
Minutes of the meeting of the SELEP Accountability Board, held in The Nucleus Business and Innovation Centre (Brunel Way, Dartford, England, DA1 5GA) on Friday, 16 June 2023**Present:**

Simon Cook	Chair
Cllr Lesley Wagland	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Keith Glazier	East Sussex County Council
Cllr Lauren Edwards	Medway Council
Cllr John Lamb	Southend-on-Sea City Council
Cllr Deborah Arnold	Thurrock Council

Also Present:

Bernard Brown	Member of the public
Adam Bryan	SELEP
Paul Chapman	Essex County Council
Alex Colbran	East Sussex County Council
Mirco Cordeiro	East Sussex County Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Stephanie Ennis	Essex County Council
Jessica Jagpal	Medway Council
Keri Lawrence	SELEP
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
Stephanie Mitchener	Essex County Council
Kevin Munnelly	Thurrock Council
Michael Neumann	Essex County Council (as delegated S151 Officer for the Accountable Body)
Piers Meyler	Member of the public
Lorna Norris	Essex County Council
Vivien Prigg	Essex County Council
Leslie Rickerby	SELEP
Tim Rignall	Southend-on-Sea City Council
Helen Russell	SELEP
Lisa Siggins	Essex County Council
Steven Stott	Essex County Council

1 Welcome and Apologies for Absence

- Cllr Kevin Bentley substituted by Cllr Lesley Wagland
- Cllr Tony Cox substituted by Cllr John Lamb
- Cllr Andrew Jeffries substituted by Cllr Deborah Arnold

2 Minutes of the previous meeting

The minutes of the meeting held on Thursday 13 April 2023 were agreed as an accurate record.

3 Declarations of Interest

There were none.

4 Questions from the public

There were none.

5 SELEP Operations Update

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

Adam gave the Board an overview of the key points in the report, including confirming that Simon Cook had been appointed as the new SELEP Deputy Chair.

Adam provided an update on the outcome of SELEP's Annual Performance Review with Government, confirming that expectations regarding Strategy had been met but that concerns were raised in relation to Governance and Delivery. Delivery concerns related to the fact that there is ongoing delivery of projects within the LGF and GBF capital programmes, despite both funding streams having officially concluded and the concern regarding Governance relates to the ongoing Deep Dive into projects in East Sussex which are being delivered by Sea Change Sussex. Adam indicated that the points raised around delivery were not significant issues and that the concerns identified remained subject to regular dialogue with Government officials.

The Board were advised that an application for core funding had been submitted to Government and that shortly before this meeting, notification had been received that the application had been successful. Government has indicated that they are minded to not provide core funding for LEPs after 2023/24 and that

LEP responsibilities will transition to local authorities thereafter. This opens the requirement for a comprehensive set of conversations with the Strategic Board in July and the need to swiftly develop a transition plan to ensure a smooth transfer of activities to local partner authorities.

Simon Cook pointed out that verbal feedback from Government officials had been received which indicated that SELEP had managed the public funding directed through it very well.

In response to a question from Simon Cook, Adam advised that an update is still awaited from the Assurance Team from the Cities and Local Growth Unit regarding the Deep Dive and that, as it stands, it is unclear when the outcome of the Deep Dive will be received.

Resolved:

1. **To Note** the update on the recruitment of the SELEP Deputy Chair at Section 4 of the report.
2. **To Note** the outcome of the 2022-23 Annual Performance Review at Section 5 of the report.
3. **To Note** the update on Assurance Framework compliance monitoring at Section 6 of the report.
4. **To Note** the update on LEP core funding 2023-24 at Section 8 of the report.
5. **To Note** the update on Governance KPIs and changes to the Risk Register at Appendices B and C of the report.

6 SELEP Finance update

The Board received a report from Lorna Norris, Senior Finance Business Partner, the purpose of which was for the Board to consider the provisional outturn position for the SELEP Revenue budget for 2022/23 and the impact for the 2023/24 funding position.

Lorna pointed out that as Adam had mentioned in the previous agenda item, confirmation had now been received that the application for core funding had been successful.

