



10:00	1	Welcome and Apologies	John Spence, Chair
10:05	2	Minutes of 15th March Board Meeting a. To agree minutes of the last Board meeting, 15 th March 2013	John Spence
10:10	3	Matters Arising & Recent Developments	John Spence
10:15	4	Investment Decisions a. To consider GPF project investment decision – Sovereign Harbour, Eastbourne; b. Local Infrastructure Fund update & GPF projects; c. Existing Enterprise Zones update; d. GPF cashflow – to note.	Susan Priest
10:30	5	Strategic Infrastructure a. Lower Thames Crossing - To agree a LEP position for submission to DfT consultation; b. Aviation - To note business views on aviation capacity and to gather views on long term aviation capacity matters; c. Mobile Telephony - To note key findings from the call for evidence and endorse next steps for action; d. Accelerating housing development, delivering growth - To consider options for accelerating delivery in the South East; and e. Transport prioritisation - To establish business views on current progress towards transport priorities.	Susan Priest & Tony Meehan – Atkins Susan Priest Zoe Myddelton Graham Brown and Terry Fuller – HCA David Bull
11:20	6	EU Update a. EU update – to note b. Higher Education and Innovation - collaborative working and investment propositions.	Susan Priest Julian Crampton
11:30	7	New ways of working a. To consider new ways of working for SE LEP	John Spence
11:50	8	Activity Update a. To note the update on recent activity	Susan Priest
11:55	9	Any other business	All
12:00	10	Close & networking lunch	John Spence

Content overview

- a. Draft minutes of the Full Board meeting, 15th March 2013 (Item 2. Page 3)
- b. Action log (Item 3. Page 11)
- c. Investment Decisions (Item 4. Page 13)
- d. Strategic Infrastructure (Item 5. Page 18)
- e. EU Update (Item 6. Page 45)
- f. New Ways of Working (Item 7. Page 57)
- g. Activity Update (Item 8. Page 61)



Full Board members & alternates present

1	John Spence	Chair
2	Cllr Andrew Wickham <i>for Cllr Paul Carter</i>	Kent County Council
3	Derek Godfrey	Vice Chair / Ellis Builders and Eastbourne Chambers
4	Cllr Peter Halliday	Tendring District Council/Haven Gateway Authorities
5	Paul Barret <i>for Graham Brown</i>	Denne Construction Ltd
6	Cllr Paul Watkins	Dover District Council
7	Cllr Terry Cutmore <i>for Cllr Tony Ball</i>	Rochford DC / South Essex authorities
8	Cllr Andy Smith <i>for Cllr John Kent</i>	Thurrock Council
9	Cllr Rodney Chambers	Medway Council
10	Nigel Gammage <i>for Mike Alder</i>	Federation of Essex Colleges
11	Brett McLean	East Sussex FSB
12	Cllr John Lamb <i>for Cllr Nigel Holdcroft</i>	Southend on Sea Borough Council
13	Julian Drury	C2C / South Essex businesses
14	Cllr Peter Jones	East Sussex County Council
15	Douglas Horner	Trenport Investments Ltd
16	Vince Lucas	Medway Ports
17	Jo James	Kent Invicta Chambers
18	Geoff Miles	Maidstone Studios
19	Cllr Neil Gulliver	Chelmsford City Council/Heart of Essex Authorities
20	Cllr Peter Martin	Essex County Council
21	Cllr Jeremy Birch	Hastings Borough Council
22	Cllr Gill Mattock <i>for Cllr David Tutt</i>	Eastbourne Borough Council
23	Cllr Robert Standley	Wealden District Council
24	Cllr Peter Fleming	Sevenoaks District Council
25	Graham Razey	East Kent College
26	Cllr John Gilbey	Canterbury City Council
27	Paul Winter	Wire Belt Co Ltd
28	Bridget Taylor	BT
29	Des Lambert <i>for Melanie Hunt</i>	Sussex Downs College
30	Cllr John Wright <i>for Cllr Andrew Bowles</i>	Swale BC

Other attendees present

1	Dr Susan Priest	South East LEP Director
2	Zoe Myddelton	South East LEP Programme Manager
3	Graham Pendlebury	Senior Whitehall Sponsor / DfT
4	Dominic Collins	Essex County Council
5	Ian Davidson	Tendring District Council
6	Tim Ingleton	Dover District Council
7	Iain McNab	BIS
8	Karen Warren	BIS
9	Malcolm Morley	Harlow Council
10	Robert Light	Purcell
11	Steve Clarke	Haven Gateway
12	Roger Blake	RailFuture
13	Barbara Cooper	Kent County Council
14	Scott Dolling	Southend Borough Council
15	John Manning	ICE
16	Neil Davies	Medway Council

17	Lisa Ricketts	Thurrock Council
18	Pieter Johnson	Amey
19	Jonathan Roberts	JRG
20	Richard Howkins	Network Rail
21	Pete Cook	ECC
22	David Bull	Thurrock Council
23	Ian Lewis	ECC
24	Keith Brown	Institute of Civil Engineers
25	Dave Evans	East Sussex County Council
26	Keith Cornwell	Thames Gateway South Essex Partnership
27	Stewart Henderson	Essex County Council / South East LEP Communications
28	Katharine Harvey	South East LEP
29	Suzanne Bennett	South East LEP Finance Business Partner
30	Emma-Louise Galinis	South East LEP secretariat
31	Lorraine George	South East LEP / ECC

Action Summary

Item 3: Matters Arising & Recent Developments

1. ECC and LEP secretariat to liaise with Essex Vice-Chair, George Kieffer, about vacant Board positions.
2. Graham Pendlebury to raise the issue of barrier lifting threshold with Stephen Hammond.
3. Secretariat to collate data on the range of local financial incentives for businesses, presenting a summary to the Executive Group on 24th May.
4. LEP secretariat to work with the rural group to identify a new Chair.

Item 4: Investment Decisions: EZs & GPF

5. Secretariat to progress EZ and GPF investment decisions with local partners. Detail of the financial repayment profile of the Fund to be presented at a forthcoming Board meeting.
6. Chairman to express SELEP concerns on the development of a Neighbourhood Plan in Sandwich that includes Discovery Park EZ to the Town Council and Minister.
7. LEP secretariat to review new EZ submissions, bringing an item to the May Executive Group and June Board thereafter.

Item 5: SE Growth Strategy

8. Strategy working group to consider the input from Board members, reporting an update to the 24th May Executive Group meeting.

Item 6: EU Growth Prospectus

9. EU working group to consider the strategic steer and themes in more detail and organise facilitated discussions with local partners.

Item 7: Skills

10. The final response to the APPG to be agreed by Neil Bates prior to submission.

Item 8: Coastal Communities

11. Ian Davidson to liaise with Lorraine George re: Assisted Area Status
12. Ian Davidson to liaise with Neil Bates on skills matters and David Bull on transport matters to the SELTB.

Item 11: AOB

13. Local authority officers to provide information to the secretariat on delayed developments due to environmental matters in order that evidence is assembled prior to a formal submission by the chairman to the Minister.
14. Graham Pendlebury to follow up on the detail of the delay caused by English Nature with Medway Council.
15. Board members to consider potential candidates for the role of successor Chair, contacting Susan Priest for further information.

1. Welcome & Apologies

- 1.1 The meeting started at 09.35 and, due to late arrivals, the Board agreed to confirm any decisions through written procedure after the meeting if necessary.
- 1.2 Apologies were received from Malcolm Diamond, James Page, Iain Wickes, David Butcher, Will Parkes, Clive Galbraith, Cllr Chris Whitehead, George Kieffer, Prof Julia Goodfellow, and David Birch.
- 1.3 The Chair welcomed Graham Pendlebury, from DfT, as Senior Whitehall Sponsor for SELEP. Graham outlined his role as a champion and advisor within Whitehall who can help SE LEP navigate and breakdown barriers, acting as a critical friend.
- 1.4 Douglas Horner declared his interest in Discovery Park, Kent and in the Kent related local pinch-point programme submission; John Spence declared his interest in Capital for Enterprise Ltd and projects involving Anglia Ruskin University.

