



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 7 July 2023
Zoom Video Conference



Agenda

| | | | | |
|---------------|-------|---|-------------|----------------|
| Item 1 | 10:00 | Welcome | Sarah Dance | |
| Item 2 | 10:05 | Minutes from 10th February 2023 meeting | Sarah Dance | Pg. 2 |
| | | Declarations of Interest | | |
| Item 3 | 10:10 | • Governance update | Adam Bryan | Pg.6 |
| Item 4 | 10:15 | • Growth Hub 2023/24 | Jo Simmons | Pg.11 |
| Item 5 | 10:30 | • Approach to GBF and GPF | Helen Dyer | Separate Annex |
| Item 6 | 11:20 | • SELEP Transition | Adam Bryan | Pg. 15 |
| | | AOB & Close | | |

Future Strategic Board meeting dates:
13th October 2023

Minutes of Strategic Board: 10th February 2023

Attendees

| | |
|------------------------|---|
| Sarah Dance | Chair |
| Adam Bryan | CEO |
| Ana Christie | Team East Sussex |
| Carol Ford | Kent and Medway Economic Partnership |
| Clive Soper | Team East Sussex |
| Cllr Christine Bayliss | District/Borough/City Councils representative |
| Cllr Graham Butland | District/Borough/City Councils representative |
| Cllr Keith Glazier | East Sussex County Council |
| Cllr Lesley Wagland | Essex County Council |
| Cllr Mark Coxshall | Thurrock Council |
| Cllr Rodney Chambers | Medway Council |
| Cllr Roger Gough | Kent County Council |
| David Rayner | Success Essex |
| Graham Peters | Team East Sussex |
| Jo James | Kent and Medway Economic Partnership |
| Karen Cox | Higher Education Representative |
| Lara Fox | Success Essex |
| Liz Gibney | Kent and Medway Economic Partnership |
| Matthew Arnold | Kent and Medway Economic Partnership |
| Penny Shimmin | Social Enterprise Representative |
| Perry Glading | Opportunity South Essex |
| Vince Lucas | Kent and Medway Economic Partnership |

Apologies: Cllr Kevin Bentley (substituted by Cllr Lesley Wagland), Cllr Stephen George (technical difficulties)

Other attendees:

| | | | |
|----------------|----------------------------|-----------------|------------------------------|
| Amy Ferraro | SELEP Secretariat | Jo Simmons | SELEP Secretariat |
| Andrew Summers | Transport East | Line Bannister | Essex Legal Services |
| Chris Broome | Sea Change Sussex | Lorna Norris | Essex County Council |
| Dave Evans | East Sussex County Council | Louise Aitken | SELEP Secretariat |
| Ellie Clow | SELEP Secretariat | Michael Neumann | Essex County Council (\$151) |
| Helen Dyer | SELEP Secretariat | Nick Brown | Southend City Council |
| Helen Russell | SELEP Secretariat | Paul Chapman | Essex County Council |
| Howard Davies | SELEP Secretariat | Richard Dawson | East Sussex County Council |
| Iain McNab | DLUHC | Rupert Clubb | Transport for the South East |
| Ian Lewis | OSE | Sharon Spicer | SELEP Secretariat |
| Jessica Jagpal | Medway Council | Steve Samson | Kent County Council |

This meeting was held as a virtual meeting 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. Sarah Dance welcomed the Board to her first meeting as Chair of SELEP Ltd.
- 1.2. Sarah Dance suggested that the Board meet for an informal strategy setting, future planning “away day” before the next Board meeting

Item 2: Minutes of last meeting, declarations of interest, matters arising (2’44” timestamp on video)

- 2.1. The Board agreed the minutes of the last meeting as an accurate record.
- 2.2. The following interests were declared:
 - i) Graham Butland declared an interest as a Board member of Transport East.
 - ii) Jo James declared an interest as the CEO of Kent Invicta who deliver the Growth Hub in Kent and Medway.
 - iii) Vince Lucas declared an interest as a Board member of Transport for the South East.
 - iv) Cllr Glazier declared an interest as the Chair of Transport for the South East.
 - v) Sarah Dance declared an interest as a Co-Chair of the SECEN.
 - vi) Cllr Wagland declared an interest as a Board member of Transport East.
 - vii) Cllr Coxshall declared an interest as a Board member of Transport East.
- 2.3. Adam Bryan updated the Board regarding the recent Annual Performance Review, which was a positive meeting with no actions arising. Reassurances were given around the delivery plan which Government is not expecting until there is more certainty around the 23/24 funding of LEPs.

Item 3: Growing Places Fund Programme Update (9’20”)

- 3.1. Helen Dyer presented to the Board.
- 3.2. Jo James raised the possibility of distributing remaining GPF and GBF directly to the federated areas due to the uncertainties with the future of the SELEP, to enable areas to support individual priorities. Jo James added that she wasn’t sure how this suggestion would work with the current Assurance Framework and existing policies and procedures.
- 3.3. David Rayner expressed support for the principles as detailed in the report and was interested to understand which sectors will be focused on.
- 3.4. Cllr Gough agreed with the overall principles in general, and highlighted the importance of futureproofing the process to ensure areas are able to build their focus on particular sectors. He raised the importance of the Senior Officer Group operating strongly to ensure local input in setting priorities.
- 3.5. Perry Glading expressed support for the report, but expressed the importance of not limiting to certain sectors. He disagreed with Jo James’ point, explaining the importance of choosing the best projects across the whole area and would not support any fundamental changes to SELEP processes.
- 3.6. Graham Peters outlined that he appreciates the desire to release funding quickly, but expressed his preference for flexibility with the end date, for example 5 years instead of 3.
- 3.7. Cllr Wagland agreed with Cllr Gough, broadly in agreement with the principles but we need to make sure that the projects are deliverable within a short timeframe so she indicated that she would favour the 3-year repayment timescale, rather than any longer. Agreed with Perry Glading regarding focusing on sectors but may need to be more pragmatic than the Board would like.
- 3.8. Adam Bryan thanked the Board for their input and highlighted how the informal meeting before the July meeting will be an opportunity to discuss this further to ensure we get this right.

