



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# STRATEGIC BOARD AGENDA PACK

**Friday 8 December 2023**  
Zoom Video Conference



## Agenda

<b>Item 1</b>	10:00	<b>Welcome</b>	Sarah Dance	
<b>Item 2</b>	10:05	<b>Minutes from 13<sup>th</sup> October 2023 meeting Declarations of Interest</b>	Sarah Dance	Pg. 3
<b>Item 3</b>	10:10	<ul style="list-style-type: none"><li>• Governance Update</li></ul>	Helen Russell	Pg. 12
<b>Item 4</b>	10:20	<ul style="list-style-type: none"><li>• SELEP Integration Plan</li></ul>	Helen Russell	Pg. 14
<b>Item 5</b>	10:40	<ul style="list-style-type: none"><li>• Local Authority (LA) Integration Plans update</li></ul>	LA Leaders/Officers	
<b>Item 6</b>	11:00	<ul style="list-style-type: none"><li>• 2022/23 Accounts</li></ul>	Lorna Norris	Pg. 23
<b>Item 7</b>	11:10	<ul style="list-style-type: none"><li>• Growing Places Fund Update</li></ul>	Helen Dyer	
<b>Item 8</b>	11:35	<ul style="list-style-type: none"><li>• Local Growth and Getting Building Fund Update</li></ul>	Helen Dyer	
<b>Item 9</b>	11:50	<ul style="list-style-type: none"><li>• Delegated Authority for Greater South East Net Zero Hub</li></ul>	Jo Simmons	Pg. 30
<b>Item 10</b>	11:55	<b>AOB &amp; Close</b>	Sarah Dance	

### Information items:

None

### Future Strategic Board meeting dates:

22<sup>nd</sup> March 2024

# Minutes of the Strategic Board Meeting: 13<sup>th</sup> October 2023

## Attendees:

Sarah Dance	Chair
Simon Cook	Deputy Chair
Helen Russell	CEO
Carol Ford	Kent and Medway Economic Partnership
Cllr Christine Bayliss	District/Borough/City Councils representative
Liz Gibney	Kent and Medway Economic Partnership
Cllr Keith Glazier	East Sussex County Council
Cllr Kevin Bentley	Essex County Council
Cllr John Lamb	Southend-on-Sea City Council
Cllr Lauren Edwards	Medway Council
Cllr Clair Bell	Kent County Council
Gregory Wilkinson	Department for Levelling Up, Housing and Communities (DLUHC)
David Sheppard	Team East Sussex
Clive Soper	Team East Sussex
Prof. Karen Cox	Higher Education Representative
Lara Fox	Success Essex
Penny Shimmin	Social Enterprise Representative
Perry Glading	Opportunity South Essex
Mark Curle	Opportunity South Essex
Vince Lucas	Kent and Medway Economic Partnership
Ana Christie	Team East Sussex
Andrew Metcalf	Kent and Medway Economic Partnership
David Milham	Kent and Medway Economic Partnership

## Other Attendees:

Michael Neumann	Essex County Council (s151)	Jo Simmons	SELEP Secretariat
Zoe Gordon	SELEP Secretariat	Line Bannister	Essex Legal Services
Vivien Prigg	SELEP Secretariat	Lorna Norris	Essex County Council
Dave Evans	East Sussex County Council	Louise Aitken	SELEP Secretariat
Helen Dyer	SELEP Secretariat	Tim Rignall	Southend City Council
Brian Horton	SELEP Secretariat	Paul Chapman	Essex County Council
Howard Davies	SELEP Secretariat	Tristan Smith	Essex County Council
Sunny Ee	Medway Council	David Smith	Kent County Council
Jessica Jagpal	Medway Council	Sharon Spicer	SELEP Secretariat
Ian Lewis	OSE	Steve Samson	Kent County Council
Richard Dawson	East Sussex County Council	Gary Crooks	Thurrock Council
Alex Riley	SELEP Secretariat	Kate Kozlova-Boran	Thurrock Council
Keri Lawrence	SELEP Secretariat		

*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 introductions**

Apologies: Cllr Roger Gough (Kent County Council) – substituted by Cllr Clair Bell – Cabinet Member for Communities, Cllr Tony Cox (Southend-on -Sea City Council) – substituted by Cllr John Lamb, Jo James (Kent and Medway Economic Partnership) – substituted by Andrew Metcalf.

**Item 2: Minutes of last meeting, declarations of interest, matters arising (02'26" timestamp on video)**

- 2.1. The Board agreed the minutes of the July meeting as an accurate record.
- 2.2. No interests were declared.
- 2.3. Sarah Dance reminded Directors that they need to keep their Register of Interests form up to date which is published and available to view on the SELEP website.
- 2.4. No Public Questions have been received.
- 2.5. Sarah Dance asked the Board to note that Matthew Arnold is stepping down as a Director of the SELEP due to new commitments. Matthew is unable to join this meeting, but Sarah wished to thank him for all his work on the Board and his dedication to the LEP, and is pleased that he will continue to be involved in KMEP and feed into the work of SELEP from a Federated Board perspective. David Milham from the Federation of Small Business has been nominated by KMEP to replace Matthew as the new business representative and will be observing the Board meeting today. Decisions about new members of the SELEP Board will be made at the December Strategic Board meeting.
- 2.6. Michael Neumann provided an update on behalf of the Accountable Body on the outcome of the Audit. The Accountable Body had intended to bring the 2022/23 Accounts for review at this meeting, however unfortunately the Audit itself was not completed in time. The outcome of the Audit has now been received and there are no concerns to raise to the SELEP Board. The Accountable Body intends to bring the 2022/23 Accounts to the Strategic Board for consideration in December when the Board will be afforded the opportunity to ask any questions. The Accountable Body continues to provide regular updates via the Accountability Board, the last of which was at the September meeting. Sarah thanked Michael for the update and Essex County Council for the ongoing support provided as Accountable Body.

**Item 3: Draft SELEP Integration Plan and Local Authority's update (05'23" timestamp on video)**

- 3.1. Helen Russell presented to the Board.
- 3.2. Helen Russell took the opportunity to thank the SELEP Secretariat team who have worked hard in recent weeks to put together the plan over and above business as usual, as well as thanking the Local Authority officers who have actively engaged in a positive and pragmatic way which has enabled the plan to be produced in the short space of time available.
- 3.3. Sarah Dance reiterated her gratitude for the work of the Secretariat team and Local Authority officers and noted the huge amount of work in a very short amount of time. She stressed the importance of not only upholding the values and principles that underpin the work of SELEP, but that there is an orderly handover in which the legacy and learning of the LEP is not lost.
- 3.4. Gregory Wilkinson (DLUHC) was asked to provide an update from the Government's point of view, particularly given the number of areas where clarification is sought by SELEP to ensure an orderly and timely integration of LEP functions. Gregory thanked the LEP and Local Authorities, the collaborative spirit of the work undertaken thus far has been appreciated by the department and the quick progress has been noted. It has been helpful to receive the responses by the LEP and Local Authorities to the Government Guidance. Further guidance is expected by January 2024. In the interim, DLUHC are working through issues one by one that have been raised and appreciate everyone's patience, the department is looking at a large Geography and lots of different types

of LEP formations and each is individual and complex. One point of clarification available is with respect to at what point the National Growth Assurance Framework is phased out and English devolution framework becomes applicable. DLUHC is working on a new National Assurance Framework for areas not in negotiation of a devolution settlement or not in process of a devolution deal and therefore not subject to the English Devolution Framework. This revised Framework will be in place for Local Authorities post integration. Further clarity will be provided once the revised Framework has gone through central clearance processes. Helen and Gregory have weekly meetings and Board members are asked to feed in any queries they may have to the department. Sarah Dance stressed the importance of government guidance for LEPs as well as for the Local Authorities and thanked Gregory for the update.

- 3.5. The Local Authority's provided updates on the integration from their perspective to the Board (27'18" timestamp on video):
- 3.6. Cllr Kevin Bentley (Essex County Council) acknowledged the amount of work that is being done to achieve LEP integration and thanked Helen Russell for leading the team. Essex County Council are working to a Level 2 Devolution, having been given the go ahead 4 and a half weeks ago, and work is progressing rapidly with the other Upper Tier Local Authorities Southend and Thurrock but also all the Districts and Police fire and Crime Commissioner (PFCC). He stated that Essex County Council are working strongly with businesses which has now come together under the Greater Essex Business Board. The new board will also include larger strategic businesses as well as involving the Chambers and SMEs so that there is a mix of businesses around the table including some of the bigger logistical businesses such as the airports and the freeports and other ports in the Greater Essex area. Everyone has been fully briefed and kept on board and had their say. Essex County Council are meeting today with the Upper Tier Local Authorities and the PFCC to discuss governance arrangements which is crucial in order to get the final green light on the devolution deal from government. The LEP competencies will be transferred to the combined authority and the Districts will continue to be part of that and will have a seat at the table along with the PFCC. Cllr Bentley stressed that he has never known greater collaboration across Essex and between all the Local Authorities which is to be welcomed. Cllr Bentley emphasised that we are all here to serve the public for no other reason, and there is a strong sense of that happening in Greater Essex. Everything outlined in Helen's presentation with respect to governance and transfer of LEP competencies are all in place and if government agrees, Essex are hoping for an announcement in the Autumn Statement in November that it is a place of devolution.
- 3.7. Cllr Clair Bell outlined that Kent County Council are preparing for integration based on the information in the August Government Guidance with respect to Functional Economic Areas and as such are working on the basis of a Kent and Medway geography. Officers have been fully integrated into the five workstreams coordinated by SELEP and the Economy team is leading on the work supported by the Finance, Legal and HR teams. The Growth, Economic Development and Communities Cabinet Committee was supportive of Kent taking on LEP responsibilities next year, a formal decision will be taken next week by the Cabinet member for economic development Derek Murphy. A Kent and Medway Integration Plan has been drafted which has been discussed with Medway Council, and shared with KMEP last week who were supportive of the direction of travel. Kent County Council are clear on the main issues, such as becoming the Accountable Body for the Capital Programmes, ensuring that businesses are fully engaged in the transition process and future plans, the continuation of the Kent and Medway Growth Hub and finalising their Local Economic Strategy to underpin future work. Kent County Council are now working through details such as staffing and resourcing requirements, KMEP's role and structure going forward and considering the practical arrangements necessary to be ready for the formal handover of the LEP responsibilities next year.
- 3.8. Cllr Lauren Edwards (Medway Council), wished to echo the positive comments, officers have fed back that the integration workstreams have been working well. Medway Council Leader Cllr Vince Maple has been clear that although Medway Council want the extra powers and extra funding, it is not interested in the current devolution options being proposed by government and prefer to wait for the more bespoke devolution deal that may be on offer in the future. Very productive discussions have been had with Kent County Council on