2. Minutes of last meeting

- 2.1 The minutes of the last Board meeting 7th December 2012 were agreed.

3. Matters Arising & Recent Developments

- 3.1 Gaps in the appointments of private sector representatives for Essex remain. **Action: ECC and LEP secretariat to liaise with Essex Vice-Chair, George Kieffer.**
- 3.2 Letters received from Stephen Hammond MP on the pinch point programme and barrier lifting at the Dartford Crossing, and from Danny Alexander MP regarding the single funding pot, had been pre-circulated to the Board.
- 3.3 Views were sought on the disappointing contents. The letter from Treasury regarding the single funding pot pilot proposal was seen as extremely dismissive. The letter from Stephen Hammond was regarded as wholly unacceptable. Board members emphasised that the cost to business, to the environment, and to the community from congestion had not been recognised whatsoever.
- 3.4 The Board asked Graham Pendlebury to express the depth of feeling and illogicality of the argument in his letter directly with Stephen Hammond. **Action: Graham Pendlebury to raise the issue of threshold and costs of barrier lifting with Stephen Hammond.**
- 3.5 The Director drew attention to a recent meeting with the Chairman and Deputy Chief Executive of Capital for Enterprise regarding local financing for SMEs. A swift piece of research to understand current local provision is being undertaken. In the context of nationally available schemes, the potential for a SE initiative will be explored. **Action: Secretariat to progress with partners with summary reported back to the Executive Group on 24th May.**
- 3.6 The Board was advised that due to business commitments Jon Regan has stepped down from the role of Chair of the rural workstream. A replacement will be sought **Action: Secretariat to work with the rural group to identify a new Chair.**

4. Investment Decisions

- 4.1 The Director introduced the report and a fulsome discussion followed that explored the rationale and benefits of investments, and challenged recommendations.
- 4.2 The Board recognised that providing a grant was a departure from the current GPF policy. There was no desire to set an unwelcome precedent in diminishing the size of the fund, however it was recognised that the LEP will directly benefit from the success of the Harlow EZ due to the business rate uplift being retained by the LEP.
- 4.3 In order to reach a conclusion the Board voted, and it was agreed by a majority of 20 for and 4 against (with 2 abstentions), that the LEP would amend its normal policy of financing loans **only**
- in the case of the two existing Enterprise Zones;
 - up to a total of 5% of the value of the total GPF fund (£49.2m therefore up to £2.46m); and
 - on an exceptional case by case basis.
- 4.4 The Board agreed:
- To investments outlined in Option 3 on the basis that the EZ's be encouraged to bid for other funding sources available to them, such as the Local Infrastructure Fund or Regional Growth Fund, and any GPF allocation should be reallocated if these other sources are successful;
 - To use 24th May as a timeout date for all projects;
 - That the business rate discount can be offered by Harlow to specific businesses on the EZ; and
 - To delegate to the Executive Group in May the detailed expenditure to be netted off the uplift in business rates to cover costs incurred by Harlow District Council.
- 4.5 **Action: Secretariat to progress EZ and GPF investment decisions with local partners. Detail of the financial repayment profile to be presented to the Board.**
- 4.6 Paul Watkins highlighted that Sandwich Town Council were attempting to establish a neighbourhood plan with planning implications to incorporate Discovery Park Enterprise Zone. The Board agreed this should be resisted. **Action: Chairman to express SELEP concerns to the Town Council and Minister.**
- 4.7 The Director reported that 6 new Enterprise Zone proposals had been received with the distinguishing factor being that 5 of the 6 relate to a series of sites or corridors. Investment for infrastructure was the key investment theme. **Action: Secretariat to review submissions, bringing an item to the May Executive Group and June Board thereafter.**

5. SE Growth Strategy

- 5.1 The Director introduced the paper which provoked wide debate concluding that:
- It should be robust to support funding applications;
 - It should capture the growth potential of the area;
 - It should be light touch, not replicating existing Local Authority strategies;
 - It should be in a 'business-style', articulating what the LEP will do, and to guide how the LEP will intervene. It should not be a policy focused document;
 - It should focus on a small number of things the LEP can do to make a difference, with clear goals and targets, rather than broad wide-ranging themes;

- It should consider cross-LEP matters, recognising common issues of significance;
- It should be a living document that can easily be referenced and amended as progress is made; and
- It provides an opportunity for SE LEP to position itself competitively against other LEPs.

5.2 Business representatives asked to be engaged early in the process, and the Board welcomed the contribution from BT and Ford in giving larger firm perspectives into the working group. David Birch, from the Essex Chambers of Commerce, has agreed to join the group to give access to SE Chambers' input. Wider plans for consultation should primarily involve business groupings and an approach should be developed by the working group. **Action: Emerging themes will be reported to the 24th May Executive Group.**

6. EU Programme

6.1 Lorraine George introduced the item and following fulsome discussion Board members gave a steer on the balance between themes and priorities to include, highlighting strong support for themes:

- 7 (promoting sustainable transport and removing bottlenecks in key network infrastructures)
- 10 (investing in skills, education and lifelong learning...).

6.2 It was agreed that theme 1 (strengthening research, technological development and innovation) along with theme 3 (enhancing the competitiveness of SMEs) should be given particular emphasis and that SE LEP will meet the minimum requirement of 20% of projects having a low carbon focus. **Action: Working group to progress and organise facilitated discussions with local partners to consider the themes in more detail.**

7. Skills in the South East

7.1 Graham Razez provided an update from the Skills Workstream highlighting the ambitions and forward work of the group including a SE LEP wide skills review to provide baseline data of skills provision across the area. The workstream also pressed to see a skills resource for the LEP identified as soon as possible, recognising there is much to be done to articulated the priorities and to feed in to the Growth Strategy and EU programme.

7.2 The Board noted the response to the All Party Parliamentary Group call for evidence recommending:

- A simplification of the skills system;
- A role for LEPs in devolved skills funding;
- Recognition of local good practice and building upon it; and
- Bringing innovative and creative solutions for businesses, specifically in influencing pre-16 provision.

7.3 **Action: The final response to the APPG to be agreed by the workstream lead, Neil Bates prior to submission.**

7.4 Pete Cook, from Essex County Council, provided an overview of their work to re-model the skills provision providing a summary of the issues and challenges facing the sector.

- 7.5 The Board recognised the importance of a quality skills offer in providing a competitive advantage for the SE LEP economy. Views were expressed and positive feedback was provided on the Essex model with businesses welcoming the opportunity to influence skills provision.
- 7.6 The Board agreed:
- The critical role of skills to optimising growth and competitiveness;
 - That priority should be given to motivate and inspire those under the age of 16; and
 - Future funding mechanisms should aim to ensure a match between skills provision and the current and future needs of employers.
- 7.7 The Board encouraged partners to have further discussions to clarify the role of the LEP with local authorities on skills.

8. Coastal Communities

- 8.1 Ian Davidson, Chair of the Coastal Communities group, presented an update specifically drawing attention to the:
- Focus on opportunities for growth in coastal areas;
 - Themes of key interest: skills, tourism, influencing opportunities, and transport;
 - Progress being made on joint RGF bids;
 - A clustering approach in making the case for Assisted Area Status; and
 - The importance of transport needs and skills development being understood.
- 8.2 The Board agreed that the LEP Secretariat would support the approach for Assisted Area Status where needed, for the Coastal group to lead in specifying what support is required **Action: Ian Davidson to liaise with Lorraine George.**
- 8.3 The Board noted the significant growth opportunities in coastal areas and encouraged issues on skills to be fed into the skills workstream, and an item on transport to be brought forward to the LTB for discussion. **Action: Ian Davidson to liaise with Neil Bates on skills and David Bull on LTB.**

9. Finance Update

- 9.1 The Board noted the finance update.

10. Activity Update

- 10.1 The Board noted the activity report.
- 10.2 The mobile telephony survey will run from 2nd April 2013 to 10th May 2013 and Board Members were asked to cascade within their networks to give broad reach and coverage.