- 3.9. Sarah Dance expressed how keen she is that the Board is able to use their expertise to input on these important priorities and looks forward to discussing this further.
- 3.10. Perry Glading asked whether the extension of the repayment schedule for the Eastbourne Fisherman's project to 2034 is a one-off arrangement rather than something that would be automatically extended to other projects.
- 3.11. Helen Dyer clarified that this is a one-off position due to the individual project circumstances.
- 3.12. Liz Gibney asked whether there has to be a standard repayment time or whether this can vary according to project needs.
- 3.13. Helen Dyer clarified that there is always some flexibility in the repayment schedules, this will need to be explored in the detailed development of the process.
- 3.14. Vince Lucas expressed concerns around the long repayment schedule and potential risk exposure, keen to discuss this during the informal meeting.
- 3.15. Graham Peters reassured that this project had experienced an extreme and exceptional set of circumstances.
- 3.16. Vince Lucas asked for clarity around this process to ensure that this is not a precedent for all projects.
- 3.17. The Board agreed the proposed revised repayment schedule for the Sovereign Harbour project and agreed that interest will not be charged on the remaining balance of the loan at this time subject to compliance with the proposed revised repayment schedule.
- 3.18. The Board agreed the proposed revised repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure Development project, subject to provision of annual updates on the ongoing viability of the repayment schedule, and agreed that despite defaulting on the agreed repayment schedule, the application of interest on the outstanding balance can be waived subject to compliance with the proposed revised repayment schedule.
- 3.19. The Board agreed the adoption of the underlying principles, taking on board comments mentioned by the Board, for the new round of GPF funding, as set out in Section 6.4 of the report.

Item 4: Getting Building Fund Programme Update (33'32")

- 4.1. Helen Dyer presented to the Board.
- 4.2. The Board agreed that the Restoring the Glory of the Winter Garden – Phase 2 project should not be added to the GBF project pipeline as it does not meet the criteria agreed by the Board in July 2022.
- 4.3. The Board agreed that the Accessing Charleston: Removing the Barrier to Growth (project extension) project should not be added to the GBF project pipeline due to the reasons outlined in Section 5 of the report.
- 4.4. The Board agreed the approach set out within Section 6 of the report for the award of the currently unallocated GBF funding, subject to comments made by the Board as mentioned in the previous item.

Item 5: Deputy Chair Recruitment (53'45")

- 5.1. Adam Bryan presented to the Board.
- 5.2. The Board agreed the recommended option to run a short internal Expressions of Interest process, as an exception to our Recruitment Policy. If this is unsuccessful, then run an open recruitment process, advertising publicly according to the SELEP Recruitment Policy, delegating the selection process to a Selection Panel.
- 5.3. The Board agreed the Deputy Chair Job Description and Specification.



Item 6: Confirmation Statement and Power of Attorney (1h00'55")

- 6.1. Amy Ferraro presented to the Board.
- 6.2. The Board resolved to enter into the Power of Attorney for a period of 12 months.
- 6.3. The Board approved the filing of the Confirmation Statement to the Registrar of Companies.

Item 7: Public Questions Policy (1h02'09")

- 7.1. Amy Ferraro presented to the Board.
- 7.2. The updates to this policy have been developed in response to requests made by Accountability Board members, and are intended to ensure the process is clear and effective.
- 7.3. The Secretariat will liaise with Cllr Wagland regarding sharing of expertise in the language and communication style of the responses to the public questions.
- 7.4. The Board agreed the updated Public Questions Policy.

Item 8: Sub-national transport bodies: Transport for the South East and Transport East (1hr16'51")

- 8.1. Andrew Summers (Transport East) and Rupert Clubb (Transport for the South East) presented to the Board.



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Item 9: SSF Delivery Update (2hr04'40")

- 9.1. Adam Bryan provided an update to the Board.

Item 10: Growth Hub Update (2h05'30")

- 10.1. Jo Simmons provided an update to the Board regarding the Growth Hub's risks and uncertainties for 2023/24.

Item 11: AOB & Close (2h11'00")

- 11.1. Sarah Dance closed the meeting.

Item 3: Governance Update

Executive Summary

1. Overview

- 1.1. The Strategic Board (the Board) is asked to agree the non-material changes to the Assurance Framework. These changes relate to previously agreed decisions and are to ensure accuracy and completeness of the Framework. The Department for Levelling Up Housing and Communities (DLUHC) has provided LEP Assurance updates and guidance for 2023-24, and these are taken into account at 4.3 below.
- 1.2. The existing Power of Attorney was agreed for a period of 12 months and will automatically expire when the CEO Adam Bryan vacates his post on the 28th of July 2023. The Power of Attorney will therefore need to be updated.
- 1.3. The Strategic Board agreed the recruitment process for the Deputy Chair of the South East LEP Ltd in February 2023, and Simon Cook was appointed following a resolution by the Board via Electronic Procedure on the 26th of May 2023.

2. Decisions: Board is recommended to:

- 2.1. Agree to the changes to the Assurance Framework as detailed in Appendix A.
- 2.2. Resolve to enter into a new Power of Attorney (Appendix B) for a period of 12 months from the 28th of July 2023.
- 2.3. Note the appointment of Simon Cook as Deputy Chair of the South East LEP Ltd.
- 2.4. Note the appointment of County/Unitary Council Directors:
 - 2.4.1. Cllr Lauren Edwards, representing Medway Council from the 24th of May 2023.
 - 2.4.2. Cllr Tony Cox representing Southend-on-Sea City Council from the 18th of May 2023.
 - 2.4.3. Cllr Andrew Jefferies representing Thurrock Council from the 24th of May 2023.
- 2.5. Note the latest log of decisions made under the SELEP Ltd Power of Attorney (Appendix C)

3. Rationale for Decisions

- 3.1. LEPs are required to maintain assurance standards by continuing to adhere to the mandatory compliance, governance and transparency requirements as far as possible, and should continue to follow best practice. It is essential therefore that the SELEP Assurance Framework is amended for accuracy and kept up to date.
- 3.2. Entering into a new Power of Attorney (PoA) will ensure that timely completion of legal agreements can be made.

Further Information

4. Decision 1: Changes to Assurance Framework

- 4.1. The Board agreed that the Chair and Deputy Chair roles will no longer be remunerated due to the uncertainties with SELEP's financial position, as a result the Assurance Framework needs



updating.

- 4.2. There are other sections that need some non-material updates and general grammatical edits not included in the summary below. Please see the copy of the Assurance Framework attached at Appendix A, with tracked changes included, for the full detailed update proposed.

| Current Wording | Proposed changes |
|---|--|
| D.6. In light of the COVID-19 pandemic, a list of exceptions to this Assurance Framework has been published by Government, which is accessible here. | Section removed as no longer applicable. |
| vii. Board members are not entitled to any remuneration for sitting on either the Strategic Board or any other SELEP Ltd Boards or panels, however, the Chair and Deputy Chair of the Strategic Board are entitled to an allowance of up to £20,000 or £10,000 per annum respectively under the terms of their appointment. | vii. Board members are not entitled to any remuneration for sitting on either the Strategic Board or any other SELEP Ltd Boards or panels. |
| J.4. The Chief Executive Officer and Chief Operating Officer have been appointed as Attorneys of SELEP Ltd under a Power of Attorney. | J.4. The Chief Executive Officer and the Business Engagement and Communications Manager have been appointed as Attorneys of SELEP Ltd under a Power of Attorney. |
| Details regarding prioritisation for GPF, SSF and COVID recovery funding under section 7U. | Tenses changed to the past tense to reflect the status of these funding streams |
| 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. | 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, with the exception of spend extending into Q1 23/24 for projects which received funding in Q4 22/23, and in other exceptional circumstances. |