Resolved:

1. **To Note** the provisional net cost of services for 2022/23 of £64,000.
2. **To Approve** the provisional outturn position for the SELEP revenue budget for 2022/23 in Table 1 of the report, including the net contribution to the Operational Reserve of £159,993.
3. **To Approve** the movement in reserves set out in Table 5 of the report.

4. **To Note** the impact on the future funding position set out in section 3.11 of the report.

7 **Getting Building Fund update**

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

The Board were advised that the report did not reflect a confirmed year end spend position as reporting was not provided by Medway Council in time for inclusion within the report. Helen confirmed that the reporting had now been received and therefore the year end position would be confirmed at the next Board meeting.

Cllr Wagland confirmed that all 5 Essex County Council projects referenced in the report will have fully spent their GBF funding allocation by 30 June 2023. Cllr Wagland also confirmed that the funding will have been drawn down in full by 30 June 2023.

Cllr Lamb provided an update on the Better Queensway project and confirmed that, despite the change in leadership at Southend-on-Sea City Council, there remains a strong commitment to bringing the project forward. Sanctuary Housing Association are continuing their due diligence following their take-over of Swan Housing and further information will be available once this work has been completed.

Cllr Edwards apologised for the delay in submission of the required reporting by Medway Council.

Resolved:

1. **To Note** the current forecast spend across the GBF programme for the 2023/24 financial year of £7.979m (excluding GBF funding which is not currently allocated to projects), as set out in Table 1 of the report.

2. **To Agree** the reported GBF spend on project delivery in 2022/23 of £15.508m, as set out in Table 1 and Appendix A of the report.

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

8 **GBF High Risk Projects Update Report**

The Board received a report from Leslie Rickerby, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the position on the following Getting Building Fund (GBF) projects which are currently ranked as

High Risk: Better Queensway, Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas, No Use Empty South Essex and Techfort Phase 2.

The Board were advised that Better Queensway continues to be flagged as High risk as Sanctuary Housing Association are still undertaking their review of the business plan for the wider project. As a result, there is a risk that they will choose not to proceed as joint venture partner – which could significantly impact on the delivery programme. Assurances are required from Southend-on-Sea City Council at a future meeting regarding delivery of the wider project.

With regards to the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas project, Essex County Council, as Accountable Body for SELEP, continues to hold £118,182 GBF (as awarded to the project in January 2023). This funding could not be transferred to Essex County Council (as responsible Upper Tier Local Authority) until required internal governance processes had been completed. Whilst steps have now been taken by Essex County Council to seek draw down of the funding, there remains a risk that this funding will not be transferred prior to 30 June 2023.

The Board were advised that delivery of the above projects will be closely monitored.

Cllr Lamb spoke with regards to the Better Queensway project and indicated that the required due diligence being undertaken by Sanctuary Housing Association is progressing at a slower rate than was hoped by Southend-on-Sea City Council. Cllr Lamb also indicated that, whilst acknowledging the risk to the GBF funding, placing short timescales on this is not helpful and may reduce confidence in the project. He also indicated that Southend-on-Sea City Council are working hard to ensure that the funding is only issued to Sanctuary Housing Association when there is a firm commitment to progress with the project. Cllr Lamb reiterated that the project remains very important for Southend.

Helen Dyer and Simon Cook provided assurance that the GBF funding would only be removed from the project if it could not progress to delivery and that the current SELEP position was that the outcome of the due diligence and review by Sanctuary Housing Association was awaited and that this would be used to inform future decisions. Cllr Lamb expressed a desire to ensure that clear messages are issued with regard to the risk of withdrawal of the GBF funding to ensure that confidence is not lost in the project.

Cllr Wagland reiterated that the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas project will have fully spent its GBF funding allocation by 30 June 2023 and that delivery of the project was complete.

Cllr Gough provided an update on the Techfort Phase 2 project and confirmed that delivery is progressing at pace, with full spend of the GBF funding expected by 30 June 2023.