11. AOB

- 11.1 Rodney Chambers highlighted that a major project is being held up in Medway due to the interests of Natural England. The Board expressed a clear view that the influence of Natural England and other environmental groups appears to be disproportionate, given the importance of stimulating growth in local economies. It was agreed that evidence would be collated to identify development on hold due to environmental interests. **Action: Local authority officers to provide information to the secretariat in order that evidence is assembled prior to a formal submission to the Minister.**

Action: Graham Pendlebury agreed to follow up the specific example in Medway as an urgent matter.

11.2 The Board welcomed a proposal from West Kent and East Sussex in submitting an RGF bid for loans and investment into micro and small businesses.

11.3 As Cllr Peter Jones and Cllr Peter Martin are standing down from their posts at the forthcoming local elections, the Board expressed gratitude for their significant contributions to the LEP.

Chairman - Successor Arrangements

11.4 The Chairman left the room as Geoff Miles reported discussions between the Vice Chairs and County / Unitary Local Authority Leaders on options for successor arrangements, should John Spence be elected as an Essex County Councillor at the local elections on 2nd May 2013.

11.5 There was unanimous support for John to remain as Chairman until an appropriate successor is found, tendering his official resignation after the election in May, if successful. A long stop date of September 2013 was thought to provide for a managed transition and would coincide with the conclusion of his term. Decisions on the Chair of the LTB would be taken once the appointment of the LEP Chair concludes, with a view taken as part of this process on the merits of this person having a dual Chairmanship role.

11.6 The Board supported a sub-group of Vice Chairs and Leaders being formed to appoint a new Chair, to be sought from local networks in the first instance. The services of a professional agency would be sourced if this proves unsuccessful. **Action: Board members are asked to consider potential candidates and contact Susan Priest for further information.**

11.7 The meeting closed at 11:45am.

ACTION LOG & MATTERS ARISING

15th MARCH FULL BOARD MEETING

Item 1: Minutes & Matters arising

Secretariat to liaise with Essex Vice Chair, George Kieffer, about vacant Board positions

- **Outstanding.** A number of replacements have been identified, one business representative vacancy remains.

Graham Pendlebury to raise the issue of barrier lifting threshold with Stephen Hammond.

- **Completed.** Update provided to the Executive Group meeting, the Minister has agreed to review the decision-making process to suspending charges to see if this can be made more efficient, but not to change the trigger points at which this process is implemented, which is disappointing.

Secretariat to collate data on the range of local financial incentives for businesses, presenting a summary to the Executive Group on 24th May.

- **Completed.** See item 6a on the Agenda.

LEP secretariat to work with the rural group to identify a new Chair.

- **Completed** – Nick Sandford is the new Chair of the SELEP Rural workstream.

Item 4: Investment Decisions: EZs & GPF

Secretariat to progress EZ and GPF investment decisions with local partners. Detail of the financial repayment profile of the Fund to be presented at a forthcoming Board meeting.

- **Completed** - See Item 4c on the agenda

Chairman to express SELEP concerns on the development of a Neighbourhood Plan in Sandwich that includes Discovery Park EZ to the Town Council and Minister.

- **Completed** – Representation made to the planning consultation on 22nd April 2013.

LEP secretariat to review new EZ submissions, bringing an item to the May Executive Group and June Board thereafter.

- **Completed** – Item considered at May 24th Executive Group meeting.

Item 5: SE Growth Strategy

Strategy working group to consider the input from Board members, reporting an update to the 24th May Executive Group meeting.

- **Completed** .

Item 6: EU Investment Prospectus

EU working group to consider the strategic steer and themes in more detail and organise facilitated discussions with local partners.

- **Ongoing.** See Item 6. Draft Prospectus to be provided to the September Executive Group meeting and October Board meeting.

Item 7: Skills

The final response to the APPG on local growth enquiry into skills and employment to be agreed by Neil Bates prior to submission.

- **Completed.** Submission made to the APPG on 15th March, update provided in Item 8, Activity report.

Item 9: Coastal Communities

Ian Davidson to liaise with Lorraine George re: Assisted Area Status

- **Completed.** Paper on assisted area status was tabled at the SELEP coastal group meeting on Wednesday 22nd May. The group approved the recommendation that each area that wanted to apply for AAS would prepare to develop an individual application, in response to the forthcoming BIS consultation (in contrast to the coastal strip combined approach).

Ian Davidson to liaise with Neil Bates on skills matters and David Bull on transport matters to the SELTB.

- **Completed.** Notes and agendas for meetings are now shared with Coastal lead and an open invitation to all meetings is available.

Item 10: AOB

Secretariat to encourage DMOs to engage with the LEP through the relevant work streams.

- **Completed.** DMOs and Tourism partners engaged in Coastal Communities activity and made aware of other workstreams will be consulted on other themes such as EU funding programme as they progress.

Local authority officers to provide information to the secretariat on delayed developments due to environmental matters in order that evidence is assembled prior to a formal submission by the chairman to the Minister.

and Graham Pendlebury to follow up on the detail of the delay caused by English Nature with Medway Council.

- **Completed.** – a summary note of the issues raised by partners was prepared and submitted to DCLG officials. As a consequence of this work a telecall is being arranged between the Secretary of State, Eric Pickles with Poul Christiansen, Chair of Natural England to discuss the issues raised. Any feedback received about on these discussions will be fed back to the Board in due course.

Board members to consider potential candidates for the role of successor Chair, contacting Susan Priest for further information.

- **Ongoing** – any potential nominations should be shared with Susan Priest.



INVESTMENT DECISIONS

Purpose

1. The purpose of this paper is to **update** Executive Group on:
 - a) GPF projects that have come forward for investment decision following the decision at Executive Group on 24th May to allow pipeline projects to advance;
 - b) the results of the LIF expression of interests process and the consequential impact on GPF; and
 - c) the latest position regarding the existing Enterprise Zones.

Recommendations

2. Executive Group is invited to **approve**:
 - a) the investment of £6,000,000 in the Sovereign Harbour Innovation Mall project in Eastbourne in East Sussex, with final agreement of the timings of both Sovereign Harbour Innovation Mall and Bexhill Innovation Mall delegated to the Secretariat;
 - b) the Enterprise Zone capital allocations of £8,000,000 for Discovery Park in Sandwich and £2,000,000 for Enterprise West Essex @ Harlow continue to be ring-fenced until the next stage of LIF bid evaluations is complete, which is due to be at the end of July 2013;
 - c) agreement in principle to the value and category of Enterprise Zone set up costs for Harlow to be offset from the business rate uplift income stream due to the SELEP and to the forward funding of these; and
 - d) delegation of the decision on items to be offset from the Harlow Enterprise Zone Business Rate income stream to the Executive Group on 6th September 2013.

A. GPF

3. At the Executive Group meeting held on 24th May 2013 it was agreed that projects sitting in the pipeline could be brought forward where they were ready for investment in order to introduce further competition and pace into the completion process.
4. To date one project from pipeline has been brought forward. This is the Sovereign Harbour Innovation Mall project in Eastbourne, East Sussex. Details of the project can be found below.

Table 1

Authority	Project	Rationale / Comment	GPF Requested
East Sussex	Sovereign Harbour Innovation Mall (3,024 sqm of high quality managed office and workspace to underpin the first phase of the employment land development at Sovereign Harbour in Eastbourne)	Strong strategic fit with SELEP objectives and addresses the regeneration of a key priority area in Eastbourne. The scheme is ready to be taken forward with all approvals in place. Delivers 299 gross new jobs, no homes.	£6,000,000

5. As can be seen in the indicative cash flow statement at Annex 1, there is insufficient funding available to support *all* the projects now with Board approval. Some of those with Board approval will not now

be funded until such time that repayments are made from earlier investments and fund begins to revolve, or additional funding becomes available.

The Board is requested to approve the investment in the Sovereign Harbour Innovation Mall

6. Seachange Sussex is delivering both the East Sussex projects in Round 3. East Sussex County Council is holding discussions with Seachange Sussex on both the Sovereign Harbour and Bexhill Innovation Mall drawdowns to optimise the draw-down of funds remaining. To reduce bureaucracy and ensure the pace of investment is maintained it is suggested that the final agreement of drawdown profiles for these two projects is delegated to the SELEP Secretariat. Changes in total value of investment and/or changes to the repayment profile will still require Board authorisation.

