.

Cllr Arnold sought reassurance regarding the status of the required year end declarations from Southend-on-Sea City Council, and the implications for the ASELA LFFN Phase 3 project should they not be provided. Helen confirmed that she would be in contact with officers at Thurrock Council regarding the funding and that she was confident that the declarations would be made by Southend-on-Sea City Council. However, if this was not the case, another decision would be sought from the Board.

### **Resolved:**

1. **To Agree** the removal of the Swan Modular Housing Factory project from the GBF programme. The initial £2,480,768 GBF issued to Essex County Council should be returned to Essex County Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects. The remaining £2,049,232 GBF should be returned to Essex County Council, as Accountable Body for SELEP, by 31 March 2023 and a further update on the status of this funding should be provided at the Board meeting on 10 March 2023.

2. **To Agree** that the GBF funding awarded to support the ASELA LFFN Phase 3 project can be released to Southend-on-Sea City Council, rather than Thurrock Council as originally agreed, subject to provision of all outstanding Local Growth Fund (LGF) and GBF year-end declarations by Southend-on-Sea City Council.

## **6 GBF Funding Decisions**

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the award of £654,744 Getting Building Fund (GBF) to four projects in accordance with the new GBF prioritised project pipeline.

Helen advised the Board that S151 Officer sign off from Essex County Council for the Tendring Bikes and Cycle Infrastructure project had now been received and therefore this requirement had been removed from the recommendation. However, Government approval for the increase in GBF funding allocation for each project had not yet been received.

**Resolved:**

1. **To Agree** the award of an additional £118,182 GBF to Essex County Council for the Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises project, subject to Government approval of the increase in GBF funding allocation.
2. **To Agree** the award of an additional £118,181 GBF to Essex County Council for the Tindal Square, Chelmsford project, subject to Government approval of the increase in GBF funding allocation.
3. **To Agree** the award of an additional £118,181 GBF to Essex County Council for the Jaywick Market and Commercial Space project, subject to Government approval of the increase in GBF funding allocation.
4. **To Agree** the award of an additional £300,200 GBF to Essex County Council for the Tendring Bikes and Cycle Infrastructure project, subject to Government approval of the increase in GBF funding allocation.

**7 Getting Building Fund funding decisions and extension requests**

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the award of £1,826,024 Getting Building Fund (GBF) to four projects in accordance with the new GBF prioritised project pipeline.

As mentioned under the previous agenda item, Government approval for the increase in GBF funding allocation for each project/the addition of the Techfort Phase 2 project had not yet been received. S151 Officer sign off from Essex County Council for the Enterprise Centre for Horizon 120 Business and Innovation Park project had been received and therefore this requirement had been removed from the recommendation.

Cllr Bennett queried the status of the required Variation Agreement in relation to the additional funding awarded to East Sussex County Council at the last Board meeting (25 November 2022) and it was confirmed by Adam Bryan that the agreement was nearing completion.

**Resolved:**

1. **To Agree** the award of an additional £84,100 GBF to East Sussex County Council for the Seven Sisters Country Park Visitor Infrastructure Uplift project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond

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March 2022 for a maximum period of 12 months to 31 March 2023.

2. **To Agree** the award of an additional £250,000 GBF to Kent County Council for the Discovery Park Incubator project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

3. **To Agree** the award of £850,000 GBF to Kent County Council for the Techfort Phase 2 project which has been assessed as offering High value for money with High to Medium certainty of achieving this, subject to Government approval of project inclusion within the GBF programme and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 15 months to 30 June 2023.

4. **To Agree** the award of an additional £641,924 GBF to Essex County Council for the Enterprise Centre for Horizon 120 Business and Innovation Park project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

## 8 **Date of Next Meeting**

The Board noted that the next meeting will take place on Friday 10 March 2023, venue to be confirmed.

## 9 **Urgent Business**

Cllr Arnold read out the following Statement provided by Thurrock Council in relation to the issuing of the Section 114 notice and the implications for the SELEP funded projects within Thurrock:

The initial impact of the s114 notice is that effectively costs are reviewed to ensure only essential/statutory works continue. This is managed through a panel process and each request is considered on its merits. This sits alongside a wider transformation piece at the Council which has commenced but remains at an early stage.

In respect of the projects with SELEP funding – the projects remain in the capital programme with funding allocated. The project leads continue to assess delivery and associated budgetary impacts and alongside this a new governance structure around major projects is being implemented.

Consequently, and supported by the new processes in place, we will continue to report progress to the SELEP board on the relevant projects.