- 4.3. The Department for Levelling Up Housing and Communities (DLUHC) has provided LEP Assurance updates and guidance for 2023-24.
- 4.4. Although LEP roles are evolving and they are not in receipt of any new programme funding, LEPs have been able to apply for core funding (albeit at a reduced amount of £250,000) and will continue to deliver residual projects and fund activities. Therefore, DLUHC considers it appropriate to continue a proportionate system of assurance throughout the year, to ensure this delivery continues with regularity, propriety and value for money.
- 4.5. DLUHC have advised that LEPs should maintain assurance standards by continuing to adhere to the mandatory compliance, governance and transparency requirements as far as possible, and should continue to follow best practice.
- 4.6. The National Local Growth Assurance Framework (NLGAF) remains in force, and all LEPs are expected to continue to adhere to the governance, accountability and transparency requirements. Adjustments to the framework are planned by DLUHC to allow for greater flexibility connected to the ongoing policy developments.
- 4.7. LEPs are expected to continue to maintain a Local Assurance Framework and have this publicly accessible. It is the role of the Board to oversee the implementation of the requirements of the



SELEP Local Assurance Framework (LAF). DLUHC have advised that LAFs should remain in place until a LEP transition process is completed.

- 4.8. The Strategic Board composition requirements within the NLGAF are still in force, however the increasing difficulties LEPs are faced in meeting and maintaining compliant boards has been acknowledged. DLUHC expects LEPs to ensure a functioning quorate Strategic board. For specific composition requirements, including the target of 50% female representation within the LEP board from 2023, it is expected that LEPs make best endeavours to ensure these targets are met wherever possible, but will consider them from a best practice perspective.
- 4.9. As part of the current assurance and monitoring process for 2023-24, all LEPs are required to publish a delivery plan. The draft SELEP delivery plan for 2023/24 can be found at Appendix B of Item 6. Performance against delivery plans will be considered in the usual way within the annual assurance processes.
- 4.10. It is expected that a LEP Annual Performance Review (APR) will take place as part of the assurance cycle, however it is likely to be lighter touch. DLUHC will work with LEPs and Area Teams to make this process as efficient and proportional as possible, whilst still delivering the required level of assurance for the activity undertaken across the year. An early APR may be undertaken where a LEP is integrating before year-end. Guidance will be provided.
- 4.11. All LEPs are still required to produce an annual report 2022/23 (and annual accounts) this year. This will be produced for the SELEP AGM planned for October 2023.

5. Decision 2: Approve the new Power of Attorney

- 5.1. Entering a new Power of Attorney (PoA) ensures that timely completion of legal agreements can be made. The Chief Executive Officer and the Business Engagement and Communications Manager are appointed as Attorneys of SELEP Ltd.
- 5.2. It was resolved that the PoA be put into place for a period of 12 months from the date of execution of the PoA, to automatically expire should either Attorney leave their respective posts.
- 5.3. Following the resignation of the Chief Executive of the South East LEP Ltd Adam Bryan, a new PoA will be required after the 28th of July 2023 when he vacates his post. Should no PoA be in place, legal documents will require the signatures of one Director where the agreement is a simple contract and two Directors of the company where the agreement is a deed.
- 5.4. There are currently no plans to change the financial arrangements of the company, until the transition process is complete (see agenda item 6); as such, the approval of financial transactions will remain as per the Assurance Framework, which stipulates the use of the Accountable Body's scheme of delegation.

6. Decision 3: Note the appointment of the SELEP Deputy Chair

- 6.1. The Secretariat began the Deputy Chair recruitment process according to the decision taken at the February 2023 Strategic Board meeting. The deadline for expressions of interest was the 22nd of February 2023 and no applications from the Board were received.
- 6.2. The external advert for the Deputy Chair position closed on the 29th of March 2023. A selection panel of Directors was formed to sift and interview potential candidates.
- 6.3. Simon Cook, Principal and CEO of MidKent College, and the Further Education representative on the SELEP Accountability Board was shortlisted, interviewed and offered the role of Deputy Chair,

subject to confirmatory ratification by the Board.

- 6.4. The new Deputy Chair was appointed via electronic procedure on the 26th of May 2023.
- 6.5. The SELEP Framework Agreement sets out that the Deputy Chair shall be the Chair of the SELEP Accountability Board, but in a non-voting capacity.
- 6.6. The appointment of a Deputy Chair is an Assurance Framework requirement that was introduced following the LEP review in July 2018. This requirement is incorporated into the Articles of Association of South East LEP Ltd that sets out that the company is required to appoint a Deputy Chair as a Private Sector Director of the Strategic Board.

7. Decision 4: Note new County/Unitary Council Directors

- 7.1. In terms of the Articles of Association, a Public Sector Director means a person nominated as such by one of the Councils being Essex County Council, Thurrock Council, Southend-on-Sea City Council, Medway Council, Kent County Council and East Sussex County Council.
- 7.2. The Local Council elections on the 4th of May 2023 has resulted in the appointment of new Public Sector Directors to the South East LEP Ltd representing Medway Council, Thurrock Council and Southend-on-Sea City Council.
- 7.3. The new Directors completed the SELEP induction process ahead of their first Strategic Board meeting.

8. Next Steps

- 8.1. If agreed, the Assurance Framework will be updated immediately with the proposed changes and published on the SELEP website.
- 8.2. If approved, the PoA will be signed by the SELEP Chair and Deputy Chair.
- 8.3. The SELEP Ltd Company records with Companies House will be updated as appropriate to remove Directors that are no longer active and to add new appointments.

9. Comments from the Accountable Body

Legal Implications

- 9.1. SELEP is required to maintain its assurance framework in line with the requirements of the National Assurance Framework.
- 9.2. The filings for any change in directors and the Confirmation Statement will be made on Companies House.
- 9.3. In order to give effect to the decision proposed under this report in respect of the Power of Attorney, the PoA will be executed on behalf of SELEP Ltd by the Chair and Deputy Chair and, also, by each Attorney.

10. Appendices, Supporting Documents and Previous Decisions

- 10.1. Appendix A – Changes to the Assurance Framework
- 10.2. Appendix B – Power of Attorney 2023 – Revised

10.3. Appendix C – POA Log

For more information please contact keri.lawrence@southeastlep.com

Item 4: SELEP Growth Hub Update

Executive Summary

1. Overview

- 1.1. This report is to provide an update to the Strategic Board (the Board) on the status of the SELEP Growth Hub service.
- 1.2. SELEP has successfully delivered a consistent and compliant Growth Hub service throughout 2022/23, and the requisite Growth Hub Annual Report was submitted to the Department for Business and Trade (DBT) on 31st May 2023.
- 1.3. SELEP has received a notional allocation of £475,000 for service delivery in 2023/24 and is currently in the process of securing this funding with DBT by way of a Grant Funding Agreement. This allocation includes an uplift of £30,000 from the 2022/23 funding allocation.
- 1.4. Due to the annual funding cycle and delays to timely funding confirmation for the last two years, Southend City Council has withdrawn from their role hosting the Business Essex, Southend and Thurrock (BEST) Growth Hub service, and the BEST service has been closed since 31st March 2023. Work is underway to establish this service again in early quarter 2.
- 1.5. The business support ecosystem, that the Growth Hub service signposts and refers businesses into, is transitioning from multi-year national and regional initiatives to short-term local support schemes and more streamlined national offers. The Growth Hub continues to adapt its practices to remain the first port of call for businesses seeking support.