The Board is requested to approve the delegation of final agreement of the drawdown profile for both Sovereign Harbour and Bexhill Innovation Mall projects to the SELEP Secretariat

B. LIF Update and GPF Projects

7. Currently there is a total of £10 million GPF capital investment ring fenced for the two existing Enterprise Zones. This ring-fence has been put into place pending the development of detailed business cases that would allow the Board to make investment decisions. The Board also recommended that alternative sources of funding continued to be pursued.
8. Both Discovery Park and Enterprise West Essex @Harlow submitted Expressions of Interest bids for the Homes and Community Agency (HCA) Local Infrastructure Fund (LIF) in April. It was announced on the 10th June that both Discovery Park and Enterprise West Essex @Harlow had been successful in being shortlisted.
9. Business cases for the approved LIF projects now need to be constructed and submitted to the HCA for the next round. As there is some overlap between what is being requested for LIF funding and from GPF, it is suggested that the ring fenced GPF allocations are held until the LIF process is completed by end of July.

The Board is requested to approve the continuation of the ring-fence of the £10m capital allocation to Discover Park and Enterprise West Essex Enterprise Zones until the LIF process is complete

C. Existing Enterprise Zone Update

10. At the meeting of the SELEP Board on 15th March 2013 it was agreed 'in principle' that set up costs for the Enterprise West Essex @Harlow EZ could be deducted from the uplift in business rate income due to the SELEP, although the precise nature of what these constituted was not agreed at that time. Table 2 below shows the specific items and the costs incurred (please note that no senior management time has been allocated to these costs) for final approval.

Table 2

Activity	Detail	Costs
Local Development Order	Forward Planning staff time costs	£76,733
	Development Management Planning staff time costs	£1,471
	Legal advice re LDOs	£5,200
	Tree & Environment Study	£7,838
	Flood risk study	£16,658
	Topographical surveys	£34,800

Inward Investment	Sector analysis studies related to EZ	£4,900
Symposium costs	Exploration of science parks and how they might relate to the Harlow EZ with Med Tech focus	£16,495
Essential IT Upgrade to Civica Business Rates IT system	Required for Business rates collection related to EZ	£4,000
EZ bid advice	Expert advice from CBRE	£5,692
Other EZ support	Regeneration team staff costs– general support to project from inception to 31/3/13	£58,770
Legal costs	HM land registry costs for EZ land title	£664
	S106 costs re GPF round 1 bid related to Newhall and road infrastructure	£4,743
Branding	Initial work on branding - phase 1	£6,425
Total up to 31 March 2013		£244,389

11. Harlow Council and SELEP have jointly commissioned the construction of a financial model that will provide forecasts of the levels of Business Rate growth from the Enterprise Zone. This will give a better understanding of the level and timing of the expected income stream and will put the SELEP Board in a better position to consider proposals from Harlow Council on the scale and timing of items for netting-off from the expected income stream prior to being passed on to the SELEP.
12. Until this work is complete, Harlow is unable to provide the Board with estimates of when there may be sufficient income to cover the set up costs of £244,389. It is expected that Harlow Council will be requesting that these costs are reimbursed this financial year with SELEP forward funding until there is sufficient income available through Business Rates. However, the Accountable Body advises that this decision is not made until the Board and/or Executive Group have been briefed on the outputs of the financial modelling and are able to better understand the impact of this forward fund on cash flows for this and future years.

The Board is requested to approve in principle the types of spend in table 2 that can be offset against the business rate income stream, with decisions on the amounts and timescale for forward funding be deferred.

13. In addition to the set up costs there are other items that are proposed to be netted from the Business Rate income stream. These include, but are not limited to, part repayment of the Round 1 GPF project for the Harlow Enterprise Zone (new and improved access to the sites), repayment of the capital allocation currently being ring-fenced and repayment of the LIF bid. Progress on the agreement of these schemes is dependent on agreement from SELEP. To ensure that this progress isn't delayed unnecessarily it is proposed that decisions are made at the Executive Group on 6th September rather than the Board meeting in October. The Board would need to delegate authority to the Executive Group to make these decisions.

The Board is requested to approve the delegation of agreement of items to be netted from the business rate income stream and any forward funding to Executive Group on 6th September 2013.

14. The Board is asked to note that Harlow Council is continuing to work with the SELEP Secretariat to agree details of the £200,000 GPF revenue grant for Enterprise West Essex agreed at the last Board meeting. This will be completed following the appointment of a Head of Project Implementation so that the successful candidate can contribute to the discussions.

15. A paper on new Enterprise Zones was considered by the Executive Group at the meeting on 24th May. This provided a summary of six the proposals received and identified that although there is no scope in the existing GPF for investment, dialogue will continue and any investments 'asks' that crystallise will be considered for future funding streams and potential lobbying of Government.

D. GPF Cash Flow

16. A cash flow forecast is included as annex 1 to note. This is kept under review and an updated version will be presented to the Executive Group in September 2013 reflecting completion of agreements.

Author: Suzanne Bennett

Position: Finance Business Partner, ECC as Accountable Body

Contact details: 01245 435375

Date: 21st June 2013

Annex 1

GPF Cashflow: including Round 1 and Round 2 schemes, Round 3 at Heads of Terms and EZ allocations

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Balance
Cash Inflows												
Grants received	-49,210,053											-49,210,053
Total	-49,210,053	0	0	0	0	0	0	0	0	0	0	-49,210,053
Repayments Due												
<u>Projects Finalised</u>												
East Sussex - Priory Quarter					-400,000	-400,000	-400,000	-400,000	-5,400,000			-7,000,000
East Sussex - North Queensway			-500,000	-500,000	-500,000							-1,500,000
Essex - Parkside Office Village				-2,400,000								-2,400,000
Medway - Rochester Riverside					-110,000	-130,000	-1,650,000	-2,520,000				-4,410,000
Medway - Chatham Waterfront							-2,999,000					-2,999,000
Essex - Chelmsford NE Urban Expansion			-500,000	-500,000								-1,000,000
Total	0	0	-1,000,000	-3,400,000	-1,010,000	-530,000	-5,049,000	-2,920,000	-5,400,000	0	0	-19,309,000
<u>Projects Agreed not Finalised</u>												
Kent - Live Margate							-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-5,000,000
Essex - Enterprise West Essex @Harlow				-200,000	-300,000	-800,000	-1,000,000	-600,000	-600,000			-3,500,000
Essex - Chelmsford Gateway			-130,000	-245,000	-443,000		-227,000					-1,045,000
Kent - Workspace Kent					-500,000	-1,000,000						-1,500,000
Thurrock - Transport and Logistics Academy			-51,000	-51,000	-51,000	-51,000	-51,000					-255,000
Essex - Supporting the Offshore Renewables Industry				-515,000	-515,000	-515,000	-515,000	-220,000				-2,280,000
East Sussex - Bexhill Innovation Mall				-25,000	-200,000	-300,000	-500,000	-4,975,000				-6,000,000
Thurrock - Grays Magistrates Court				-200,000	-300,000	-300,000	-300,000	-300,000				-1,400,000
Essex - Colchester Connectivity				-500,000	-1,000,000	-1,000,000	-2,000,000					-4,500,000
Total	0	0	-181,000	-1,736,000	-3,309,000	-3,966,000	-5,593,000	-7,095,000	-1,600,000	-1,000,000	-1,000,000	-25,480,000
Total Project Inflows	0	0	-1,181,000	-5,136,000	-4,319,000	-4,496,000	-10,642,000	-10,015,000	-7,000,000	-1,000,000	-1,000,000	-44,789,000
Enterprise Zone Repayments												
Discovery Park							-1,600,000	-1,600,000	-1,600,000	-1,600,000	-1,600,000	-8,000,000
Enterprise West Essex @Harlow							-2,000,000					-2,000,000
Total	0	0	0	0	0	0	-3,600,000	-1,600,000	-1,600,000	-1,600,000	-1,600,000	-10,000,000
Total Cash Inflows	-49,210,053	0	-1,181,000	-5,136,000	-4,319,000	-4,496,000	-14,242,000	-11,615,000	-8,600,000	-2,600,000	-2,600,000	-103,999,053
Cash Outflows												
Project Investments												
<u>Projects Finalised</u>												
East Sussex - Priory Quarter	6,250,000		715,000	35,000								7,000,000
East Sussex - North Queensway	1,500,000											1,500,000
Essex - Parkside Office Village		2,400,000										2,400,000
Medway - Rochester Riverside		2,994,796	1,415,204									4,410,000
Medway - Chatham Waterfront		1,854,282	1,144,718									2,999,000
Essex - Chelmsford NE Urban Expansion		150,000	850,000									1,000,000
Total	7,750,000	7,399,078	4,124,922	35,000	0	0	0	0	0	0	0	19,309,000
<u>Projects Agreed not Finalised</u>												
Kent - Live Margate		5,000,000										5,000,000
Essex - Enterprise West Essex @Harlow		500,000	3,000,000									3,500,000
Essex - Chelmsford Gateway		1,045,000										1,045,000
Kent - Workspace Kent		750,000	750,000									1,500,000
Thurrock - Transport and Logistics Academy		255,000										255,000
Essex - Supporting the Offshore Renewables Industry		2,280,000										2,280,000
East Sussex - Bexhill Innovation Mall		1,750,000	4,000,000	250,000								6,000,000
Thurrock - Grays Magistrates Court		900,000	500,000									1,400,000
Essex - Colchester Connectivity		500,000	4,000,000									4,500,000
Total	0	12,980,000	12,250,000	250,000	0	0	0	0	0	0	0	25,480,000
Total Project Outflows	7,750,000	20,379,078	16,374,922	285,000	0	0	0	0	0	0	0	44,789,000
Enterprise Zone Investments												
Discovery Park	0	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000						8,000,000
MedTech - Enterprise West Essex @Harlow	0	2,000,000	0									2,000,000
Total	0	3,600,000	1,600,000	1,600,000	1,600,000	1,600,000	0	0	0	0	0	10,000,000
Sub Total Cash Outflows	7,750,000	23,979,078	17,974,922	1,885,000	1,600,000	1,600,000	0	0	0	0	0	54,789,000
Revenue Support												
Administration Costs	2,439		122,974	122,974	122,974	122,974	122,974	122,974	122,974	122,974	122,974	1,109,205
Revenue grant - Harlow - add additional £250K		200,000	200,000	200,000	200,000	200,000						1,000,000
Total	2,439	200,000	322,974	322,974	322,974	322,974	122,974	122,974	122,974	122,974	122,974	2,109,205
Total Cash Outflows	7,752,439	24,179,078	18,297,896	2,207,974	1,922,974	1,922,974	122,974	122,974	122,974	122,974	122,974	56,898,205
Net Position Annual	-41,457,614	24,179,078	17,116,896	-2,928,026	-2,396,026	-2,573,026	-14,119,026	-11,492,026	-8,477,026	-2,477,026	-2,477,026	-47,100,848
Net Position Cumm	-41,457,614	-17,278,536	-161,640	-3,089,666	-5,485,692	-8,058,718	-22,177,744	-33,669,770	-42,146,796	-44,623,822	-47,100,848	