integration as outlined by Cllr Clair Bell, particularly with regard to working together on the continuation of the Growth Hubs in Kent and Medway and continuing to have KMEP as the voice for business in the region, with whom Medway is working very closely and developing the economic picture for the region. In terms of future governance, Medway Council want to become their own Accountable Body for ongoing Local Growth Fund projects, the rationale is that they already report directly to government on other schemes and wish to continue to do that without adding another extra layer of reporting and similarly Medway Council want to take on responsibility for GBF projects as well. Medway Council are also very interested in having as much flexibility as an Upper Tier Local Authority as possible with respect to how funds are spent, for instance having the flexibility around capital or revenue expenditure in order to deliver the growth that is needed. It would be appropriate therefore for Medway Council as their own Accountable Body to make their own decisions and report to government directly, and in terms of governance Medway are intending to take a paper to Cabinet to delegate authority to be able to make the necessary decisions at pace to meet the March 2024 deadline.

- 3.9. Cllr Keith Glazier (East Sussex County Council) outlined that East Sussex has made resources available across all the departments including Finance, HR and Legal teams to ensure full engagement in each of the SELEP integration workstreams. They have also engaged with Team East Sussex (TES) to provide updates ensuring that businesses, boroughs and district colleagues are all kept in the loop. A clear timeline has been set out for the local approvals process ensuring that both the draft and the final versions of the SELEP Integration Plan receive the approval of the Corporate Management Team, Cabinet and Full Council, the last of these is scheduled to take place in February 2024, so will be fully concluded ahead of the March SELEP Strategic Board meeting. The schedules include TES engagement throughout. East Sussex officers are now working on an East Sussex Integration Plan arranging for the activities of the SELEP plan into the County specific actions, and the first draft will be ready at the end of this month. In terms of risks identified, in relation to the Growth Hub, East Sussex have already moved the service in-house so have already mitigated the risks in the gap of business support services. Government guidance is clear that they encourage Upper Tier Local Authorities to create or continue to engage with the Economic Growth Board made up of business leaders and relevant representative bodies in order to provide the view of local businesses as part of the regional decision making and to work with local leaders to create the broad economic strategy for the area. Before the transition work even began East Sussex agreed that Team East Sussex would continue to operate beyond the life of SELEP as the Strategic Economic Growth Board for the County and work is already being done together on an Economic Growth Strategy for 2024. Cllr Glazier was pleased that the DLUHC lead attended the TES board meeting and she commented positively on the that arrangements East Sussex have in place, and the proactive way that TES, East Sussex County Council and SELEP have worked to ensure a smooth transition. On Devolution, there's nothing that East Sussex see as potentially advantageous currently and therefore will wait to see what tier 2 deals look like.
- 3.10. Cllr John Lamb (Southend-on-Sea City Council), on behalf of Southend would like to extend gratitude to Helen and the Secretariat team but also to all the local officers who are working so hard. Work is underway to support the various SELEP cross-cutting workstreams that have been agreed as well as progressing towards level 2 Devolution as has been outlined previously by Cllr Bentley. Unfortunately LEPs will be coming to an end, but Southend is prepared for taking on the responsibilities and accountabilities that LEP integration brings. Progress is being made very smoothly albeit there are some concerns because there are delays with respect to guidance from government. Despite this however Southend are pleased with the way things are moving forward and in the way that everyone is working together across Greater Essex.
- 3.11. Sarah thanked the Local Authorities for their updates and stated that she felt it was important for the Board to have an understanding as far as possible of the work that is underway at local level. Sarah Dance opened up for any discussions and questions relating to Item 3.
- 3.12. Simon Cook commented that listening to all the feedback and the progress that has been made thus far, a potential risk could be the delay of government guidance. SELEP have done a lot of work to progress what is a fairly orderly transition and he asked whether a view would be taken by the Board to ignore government

guidance going forward if it had a disrupting effect on that progress that has been made so far particularly in the context of the short amount of time remaining until March 2024.

- 3.13. Carol Ford thanked the team for producing the Critical Milestones and Dependencies outlined within Appendix B which is very helpful. Two questions in relation to that: 1) Whether there are 'Plan B's' should any of the critical milestones not be met; and 2) Whether the crucial Resourcing work, including the necessary process of consultation with staff as the transition process goes forward, is underway and noting the risks around ongoing resourcing of the team.
- 3.14. Cllr John Lamb responded to Simon Cook's comments, and stated that government have given the LEP the objective of integrating into Local Authorities, and irrespective of whether everyone agreed with that decision, it is the required goal. Therefore, the Board should focus on getting the job done, and rather than wait for government guidance it should be telling government what the SELEP area wants and the direction of travel. If that is not done there is a risk that progress will stall and that is not what we or our businesses need, what is needed is clarity and a moving forward. Cllr Lamb stated SELEP now have an end game that it is moving towards, let's make it happen and then say to government that if there are changes required they can come back and request that after the goal has been achieved.
- 3.15. Sarah Dance stated that she personally would agree with that statement, as long as SELEP continue to be compliant with the Assurance Framework as far as possible and exercising due diligence as it follows the path towards an orderly transition as set out and agreed at the last Board meeting.
- 3.16. Helen Russell, responding to Simon Cook's question at 3.12 above, noted that there is a large amount of work that can continue to be done outside of that which requires government guidance. The critical input from government that is required however is for DLUHC to release Essex County Council of its Accountable Body status, otherwise Essex County Council will continue to have that ongoing responsibility. Helen stated that she is not getting the impression that it will be an insurmountable hurdle to come to an agreement with government on that point, however the timeliness presents challenges particularly given the deadline which government want us to work to. With respect to further guidance and clarifications, Helen agreed with Sarah and with others that as long as SELEP are compliant with the Assurance Framework and with what is collectively agreed as the plan going forward, work can continue at pace. If guidance is received which contradicts the work underway then SELEP are in a positive position to push back where necessary given that there has been a locally influenced rationale behind various decisions that have been made.
- 3.17. Responding to Carol Ford's question at 3.13 above, Helen Russell assured the Board that the Secretariat are monitoring the risks and dependencies closely, and the work is very much being owned as a team who are supporting each other across the different areas of work. Although it is a small team and it is a difficult time, the Secretariat team are all proud of the work that has been done at the LEP for a number of years and there is the commitment and dedication to see it through to proper transition. Local Authorities also have capacity challenges so it is a risk that will be monitored, and the aim is to make as much progress as possible with an ongoing mitigation of risks, including that of resourcing and capacity.
- 3.18. Gregory Wilkinson (DLUHC) agreed with Helen Russell's point at 3.16 above, and reiterated that the geographies of Accountable Body status is set out in the government guidance on Functional Economic Areas or potential future Combined Authorities. Responding to Cllr Lamb's earlier comments at 3.14, Gregory assured the Board that whilst the guidance isn't always very detailed on all points this does allow a degree of flexibility for arrangements to be put in place which suit local areas, and DLUHC will not have left those open and flexible only to later make them incredibly restrictive and not fit in with transition plan and areas unable to achieve transition in the time permitted. On the Accountable Body point, DLUHC will work with SELEP further to release Essex County Council from their Accountable Body role and transferring that to the agreed geographies as long as that is in line with the guidance. SELEP's transition plans are moving in the right direction, it's in line with the guidance released so far, there will be guidance released to Local Authorities in the future and part of that is in relation to funding that DLUHC appreciate is an important consideration.