2. Summary of update:

- 2.1. **Note** the Growth Hub Annual Report for 2022/23, presented in Appendix A, and the Growth Hub funding allocation for 2023/24 service delivery.
- 2.2. **Note** the temporary closure of the BEST Growth Hub service and actions being taken to establish a service for the greater Essex area in early July.
- 2.3. **Note** the Schedules 1 and 3, presented in Appendices B and C respectively, which constitute the Growth Hub delivery model and forecast spend for 2023/24.

3. Rationale for update

- 3.1. The annual funding cycle for Growth Hubs and ongoing changes to the business support ecosystem continue to present challenges to Growth Hub provision.
- 3.2. Since April 2022 the Growth Hub has adapted and streamlined to operate within a 50% reduced funding envelope, to maintain a consistent and relevant core service across the SELEP area. The service has seen a reduction in the number of navigators and advisors and engagement and outreach activities since this time. However, it has successfully provided a continuous, albeit pared back, service throughout 2022/23. Further detail can be found in the 2022/23 Growth Hub Annual Report in Appendix A.
- 3.3. This streamlined service model will be employed for 2023/24, with further service level reductions expected in the Kent and Medway Growth Hub, due to a lack of local match funding. The process of securing the necessary funding is underway, however late notification from DBT of



Growth Hub funding and SELEP's notional allocation has resulted in the closure of the greater Essex area hub and a notable loss of experienced Growth Hub staff. This has resulted in disruption to the service and new back-office work.

Further Information

4. Growth Hub core funding and delivery proposals for 2023/24

- 4.1. SELEP operates a hub-and-spoke Growth Hub delivery model – the South East Business Hub - which is administered and coordinated by SELEP and delivered through three area hubs: Business East Sussex (BES) provided by East Sussex County Council (ESCC), Business Essex, Southend and Thurrock (BEST), and the Kent and Medway Growth Hub, led by Kent County Council (KCC) and delivered by Kent Invicta Chamber of Commerce as their contracted provider.
- 4.2. The Growth Hub service is funded annually by the Department for Business and Trade (DBT). Funding of £475,000 is expected for 2023/24 and SELEP is currently in the process of securing the grant funding agreement with DBT. Notification of this year's allocation was received on 29th March 2023, and the grant offer process started on 25th May 2023.
- 4.3. Late notification of funding has meant that:
 - 4.3.1 Southend City Council withdrew their position as host to the BEST service on 16th March, due to ongoing uncertainties and financial liabilities. The entire BEST Growth Hub team were on notice of redundancy by that time and their posts ended on 31st March. Consequently the BEST service has been dormant since 1st April 2023.
 - 4.3.2 The Growth Hub communications and engagement resource for the South East Business Hub, a post hosted by Southend City Council and managed in part by SELEP, has been lost through the process of redundancy.
- 4.4. Following the suspension of the BEST Growth Hub service, Essex County Council (ECC) has agreed to act as its host during 2023/24. This role will be carried out separately from the role of ECC as Accountable Body to SELEP.
- 4.5. ECC is looking to secure a provider to establish a Growth Hub service for the greater Essex area, in early July, to operate for the remaining nine months of the year, until 31 March 2024. SELEP and ECC have worked together to design and implement a procurement exercise so that ECC can contract a provider for the service, who will operate in a way that utilises the known BEST and SEBH brand. At time of writing, a Request for Quotation is with relevant providers, and a verbal update will be given at the Board meeting.
- 4.6. The distribution of Growth Hub funding to the area hubs is being modified in 2023/24 to reflect service disruption across greater Essex. In addition to using the agreed historical formula, a further calculation has been applied to reallocate BEST's unspent quarter 1 allocation across all three hubs. It should also be noted that all communication and engagement activities are being absorbed by the area hubs within their budgets.
- 4.7. These modifications are reflected in revised costings, budget forecasts and proposed activities for the year, which are set out in Schedules 1 and 3 (see Appendices B and C) for the grant determination process. These schedules were submitted to DBT for their consideration in mid-June.



- 4.8. Both ESCC and KCC are ensuring a continuous service by underwriting the costs of BES and KMGH respectively, in advance of SELEP securing the funding. ESCC continues to deliver the BES service in house, and KCC continues to deliver through their contracted provider. KCC has been unable to secure additional funding to top-up their funding allocation this financial year (as was the case in 2022/23) to maintain their contracted service level to date. As a result, the KMGH service has been downscaled, largely through the loss of navigation and advisory staff.
- 4.9. This year's funding introduces two new conditions that must be accommodated and incorporated into the work of the Growth Hub:
- to provide monthly reports to DBT covering significant, new or emerging information on local economic conditions, local business needs and concerns, economic opportunities and shocks, and the health of the local business support ecosystem.
 - to improve the customer journey between Growth Hubs and other Government-funded business advice and support services, including working with DBT to help evolve and implement agreed ways of working, data sharing agreements and related protocols where required.
- 4.10. These new requirements show the value of Growth Hubs in providing live intelligence to Government on the state of the local economy and its composite businesses. It also indicates a need for Growth Hubs to help improve the integration, into the ecosystem, of different support schemes offered by multiple Government departments, and to facilitate the sharing of data to inform centrally driven work.
- 4.11. The Growth Hub service will continue to adapt to a changing landscape and expectations from Government. Alongside service delivery this year, SELEP and the lead authorities will consider how the service might fit within the transition of LEP functions to Local Authorities, as part of SELEPs transition planning. Provision of a service in future years will depend largely, if not solely, on Growth Hub funding being forthcoming from Treasury and/or DBT, which may be made known in the Autumn Statement.

5. Next Steps

- 5.1. SELEP will fully and correctly defray 2023/24 Growth Hub funding for current service delivery up until 31st March 2024.
- 5.2. SELEP will engage with DBT, the Growth Hub Network, and SELEP Growth Hub Lead Authorities and partners, to develop a shared understanding of the future of the Growth Hub service, in context with the transition arrangements for SELEP as they evolve. An update on the position of the Growth Hub will be provided at a future meeting of the Board.