LOWER THAMES CROSSING

Purpose

1. The purpose of this paper is to consider the evidence made available by the DfT through their consultation on options for a Lower Thames Crossing. Atkins has provided expert technical assistance and will be present at the Board meeting to talk through the accompanying slide deck (**see separate PowerPoint presentation**).

Recommendation

2. The Board is asked to:
 - a. **Consider** the analysis, giving their views on issues to support in our formal response to the consultation which closes on the 16th July 2013;
 - b. **Agree** the basis on which a SELEP response is provided, i. e. while we set out to seek a unanimous view, if this cannot be secured then we have a choice how to position SELEP's response, either:
 - i. We provide a high level report drawing on just those issues where consensus can be articulated and found; OR
 - ii. We prepare a majority report, clearly positioned as such, noting the points of disagreement by the minority; OR
 - iii. We provide a business-only SELEP view, particularly if the business view is unanimous, which is distinct from the LA view which can be provided separately by those LAs.
 - c. **Delegate** final approval of SELEP's submission to the Chairman.

Background

3. In the slide deck a ranking order is provided for each crossing option against a number of key issues in order to tease out those matters considered to be most critical in shaping our response to the consultation.
4. Individual rankings have then been summarised in tabular format.
5. Tony Meehan will be present at the Board meeting to answer queries.

Next Steps

6. A formal response will be prepared for delegated approval by the Chairman prior to submission on the 16th July 2013.

Author: Dr Susan Priest, with expert input from Tony Meehan - Atkins
Position: Director, SELEP
Contact details: 01245 431820
Date: 21st June 2013



AVIATION: BUSINESS SURVEY RESULTS

Purpose

1. To advise the Board of findings from a survey of 251 business based in the SE LEP area to:
 - a. Understand the priorities of business decision makers in the SE regarding aviation, and how they think problems with aviation capacity should be solved;
 - b. Analyse whether business decision makers believe that building new airports or expanding existing airports in more important in solving aviation capacity issues; and
 - c. Establish if business decision makers support expanding existing airports, to find out where they believe expansion should take place.

Recommendation

2. The Board is invited to:
 - a. **Consider** and give their **views** on the findings of the survey; and
 - b. **Endorse** the recommended next steps to establish a greater evidence base on long term aviation capacity matters.

Background

3. In 2012 SELEP commissioned Parsons Brinckerhoff to undertake a study of Greater South East airport capacity. Key findings were reported to the Executive Group in May 2012 and the June Board noted:
 - The loss of business and prosperity *now* due to current capacity constraints;
 - Their support for the full capacity utilisation within existing permissions at Stansted;
 - To press for the associated infrastructure needed to provide additional capacity for our regional airports;
 - Their concern at the pressing timescales needed for developments, as business is being lost now to the UK;
 - That an Estuary [hub] Airport is not considered a viable short / medium term option; and
 - That a SELEP position on the long term needs should be articulated in response to the Government's forthcoming review of aviation.
4. In order to gather primary evidence on business views to feed into a meeting with the Davies Commissioners on 13th June, SELEP commissioned ComRes to survey businesses between 22nd May and 7th June 2013. The remainder of this report provides an executive summary of those findings with recommendations for next steps. A full copy of the report and survey results is available from the secretariat.

Executive Summary

5. There is strong consensus (77% of respondents) that the most important way of solving aviation capacity issues in the **short term** (next 20 years) is by building new runways and expanding capacity at *existing airports*.
6. The survey found that only 19% of respondents thought that building *new airports* in the **short term** will be the most important matter.

7. Opinions are more divided over how to solve aviation capacity issues in the **longer term**: 45% say expanding existing airports, while 35% say building new airports.
8. A large proportion of respondents (72 %) supported the expansion of Gatwick and Stansted as being the most practical options for solving capacity issues. 18% thought they were both feasible solutions.
9. There is strong support for greater utilisation of smaller regional airports (77%).
10. There is strong support for the “Heathwick” high speed rail link between Heathrow and Gatwick (77%).
11. Expanding Heathrow was supported by 55% of respondents with 20% considering it to be the most feasible option.
12. A Thames Estuary airport had low levels of support (33%) with two thirds (64%) opposing it, and only 8% considering it to be feasible.
13. There was strong support from businesses for the development of HS2 (69%) to bring about greater integration of regional airports.
14. A majority of respondents don’t know if there are flaws in the pricing system for landing slots at Heathrow airport. Of those that offered an opinion, nine of ten agreed that it has flaws.

