
Summary of decisions taken at a meeting of the SELEP Accountability Board, held in Mid Kent College, Oakwood Park, Tonbridge Road, Maidstone ME16 8AQ on Friday, 12th January 2024

Published on Friday 12th January 2024. Provided a decision has not been called in by close of business on Wednesday 17th January 2024 it can then be implemented.

Please note that this is a summary of decisions taken at the meeting only. A full account of proceedings will appear in the minutes of the meeting which will be published on the Council's website by Tuesday 30th January 2024.

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Present:

Simon Cook	Chair
Cllr Lee Scott	Essex County Council
Cllr Roger Gough	Kent County Council (from item 6)
Cllr Keith Glazier	East Sussex County Council
Cllr Lauren Edwards	Medway Council
Cllr John Lamb	Southend-on-Sea City Council (from item 7)
Cllr Andrew Jefferies	Thurrock Council
Abbie Kempe	Higher Education Representative

1 Welcome and Apologies for Absence

- Cllr Tony Cox substituted by Cllr John Lamb
- Cllr Kevin Bentley substituted by Cllr Lee Scott

2 Minutes of the previous meeting

The minutes of the meeting held on Friday 22nd September 2023 were agreed as an accurate record.

3 Declarations of Interest

None

4 Questions from the public

Helen Russell Chief Executive Officer SELEP advised the Board that four public questions had been received. She read the questions and the responses to questions 1 and 3. Responses to questions 2 and 4 were presented by Cllr Keith Glazier from East Sussex County Council.

Question 1 – Mr Alan Seymour

It says on the Good Governance/Meetings & Minutes/Agendas & Papers Pages of the SELEP website that the Agenda and Papers are published on the SELEP website 5 clear working days before the meeting. For the Agenda 12 January 2024 no papers were published for Agenda Items 7 to 13 in this timescale. One of these items, that on the Queensway Gateway Road, was due to be reported on at the postponed November 2023 Accountability Board Meeting. At the December Strategic Board it was said a paper on the Repayment Schedule of the loan on Sovereign Harbour/Pacific House would be published for the 12 January 2024 meeting. Neither have been published within the required time frame of 5 clear days before the Accountability Board meeting.

Why, has the Accountability Board failed to publish the papers in the correct time frame for this meeting, thereby negating the public's ability to review the papers and ask appropriate Public Questions based on the published papers?

Response:

We work extremely hard to meet all required deadlines, but we are facing resource challenges across SELEP, the Accountable Body and some partner authorities. It is a lengthy process, for all the right reasons, to get papers finalised and from a SELEP perspective, given that we are working towards closure, we are operating on a reduced capacity so despite every effort, this is having some impact.

In light of the late publication of the agenda pack, the deadline for submitting Public Questions was extended to ensure that the opportunity to submit questions was not lost.

Question 2 – Bernard Brown

Pacific House was developed using a loan from SELEP with additional loans from East Sussex County Council and Eastbourne Borough Council. The Development was undertaken in 2015. Of the £4.6m loaned through SELEP £3.575m is outstanding and has been subject to previous repayment rescheduling. In 2023 Sea Change Sussex defaulted on the repayment and through an administrative error ESCC technically defaulted. This was addressed by a retrospective rescheduling. It was stated the building would be sold during the course of 2023. It has been marketed at £5m and there has been no sale. Sea Change Sussex and ESCC have said this is due to adverse market conditions in the Investment Commercial Property Market yet in the same period Sea Change Sussex upwardly revalued its Investment Commercial Property at £16.82 per sqft. This would have generated £806,460 over the last two years yet Sea Change Sussex have made no further part-repayments on the loan making no attempt to honour their loan obligations. It is legitimate to ask why no payments have been made. The reasons maybe the Company is using the money for other projects contrary to the terms of the loan under SELEP Governance rules or the Company does not have the financial resources to

meet its loan obligations. Papers were not published in this matter in the timescale required for the Accountability Board Meeting.