- 3.19. Michael Neumann confirmed that the Accountable Body are fully committed to meeting the deadline of the end of March 2024 but just to reiterate Gregory and Helen's point, the key decision is around releasing Essex County Council from their Accountable Body status. Another word of caution is that SELEP and the Accountable Body will have to fully consider any guidance provided by government. We are currently awaiting clarification on some of the guidance issued earlier but the full position will need to be considered once that is known and if we are unable to close down by the 31<sup>st</sup> of March 2024 we will need to consider SELEP resource to continue to fund us into 2024.
- 3.20. Cllr Christine Bayliss wanted to note from a District point of view that they have been fully involved in the process at East Sussex and the planned future arrangements and would like to thank colleagues at East Sussex County Council. She stressed that it is really important for Districts to be involved in this conversation as they receive direct government funding and play a key role in levelling up partnerships. Cllr Bayliss had a question with respect to the Risks and Dependencies and whether a change of Government had been factored into the Risks and Dependences, she is not sure if the Labour Party has any new policy on LEPs but it's existing policy is supportive and she wondered if there has been any consideration as to how that may play out if there is a General Election early in 2024 and there was a change of Government. Helen Russell confirmed that this has not been cited as a risk in the Integration Plan, it has been discussed albeit not at length, with respect to potential implications and not fully understanding what those implications may be, rather than a key risk. From Helen's understanding, if a General Election were to take place and a different administration were to come in, there is unlikely to be any change in direction. However, it is a fair point and something that the team will give some thought to over the coming weeks as the Integration Plan is finalised.
- 3.21. Sarah wished to pay particular tribute to Helen Russell, having only recently taken over the role of CEO, as well as to the Secretariat staff team who under considerable pressures; not only as a reduced staff team, but also continuing to monitor the significant programmes that SELEP are already running, in addition to working on this Integration Plan. Sarah also expressed her gratitude to the officers at all the Local Authorities and to the Accountable Body without whom none of this would be possible.
- 3.22. **The Board Agreed** the draft SELEP Integration Plan and its development into a final Integration Plan by December 2023.
- 3.23. **The Board noted** the risks and dependencies highlighted in this paper and the Integration Plan.

#### **Item 4: Options for use of GPF Funding**

- 4.1. Helen Dyer presented to the Board (54'29" timestamp on video).
- 4.2. Sarah thanked Helen for her work on this and for simplifying a quite complex area. Sarah opened the floor to questions and comments (**verbatim minutes follow, 1h02'43" timestamp on video**):
- 4.3. Cllr Kevin Bentley: Theological one for me is option 2(a) because we just need to get this thing done and I await Keith's comments from East Sussex and Kent's comments as well but for me 2(a) is the one to go because otherwise certainly from an Accountable Body point of view we wouldn't want to keep resourcing this way beyond the life of the LEP. So, for me, it's option 2(a).
- 4.4. Sarah Dance: Thank you Kevin, Cllr Glazier.
- 4.5. Cllr Keith Glazier: We are a bit more relaxed with 2(a) or 2(b), we certainly don't want to go to 2(c) because it does create a problem for Essex as Accountable Body. I think having a bit more time to understand those two options would be helpful and I wonder if that could be arranged between now and the Accountability Board in November to just understand, but if we were forced to a vote, I would go 2(a) or 2(b).
- 4.6. Sarah Dance: Thank you Cllr Glazier. Cllr Lamb.
- 4.7. Cllr John Lamb: Yes thank you Sarah, also for Southend, we would go for 2(a) and I agree with Kevin, we need to get this done and of course when you look at it, it does look at all the Upper Tier Local Authorities for being



involved in this and we certainly are keen to make sure that this actually is disaggregated right the way through to the upper level Authorities. So we would go for 2(a). Thank you.

- 4.8. Sarah Dance: Thank you. Cllr Edwards.
- 4.9. Cllr Lauren Edwards: Thank you. I think similar to others, 2(a) or 2(b) are options that we're comfortable with. I think 2(a). Medway is £175,000 worse off than under option 2(b) but we recognise that operationally it is the more simplistic option and we also recognise that it's also providing us with more certainty so based on that and subject to the discussion I would be comfortable supporting option 2(a).
- 4.10. Sarah Dance: Thank you. Any other comments? David, thank you.
- 4.11. David Sheppard: Thank you Chair. What I wanted was clarification really whether we are deciding today between option 1 and option 2, whether we are looking to then make a decision on the a), b) or c). Because as Cllr Glazier indicated, it's a complex area to differentiate between a) and b) which will give us more time to evaluate exactly which one we are likely to support. So it strikes me, if we are going to vote on 1 or 2 today with a view to look in more detail into the implications of 2(a) and (b) that is a simpler thing, straight forward thing to do today than to then go down and look at which item within option 2 we would then actually choose. So that point of clarification for me is which one of it is those, 1 or 2 or are we going to look into a), b) and c) today?
- 4.12. Sarah Dance: Helen (Russell) or Helen (Dyer) would you want to come in?
- 4.13. Helen Russell: Obviously, if there is only a willingness to make a decision around option 1 or 2 today then that's what we'll have to work with but I think ideally we would take a decision on the a), b) and c) as well. For two reasons, one is purely around timescales and our ability to reach future timely decision making points. Each time we defer it to another Board we lose time and obviously this is one part of everything else that we're trying to achieve over the coming weeks and months so I think ideally for that reason alone we would prefer if possible a vote on the a), b), c) today.
- 4.14. Helen Dyer: We would ideally like an a), b) or c) decision because it just gives us that little bit more time to complete the process to implement the option. Obviously if that's not achievable we can, as long as we've got some steer as to option 1 or 2, we can bring it back to a future meeting but there just needs to be an awareness that that may mean that we're not able to complete the formal processes before the end of March.
- 4.15. Sarah Dance: Thank you, you so the timeline is the challenge. Cllr Glazier, then Vince Lucas, then Cllr Edwards please.
- 4.16. Cllr Keith Glazier: Thank you, just having heard the two pleas from the people who are dealing with it, day in day out, I'm not against 2(a) so if it helps to have a vote and a clear sense of direction I think that we would support that and I can understand totally that every day lost is twice as hard to catch up later on so I just thought that might help.
- 4.17. Sarah Dance: Thank you. Vince.
- 4.18. Vince Lucas: Thank you, just two points from me. One taking an independent view, time is of the essence we've got people in this process who need to know what's happening and it seems a little bit incongruous with not having real clarity, because with DLUHC we want to have the understandability of the Accountable Body that is clearly split and anything that affects that doesn't make our position clear. And the second point is I strongly believe we need to operate with what's the best thing for the receiving Authorities because at this stage they're the ones taking on the risk of this so from there I'd be swayed very much by what the Leaders of the new Accountable Bodies want to do.
- 4.19. Sarah Dance: Thank you Vince. Cllr Edwards and then Liz.
- 4.20. Cllr Lauren Edwards: Thank you. Similar I think to Vince, I just wanted to make people aware that these options have been discussed at quite a lot of length and detail certainly from a Kent and Medway perspective so that

we fully understand the implications of the options, just to give people some assurance that due consideration has been given and certainly given the time constraints my preference would be that we do make a decision today.

4.21. Sarah Dance: Thank you. Liz.

4.22. Liz Gibney: Just to say along with some others that I'm aware that KCC (Kent County Council) are happy with 2(a), that's all.

4.23. Sarah Dance: Thank you very much, and Kevin.

4.24. Cllr Kevin Bentley: If it just helps you Chair, I'm happy to propose 2(a) as the preferred option.

4.25. Sarah Dance: Thank you very much, that's brilliant timing. **(end of verbatim minutes, 1h10'47" timestamp on video).**

4.26. **The Board agreed** to endorse the following option for deployment of the available Growing Places Fund funding:

**Option 2 a)** Disaggregate the fund to each Upper Tier Local Authority as a total of their existing GPF loan allocations and their proportion of the funding currently held by the Accountable Body (as exemplified in Tables 3 and 4) and accept that total parity has not been achieved.

#### **Item 5: CV19 Recovery Fund Evaluation Highlights (1h11'26" timestamp on video)**

5.1. Sarah Dance reminded the Board that SELEP moved very swiftly during Covid to release some funds to enable our businesses to survive during that incredibly challenging time.

5.2. Jo Simmons and Louise Aitken presented to the Board.

5.3. Sarah Dance thanked both and noted that it is very positive to be able to take the time to reflect on some of the work that has been achieved as a LEP and to celebrate and ensure that we are sharing that learning with others as we go forward. Sarah wished to pay tribute to Jo and Louise and all those organisations who worked on these programmes so hard and so fast in a really crucial time. Sarah encouraged Board members to look on the SELEP website if they have not yet done so to be able to view some of the learning that has come from the evaluation.

#### **Item 6: Growth Hub Update (1h25'32" timestamp on video)**

6.1. Jo Simmons presented to the Board.

6.2. Sarah Dance thanked Jo and the team at Essex County Council for juggling a difficult situation and ensuring that businesses can get the best advice possible for their future growth.

6.3. **The Board noted** the successful reinstatement of the BEST Growth Hub service and SELEP-wide service delivery for 2023/24.

6.4. **The Board noted** the ongoing risk to service continuity resulting from the annual funding cycle.

#### **Item 7: AOB & Close**

7.1. No Other Business.

7.2. Date of next meeting is 8 December in person, location to be confirmed.

7.3. Sarah Dance closed the meeting and reminded the Board of the AGM commencing at 12:00.

## Item 3: Governance Update

### Executive Summary

#### 1. Overview

- 1.1. This report provides an update on the composition of the Board including the resignation and appointment of replacement Private Sector Directors to the South East LEP Ltd since April 2023.
- 1.2. An update on the appointment of Public Sector Directors to the South East LEP Ltd was provided to the Board at the July 2023 Strategic Board meeting.
- 1.3. There have been no changes to the Co-opted Directors to the South East LEP Ltd since the update provided to the Board at the September 2022 Strategic Board meeting.