Resolved:

1. **To Note** the update on the Better Queensway project.
2. **To Agree** that a further update on the Better Queensway project which provides information on the outcome of Sanctuary Housing Association's review of the business plan for the wider project, the outcome of Southend-on-Sea City Council governance processes and contains the required assurances regarding the ongoing delivery of the wider project should be provided at the September 2023 Board meeting. Submission of the required assurances is dependent upon Sanctuary Housing Association completing their review of the business plan and the completion of the required governance processes within Southend-on-Sea City Council.
3. **To Note** the updates on the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas, No Use Empty South Essex and Techfort Phase 2 projects.
4. **To Note** that the status of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas, No Use Empty South Essex and Techfort Phase 2 projects will be confirmed at the September 2023 Board Meeting.

9 Local Growth Fund Programme Update

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the overall position of the Local Growth Fund (LGF) capital programme, as part of SELEP's Growth Deal with Government.

The Board were advised that there continues to be a lot of post scheme completion Monitoring and Evaluation reports outstanding.

Cllr Edwards gave an update regarding the A289 Four Elms Roundabout to Medway Tunnel project, which is being delivered using Housing Infrastructure Fund (HIF) funding. Cllr Edwards indicated that, as a result of cost increases, revised plans for the HIF project were submitted to Homes England. These plans saw the removal of the rail element of the project. Medway Council have now been advised by Homes England that the £170m HIF allocation is at risk of being removed from the project, primarily due to there not being a current Local Plan in place. An urgent meeting has been requested with Homes England and the Department for Levelling Up, Housing and Communities (DLUHC) to discuss the project, and a public commitment has been made to deliver a new Local Plan within 2 years. Cllr Edwards confirmed that Medway Council will continue to push for a sensible solution but that they acknowledged the risk to the LGF funding as set out in the report.

Cllr Glazier gave an update in respect of the Hastings and Bexhill Movement and Access Package and confirmed that revised proposals for the project will be presented to the Board in September 2023.

Cllr Lamb queried the status of the Business Case for the A127 Fairglens project and whether the delay in confirming the funding award was due to Department for Transport (DfT) processes. Cllr Lamb asked if, given the importance of the project, pressure could be applied to ensure that the project comes forward. Adam Bryan committed to discussing the project with Cllr Lamb outside the Board meeting to ensure that SELEP are raising the correct messages.

Cllr Wagland indicated that work was progressing on the required Monitoring and Evaluation reports within the remit of Essex County Council but that there were a small number of outstanding queries which required a response from the SELEP team.

Resolved:

1. **To Note** the provisional total spend in 2022/23 of £12.447m LGF excluding Department for Transport (DfT) retained schemes and £12.685m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.
2. **To Agree** the updated total planned LGF spend on project delivery in 2023/24 of £10.941m excluding DfT retained schemes and increasing to £11.027m including DfT retained schemes, as set out in Table 2 and Appendix A of the report.
3. **To Note** that a revised Business Case for the Hastings and Bexhill Movement and Access Package will be brought forward for Board consideration at the September 2023 meeting.
4. **To Note** the deliverability and risk assessment, as set out in Appendix D of the report.
5. **To Note** the list of outstanding post scheme completion Monitoring and Evaluation reports, as set out in Appendix G of the report.

10 LGF High Risk Projects Update Report

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to receive an update on the delivery of the following Local Growth Fund (LGF) projects which are currently ranked as high risk: Grays South and A28 Sturry Link Road.

The Board were advised that the expected update from Thurrock Council on the outcome of the review of the Grays South project was not yet available, and that it was now envisaged that this would be provided at the next Board meeting.

Cllr Gough provided a brief update on the A28 Sturry Link Road project and confirmed that it was now expected that the Design and Build contract would be signed by the end of June 2023.

Adam Bryan indicated that the Chair of Opportunity South Essex had requested that concerns regarding the lack of progress on the Grays South project which were raised at the Opportunity South Essex Board meeting on 15 June 2023 were noted by the Board.

The report set out two potential scenarios in relation to the Grays South project and Simon Cook enquired as to the most likely scenario. Howard advised that a meeting was planned with Thurrock Council in August and following this there would be a better understanding of the position.