6. Comments from the Accountable Body

- 6.1. The activities and objectives of the Growth Hubs are subject to the funding being secured and received from Government for 2023/24. At the time of writing a letter of comfort has been received with an indicative grant funding allocation of £475,000 and a request to SELEP for Schedules 1 & 3 to be completed and returned, for agreement with DBT. 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.
- 6.2. The funding awarded for 2023/24 reflects a below inflation uplift of £30,000, compared to



2022/23, however, is significantly lower than the amount awarded for 2021/22.

- 6.3. The delay in receipt of the 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 2023/24 can be completed in the grant period. It has also caused a break in the delivery following closure of the service being offered by Southend City Council up to the 31st March 2023.
- 6.4. Despite the late allocation of the funding for 2023/24, there is no flexibility offered from DBT in the application of the funding beyond 31st March 2024; any funding not utilised prior to this date is required to be returned to DBT, under the conditions of the funding.
- 6.5. The activities and delivery of the Growth Hub in 2023/24 will be limited to current year without the commitment of funding into future years; SELEP and the respective partner authorities are advised to seek clarity from DBT, at the earliest opportunity, to enable the service to be secured beyond 2023/24.

7. Appendices, Supporting Documents and Previous Decisions

- 7.1. Appendix A: Growth Hub Annual Report Financial Year 2022-23
- 7.2. Appendix B: Schedule 1 for 2023/24 Growth Hub Grant Funding
- 7.3. Appendix C: Schedule 3 for 2023/24 Growth Hub Grant Funding
- 7.4. 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
- 7.5. Strategic Board Agenda Pack (Item 7) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2022/02/Strategic-Board_June-2022_Agenda-Pack-1.pdf
- 7.6. Strategic Board Agenda Pack (Item 9) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2022/02/Strategic-Board-Agenda-Pack_Dec-22-1.pdf
- 7.7. Strategic Board Agenda Pack (Item 9) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2022/11/Strategic-Board_Agenda-Pack_Feb-2023-1.pdf
- 7.8. For further information please contact Jo Simmons, Business Development Manager
(jo.simmons@southeastlep.com)

Item 6: SELEP's Transition

Executive Summary

1. Overview

- 1.1. During the Budget announcement of 15 March 2023, the Chancellor said that Government was 'minded to' withdraw support for Local Enterprise Partnerships from March 2024 and to transfer their responsibilities into Local Authorities from this date. We expect that this 'minded to' announcement will be confirmed later this summer.
- 1.2. Given this, and the progress that Local Authority partners are making in progressing their plans for devolution in line with 2022's Levelling Up White Paper, we are compelled to consider the future of the South East Local Enterprise Partnership and how the expertise, knowledge, networks, strategies and processes are retained as new arrangements are developed and deployed.
- 1.3. All Board Directors, including our Local Authority Leaders, have consistently indicated a commitment to doing everything possible to retain the important expertise held in SELEP's staff and this is a critical foundation upon which our plans are made.
- 1.4. The Board are asked to agree a series of principles today to inform the transition to March 31 2024. Future decisions will be taken by the Strategic and Accountability Boards as well as the executive arrangements and member apparatus of partner authorities.
- 1.5. The key *known* dates (past or future) are as follows:

| Date | Meeting | Meeting focus |
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| 26 May 2023 | SELEP Senior Officer Group and wider officer partners | Discussion on normal SELEP business and emergent principles of transition |
| 12 June 2023 | SELEP Special Board Workshop (non-voting) | Available board members to advise on development of papers for July |
| 16 June 2023 | SELEP Accountability Board | Normal business but advise informally on progress |
| 7 July 2023 | SELEP Strategic Board Meeting | Agree principles of transition and preferred scenario for moving forward |
| 19 July 2023 | SELEP Senior Officer Group (face to face) | Develop transition plans according to the decision of the 7 July meeting |
| 22 September 2023 | SELEP Accountability Board | Note progress |
| 13 October 2023 | SELEP Strategic Board Meeting | Sign-off of SELEP-wide and locally specific transition plans. Update on staff plans. |



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| 17 November 2023 | SELEP Accountability Board | TBD |
| 8 December 2023 | SELEP Strategic Board Meeting | TBD |
| 16 February 2024 | SELEP Accountability Board | TBD |
| 22 March 2024 | Final SELEP Strategic Board Meeting | TBD, in person. Invites to wide group of partners and stakeholders |

1.6. The separate Appendices to this paper are as follows:

- A. Future scenarios presentation – 12 June workshop
- B. SELEP 2023/24 Delivery Plan

2. Decisions/Actions: Board is recommended to:

- 2.1. Agree to the adoption of ‘Scenario D’ for the transition of the LEP and the integration of its activities into Local Authorities
- 2.2. Agree to support the development of a detailed transition plan, for agreement at the next Strategic Board with local authority partner commitment to providing written confirmation detailing the capacity available within each authority.
- 2.3. Note the need to maintain all 20+5 Board Director positions until the LEP is disbanded to ensure that quorate decisions can be made by the Strategic Board to see through the transition detailed above.
- 2.4. Agree to adopt the SELEP Delivery Plan for 2023/24.
- 2.5. Note the change in executive leadership of the LEP.

3. Rationale for Decisions/Actions

- 3.1. Government’s ‘minded-to’ indicative decision to cease funding LEPs and effectively withdraw their mandate requires us to urgently consider the future of this area of work. It is important to ensure that SELEP’s partner-facing work is continued where there is an appetite to do so, and that its ongoing liabilities are considered and resourced.
- 3.2. The top priority for Board Directors should be to provide clarity to the existing staff to both retain the expertise and knowledge that has developed in SELEP over the 12 years and to mitigate the risk of losing such critical resource at a time when it is most needed in planning for the future.
- 3.3. An informal workshop of Board Directors on 12 June acknowledged this point and noted the high calibre of work that continues to be delivered by the SELEP team. Some of that work is highlighted in the presentation which constitutes Appendix A of this paper.
- 3.4. Board Directors should be mindful of the principles of a sound transition that we would like to maintain through this process. These were all presented to and noted by the workshop of Board



Directors on 12 June:

- 3.4.1. That a mainstream, independent and influential voice of business is present through the transition period and beyond;
 - 3.4.2. That the transition works to ensure that there is no gap in business engagement and that local support is made available to establish new arrangements;
 - 3.4.3. That SELEP staff affected by change are provided with clarity at the first possible point and that contract terms are not downgraded – i.e., that permanent staff are not transferred on to fixed term contracts;
 - 3.4.4. That it is acknowledged that the process is in line with Government policy and all scenarios therefore result in the eventual closure of SELEP, irrespective of the time taken to complete the processes which underpin our orderly transition.
- 3.5. The extent to which principles of an orderly transition are adopted will have a direct impact on the staffing and resourcing challenges that will run alongside this. The completion and/or continuation of SELEP's important work relies on the staff being available to undertake it. With all the changes ahead, there remains the significant risk that SELEP's available resource will further reduce as people seek certainty around their futures elsewhere. Board members should remain mindful of this risk and consider what might be done to mitigate it.
- 3.6. We should also acknowledge that some residual activities may need to continue to be undertaken, even if the preferred Scenario D is adopted. These will be determined by the still unknown requirements of Government around ongoing responsibilities for managing the capital programme and undertaking monitoring and evaluation at a legacy LEP level.
- 3.7. Essex County Council as Accountable Body to the LEP will be keen to ensure that this work is supported, and that resource is made available from what is remaining of the SELEP revenue budget. The Accountable Body comments later in this document will address this important point.