In the absence of information are loan repayments wilfully being withheld or is Sea Change Sussex unable to meet its financial obligations? What has happened to the £800+K taken in rents on this project.

Response:

As a point of clarification, a revised repayment schedule for the Sovereign Harbour project was due to be considered by the Accountability Board at their meeting on 10 March 2023 – prior to the repayment becoming due. However, this Board meeting was subsequently postponed to 13 April 2023 and therefore it wasn't possible for the decision on the revised schedule to be taken prior to the repayment becoming due.

The information required to respond to this question is held by East Sussex County Council and, as such, they provided the following response:

The extension of the repayment period of the loan into 2023/24 was to enable Sea Change Sussex to undertake the necessary marketing required to secure a sale of the building and consequently repay the outstanding Growing Places Fund loan in full. As such there were no other part repayments agreed upon or expected from Sea Change Sussex throughout the year and there is no mechanism in the loan agreement to request this outside the agreed repayment schedule.

Question 3 – Mr Neville Jones

The following are fully verifiable extracts from reports submitted to the Accountability Board on the Queensway Gateway Project by East Sussex County Council since October 2020: “ A contractor has been appointed with work due to commence on site on 23/11/21...it is anticipated the works on the temporary connection will take 4 weeks”...”The expected programme for delivery of the signalised connection is 6 weeks with an additional 2 weeks contingency...It is currently estimated that the signalised connection will be constructed and complete by late November 2021 with the full route open to traffic at this point”... “This report sets out further delays to the signalised connection with this now not being expected until early 2022” At the 16/6/23 meeting the report said “..it has not been possible to provide a full update on this project.”

Despite the best efforts of the SELEP Capital Programme Manager to present an accurate picture to the Board, there is absolutely no doubt reports on this project submitted by East Sussex County Council since 2020 have proven to be incomplete and inaccurate and by default misleading. The reports from East Sussex County Council on this and other projects have not only been used as a basis of decision making by the Board, they have been the basis for answering Questions from the Public resulting in inaccurate and misleading answers being provided.

Despite the efforts of SELEP Officers, since 2019 ESCC have provided inadequate, inaccurate and misleading reports. As SELEP comes to a close will this Board honourably apologise to the Public for responses provided, which being based on these reports, were inaccurate.

Response:

It is the Upper Tier Local Authorities responsibility to provide information to the Board. Where inaccuracies are raised, these are discussed with the relevant Upper Tier Local Authority.

The responsibility of the Upper Tier Local Authorities includes providing the most up-to-date position in respect of their projects. As these are live projects, we understand there may be some changes to the updates over time and these changes are subsequently reported to the Board at future meetings.

Question 4 – Sea Change Sussex

It is reported at points 4.13 and 4.14 of Item 8 - Growing Places Fund – Sovereign Harbour proposed revised repayment schedule that decisions have not been made in respect to repayment by ESCC as they need a valuation which Sea Change Sussex have not provided the required 'detailed lease schedule' to allow the production of, it was also reported in April 2023 and within the item 8 paper at point 4.11 that ESCC have been in receipt of this valuation since February 2023. Having provided the requested detailed lease schedule and copies of our lease templates to ESCC in November 2022, we would ask do ESCC have the valuation as reported, and why it is being reported that a detailed tenancy schedule has not been provided by Sea Change Sussex?

Response:

The information required to respond to this question is held by East Sussex County Council and, as such, they provided the following response:

East Sussex County Council have requested up to date lease information from Sea Change Sussex as the valuation undertaken in early 2023, and the information supplied in November 2022 by Sea Change Sussex, is considered to be out of date following the agreed repayment plan approved by the Board in April 2023. The property market has changed in the past year and we cannot assume that all lease information remains the same. We have asked for but not been provided with a recent tenancy schedule, copies of all current leases, nor service charge information. This is information that commonly has a bearing on the accuracy of a valuation.