Cllr Arnold spoke in relation to Grays South project, advising that a new Leader had been appointed at Thurrock Council and that a full report was being prepared with a view to Members being provided with a full briefing in July 2023. This briefing and any subsequent decisions taken by Thurrock Council will help to inform future updates to the Board.

Cllr Lamb spoke in support of the Grays South project and emphasised the importance of the project. Cllr Lamb indicated that it is important that the current issues with the project are resolved as soon as possible so that the project can move forward towards delivery.

The meeting was paused at this point to allow technical issues with the recording and broadcast of the meeting to be addressed.

Kevin Munnelly, Assistant Director Regeneration and Place Delivery, Thurrock Council confirmed that discussions were underway with key stakeholders regarding the outcome of the review and that it was intended that a full update would be provided to the Board in September.

Resolved:

Grays South

1. **To Note** the update on the project.
2. **To Note** that a further update will be brought to the September 2023 Board meeting which will provide an update on the outcome of the project reviews associated with the Grays South Regeneration Area scheme.

A28 Sturry Link Road

1. **To Note** the update on the project
2. **To Note** that a further update will be brought to the Board meeting in September 2023 which will include:
 - 2.1. Confirmation that negotiations between the developer and landowner on the Sturry site have concluded successfully.
 - 2.2. Confirmation of the status of the planning application for the North Hersden development; and

2.3. Confirmation that the CPO has been published or is ready for publication.

11 Beaulieu Park Station LGF Project Update

The Board received a report from Gary Macdonnell, Network Coordinator, Essex County Council and Howard Davies, the purpose of which was for the Board to receive an update on the Beaulieu Park Station Local Growth Fund (LGF) project (the Project) which has been identified as High risk.

The Board were advised that the Project is progressing well with excellent progress being made on site. Gary gave an update on track possessions and confirmed that all had now been secured including the important ones during Christmas 2023/New Year 2024 period. Gary also gave an update on the status of the second Implementation Agreement and indicated that this agreement is now expected to be in place by the end of July 2023. He also noted that there would potentially be challenges if this date was missed as the Project has reached the extent of the works covered by the first Implementation Agreement.

Howard Davies proceeded to highlight the risks from SELEP's perspective which included bridging the funding gap on the Chelmsford North East Bypass project to safeguard the HIF funding as set out in Section 8 of the report.

Cllr Wagland provided an overview of the Project and its expected benefits for new members of the Board. Cllr Wagland indicated that completion of the second Implementation Agreement had been delayed due to Network Rail processes. Cllr Wagland also advised that agreement had been received from Homes England that the HIF project could progress at this time.

Cllr Wagland indicated that whilst the concerns of SELEP are understood, Essex County Council are determined to deliver the Project and to protect the SELEP funding. Cllr Wagland also advised that very positive messages about the Project were being received from all key stakeholders, including Government.

Resolved:

1. **To Note** the update on the Project and the risks to project delivery which have been identified.
2. **To Note** a further update on the Project will be brought to the September 2023 Board meeting which will include an update on all aspects of the project.

12 Queensway Gateway Road LGF Project Update

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

The update report solely contained the views of East Sussex County Council.

Richard gave the Board an overview of the key issues as set out in the report and flagged that ESCC wished to highlight that they are in disagreement with Sea Change Sussex regarding progress and funding associated with the Project.

Richard advised that ESCC are fully committed to resolving any contentions with Sea Change Sussex and that there is an ongoing dialogue seeking to find a resolution to the disagreement allowing the Project to be brought to a close through the delivery of the final connection with the A21.

There is an ongoing requirement for Sea Change Sussex to submit a full set of plans and drawings, including the signage package, for review by National Highways and ESCC. This process must be completed before the Section 278 agreement can be entered into by all parties.

Richard also indicated that a draft Options Report has been produced in relation to the employment land owned by ESCC which has been unlocked through the Project. It is expected that the Board will be advised of actions arising from the Options Report at the next meeting.