Further Information

4. Decision 1: Agree to the adoption of ‘Scenario D’ for the transition of the LEP and the integration of its activities into Local Authorities.

- 4.1. The Levelling Up White Paper, published in February 2022 lay the groundwork for accelerating devolution across the UK. This followed two LEP reviews that took place in 2018 and 2021. The latter, suggesting a move away from responsibilities for a capital programme, proposed that LEPs evolved to perform three main functions:

deliver a programme of joined-up, expert and tailored business advice and support for local businesses

identify key local sectors and industries, and to design and deliver interventions to make them more competitive, making the most of local opportunities

provide place-based economic expertise and insight to central and local government

- 4.2. Contrary to this, the White Paper then placed further uncertainty on LEPs, quickly followed by a letter from DLUCH and DBEIS in March 2022¹ concluding the 2021 review and stating, “We want to ensure businesses outside of devolution areas are still able to access the support, insights and representation LEPs currently provide. Where no devolved institutions exist in an area, we will support LEPs as they are currently constituted until there is devolution, subject to future funding decisions”.
- 4.3. Whilst that letter confirmed core funding for 2022/23, decisions around future funding, both core and for Growth Hub services, remained unconfirmed. SELEP continued to evolve its operation in view of the statement above assuming that it would continue to provide its functions until it integrated into new devolved areas, as they were agreed.
- 4.4. Following the Chancellor’s budget speech in March 2023, the LEP received a letter confirming a lower sum of core funding for 2023/24 and confirmation of the Chancellors’ statement that the Government was ‘minded to’ cease funding for LEPs from April 2024 and that their functions should integrate into local authorities, regardless of devolution.
- 4.5. To this end it was prudent for the LEP to start planning on how integration of LEP functions into local authorities might best work. This work started in earnest in May 2023 and resulted in the development of four scenarios, covering all feasible options, under which integration could happen. These are headlined in the tables below.
- 4.6. It is important to note that clarity and guidance on Government’s expectations post March 2024 are yet to be received.

¹ Integrating Local Enterprise Partnerships into local democratic institutions, Letter from Neil O’Brien and Paul Scully, 31 March 2022.



Scenario A: No change, with full integration of LEP functions by March 2025

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| Headline | Substantive LEP team remains in place to deliver pan-area activities until March 2025. |
| Functions | Strategic partnership activity; full Capital Programme management; business support |
| Timeline | 100% activity in 2023/24 inc. transition planning. Full LEP activity continues in 2024/25 but in parallel with integration work. Full integration to be concluded by March 2025. |
| Governance | No change until 2024/25. Strategic & Accountability Boards continue as is |
| Finances | Revenue budget available to cover costs of the substantive team and those of the Accountable Body until March 2025, including close down. |
| People | No immediate impact. Integration planning would detail future impact, including a consultation to determine in-scope, transfers or redundancy. |
| Pros | Enables value-added 'regional' work to continue and supports continuity and stability while local arrangements are fully developed and political decisions and expectations made clear. Mitigates loss of expertise before March 2025; retains existing business engagement. |
| Cons | Operating within limited Government mandate; local remaining support may reduce as time goes on |

Scenario B: Reduced SELEP team, with full integration of LEP functions by March 2025

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| Headline | A reduced independent LEP team remains in place to deliver core activities, particularly |
| Functions | Limited to targeted strategic partnership activity; baseline Capital Programme responsibilities; business support |
| Timeline | 100% activity in 2023/24. Reduced LEP activity continues in 2024/25 in parallel with integration planning and work. Full integration to be concluded by March 2025. |
| Governance | Strategic & Accountability Boards remain but pared back from April 2024 to reflect reduced role |
| Finances | Revenue budget available to cover all costs and subsequent close |
| People | Consultation required to determine in-scope, transfers or redundancy |
| Pros | Maintains targeted pan-area activity; mitigates loss of expertise; allows time to plan transition and support/align to devolution plans; retains existing business engagement |
| Cons | Operating within limited Government mandate; local remaining support may reduce as time goes on |



Scenario C: Host regional team until March 2025, with LEP integration by March 2024

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| Headline | A core team continues to deliver some core ‘regional’ activities until March 2025 but is subsumed within a Local Authority or across local authorities from April 2024. |
| Functions | Limited to targeted strategic partnership and business support activity and continued execution of core Capital Programme responsibilities ‘centrally’. |
| Timeline | Staff integration planning and work begins in 2023/24 with closure by April 2024. Hosted regional team remains in place until March 2025 with full integration of LEP functions by March 2025. |
| Governance | SELEP Ltd is replaced with a partnership MoU. If capital programme remains managed at ‘regional’ level then Accountability Board or similar structure still required for programme oversight until March 2025. |
| Finances | Agreed funding for revenue costs transferred to host authority (if not Essex CC) or authorities, except those retained to support close down activities by the Accountable Body. |
| People | Consultation required to determine in-scope, transfers or redundancy. |
| Pros | Enables continuity of a core body of work; retains expertise; provides good continuity to staff, whilst fully integrating functions into local authorities |
| Cons | Could cause confusion if not clearly communicated. Governance could become complicated. Proper business engagement would be difficult. |

Scenario D: Full integration of all LEP functions by March 2024

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| Headline | Movement of all staff and functions into local authorities by April 2024, or as close to that date as possible. |
| Functions | All funded functions inc. required capital programme management, delivered by staff moving into individual Local Authorities. |
| Timeline | Integration of LEP functions by 1 st April 2024, or as close to that date as possible. |
| Governance | Contracts novated; functions transferred formally; Boards disbanded. Government requirements for ongoing delivery to be established. Require analysis of Framework Agreement to ascertain close down obligations on partners. |
| Finances | Revenue remaining to cover close down, including the costs of the Accountable Body; and moved staff costs would transfer to local authorities. |
| People | Staff moved to Local Authorities, via TUPE or agreed arrangements, or |



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| | compulsory redundancy through consultation. |
| Pros | Clean break; strong policy response; could provide clarity to staff at early stage and business and partners. |
| Cons | Limited time to agree processes and implement; loss of value-added strategic work; potential for lost opportunity and momentum; risk of alienating business; potential for quick loss of expertise. |