5 Operations Update

The Accountability Board (the Board) received a report from Keri Lawrence, SELEP Governance Officer, which was presented by Helen Russell, 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 the SELEP transition arrangements, risk management, compliance with the Assurance Framework and performance against governance KPIs.

Resolved:

1. **To Note** the update on decisions taken by the Strategic Board for the transition of the LEP and the integration of its activities into Local Authorities at Section 4 of the report.
2. **To Note** the Risk Register at Section 6 and Appendix B of the report.
3. **To Note** the update on Assurance Framework compliance monitoring at Section 7 and Appendix C of the report.
4. **To Note** the update on Governance KPIs at Appendix D 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 update to the 2023/24 revenue outturn forecast and the impact for the funding position to support SELEP integration costs into 2024/25. Additionally, the report recommended an approach for the distribution of the anticipated residual SELEP funds to the six upper tier SELEP Partner Authorities, to support delivery of LEP functions from April 2024.

Resolved:

1. **To Note** the update on the forecast revenue outturn and reserves for 2023/24.
2. **To Agree** the approach for allocating any residual balances in the Operational Reserve to the SELEP Upper Tier Local Authority partners as set out in section 3.9.3 of the report.
3. **To Agree** the approach for allocating the Redundancy Reserve as set out in section 3.9.7 of the report.
4. **To Agree** that any uncommitted earmarked reserves at the end of 2023/24 will be appropriated to the Operational Reserve to be allocated as agreed in section 2.1.2 of the report (second resolution detailed above).

7 Growing Places Fund Programme Update

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

The report also set out details of the Change Request submitted in relation to the Barnhorn Green Commercial and Health Development project and provided an update on the risks associated with the agreed repayment schedule for the Centre for Advanced Engineering project.

Resolved:

1. **To Note** the updated position on the GPF programme.
2. **To Agree** that the Barnhorn Green Commercial and Health Development project should be removed from the GPF programme.
3. **To Note** the update on the Centre for Advanced Engineering project and the risk to the agreed repayment schedule.

8 **Sovereign Harbour Repayment Schedule Change**

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider a request from East Sussex County Council for a revision to the Growing Places Fund (GPF) repayment schedule for the Sovereign Harbour project.

Resolved:

To Agree not to agree any of the options set out in the Board report and for officers to undertake further option development work with a view to achieving the best level of parity possible for the disaggregation of the SELEP GPF funds, in the context of the remaining Sovereign Harbour repayment.

9 **Better Queensway GBF Project Update**

The Board received a report from Glyn Hawksworth, Director of Regeneration & Housing, Southend-on-Sea City Council and Helen Dyer, which was presented by Alan Richards and Tim Rignall, Southend-on-Sea City Council, the purpose of which was for the Board to receive an update on the Better Queensway Getting Building Fund (GBF) project (the Project), which had been identified as High risk.

Resolved:

1. **To Note** the update on delivery of the Project.
2. **To Agree** that, given the importance of the Project to the local area, it should be retained within the GBF programme. Noting that further work is required to confirm the delivery route for all phases of the Project and acknowledging the intention to agree with the Department for Levelling Up, Housing and Communities that ongoing oversight of the Project will sit with them following

the closure of SELEP.

10 GBF Funding Decisions

The Board received a report from Leslie Rickerby, SELEP Capital Programme Officer, which was presented by Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the award of Getting Building Fund (GBF) funding to the following projects:

1. Tech Hub Flexible Workspace, Gravesend
2. Mercury Rising 2, Colchester.
3. Innovation Hub: Diversification of Chatham Town Centre.
4. Maidstone Business Suite Phase 2.
5. The Victoria Centre, Southend.