Detailed Findings:

15. In addition the report summarises *attitudes* towards airport expansion and construction as:
 - I. Expansion of airports and new rail projects as being generally supported across the board, while a Thames Estuary airport does not have wide support;
 - II. The greater utilisation of smaller regional airports, the ‘Heathwick’ high speed rail link and development of HS2 are the options most likely to be supported. However few business decision makers consider them the most feasible options; and
 - III. It is the expansion of large airports, Heathrow, Gatwick, and Stansted that are seen as the most feasible, with Gatwick and Stansted combining this with high levels of support.
16. When asked about solving Britain’s aviation capacity issues, they noted:
 - I. Expanding capacity and building new runways at existing airports is overwhelmingly seen as the most important in solving Britain’s aviation capacity issues in the next 20 years; and
 - II. Opinions are more divided over what will be most important more than 20 years from now, with a significant proportion saying building new airports: 45% say expanding existing airports, while 35% say building new airports.
17. In terms of airport developments, and attitudes towards specific airport expansion or construction:
 - I. Respondents are most likely to agree that the UK should expand Stansted (72%) and Gatwick (72%) among the large airports, and Southend (67%) among the smaller airports; and
 - II. They are most likely to disagree that the UK should expand Biggin Hill (42%) among the smaller airports.
18. We also asked for views on pricing slots at Heathrow Airport which found that while most respondents (71%) are not familiar with the pricing systems for landing slots at Heathrow airport, 91% of those who offer an opinion say that it has flaws compared to other airports. Further investigation is needed and is in hand by Robin Cooper at Medway Council following discussion at Executive Group on 24th May 2013.

19. And finally in terms of the role for High Speed 2, a majority of respondents agreed that there would be a role for busy regional airports after the development of HS2 (78%) with businesses seeing it as aiding integration with regional airports, rather than taking businesses away from them.

Three Key Summary Findings:

20. In summary, the report highlights the following:

- a. There is consensus among business decision makers in the SELEP area that expanding existing airports is the most important way of solving Britain's aviation capacity issues in the next 20 years. Opinion is more divided between expanding existing airports and building new airports more than 20 years from now;
- b. Of the individual airport expansion project tested, the two which perform best in terms of support and perceived feasibility are the expansion of Gatwick and Stansted; and
- c. While expansion of Heathrow is considered feasible, the proportion that support such a move is lower than for other projects. Greater utilisation of smaller airports has high levels of support but is not seen as very feasible, while a Thames Estuary airport is not strongly supported or seen as feasible.

Proposed Next Steps

21. The proposed next steps are:

- a. To submit the full report and detailed findings of the ComRes research to the Davies Commission.
- b. To invite the three business vice chairs to share these findings, and establish from their business base the **long term** views on addressing airport capacity in order to add to SELEP's growing evidence base.
- c. Following input from vice chairs on **long term** views, bring a summary of those findings to the Board prior to submitting our position on long term capacity matters to the Davies Commission.

Note - Later in the summer we expect the Davies Commission to publish proposals for new airport or runway infrastructure that have been submitted to them to allow for the views of stakeholders to be expressed. The secretariat will advise vice chairs as this information becomes available in order to inform local debate.

Author: Dr Susan Priest

Position: Director SELEP

Contact details: 01245 431820

Date: 21st June 2013



MOBILE TELEPHONY - CALL FOR EVIDENCE

Purpose

1. The purpose of this paper is to:
 - a. present findings from the recent call for evidence on the impact of disrupted mobile voice calls to business; and
 - b. outline next steps for SE LEPs work on mobile telephony.

Recommendation

2. The Board is invited to:
 - a. **Consider** the findings of the call for evidence;
 - b. **Endorse** the recommended next steps (both strategic and tactical) to position the South East as a priority area for mobile technology improvement; and
 - c. **Nominate** a Board level Champion for the partnerships' mobile telephony work to support engagement with government and the mobile phone industry.

Background

3. Engagement with businesses across the SE LEP area has highlighted that disruption to mobile telephony is an issue affecting business across the South east economy. A 'call for evidence' was agreed at the February 2013 Executive Group meeting as a first step in building understanding of the issue and its impacts for businesses and the local economy.
4. The call for evidence was issued on 2nd April 2013, through business representative organisations, Chambers of Commerce, the FSB, IOD and other networks, inviting information on their experience of mobile phone disruption, and to help identify areas where mobile reception needs to be improved. The call for evidence closed on 10th May 2013.
5. Over 400 hundred responses were received. Responses were across geographical area as follows¹:

East Sussex	42%	175
Kent & Medway	44%	183
Essex, S'end, Thurrock	11%	49
Not Stated or other	2%	6
6. The profile of respondents reflected the profile of the wider business community in the area with SMEs accounting for over 96% of responses. The majority of respondents (over 72%) held contracts with the large mobile network providers: O2 (28%), Vodafone (22%) and Orange/EE (22%). A further 17% used services provided by more than one operator. 8% of respondents used services provided by smaller providers (e.g. Tesco, Virgin, Three, GiffGaff).
7. Some 41% of respondents held business contracts with their mobile phone providers with 32% made use of personal mobile contracts. 12% of respondents used both types of service and up to one in ten used non-contracts services (e.g. pay-as-you go) for business purposes.

¹ As agreed at the Executive Group Meeting on 24th May, further responses will be sought from the Greater Essex area.

Key findings²

8. 84% of all respondents suggested that mobile phone reception had caused a disruption to their business. Typical reported impacts included:
 - **Increased costs** - through the need to: a) use landline at expensive times of day; b) call back incoming callers; or c) purchase and install alternative communications mechanisms (broadband links, landlines or VOIP services).
 - **Disrupted operations** - undermining business activity by: a) disrupting communications between employees (e.g. field sales/engineering teams, or teams working over large sites (e.g. in warehousing businesses)); b) requires staff to remain close to landlines to deal with incoming customer calls; c) weakening emergency and contingency planning arrangements; d) limiting businesses ability to rely on 'on-call' workers; and e) making mobile payment systems impossible to use. Sector specific impacts were also highlighted by businesses that develop, test or rely on customers' use of mobile apps.
 - **Lost business** – reducing businesses' ability to receive customer contacts, respond quickly and effectively to client demands, take new orders or respond to new sales opportunities. Others in the hospitality/ conferencing/business travel industry reported difficulty in securing repeat business when clients cannot use mobile devices on site.
 - **Projecting an unprofessional image** – customers' negative experience of communication with businesses undermines client confidence in the business/company.
 - **Reducing productivity** – increasing 'down time' during periods of travel/poor connectivity;
 - **Reduced flexibility** – undermining opportunities for businesses and employees to exploit the benefits of mobile/flexible working, home working etc.
9. The impact of mobile service disruption was felt equally across businesses of all sizes – around 8 out of 10 respondents from each size class (micro-enterprise, small businesses, medium sized and large businesses) had experienced disruption. There is no evidence to suggest that customers of one mobile network operator were more likely to experience disruption than customers of another.
10. Around one in five of those who provided evidence (78 businesses) said they had been prevented from relocating to a particular area because of mobile phone reception.
11. Over half of this group (40 businesses) suggested that their decision to relocate would have created new jobs (36), or would probably have created new jobs (4). A small number of businesses (7) suggested that new jobs would possibly have been created.
12. Only a small number of respondents were able to quantify the impact of poor mobile reception on their business. Typical estimates are summarised in the table overleaf:

² The information gathered through the 'call for evidence' is valuable, but precise figures should be treated with caution. The data was collected from volunteers rather than through a random sample survey.. This may lead to biases within the information. For example, businesses which have experienced adverse impacts from mobile phone disruption may be more likely to respond than those which have not.

type of company	Size (FTE)	Estimated financial impact
Private tuition	1	Up to £250 for each client lost and up to £35 each time tutor attends cancelled appointments.
Media	1	£330 per job (lost opportunity) Lost jobs due to not being able to be contacted in time.
Financial services	2	£70 per month (additional cost) Additional cost of using landline phone to call clients' mobiles
Photography	1	£840 per year (additional cost) Installation and use of landline.
construction	4	£1,000 per year (lost opportunities) Consequence of lost contact with prospective clients.
Fashion retailer	1	£5,000 worth of lost business (lost opportunity). Recent example of a lost sales lead.
Physiotherapy	2	£2000 worth of lost business. Consequence of missing appointments with clients.
Consultancy & training	3	£5k - £10k per year (lost opportunities) Consequence of lost contact with prospective clients.
Bespoke soft furnishings, interior design	2	£7k worth of lost business (lost opportunity). Recent example of a lost client lead.
Chartered Accountants	2	£8k per year (wasted time)
Oil supplier	1	£9k per year (lost opportunities) Consequence of lost contact with prospective clients.
Planning & design consultancy	6	Over £10k per year (lost opportunity) Estimates loss from being unable to secure potential new clients.
Graphic and website design	2	£10k per year (no further details)
Consultancy	1	£10k (estimated loss of earnings)
Water Services	4	£10k (lost sales)
Computer Refurbisher	4	£20k in the last year (lost opportunities) Consequence of lost contact with prospective clients.
Interpreter	1	£700 per week (lost opportunity) Regularly misses out on opportunities to bid for assignments.
Construction / Refurbishment	18	£50k per year (reduced efficiency of communication and loss of work)

13. Evidence on where disruption is experienced is shown in the maps in Annex A.

Proposed next steps

Strategic network improvements

14. The 'call for evidence' provides a platform upon which SE LEP can begin work to position the South East as a priority area for mobile technology improvement. There is an opportunity for the SE LEP to act as an advocate for local business interests with mobile phone operators and infrastructure providers, and with government departments. In developing this advocacy role, it is proposed that the SE LEP:

- a. **share the results of the 'call for evidence' with businesses across the South East.** Ideally working through established business networks, the SELEP could use the results of the 'call for evidence' to engage a small number of key businesses on the future of local technology and infrastructure investment. This business engagement activity would also help to establish a 'warm list' of businesses which could be drawn upon to support discussions with Government and the mobile phone industry (see below).