- 4.7. These scenarios were presented to a special session of Board Directors on 12 June 2023 to inform, discuss and test views and help shape the recommendation to present to this 7 July Strategy Board meeting.
- 4.8. 14 board members were present at this session, including 5 local authority leaders or designated cabinet members and 9 business members, as well as senior members of the SELEP team and a handful of Local Government officers.
- 4.9. Participants made a clear acknowledgment of all the tangible benefits that SELEP and its multi-partnership working has delivered. The many positives of the 12 years of partnership were noted as was the importance of communicating the fantastic legacy of the LEP.
- 4.10. Whilst the meeting was not a decision-making forum, the discussions and debate resulted in a preferred position of Scenario D. This was largely attributed to the clear direction of policy and the need to provide clarity for staff, businesses and partners at the earliest point.
- 4.11. The table below provides a broader narrative on what a transition aligned with ‘Scenario D’ might need to consider.
- 4.12. **Scenario D**

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| <p><i>Functions</i></p> <p>All functions currently undertaken by the LEP which Board Directors agree are important to carry forward will be transferred into Local Authorities according to transition plans agreed locally and agreed at LEP level.</p> <p>Key considerations in the development of transition plans for LEP functions will be around the management of the capital programme for which Government retain expectations on the spend of Growing Places Fund and the monitoring and evaluation of the wider £550m programme; the continuity of business support provision as Government review the positive impact of Growth Hubs and determine next steps; and the coordination of cross-area strategic work and sector-driven private sector partnerships such as the hugely successful South East Creative Economy Network and the Major Projects Group which brings together the groups behind major investments due in the area in the next 10 years to discuss issues such as supply chain development and tackling skills issues.</p> <p><i>Timeline</i></p> <p>The Government have been clear that funding for LEP activities will cease at the end of March. Given that all LEPs are established as companies, Government cannot abolish LEPs, indeed at least half of the LEPs in the country will continue beyond March 2024. Nevertheless, the policy direction is clear and roots economic development activities in Local Authorities. Given that SELEP is an amalgam of six upper tier authorities, and is not coterminous with a potential</p> |
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county deal area, it is reasonable that the current structure evolves to reflect the local focus.

In achieving a full transition, Board Directors should be aware that, in accordance with the extant local and national Assurance Frameworks, there are important legal processes to go through that will need to be detailed within the transition plan and agreed with the six upper tier authorities and Government. We will be making best efforts to ensure that the process is completed as soon as possible.

Governance

The governance requirements around the ongoing monitoring and evaluation of commitments made by the LEP will determine the route that our governance transition needs to take.

Whilst we await clarity on Government requirements on this, we can expect to have to novate the contracts that are currently in place around projects in the capital programme and draw a direct contractual relationship between DLUHC/Government and the upper tier Local Authorities. We will also need to formalise the transfer of our other functions to ensure that each area of the LEP is fully sighted on the plans.

Closure of the Ltd company will be progressed, and we will work to disband the Strategic Board and revoke the Joint Committee Agreement which underpins the Accountability Board, pending the decision on the future management of the Growing Places Fund. Please note that this will require a structured process that is still to be determined.

Close down obligations on partners will be exercised as part of the Framework Agreement and closure costs and additional costs borne by the Accountable Body will have to be quickly ascertained, as they are expected to be met from the SELEP residual funding – the support required from the Accountable body will depend on the proposed transition plan and the expectations of Government.

Finances

We have established a principle of covering closure costs, additional costs on the Accountable Body and supporting the salary costs of staff members moving into Local Authorities. In addition to this, we should be mindful that the Accountable Body may well determine that specific resource needs to be allocated to the ongoing management of the monitoring and evaluation requirements of the capital programme.

Whilst a financial plan will have to be developed in alignment with the overall transition plan, the headline approximate figures are as follows:

Estimated Accountable Body costs: £100,000 to £130,000

Overall salary and on-costs of permanent staff in 2024/25: £670,000

Redundancy reserve required: £180,000

People

The processes in place to secure an orderly transition of SELEP staff into Local Authority roles should be the foundation of all transition plans. Conversations are beginning with Directors in the upper tier authorities and where possible, HR business partners are engaged in the conversations to ensure that no stones are left unturned in determining the opportunities in our Local Authority Partners and ensuring a smooth move across.

A huge concern during this process is the loss of staff through 2023/24 as they understandably



seek more secure routes to employment elsewhere. Linked to this is the fact that proactive partners may quickly identify opportunities in their own organisations into which they would like to attract specific skillsets from the LEP team. This will need to be carefully managed to ensure that essential activities can be supported whilst doing everything to ensure that members of staff are able to capitalise on any new opportunities outside of the SELEP team.

- 4.13. The principles set out in section 3.4, above, were supported by those who attended the Board session on the 12 June, as was the view that it is of paramount importance that the transition is orderly, timely, and work to retain highly valued staff expertise and strategic partnership work wherever possible.
 - 4.14. The language around transition was also highlighted as being a crucial part of the exercise. The meeting recognised that we are not looking to move away from the LEP because it is not working, we are simply looking to move to implement new Government policy locally and, in doing so, should reciprocate the respect that the LEP has shown to all its partners over the years. We should also be mindful that we will, in all likelihood, be bound together in the robust management of the largest LEP capital programme nationally for some time beyond March 2024.
- 5. Decision 2: Agree to support the development of a detailed transition plan, for agreement at the next Strategic Board, with local authority partner agreement to providing written confirmation detailing the capacity available within each authority.**
- 5.1. Scenario D presents a very challenging timeline, particularly given the need for the novation of grant agreements and full staff consultation, but also in progressing this with the continued unknowns regarding Government's expectations, particularly around management and reporting of the capital programme.
 - 5.2. To achieve an effective and orderly transition requires an overall Transition Plan for the LEP, one which is supported by corresponding transition and integration plans developed by Local Authority partners. Significant local resource will be required to support this work.
 - 5.3. To support this, the SELEP team has arranged a face-to-face meeting of senior Local Authority officers on the 20 July to start this process in earnest. A significant planning process will need to be undertaken in the coming months between the SELEP team, the Accountable Body and Local Authority partners in economic development, finance, legal services and HR. The Board's agreement to this way of working is required to set the processes fully in train.
- 6. Decision 3: Note the need to maintain all 20+5 Board Director positions until the LEP is disbanded to ensure that quorate decisions can be made by the Strategic Board to see through the transition detailed above.**
- 6.1. We are aware that the four federated boards which partly exist to support the Board are at varying points in their life cycle and appreciate that there are different states of readiness or appetite for the federated boards to step up after SELEP disbands. This reflects the different levels of local progress in responding to devolution and the Government's call for the development of Combined Authority arrangements.
 - 6.2. In the meantime it is important to ensure that the SELEP Strategic Board can make quorate



decisions which are fully representative of our areas. This requires local authority and business representation from each area to be maintained at the current numbers and split across the LEP area to ensure that the Strategic Board can specifically make the decisions it needs to progress the transition to completion.