#### 2. Decisions: Board is recommended to:

- 2.1. Note the resignation of Graham Peters as a Private Sector Director representing Team East Sussex, effective June 2023.
- 2.2. Note the appointment of David Sheppard as a Private Sector Director representing Team East Sussex, effective June 2023.
- 2.3. Note the appointment of Mark Curle as a Private Sector Director representing Opportunity South Essex, effective July 2023.
- 2.4. Note the resignation of Matthew Arnold as a Private Sector Director representing Kent and Medway Economic Partnership, effective September 2023.
- 2.5. Note the resignation of Jo James as a Private Sector Director representing Kent and Medway Economic Partnership, effective December 2023.
- 2.6. Note the appointment of David Milham as a Private Sector Director representing Kent and Medway Economic Partnership, effective December 2023.
- 2.7. Note the appointment of Andrew Metcalf as a Private Sector Director representing Kent and Medway Economic Partnership, effective December 2023.

#### 3. Rationale for Decisions

- 3.1. In terms of the Articles of Association, a Private Sector Director means in addition to the Chair and Deputy Chair:
  - Two individuals nominated by the Success Essex Members as the Success Essex business representatives.
  - Two individuals nominated by the Opportunity South Essex Members as the Opportunity South Essex business representatives.
  - Five individuals nominated by Kent & Medway Members as the Kent & Medway Economic Partnership business representatives.
  - Three individuals nominated by East Sussex Members as the Team East Sussex business representatives.

- 3.2. Upon a vacancy arising for any reason for a Private Sector Director, other than the Chair and the Deputy Chair, a replacement shall be appointed by the Class of Members for the area in which the vacancy has arisen.
- 3.3. The resignation of one of the Private Sector Directors has resulted in the appointment of a replacement Director to the South East LEP Ltd by the Members of Team East Sussex
- 3.4. A former vacancy was filled in July 2023 by the appointment of a Private Sector Director to the South East LEP Ltd by the Members of Opportunity South Essex.
- 3.5. The resignations of two of the Private Sector Directors has resulted in the appointment of replacement Directors to the South East LEP Ltd by the Members of the Kent and Medway Economic Partnership.

## Further Information

### **4. Board composition:**

- 4.1. The Board composition is currently the following:



Chair	Sarah Dance
Deputy Chair	Simon Cook
East Sussex County Council	Cllr Keith Glazier
Essex County Council	Cllr Kevin Bentley
Thurrock Council	Cllr Andrew Jefferies
Medway Council	Cllr Lauren Edwards
Kent County Council	Cllr Roger Gough
Southend-on-Sea City Council	Cllr Tony Cox
Kent and Medway Economic Partnership	Carol Ford
Kent and Medway Economic Partnership	Vince Lucas
Kent and Medway Economic Partnership	Andrew Metcalf <i>(formerly Jo James)</i>
Kent and Medway Economic Partnership	Liz Gibney
Kent and Medway Economic Partnership	David Milham <i>(formerly Matthew Arnold)</i>
Opportunity South Essex	Perry Glading
Opportunity South Essex	Mark Curle <i>(formerly vacant)</i>
Success Essex	Lara Fox
Success Essex	David Rayner
Team East Sussex	Ana Christie
Team East Sussex	Clive Soper
Team East Sussex	David Shephard <i>(formerly Graham Peters)</i>
Further Education	Jeremy Kerswell
Higher Education	Karen Cox
Social Enterprise	Penny Shimmin
District/City/Borough Council	Cllr Christine Bayliss
District/City/Borough Council	<b><i>Vacancy</i></b>

## 5. Next Steps

- 5.1. 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. The new Directors have completed the SELEP induction process.

## 6. Comments from the Accountable Body

- 6.1. The recommendations are appropriate and are in line with the Assurance Framework and the decisions previously agreed by the Board.

### Legal Implications:

- 6.2. The Company will comply with company law requirements in filing the relevant information at Companies House in order to give effect to the recommendations set out in this report. Appointment of directors will be notified to Companies House within 14 days of appointment.

## 7. Appendices, Supporting Documents and Previous Decisions

- 7.1. None

For more information please contact [keri.lawrence@southeastlep.com](mailto:keri.lawrence@southeastlep.com)

## Item 4: SELEP Integration Plan

### Executive Summary

#### 1. Overview

- 1.1. Following withdraw of central government support (core funding) for Local Enterprise Partnerships (LEPs) from April 2024 LEP functions will transfer into Upper Tier Local Authorities (UTLAs). In headline terms these functions are business representation, strategic economic planning, and the delivery of government programmes where directed.
- 1.2. In July 2023 Strategic Board took a decision on the future of the LEP and that was to work towards full integration of all LEP functions into UTLAs or Functional Economic Areas (FEA) by 31 March 2024. On 4<sup>th</sup> August 2023, alongside a letter to confirm cessation of core funding, technical guidance on LEP integration was issued to LEPs and UTLAs by DLUHC.
- 1.3. Since then, the LEP secretariat has worked with all six UTLAs, the Accountable Body and other partners (as appropriate) to develop a SELEP wide integration plan. Following presentation of a draft plan to October's Strategic Board meeting, we have evolved and further developed the plan into a final version of the integration plan. This can be found in [Appendix A](#).
- 1.4. The key *known* dates (past or future) are as follows:

Date	Meeting	Meeting focus
26 May 2023	SELEP Senior Officer Group and wider partners	Discussion on normal SELEP business and emergent principles of transition
12 June 2023	SELEP Special Board Workshop (non-vote)	Available board members to advise on development of papers for July Strategic Board
7 July 2023	SELEP Strategic Board Meeting	Agree principles of transition and preferred scenario for moving forward
19 July 2023	SELEP Senior Officer Group	Develop integration plans according to the decision of the 7 July meeting
13 September 2023	SELEP Senior Officer Group	Review first draft outline integration plan
3 October 2023	SELEP Senior Officer Group	Review final draft outline integration plan
13 October 2023	SELEP Strategic Board Meeting	Agree draft SELEP Integration Plan. Update on UTLA specific planning.
9 November 2023	SELEP Senior Officers Group	Review of final Integration Plan and discussion on DLUHC template.
<b>8 December 2023</b>	SELEP Strategic Board Meeting	Agree final SELEP Integration Plan. Update on local plans.
22 March 2024	Proposed final SELEP	TBD. In person.





	Strategic Board Meeting	
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1.5. The separate Appendices to this paper are as follows:

- A. SELEP Integration Plan
- B. Clarifications from DLUHC to SELEP queries on LEP Integration Technical Guidance
- C. Local Area DLUHC LEP Integration Templates

## **2. Decisions/Actions: Board is recommended to:**

- 2.1. **Agree** the final SELEP Integration Plan.
- 2.2. **Note** the progress made, impact on the critical path and remaining key risks highlighted in this paper and the Integration Plan.
- 2.3. **Endorse** the DLUHC LEP Integration templates, submitted to Government by East Sussex, Greater Essex and Kent and Medway.
- 2.4. **Endorse** the utilisation of uncommitted SELEP residual revenue funds for application in 2024/25 to support LEP function resourcing in UTLAs, noting this will be subject to a final decision to be made by the Accountability Board.

## **3. Rationale for Decisions/Actions**

- 3.1. SELEP and local authority partners continue to work at pace to determine the detail, tasks, timelines, risks and dependencies associated with integration.
- 3.2. It is essential that Board Directors understand these and are clear on the critical path to achieve the transition by 31 March 2024.
- 3.3. This plan and accompanying work has and will continue to be developed with the agreed principles of transition, presented to Strategic Board in July 2023:
  - 3.3.1. That a mainstream, independent and influential voice of business is present through the transition period and beyond;
  - 3.3.2. 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;
  - 3.3.3. That SELEP staff are provided with clarity on continued employment 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.

## **4. Further Information**

### **Decision 1: Agree the SELEP Integration Plan**

- 4.0 Throughout August and early September 2023, SELEP held 11 workstream meetings, with the involvement, at some level, of over 50 officers. These workstreams cover Governance and Capital

Programme; Partnership and Network; Growth Hub and Business Support; Data and Intelligence; and Resourcing.

- 4.1. In addition to the thematic workstream meetings, three meetings have taken place with the Senior Officers Group to further develop and review the Integration Plan, culminating in the Integration Plan presented today.
- 4.2. Whilst this plan is presented as a Final Integration Plan it will be a working document and updated as more detail is known and activity progresses. The format of the plan has therefore been altered since the draft we shared with members in October. The main reasons for this are to:
  - 4.2.1. provide greater clarity on the work to be done in what timeframe and by which partner.
  - 4.2.2. present a clearer and more detailed risk register.
  - 4.2.3. make it easier to update the plan on a monthly basis, presenting information about activity in the 'current quarter' as well as updates on future activity, as more detail becomes available.
  - 4.2.4. present any progress implications on the critical path.
- 4.3. As highlighted in the October Strategic Board paper on LEP Integration, SELEP and the UTLAs sought clarifications from Government on the 16<sup>th</sup> August, regarding several points contained in their technical guidance, issued on the 4<sup>th</sup> August, to further inform the development of the plan. On 3<sup>rd</sup> November, SELEP received some responses to these clarifications. Responses that provided a level of greater clarity are set out in Appendix B.
- 4.4. The clarification provided regarding Accountable Body arrangements for the legacy SELEP activity, namely the capital programme, gives comfort that DLUHC will release ECC from its obligations as accountable body for SELEP and that the six UTLAs will take on this role for their own geographies from April 2024. A letter was issued to DLUHC formally setting out this request with proposals for how it could be achieved. We await a response but due to timescales, as set out in the Integration Plan, we are commencing preparation work on this basis.

**Decision 2: Note the progress made, impact on the critical path and remaining key risks highlighted in this paper and the Integration Plan.**

- 4.5. The table on pg. 11 in the Integration Plan sets out the progress made so far this quarter and what we hope to have completed by 31<sup>st</sup> December 2023. The table below highlights some of the main areas of progress since October.