- b. **use the results of the call for evidence to open up dialogue with Government departments** (specifically the Department for Culture, Media and Sport (DCMS), the Department for Transport (DfT) and Ofcom) on what can be done to incentivise greater investment in mobile technology. Initial engagement suggests that HM Government has limited information on the economic benefit that improvement to mobile phone services would deliver, and would need to gather further evidence to support the development of any national policy that could incentivise specific private or public investment. SE LEP might look to position the South East as the ideal location within which to conduct initial studies, or in which to sponsor and pilot emerging technologies. SE LEP may also consider co-commissioning any study on the growth that could be unlocked by investment in the identified problem areas.
- c. **use the call for evidence to open up dialogue with mobile operators (O2, Vodafone etc) and infrastructure providers (Cornerstone and MBNL)** on what can be done to prioritise planned infrastructure investment for the benefit of the South East. Throughout this engagement, SE LEP should look to position itself as supportive to network operators looking to break down barriers to the roll out of infrastructure and networks, identified challenges include, planning, access to land, access to backhaul and efficient installation of energy supply.

Tactical opportunities

DCMS / DCLG Consultation

- 15. The SELEP has already used intelligence drawn from the 'call for evidence' to respond to a DCMS and DCLG consultation on 'mobile connectivity in England'. This was a technical consultation focused on planning deregulation and the role this could play in supporting the swift roll out of mobile infrastructure. SE LEP is unique amongst LEPs as the only organisation to have drawn together business perspectives on mobile telephony to inform this consultation.

Reception on trains

- 16. 15% of businesses responding to the call for evidence specifically mentioned train journeys as an area of significant disruption and frustration. HM Government are aware of the inconsistent reception on train lines and have recognised this as a cross-departmental issue. There are a number of reasons for connection failures including:
 - a. the fact that there are no public mobile networks that specifically carry signal across the railway network. As a result train passengers are attempting to connect to reception 'cells' which have been developed in line with urban demand, there will be areas where the reception is not available and service is lost as passengers cross boundaries between different 'cells';
 - b. new rolling stock is made of different materials and has reflective metallic surfaces which deflects the mobile signal and prevents it from penetrating the train carriages.
- 17. There are technologies that can be used to mitigate these impacts, for example, the installation of 'repeater technology' and fibre-optic cable on trains. However, this is costly and there is little evidence of mobile operators working with rail operators to develop and implement these solutions (neither party recognises a sufficiently case to justify their own investment). Given the extensive rail network across the South East, and the potential for wider economic benefits (not reflected in operators' own investment decisions), SE LEP should look to position the South East area as a test bed for this technology, brokering discussions with partners to unlock investment on key rail links.

Board level champion

18. In driving forward this programme of activity, a Board level champion is sought to support the work of the LEP and ensure the required profile of activity with Government, mobile operators and other partners.