- 6.3. Should any given local area of the LEP seek to change their business representation arrangements in advance of that date, we will need to work with local areas to identify businesses as new Board Directors of SELEP Ltd and register them with Companies House accordingly to ensure that they are able to vote on the key decisions that will be required between now and the end of March 2024.

7. Decision 4: Agree to adopt the SELEP Delivery Plan for 2023/24.

- 7.1. The completed Delivery Plan for this financial year is attached at Appendix B for your approval. Board Directors will be familiar with the format as it is consistent with the Delivery Plans submitted over the last four years and is built upon the discussions presented to the Strategic Board in December 2022 by the CEO.
- 7.2. There have been no requirements set out for 2023/24 from Government regarding the structure or submission of LEP Delivery Plans, although we have continued to keep colleagues at the Department for Levelling Up, Housing and Communities informed of our plans.
- 7.3. The Delivery Plan reflects the transition discussions outlined in this Board paper and as such it does not include a detailed quarterly plan as much of this detail will be influenced by discussions and decisions that are still to take place. It does however continue to emphasise the important role that SELEP continues to play in championing the business needs and providing the platform for private public sector collaboration to promote economic growth and investment into the area. As we work through transition planning, it sets out how we will continue to focus on strategic planning and supply of economic intelligence; strong collaboration and communication across our network and direct programme delivery in order to achieve this.
- 7.4. The Delivery Plan continues to be informed by the four strategic priorities from the SELEP Economic Recovery and Renewal Strategy but recognises that we need to be more focused in our activities for 2023/24 to enable us to prioritise key areas of work while supporting crucial transition arrangements.
- 7.5. 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.

8. Decision 5: Note the change in executive leadership of the LEP.

- 8.1. Board members will be aware that Adam Bryan has resigned his position as Chief Executive of SELEP and will leave at the end of July having been in post since April 2016.
- 8.2. Following a successful recruitment process, Helen Russell, one of our existing Strategy and Intelligence Managers, has been appointed into the role and will assume day to day leadership from Monday 31 July.

9. Next Steps

- 9.1. Further Government advice around the future of LEPs is expected before the summer recess. On receipt of this, we will disseminate across all Board members and plan for urgent conversations if this is required or if the advice is different to our expectations.
- 9.2. The transition planning will start as an urgent priority and Board Directors will be kept up to date on progress on a fortnightly basis. Monthly planning sessions between SELEP, the Accountable Body and all six upper tier authority partners will be scheduled as a priority.
- 9.3. A full transition plan and update on matters relating to the staff will be brought to the October meeting of the Board.

10. Appendices, Supporting Documents and Previous Decisions

- 10.1. Please note that this item incorporates appendices which provide vital background to these important decisions on the future of the LEP. Board Directors are encouraged to contact Adam Bryan if there are any issues in accessing the information.

11. Comments from the Accountable Body

- 11.1. Any decisions made by the SELEP Boards are required to be compliant with the existing governance processes of SELEP until SELEP as a company is formally dissolved and any residual legacy issues are concluded or transitioned to the satisfaction of Essex County Council as the Accountable Body and Government.
- 11.2. Essex County Council is Accountable to DLUHC for ensuring that SELEP continues to operate in accordance with the agreed Assurance Framework; any divergence from the Assurance Framework to support the transition of the SELEP would require support from Government.
- 11.3. SELEP does not deliver any statutory functions, however, it has been funded to date with public monies, to oversee the distribution, allocation and delivery of investment to support economic growth and recovery across the region; funding has been awarded through grants and loans to the respective upper tier local authorities, who, in accepting the funding, under the terms of the funding agreements in place, have in turn become Accountable for ensuring the appropriate application of the funding through delivery of the approved projects or programmes and assuring value for money.
- 11.4. In preparing for the transition of SELEP functions, the view and expectation of Government is required to be understood to ensure that any residual accountability or legacy considerations, particularly with respect to the funding allocations, are addressed to the collective agreement of the Accountable Body, Government and the six upper tier Local Authority partners.
- 11.5. The SELEP Secretariat are all currently employed by Essex County Council, albeit that they are funded by the monies allocated to the LEP and managed on behalf of the LEP by Essex County Council as the Accountable Body; this means that the Secretariat are employed on the basis of Essex County Council's terms and conditions - this will need to be taken into account with respect to any potential redeployment, redundancy or TUPE considerations. The transition plan will need to reflect a 5 to 6 month lead in time, which would include a minimum 45 day consultation process to enable a considered transition of agreed functions, including appropriate engagement

with the impacted staff.

- 11.6. Section 4.12 identifies the approximate costs of the permanent staff, the Accountable Body and the potential redundancy requirement, that may be required to support transition and close down arrangements of the SELEP; actual costs will be dependent on the final plan agreed by the respective impacted Partners and Government.
- 11.7. It is a requirement of the SELEP Framework Agreement that all costs of Essex County Council in respect of the Secretariat and its role as the Accountable Body, are met by the Partnership; in this respect, we anticipate there being sufficient funding to meet the costs set out in section 4.12 within the existing SELEP reserves, subject to any additional requirements of Government or the proposed transition approach to be developed and agreed.
- 11.8. In addition to the staffing considerations, the transition plan will need to address the potential requirement for on-going monitoring and reporting into Government of the Projects that have been funded by the LEP; clarity with respect to the requirement for reporting on-going into Government is required. SELEP's intention to conduct an evaluation of the capital programme to demonstrate outcomes and the impact this has had on our economy over recent years should, in part, address this requirement, however, with a number of Projects still in delivery, on-going oversight should be reasonably expected. Currently the SELEP Secretariat undertake a challenge and coordination function in collating returns from Partner Authorities and reporting that position to DLUHC; the on-going responsibility for that reporting (should it continue to be required by Government) should form part of the agreed Transition Plan to be established.
- 11.9. With respect to the SELEP Delivery Plan for 2023/24, this is supported by the SELEP budget that has been agreed by the Accountability Board. The budget is due to be reviewed and updated by the Accountability Board in September 2023 to reflect the impact of the Core Funding contribution from Government and to consider the impact of the transition proposals to be agreed by the Board.
- 11.10. The time taken to support the SELEP transition, to implement 'option D', will be determined by the approach(es) agreed by the respective parties; this option is anticipated to be complex and resource intensive to appropriately address legacy issues, particularly:
 - all the contracts for existing projects (of which there are multiple) would need to be disaggregated, which would only be deliverable if government and the six upper tier local authority partners agree it.
 - residual funding held by the Accountable Body will need to be appropriately allocated, including GBF and GPF funds (see Agenda item); and
 - the staff employed by Essex County Council who provide the Secretariat function for SELEP
- 11.11. The Accountable Body continues to provide support to the Secretariat and Partners to support the transition plan in accordance with the governance framework of SELEP.