Area of Work	Progress
Governance & Capital Programme	<ul style="list-style-type: none"> <li>Formal letters submitted to DLUHC to request changes to Accountable Body arrangements from April 2024 for legacy programmes.</li> <li>Indication received from DLUHC that they are willing to release ECC from Accountable Body status as of 31<sup>st</sup> March 2024.</li> <li>Contracts and agreements tracker has been reviewed and updated in preparation for potential amendments/novation/termination (to be agreed with Government)</li> <li>Confirmation received that monitoring and reporting requirements for the capital programme will only be in place up until March 2025.</li> <li>DLUHC LEP functions templates submitted to Government.</li> </ul>
Growth Hub & Business Support	<ul style="list-style-type: none"> <li>Growth Hub funding for 2024/25 confirmed in Autumn Statement.</li> <li>Confirmation from East Sussex and Kent County Councils, and confirmation in principle from Essex County Council that they will each act as Accountable Body for Growth Hub funding from 1<sup>st</sup> April 2024, should sufficient funding be forthcoming.</li> <li>Confirmation from East Sussex County Council that the Business East Sussex Growth Hub will (continue to) be delivered in-house from 1<sup>st</sup> April 2024.</li> <li>Clarification received from the Growth Hub CRM provider on continued access to Growth Hub data post transition.</li> <li>2024/25 Growth Hub delivery proposals put to DBT in writing on 30<sup>th</sup> October to seek support (response awaited).</li> <li>Need for urgent confirmation of value of 2024/25 funding raised at fortnightly Growth Hub Network meetings and associated funding conditions.</li> </ul>
Resourcing	<ul style="list-style-type: none"> <li>Job profiles received from UTLAs.</li> <li>Mapping exercise undertaken by ECC People Services and advice being taken on best route for consultation.</li> </ul>

4.6. The table below sets out any milestones on the critical path that were missed, along with the implications and actions.

Item	Deadline	Actual	Implications
Proposals for new AB arrangements sent to Government.	16/10/23	TBC	The letter still requests a response deadline that, if met, would leave the critical path unaffected. The clarifications received in November give some assurance that the proposal will be agreed. The response

			to the letter will hopefully clarify how we enact this, which we are already working towards.
Confirmation of future resourcing demand in UTLAs and HR process.	29/09/23	31/10/23	Consultation timeline has been delayed as role profiles have taken a little longer and HR discussions are ongoing as to the best route for consultation. It is noted that for any members of staff that do not have secured positions, any notice period would now go beyond 31 <sup>st</sup> March 2024.

4.7. Overall, the most critical risks to timely integration are:

- 4.7.1. Capacity with the SELEP Secretariat, Accountable Body and within UTLAs to action tasks at the required pace.
- 4.7.2. Lack of formal and/or timely response from Government regarding future accountable body arrangements and, as importantly, how they need to be implemented.
- 4.7.3. Breaks in continuity because of late confirmation of UTLA funding allocations, particularly in relation to Growth Hubs.

4.8. There are some key dependencies that a successful integration will require. These are:

- 4.8.1. Confirmation of the geographical coverage of new Accountable Body arrangements.
- 4.8.2. Clarification from Government to Local Authorities, regarding their future functions and funding, received by January 2024 and that this includes the new English Devolution Assurance Framework.
- 4.8.3. All required Local Authority formal decision making concluded by March 2024, ahead of the March SELEP Strategic Board meeting.

4.9. The risks and dependencies are mostly associated with timescales and capacity, however there are some clarifications needed from Government that could, albeit unlikely, require a change of approach, particularly in relation to the capital programme, Accountable Body status, and ongoing monitoring and evaluation requirements.

4.10. The Integration Plan includes both the critical path and local governance timelines. Both will evolve but are intended to give the Board an indication of the key dependencies that exist and the importance of timely and clear decision making that is required to meet the overall deadline of the 31 March 2024.

**Decision 3: Endorse the DLUHC LEP Integration templates, submitted to Government by East Sussex, Greater Essex and Kent and Medway.**

4.11. The August DLUHC guidance and clarifications are clear that government expects local authorities to work together to deliver LEP functions within potential devolution deal geographies (minimum population of 500,000) in future – referred to as Functional Economic Areas (FEAs). Government has stated that they do not intend to provide future funding to areas that don't work within that

guidance.

- 4.12. To gain greater understanding into the intentions of UTLAs in relation to integrating LEP functions, DLUHC issued a template to all UTLAs on the 16<sup>th</sup> October, requesting details on how the business voice will be represented, the functions to transfer and the geography they will be delivered over. These templates were submitted by the deadline of the 30<sup>th</sup> November by East Sussex, Greater Essex (Essex, Southend-on-Sea and Thurrock Councils) and Kent and Medway.
- 4.13. They confirm the LEP functions that will be continued, either by each UTLA or as a FEA and what the mechanisms will be locally to deliver these. These functions, whilst set out slightly differently in each area, all present their future ways of working for:
  - 4.13.1. Local Strategic/Growth/Business Boards
  - 4.13.2. Growth Hub delivery
  - 4.13.3. Economic strategy and data
  - 4.13.4. Monitoring and reporting on the capital programme (legacy)
  - 4.13.5. Partnerships
- 4.14. The content of the templates is consistent with the SELEP Integration Plan.
- 4.15. These templates can be found in Appendix C.

**5. Decision 4: Endorse the utilisation of uncommitted SELEP residual revenue funds for 2024/25 to support LEP function resourcing in UTLAs, noting this will be subject to a final decision to be made by the Accountability Board.**

- 5.1 The SELEP Integration Plan focuses primarily on the overall tasks and decisions needed to reach the 31<sup>st</sup> March deadline for transferring functions to UTLAs and some SELEP requirements that are likely to exist post April 2024, in order to fully close the LEP and fulfil all requirements for both SELEP Ltd as a company and any residual activity that may need to take place in terms of transferring functions to UTLAs.
- 5.2 As part of developing the SELEP Integration Plan, UTLAs have identified what resource they require to integrate and deliver LEP functions within their UTLAs, or FEA and; discussions are taking place on the possible routes to meet these requirements through the redeployment of members of the SELEP team.
- 5.3 This is in alignment with the guiding principle of the Board's decision in July (as set out in 3.3.3) and it remains the intention by all parties to retain the expertise, knowledge, networks and experience of the SELEP team, where possible. As such this is a key objective of our integration work.
- 5.4 SELEP is working closely with ECC People Services, as Accountable Body and the existing employer, to determine the right and most appropriate route through which to achieve this objective, give clarity to the team at the earliest opportunity and best meet the needs of the UTLAs going forward. There are various aspects to this which are currently being worked through.

- 5.5 One of the aspects within this is confirmation of resource funding for 2024/25. At present, and without confirmation on future Government funding, UTLAs are unable to identify and secure core funding for additional resource next year.
- 5.6 It is therefore proposed that the SELEP uncommitted residual operating budget would be utilised to support resourcing needs in the UTLAs.
- 5.7 The work to determine the best and most appropriate way to proceed would be aided by an endorsement from the Strategic Board that uncommitted residual funding should be available from the LEP to support resourcing of LEP functions within UTLAs/FEAs, post April 2024, and as such and where possible, the retention of the LEP team.
- 5.8 All Board Directors 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 developing.
- 5.9 It should also be noted that the retention of the SELEP secretariat is a key risk identified in the SELEP Integration Plan and securing an endorsement, at this stage, will enable us to progress the resourcing workstream and seek a decision from the Accountability Board to agree the way forward to provide clarity to all regarding resource and funding post April. Essentially helping to decrease this risk.
- 5.10 As the Integration Plan evolves and as more is understood and agreed, work will continue in parallel to review the SELEP operational budget and reserves to gain a clearer view on the likely funding available in 2024/25. Costs associated with the residual activities post March 2024 of the Accountable Body will need to be determined; providing as clearer picture as possible as to the funds that may be available in 2024/25 to support integration into UTLAs

## **6. Next Steps**

- 6.1. Further Government advice around the future of LEPs is expected in January 2024. On receipt of this, we will disseminate across all Board members and articulate the impact on or implications of this for the Integration Plan.
- 6.2. Transition planning and preparation will continue and we will keep Board Directors informed of key updates and changes as they occur or at future meetings, as appropriate. Monthly Senior Officer Group meetings are taking place, which also include the Accountable Body to ensure that the Plan continues to develop, and local decisions are being reached. Workstream meetings will take place if and when as required.

## **7. Appendices, Supporting Documents and Previous Decisions**

- 7.1. The appendices that support this paper are:
- 7.1.1. Appendix A: SELEP draft Integration Plan
  - 7.1.2. Appendix B: Clarifications from DLUHC to SELEP Queries on LEP Integration Technical Guidance
  - 7.1.3. Appendix C: Local Area DLUHC LEP Integration Templates





- 7.2. Please note that these appendices provide vital information that supports the decisions set out in this paper. Board Directors are encouraged to contact Helen Russell (helen.russell@southeastlep.com) if there are any issues in accessing the information.