Resolved:

1. **To Agree** the award of £370,000 GBF to Kent County Council for the Tech Hub Flexible Workspace, Gravesend project which has been assessed as offering High value for money with a High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme, and agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.
2. **To Agree** the award of £500,000 GBF to Essex County Council for the Mercury Rising 2 project which has been assessed as offering High value for money with a High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme, and agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.
3. **To Agree** the award of £300,000 GBF to Medway Council for the Innovation Hub: Diversification of Chatham Town Centre project which has been assessed as offering High value for money with a Medium/High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme and, agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.
4. **To Agree** the award of £300,000 GBF to Kent County Council for the Maidstone Business Suite Phase 2 project which has been assessed as offering High value for money with a Medium/High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme and, agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.

5. **To Agree** the award of £579,232 GBF to Southend-on-Sea City Council for The Victoria Centre project which has been assessed as offering High value for money with a Medium/High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme and, agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.

11 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.

Resolved:

1. **To Agree** the updated total planned LGF spend on project delivery in 2023/24 of £10.949m excluding DfT retained schemes and increasing to £11.079m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.
2. **To Agree** the reported LGF spend on project delivery in Q1 and Q2 2023/24 of £0.156m excluding DfT retained schemes and increasing to £0.287m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.
3. **To Agree** the updated completion dates for the following project which has experienced a delay of more than 6 months:
 - 3.1. Colchester Grow On Space – project completion delayed from June 2024 to May 2025.
4. **To Agree** that there is compelling justification for the £1.821m LGF spent to be retained against the A289 Four Elms roundabout to Medway Tunnel project and note the steps that Medway Council are taking to bring forward delivery of the project following the removal of the Housing Infrastructure Fund funding.
5. **To Agree** that there is compelling justification for the £630,488 LGF considered in this report to be retained by East Sussex County Council in respect of the Hastings and Bexhill Movement and Access Package project providing that:
 - 5.1. £325,703 is retained subject to East Sussex County Council continuing to Capitalise the spend with the intention to secure the funding required to enable delivery of the works or until the works are delivered. In the event of subsequent non-delivery and if the Board has been disbanded, East Sussex County Council are to agree with the Department for Levelling Up, Housing and Communities with respect to continued retention of the LGF; and

- 5.2. £176,461 is applied retrospectively as an LGF Capital Swap with East Sussex County Council using alternative Capital Funding within the programme to demonstrate full LGF spend against the project; and
- 5.3. £24,967 is retained against the project to support delivery of the revised Business Case.
6. **To Note** the deliverability and risk assessment, as set out in Appendix D of the report.
7. **To Note** the list of outstanding post scheme completion Monitoring and Evaluation reports, as set out in Appendix G of the report.

12 **Queensway Gateway Road LGF Project Update**

The Board received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure and Helen Dyer, which was presented by Rebecca Newby, East Sussex County Council 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).

Resolved:

1. **To Note** the latest update position on the delivery of the Project.
2. **To Note** that East Sussex County Council is working with its delivery partner to ascertain the extent to which further resource is required to complete the Project.
3. **To Note** the updated delivery plan, indicative delivery programme, and approach to finalising the total project cost and funding package.
4. **To Agree** that, given the importance of the Project to the local area, it should be retained within the LGF programme. Noting that further work is required to confirm the total project cost, full funding package and construction programme and acknowledging the intention to agree with the Department for Levelling Up, Housing and Communities that they will have ongoing oversight of the Project following the closure of SELEP.

13 **Grays South LGF Project Update**

The Board received a report from Mark Bradbury, Interim Director of Place, Thurrock Council and Howard Davies, which was presented by George McCullough, Thurrock Council, the purpose of which was for the Board to receive an update on the delivery of the Grays South Local Growth Fund (LGF) project (the Project).

Resolved:

1. **To Note** the outcome of the reviews undertaken of the Grays South Regeneration Scheme (which includes the Project).
2. **To Note** that a Project Change Request will be brought to the February 2024 Board meeting.

14 Date of Next Meeting

The Board noted that the next meeting will be held on Friday 16th February, venue to be confirmed.

15 Urgent Business

None.