Helen Dyer provided an update on risks from a SELEP perspective, identifying the various areas of contention and pointed out that due to the ongoing issues with ESCC and Sea Change Sussex, a full update has not been provided to the Board. Whilst it is acknowledged that there are the challenges identified by ESCC, it is imperative that a more comprehensive update on project delivery is provided at future Board meetings, which clarifies the funding package and delivery programme.

Resolved:

1. **To Note** that, for the reasons outlined in the report, it has not been possible to provide a full update on the Project at this meeting.
2. **To Note** that options for the way forward will be brought to the next meeting for Board consideration.

13 London Gateway/Stanford le Hope LGF Project Update

The Board received a report from Kevin Munnely and Howard Davies, the purpose of which was for the Board to receive an update on the delivery of the London Gateway/Stanford le Hope Local Growth Fund (LGF) project (the Project).

The Board has been provided with regular updates on the Project and the update included a request for an extension to the deadline for consideration of the updated Business Case for the Project.

The report also included an update on progress of Phase 1 and progress on Phase 2 design options.

Thurrock Council have requested an extension until February 2024 for consideration of a revised Business Case for the Project. Due to the Section 114 notice which is in place, the governance processes are more complicated and this has resulted in the Business Case process being extended.

Kevin provided the Board with an update on the Project and indicated that design work for Phase 2 of the Project is progressing well. This design will be used to help inform the revised Business Case.

Kevin also gave the Board an overview of the key milestones as set out in Table 1 of the report. He advised that a revised Business Case will be submitted to the Board in February 2024. Kevin confirmed that Thurrock Council are confident that this timeline can be met.

Kevin highlighted that there remains cost uncertainty until the design work has been completed. If there is a requirement to seek additional funding to support delivery of the Project, this could be challenging given the current financial position of Thurrock Council. However, internal discussions have commenced with a view to mitigating this risk should it arise.

Cllr Lamb enquired as to whether relevant third parties have been approached with regards to the potential funding shortfall with a view to securing additional funding to support project delivery. Kevin confirmed that conversations are in progress in this regard with DP World, Network Rail and the freeport. Kevin indicated that one of the challenges is that the designs need to future proof the Project and to provide capacity for future growth, however, no additional financial contributions have been committed at this stage in relation to future development and this is placing pressure on the project budget.

Adam Bryan indicated that the Chair of Opportunity South Essex had requested that concerns regarding the lack of progress on the Project which were raised at the Opportunity South Essex Board meeting on 15 June 2023 are noted by the Board.

Cllr Arnold updated the Board on the scale of growth expected in the local area, particularly at DP World, and indicated that this information would be factored into the revised Business Case. Given the complexities around the Project and likely changes from the original Business Case, Cllr Arnold requested that the recommendation at 2.1.1 of the report be expanded to also include submission of a report from Thurrock Council for consideration by the Board.

Resolved:

1. **To Agree** that the updated Business Case and report for the Project can be submitted for consideration at the February 2024 Board meeting. Noting that if this deadline is not met, the LGF funding will be removed from the Project and

will need to be returned to Essex County Council (as Accountable Body for SELEP) within 4 weeks by Thurrock Council for reallocation to alternative projects.

2. **To Note** that a further update on delivery of the Project will be brought to the September 2023 Board meeting, which will include an update on progress with Phase 2 design options and the associated application.

14 Growing Places Fund Update

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

Cllr Arnold queried whether equity in relation to the release of the GPF funding was being considered in the preparation of options for the Strategic Board to consider in July 2023. Helen confirmed that this was one of the factors that was being considered when developing the options.

Resolved:

1. **To Note** the updated position on the GPF programme.
2. **To Note** the revised drawdown schedule for the No Use Empty South Essex project (as set out in Section 6 of this report).
3. **To Agree** the proposed revised repayment schedule for the No Use Empty South Essex project (as set out in Section 6 of the report).

15 Date of Next Meeting

The Board noted that the next meeting will be held on Friday 22 September 2023 at the Launchpad at Southend Airport Business Park.

16 Urgent Business

None.