## **8. Comments from the Accountable Body**

- 8.1. 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.
- 8.2. 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 need to be in line with the LEP Integration Guidance (in Appendix B) or require alternative support from Government.
- 8.3. 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.
- 8.4. The SELEP Secretariat are all currently employed by Essex County Council, albeit that they are funded by the monies allocated to the SELEP and managed on behalf of the SELEP 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. Uncertainty in respect of the way forward for the Secretariat, which could require a minimum 45 day consultation process with the impacted staff, which could extend costs into 2024/25, depending on the required approach.
- 8.5. 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. Agenda Item 6 includes a forecast position of SELEP reserves at the end of 2023/24; this indicates that sufficient revenue funds are forecast to meet the planned costs of the Secretariat and the Accountable Body through 2023/24; with sufficient residual funds available into 2024/25 to support the transition. This assumption is subject to any additional requirements of Government or the Board in respect of the transition or support for SELEP.
- 8.6. The total value of funds required in 2024/25 will be impacted by:
- 8.6.1. Any residual staff, contracts or other costs associated with the operation of the Secretariat into 2024/25, including potential redundancy costs;
- 8.6.2. The activities required by the Accountable Body post closure of the SELEP (such as preparation of the Accounts and implementation of any changes to, or new legal



agreements); and

- 8.6.3. The time taken to complete the transition of LEP functions to the UTLAs (currently planned to complete by March 2024, subject to the identified dependencies), including transition of the Accountable Body responsibilities where they are on-going.
  - 8.6.4. Any residual responsibilities by the Accountable Body with respect to the SELEP Capital programmes (currently planned to be none if successfully agreed to be transferred to the UTLAs).
- 8.7. The SELEP reserves that are expected to remain post March 2024 will be sought on, subject to decision making by the Accountability Board, to meet any costs into 2024/25; any costs not required to support the residual costs of the Accountable Body will be agreed to be distributed in accordance with the decisions of the Accountability Board. Additionally, any other residual funds, such as the Growing Places Fund (see item 7) will need to be appropriately allocated in accordance with the decisions of the Accountability Board.
- 8.8. 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.

## **Item 6: SELEP Statement of Accounts 2022/23 and South East LEP Ltd Statement of Accounts 2022/23**

### **Executive Summary**

#### **1. Overview**

- 1.1. The purpose of this paper is to present the audited SELEP Statement of Accounts for financial year ending 31<sup>st</sup> March 2023 to the Strategic Board (the Board) for their consideration; and to approve the South East LEP Ltd Statement of Accounts 2022/23.

#### **2. Decisions: Board is recommended to:**

- 2.1. Confirm they have considered the SELEP Statement of Accounts 2022/23 (Appendix B)
- 2.2. Approve the South East LEP Ltd Statement of Accounts 2022/23 (Appendix C)

#### **3. Rationale for Decisions**

- 3.1. In the establishment of the articles and governance arrangements to support South East LEP Ltd, it was agreed that none of the financial transactions or assets in relation to SELEP would be operated through the company and that the pre-existing arrangements of financial management by the Accountable Body would continue. It is, however, a requirement under the Companies Act 2006, for accounts to be delivered to Companies House, whether the company is trading or not. As a consequence, two sets of Accounts have been prepared for review by the Board: The SELEP Statement of Accounts, reflecting the financial position managed by the Accountable Body on behalf of SELEP; and the Statement of Accounts of South East LEP Ltd.

##### **3.2. SELEP Statements of Accounts 2022/23**

- 3.2.1. The SELEP Statements of Accounts for 2022/23, included in Appendix B, have been audited and the external auditor, Mr Athos Louca, has confirmed that the Statements of Accounts for the year ended 31 March 2023 are prepared, in all material respects, in accordance with the financial reporting provisions of CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23. There are no significant findings from the audit to draw the Board's attention to.
- 3.2.2. The Accountability Board has responsibility and oversight of the SELEP Financial position, and a full report was made to them on the provisional position for 2022/23 at their meeting on 16<sup>th</sup> June 2023. Following the audit, no material changes to this position have been identified. The auditor's report is included at the end of the Statement of Accounts in Appendix B; the Strategic Board are now afforded an opportunity to consider the Statements of Accounts and pose any questions they may have to the Accountable Body.



### 3.2 South East LEP Ltd Statement of Accounts 2022/23

3.2.1 The South East LEP Ltd Statement of Accounts for 2022/23 are included in Appendix C; the company was dormant and did not trade in the period. The company received no income and incurred no expenditure in the period and therefore did not make either a surplus or deficit.

3.2.2 The Accounts are required to be approved by the Board and include the following statements:

- a) For the year ending 31 March 2023 the company was entitled to exemption (from audit) under section 480 of the Companies Act 2006 relating to dormant companies.
- b) The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- d) These accounts have been prepared and delivered in accordance with the provisions of the small companies regime applicable to micro-entities.

## 4. Background

- 4.1. When SELEP was an unincorporated partnership, it had no formal legal identity. To allow the partnership to function, Essex County Council (ECC) acts as the Accountable Body, meaning all financial transactions are managed through the Council on behalf of the LEP; in this role, ECC is not able to utilise SELEP funds for its own purposes and so separate financial records are maintained on behalf of SELEP and separate Statements of Accounts are produced for the partnership.
- 4.2. When SELEP became a company limited by guarantee in March 2020, it was agreed that no monetary transactions would be made through the Company and that Essex County Council would continue in its role as the Accountable Body.
- 4.3. The Statement of Accounts is included in Appendix B of this report and have been prepared in accordance with proper practices as set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom and is subjected to a full external audit. This means that the Accounts take a similar form to Local Authority statements rather than those of a commercial entity. The Section 151 Officer of the Accountable Body has responsibility for the production of the Statements of Accounts and the content therein.
- 4.4. Accounts are also required to be prepared for South East LEP Ltd to be submitted to Companies House; as dormant accounts (reflecting that no trading has occurred through South East LEP in the year), they are exempt from audit under the Companies Act 2006 section 480. These Statements are included in Appendix C.
- 4.5. The remainder of this report focuses on the financial position reported in the SELEP Statements of Accounts as at 31<sup>st</sup> March 2023 and the current financial position of SELEP.

## 5. Operational Income & Expenditure in 2022/23

- 5.1. The SELEP operational spend includes the running costs of the LEP's Secretariat and Boards, including staff salaries, office expenses, publicity and marketing, professional fees and the Accountable Body costs.



- 5.2. The operational spend is primarily funded through government grants and match funding contributions from partners. Any surplus or deficit held at the end of the financial year is managed through the operational reserve. The summary position for 2022/23 is set out in Table 1.
- 5.3. At the end of the financial year, income exceeded expenditure resulting in a surplus of **£259,000** to be contributed to reserves. This position was an improved position compared to the budgeted deficit of £540,000; this was primarily due to the uncertain position created by the late confirmation and receipt of core grant funding from Government which meant that expenditure had been reduced in year and consequently a lower than planned draw on reserves was required; additionally, return of Capital grants during 2022/23 and improvements in interest rates meant that interest on capital balances received was significantly higher than budgeted.

**Table 1: Operational Income & Expenditure in 2022/23**

<b>Expenditure</b>	<b>2022/23</b>
	<b>£'000</b>
Staffing	829
Meetings, admin and other operational costs	3
Chair & Deputy Chair allowance with on-costs	30
Consultancy and project work	146
COVID-19 Support Programmes	1,681
Grants and contributions to Third Parties	544
<b>Total Expenditure</b>	<b>3,233</b>
<b>Income</b>	
Revenue Grant Funding	(1,380)
Contribution from Partners	(146)
Interest receivable on capital balances	(285)
<b>Total Income</b>	<b>(1,811)</b>
COVID-19 Support Fund (Earmarked Reserve Contribution)	(1,681)
<b>Total Income and Contributions</b>	<b>(3,492)</b>
<b>Net contribution to the Operational Reserve</b>	<b>(259)</b>

5.4. Grants and Other Funding

5.4.1. Government grants and third-party contributions are recognised as due and credited as income in the Comprehensive Income and Expenditure Statement, when there is reasonable assurance that:

- There are no conditions for use attached to the grants or contributions, or that the Partnership has complied with any conditions that are attached to their use; and
- The grants and contributions will be received.

5.4.2. Where a grant or contribution has been received, but the conditions are not satisfied, the amount will be carried in the Balance Sheet as a grant receipt in advance.

5.4.3. Table 2 summarises the movement in funding during 2022/23, with a total balance of funds held by ECC on behalf of SELEP at 31<sup>st</sup> March 2023 of **£19.943m**; the comparable position at the end of 2021/22 was **£34.801m**.

**Table 2: Funding Summary as at 31 March 2023**

	Opening Balance April 2022 £000	Funding Received in Year £000	Funding Applied in Year £000	Funding Repurposed to Reserves £000	Closing Balance March 2023 £000
<b>Capital Grants</b>					
Local Growth Fund	-	-	-	-	-
Local Growth Fund (Retained Schemes)	-	-	-	-	-
Growing Places Fund (Loan Fund)	(13,040)	(1,220)	1,900	-	(12,360)
Getting Building Fund	-	(7,848)	4,057	-	(3,791)
<b>Total Capital Grants</b>	<b>(13,040)</b>	<b>(9,068)</b>	<b>5,957</b>	<b>-</b>	<b>(16,151)</b>
<b>Revenue Grants</b>					
Sector Support Fund	(303)	-	78	226	-
Growth Hub - Core Funding Grant	-	(445)	445	-	-
Growth Hub - Peer Networks Grant	-	(112)	112	-	-
Skills Analysis Panels (SAP) Grant	-	(55)	55	-	-
Local Digital Skills Partnership Catalyst Grant	(29)	(60)	89	-	-
Energy Strategy Grant	(1)	-	1	-	-
Core Funding	-	(375)	375	-	-
<b>Total Revenue Grants</b>	<b>(333)</b>	<b>(1,047)</b>	<b>1,154</b>	<b>226</b>	<b>-</b>
<b>Total Grants</b>	<b>(13,373)</b>	<b>(10,115)</b>	<b>7,111</b>	<b>226</b>	<b>(16,151)</b>
SELEP Creditors	(16,776)	0	16,279		(497)
SELEP Short Term Debtors	71	(71)	0		0
SELEP Payments in Advance	0	0	7		7
SELEP Covid-19 Reserves*	(1,861)	0	1,681	46	(134)
SELEP Redundancy Reserve	(163)	(47)	0		(210)
SELEP Future Commitments Reserve	(423)	0	0		(423)
SELEP Risk Reserve	(975)	0	0		(975)
SELEP Operational Reserves	(1,302)	(272)	13		(1,561)
<b>Total Funding held at 31st March 2021</b>	<b>(34,801)</b>	<b>(10,504)</b>	<b>25,091</b>	<b>272</b>	<b>(19,943)</b>

\* Reserve established to support delivery of the Covid-19 recovery programme

5.4.4. Capital balances held by the Accountable Body on behalf of SELEP have been significantly denuded since 2020/21, which saw the remaining Local Growth Fund (LGF) and Getting Building Fund (GBF) allocations being paid out to the respective Partners. During 2022/23, following the cancellation of a number of the projects that were unable to progress as anticipated, £7.848m of GBF was returned, of which £4.057m was transferred to new Projects in 2022/23. A total of £3.791m is carried forward on the balance sheet into 2023/24, of which £1.742m is ring-fenced for projects, subject to approved drawdowns; the remaining £2.049m is due to be reallocated during 2023/24 through a prioritisation process in accordance with the SELEP Governance arrangements.

5.4.5. The SELEP maintains earmarked revenue reserves to manage known financial liabilities and possible risks. Reserves are created by transferring amounts out of the Operational Reserve Balance. A summary of this position is set out in Table 3.

5.4.6. The level of the reserves is based on the latest estimate of known commitments and risks; this continues to be subject to review as part of the on-going financial monitoring and forms



part of the reporting to the Accountability Board on a quarterly basis.

- 5.4.7. A simplified balance sheet as at 31<sup>st</sup> March 2023 can be found at Appendix A; this removed the impact of accounting adjustments applied through the unusable reserves set out within the main accounts, that are required under regulation.

## **6. Future Financial Position of SELEP**

- 6.1. In March 2023, Government indicated that they were minded to withdraw support for Local Enterprise Partnerships from March 2024 and to transfer their responsibilities into Local Authorities from this date. This was confirmed in July 2023. Given this position, the Board agreed to support the transition of the LEPs activities and associated funds into the Local Authorities within the SELEP geography. The transition period, subject to requirements of Government and agreement of the Board, is expected to conclude by the 31st March 2024, following which, it is expected that South East LEP Ltd will be closed.
- 6.2. It was reported to Accountability Board in September 2023 that whilst the core funding had still been received for 2023/24, the total allocation had been reduced from £375,000 to £250,000. This reduction has contributed to the requirement to place a high reliance on reserves to support the budget in 2023/24, whilst ensuring sufficient funding remains available to support any future commitments that extend beyond 2023/24.
- 6.3. Work is underway to determine what the future commitment requirement is for both SELEP and Local Authority activity through the transition period (see Agenda item 4). Following closure of SELEP, there will be residual responsibilities for the Accountable Body to support the final reporting and close down activities; the cost of this activity is planned to be met from the Future Commitments reserve, that was established for this purpose.
- 6.4. Further, any redundancy costs arising due to the close down of SELEP are planned to be met from the Redundancy Reserve.
- 6.5. The Risk Reserve continues to be reviewed and an updated position on this will be presented to Accountability Board in January 2024 to inform the decisions needed to progress the closure of SELEP Ltd.
- 6.6. The final decision with respect to application of the reserves will rest with the Accountability Board; recommendations will be made to that Board in February 2024 to effect the application of any residual reserve funding expected to be held by the SELEP at the end of March 2024 to support the close down costs of the Accountable Body and transition costs in 2024/25 for the respective Local Authorities within the partnership.
- 6.7. The summary reserves position is set out in Table 3.

**Table 3: SELEP Reserves Summary**

	2022/23			Forecast 2023/24	
	Opening Balance Apr '22 £'000	Net Movement in Reserves £'000	Closing Balance Mar '23 £'000	Net Movement in Reserves £'000	Closing Balance Mar '24 £'000
<b>Operational Reserve</b>	(1,302)	(259)	(1,561)	403	(1,158)
<b>Reserves Earmarked for future use</b>					
Covid-19 Skills Support Fund	(672)	538	(134)	134	-
Covid-19 Business Support Fund	(1,189)	1,189	-	-	-
Redundancy Reserve	(163)	(47)	(210)	-	(210)
Future Commitments Reserve	(423)	-	(423)	113	(310)
Risk Reserve	(975)	-	(975)	-	(975)
<b>Total Reserves</b>	<b>(4,723)</b>	<b>1,421</b>	<b>(3,303)</b>	<b>650</b>	<b>(2,652)</b>

## 7. Next Steps

- 7.1. The SELEP Statement of Accounts 2022/23 will be formally signed and published on the SELEP website.
- 7.2. The South East LEP Ltd Statement of Accounts 2022/23 will be formally signed and published on the SELEP website and this information will be submitted to Companies House in accordance with the Companies Act 2006.
- 7.3. The Accountable Body will continue to work with the SELEP Secretariat to confirm on-going obligations of the Accountable Body from April 2024 to inform options with respect to the remaining funding held by SELEP. Final decisions with respect to use of the funding held by SELEP will rest with the Accountability Board.

## 8. Comments from the Accountable Body

- 8.1. This report has been authored by the Accountable Body and the recommendations are considered appropriate.

## 9. Appendices, Supporting Documents and Previous Decisions

- 9.1. Appendix A – Simplified balance sheet for SELEP as at 31<sup>st</sup> March 2023
- 9.2. Appendix B – SELEP Statement of Accounts 2022/23
- 9.3. Appendix C – South East LEP Ltd Statement of Accounts 2022/23

For further information please contact Lorna Norris (mailto:lorna.norris@essex.gov.uk)

## Appendix A: SELEP's Simplified Balance Sheet as at 31<sup>st</sup> March 2023

31st March 2022		31st March 2023	
£000		£000	£000
26,018	Long term debtors GPF Loans	26,698	
<b>26,018</b>	<b>Long term assets</b>		<b>26,698</b>
34,801	Short term debtors Cash balance held by ECC	19,943	
72	Other debtors and payments in advance	7	
<b>34,873</b>	<b>Current assets</b>		<b>19,950</b>
<b>60,891</b>	<b>Total assets</b>		<b>46,648</b>
(16,776)	Creditors	(497)	
(333)	Revenue grant receipts in advance	-	
(39,058)	Capital grant receipts in advance (see note 2)	(42,849)	
<b>(56,167)</b>	<b>Current liabilities</b>		<b>(43,346)</b>
<b>4,724</b>	<b>Net assets</b>		<b>3,304</b>
	<b>Usable reserves</b>		
(1,302)	Operational Reserve (General Fund balance)	(1,561)	
(3,422)	Other Earmarked Reserves	(1,742)	
<b>(4,724)</b>	<b>Total usable reserves</b>		<b>(3,304)</b>

### Notes:

- The balance sheet has been simplified to remove the impact of the non-cash accounting adjustments (unusable reserves) in relation to the Accumulated Absences Adjustment Account and the Financial Instruments adjustment Account (soft loans adjustment); the impact of these adjustments demonstrates the cash value of the total reserves held. The full balance sheet is included in the 2022/23 Statement of Accounts in Appendix B.
- To reconcile the total Capital grant balance held at 31st March, the GPF Loan debtor is deducted from the capital grant receipts in advance to give a net capital grant held at 31st March 2023 of £12.360m.
- The Getting Building Fund (GBF) Capital grant receipts in advance of £3.791m is carried forward on the balance sheet into 2023/24, of which £1.742m is ring-fenced for projects, subject to approved drawdowns; the remaining £2.049m is due to be reallocated during 2023/24 through a prioritisation process in accordance with the SELEP Governance arrangements.
- In taking the three notes above, the reconciliation to the total cash held by Essex County Council (ECC), on behalf of SELEP, at 31st March 2023 is:

	£'000
GPF Capital grant receipts in advance (see note 2)	12,360
GBF Capital grant receipts in advance (see note 3)	3,791
Revenue grant receipts in advance	-
Creditors	497
Short term debtors	(7)
Other Earmarked Reserves	1,742
Operational Reserve (General Fund balance)	1,561
<b>Cash balance held by ECC at 31st March 2021</b>	<b>19,943</b>

## Item 9: Net Zero Hub Governance

### Executive Summary

#### 1. Overview:

- 1.1. This report is to seek agreement from the Strategic Board (the Board) on proposed modifications to the governance arrangements of the Greater South East Net Zero Hub (GSENZH), including a need for further delegation of authority for SELEP to be represented on the GSEZNH Board, and noting that the GSEZNH Board is a non-decision making body.
- 1.2. SELEP is one of eleven LEPs that constitute the GSENZH and each LEP is represented on the GSENZH Board. This arrangement was consolidated in a Partnership Agreement in December 2019, following agreement by this Board to become a member of the Hub and delegating SELEP representation on the Hub Board to the SELEP CEO.
- 1.3. The Partnership Agreement has now expired and is superseded by the GSENZH reviewed Terms of Reference (ToR) presented in Appendix A, which now need to be agreed. SELEP's involvement in the review of these ToR has identified a need for SELEP to ensure that it has adequate delegated authority in place for SELEP to be represented on the Hub Board.
- 1.4. The reviewed ToR also now reflect the planned integration of LEP functions into Upper Tier Local Authorities (UTLAs). They state that where multiple UTLAs exist within a LEP area, those UTLAs will be represented by a single Board member. This replicates the current representation by SELEP and will be reviewed as part of the GSENZH's wider governance transition over the coming months. SELEP has requested that from 31 March 2024, three seats be made available on the Hub Board for UTLAs to represent the three functional economic areas of the SELEP area.
- 1.5. Final arrangements for UTLA representation on the GSENZH Board post LEP transition, and associated delegated authority for UTLA representatives, are yet to be finalised.

#### 2. Decisions: Board is recommended to:

- 2.1. **Note** the GSENZH reviewed ToR presented in Appendix A to this report.
- 2.2. **Agree** to delegate responsibility to the SELEP CEO in conjunction with the Accountable Body for agreeing the final ToR in a form substantially similar to the ToR presented in Appendix A.
- 2.3. **Agree** to the representation of SELEP on the GSENZH Board and the remit of powers defined in the reviewed ToR, including the permitting of any further delegation from the CEO to a member of the SELEP Secretariat.
- 2.4. **Note** that SELEP representation on the GSENZH Board will not enable the representative to make decisions that will create, or have the potential to create, a financial liability for either SELEP Ltd or the Accountable Body without appropriate approvals having been sought in advance.

#### 3. Rationale for Decisions:

- 3.1. The Partnership Agreement governing the consortium of 11 LEPs that make up the GSENZH has expired and will not be replaced. It will be superseded by the Hub's ToR, which have been reviewed accordingly and now need to be agreed by the constituent LEPs. These ToR set out the role and remit of GSENZH Board members and are presented in Appendix A.

- 3.2. Representation of SELEP on the GSENZH Board has been delegated by this Board to the SELEP CEO. The CEO requires agreement from this Board to further delegate these powers to a member of the SELEP Secretariat for continued representation through to 31<sup>st</sup> March 2024.
- 3.3. The review of the GSENZH ToR has presented an opportunity to ensure that they are fit for purpose as LEP functions transition to UTLAs. Further amendments to the ToR are expected in the coming months to reflect the creation of sub-boards to the GSENZH that will enable wider stakeholder engagement. This will be an opportunity for SELEP's six UTLAs to achieve proportionate representation on the Hub Board if not already done so by 31<sup>st</sup> March 2024.

## Further Information

### 4. Establishment of the GSENZH and the Partnership Agreement

- 4.1. In 2017/18 the Department for Business, Energy and Industrial Strategy (BEIS) made revenue funding available for the development of Local Energy Strategies by LEPs to identify local approaches to decarbonisation. SELEP launched the South2East tri-LEP strategy in collaboration with Coast to Capital LEP and Enterprise M3 LEP in February 2019.
- 4.2. Following production of Local Energy Strategies, and to create a sub-national approach to the development and funding of decarbonisation projects, BEIS created five Local Energy Hubs made up of LEPs coming together to develop and deliver a regional project pipeline. The Greater South East Energy Hub (GSEEH), formed of 11 LEPs including SELEP, was created in 2018/19 and its operations were underpinned by a Partnership Agreement between the 11 LEPs and the Cambridgeshire and Peterborough Combined Authority, as the Accountable Body for GSEEH funding.
- 4.3. The Partnership Agreement and associated Terms of Reference for the operation of a GSEEH Board were agreed by this Board in December 2019, with representation of SELEP on the GSEEH Board delegated to the SELEP CEO. SELEP has been a formal constituent member of the Hub Board since this time.
- 4.4. The principal objective of the GSEEH was and remains to 'increase the number, quality, and scale of local net zero projects being delivered across the region in line with national targets and strategies including supporting the early-stage development and delivery of projects'.

### 5. Development of the GSENZH

- 5.1. In March 2022, Local Energy Hubs were rebranded to Net Zero Hubs to reflect the broader remit of their work. They continue to be funded by the Department for Energy Security and Net Zero (DESNZ) which replaced BEIS.
- 5.2. The GSENZH has a substantial pipeline of live net zero capital and revenue projects and provides good practice guidance, tools and resources to Local Authorities. The Hub also administers a variety of Government funding streams of significant financial value, for wider programmes and schemes to facilitate local progress to net zero. Further information can be found in the reviewed ToR at Appendix A.
- 5.3. As new Government funding streams have come online and been routed through the GSENZH, the remit of the Hub has evolved to include the creation of new processes and project assessment criteria for funding allocations, and to establish appropriate delegated authority within the Hub's

Accountable Body for financial decision-making. The GSENZH Board operates in an advisory capacity to the GSENZH.

## **6. Review of GSENZH governance**

- 6.1. The Partnership Agreement outlined in 4.2 above has now expired and will not be renewed. It will instead be superseded by the GSENZH Board's ToR, which have been reviewed to reflect this and other changes outlined in section 5.
- 6.2. The Board is asked to note the reviewed ToR and agree to delegate responsibility to the SELEP CEO in conjunction with the Accountable Body for agreeing the ToR in a form substantially similar to those presented in Appendix A.
- 6.3. The Board is also asked to agree to the representation of SELEP on the GSENZH Board and the remit of powers defined in the reviewed ToR through to 31<sup>st</sup> March 2024, including the permitting of any further delegation from the CEO to a member of the SELEP Secretariat. The Board should note that this will not enable the representative to make decisions that will create, or have the potential to create, a financial liability for either SELEP Ltd or the Accountable Body without appropriate approvals having been sought in advance.

## **7. Transition of SELEP's GSENZH role to UTLAs**

- 7.1. The reviewed Hub Board ToRs confirm that Hub Board members are acting in an advisory capacity to the GSENZH and that accountability for all financial decisions sits with the Director of Resources and Performance at the Cambridgeshire and Peterborough Combined Authority (CPCA) as Accountable Body for the Hub and in line with the CPCA Scheme of Delegation.
- 7.2. The reviewed ToR also include new language that recognises potential changes to Hub Board membership, as LEP functions transfer to UTLAs over time. This ensures that SELEP membership of the Hub Board can be seamlessly replaced by a single representative for SELEP's six UTLAs from 31<sup>st</sup> March 2024. The GSENZH recognises that for some LEPs, membership would be more equitable if it were based on functional economic areas rather than LEP geographies. This is captured in the reviewed ToR but no timeline for changes to the Hub Board make-up is given.
- 7.3. SELEP has asked for three seats to be made available on the Hub Board from 31<sup>st</sup> March to replace the single SELEP seat, following discussions with relevant UTLA leads through the SELEP Partnerships and Networks integration workstream. This proposal is currently being considered by the GSENZH and CPCA monitoring officer and legal advisors. In parallel, the GSENZH are keen to agree and finalise the reviewed ToR so that appropriate new governance is in place as soon as reasonably possible.
- 7.4. If three seats on the Hub Board are not created for SELEP's three functional economic areas by 31<sup>st</sup> March 2024, a local agreement will likely need to be put in place between the six UTLAs to identify the UTLA representing all six on the Hub Board and the way in which the UTLAs will work together on this agenda, until such time as the GSENZH governance arrangements evolve.

## **8. Next Steps**

- 8.1. Subject to agreements sought from this Board, the GSENZH reviewed ToR will be agreed, finalised and adopted by the GSENZH.
- 8.2. A SELEP representative with sufficient delegated authority will remain on the GSENZH Board until 31<sup>st</sup> March 2024.

- 8.3. SELEP will continue to seek agreement from the GSENZH to create three seats on the GSENZH Board for UTLAs to represent the three functional economic areas of SELEP. If agreement on this is not reached by 31<sup>st</sup> March 2024, formal arrangements will be required between SELEP's six UTLAs to ensure that a single Hub Board member can and will represent the collective views of all six UTLAs on the Hub Board until Hub governance arrangements change accordingly.

## **9. Comments from the Accountable Body**

- 9.1. If the Board agree to delegate responsibility to the SELEP CEO in conjunction with the Accountable Body for agreeing the final ToR in a form substantially similar to the ToR presented in Appendix A, the Accountable Body will make arrangements for the approval of the ToR; this will be subject to the Accountable Body being satisfied with the terms of the final agreement.
- 9.2. A requirement of the Accountable Body is that approval of the reviewed ToR will not enable the SELEP representative on the GSENZH Board to make decisions that will create or have the potential to create a financial liability for either South East LEP Ltd or the Accountable Body, without appropriate approvals having been sought in advance.
- 9.3. The proposals set out in this report are in line with SELEP's Articles of Association, which permits the Directors to delegate any of their powers to such person by such means to such an extent in relation to such matters on such terms as they think fit.

## **10. Appendices, Supporting Documents and Previous Decisions**

- 10.1. Appendix A: GSENZH Terms of Reference Revision 17 October 2023
- 10.2. Strategic Board Agenda Pack (Item 10) 28 June 2019 Greater South East Energy Hub
- 10.3. Strategic Board Agenda Pack (Item 10) 6 December 2019 Greater South East Energy Hub Board
- 10.4. For further information please contact Jo Simmons, Business Development Manager ([jo.simmons@southeastlep.com](mailto:jo.simmons@southeastlep.com))