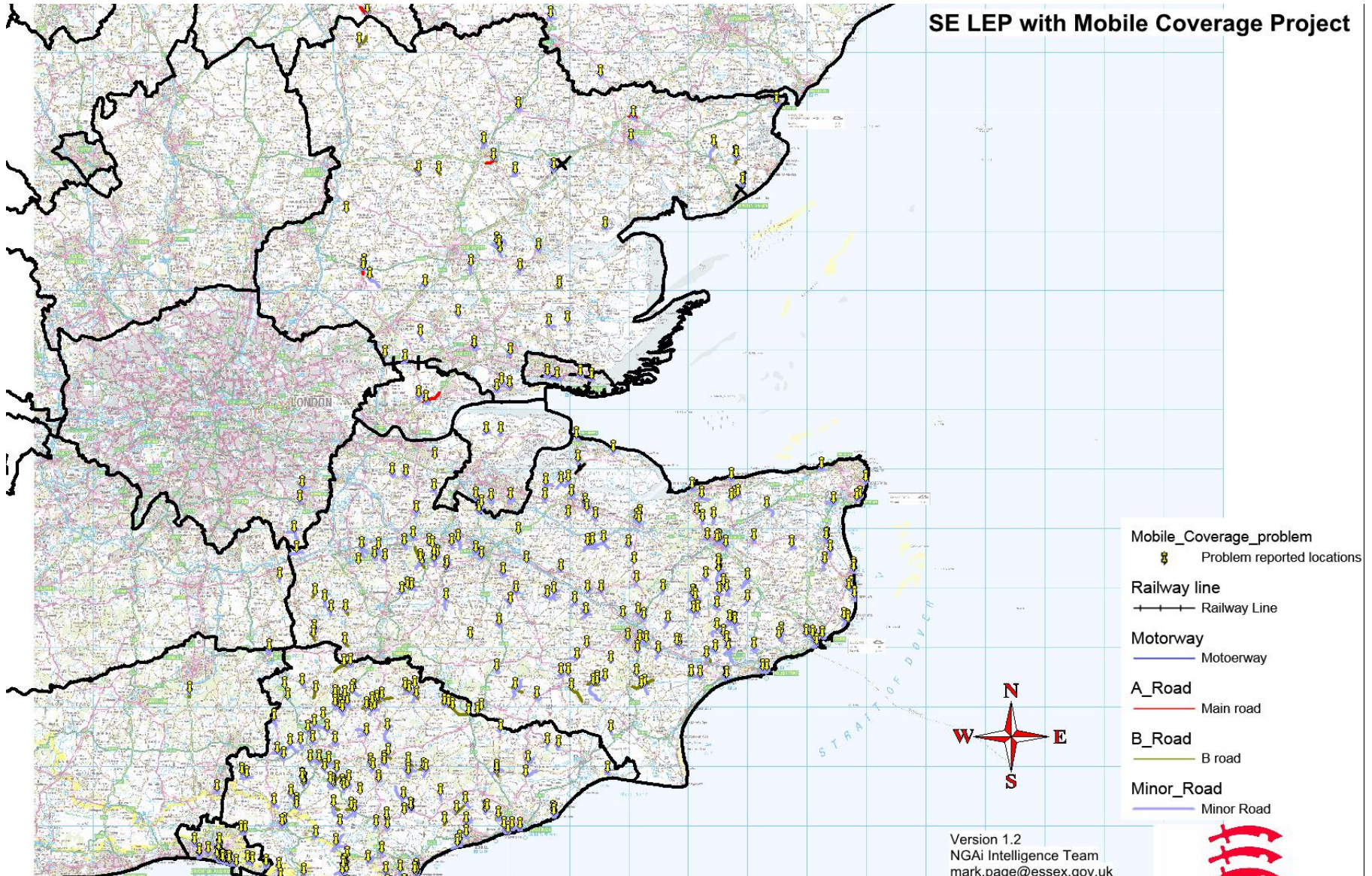
Author: Zoe Myddelton

Position: SELEP Programme Manager

Contact details: 01245 431469

Date: 21st June 2013

SE LEP with Mobile Coverage Project



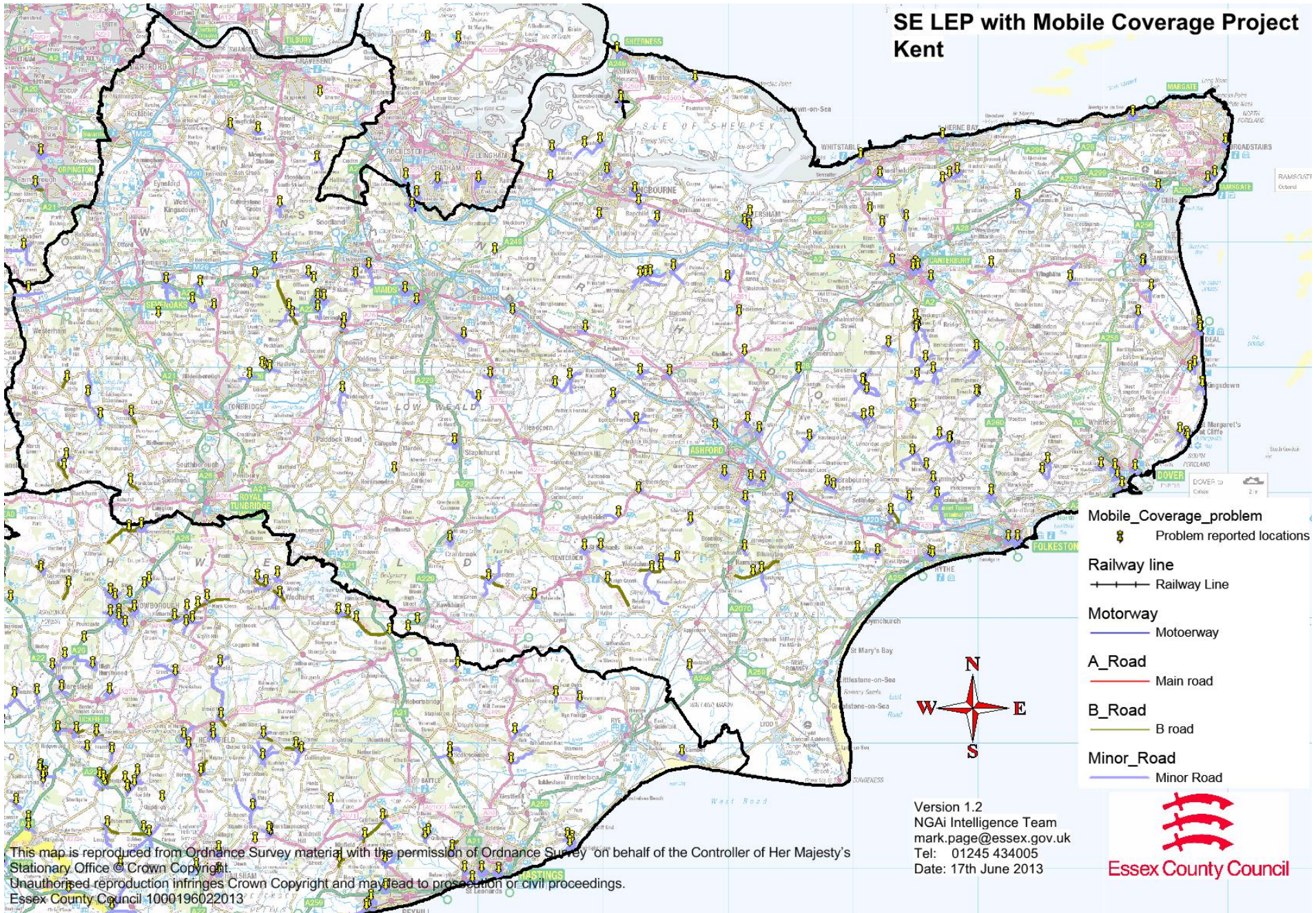
- Mobile_Coverage_problem
📌 Problem reported locations
- Railway line
+ + + Railway Line
- Motorway
— Motorway
- A_Road
— Main road
- B_Road
— B road
- Minor_Road
— Minor Road







Version 1.2
NGAi Intelligence Team
mark.page@essex.gov.uk
Tel: 01245 434005
Date: 17th June 2013



This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationary Office © Crown Copyright.
Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings.
Essex County Council 1000196022013

SE LEP with Mobile Coverage Project Kent

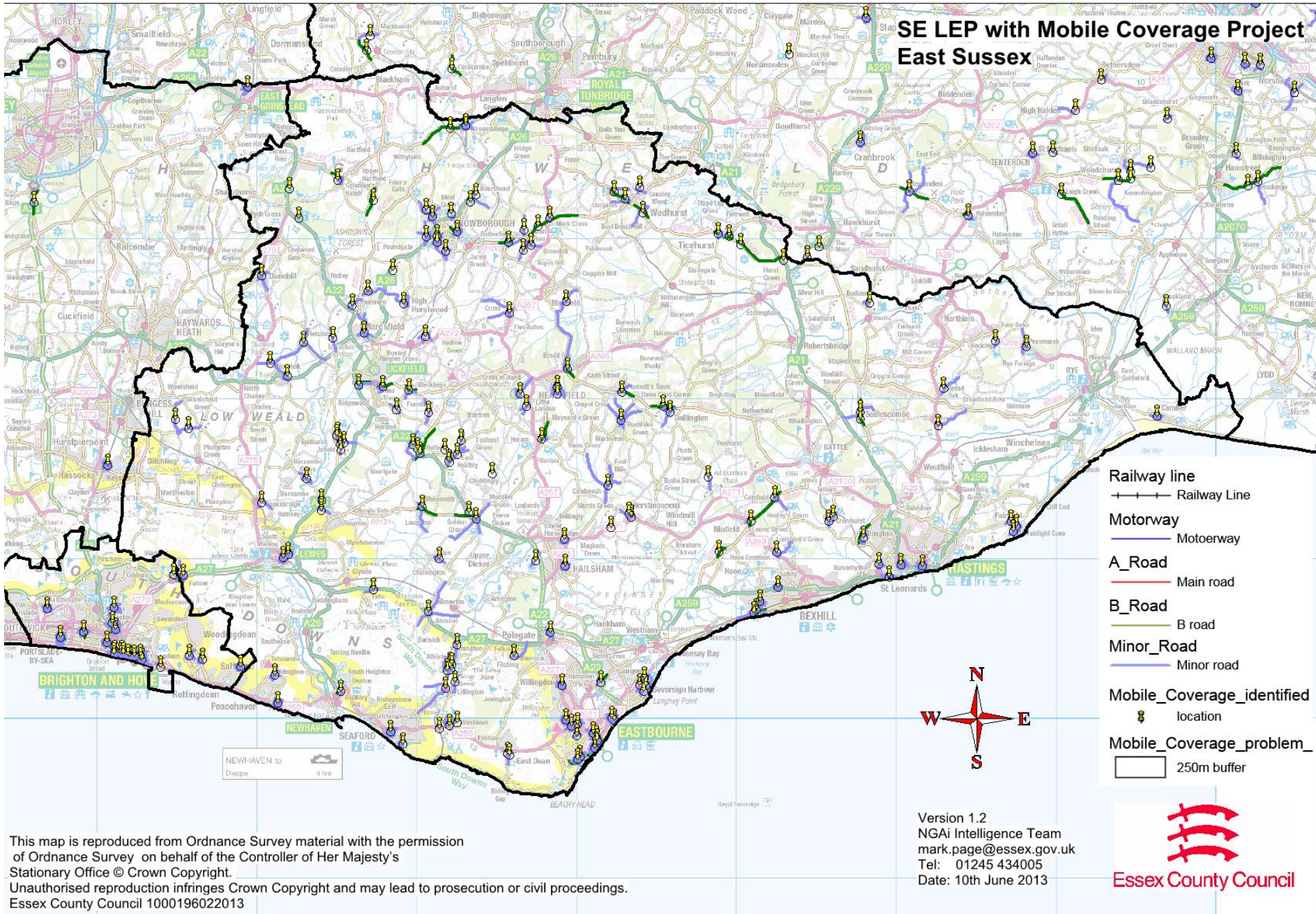


- Mobile_Coverage_problem**
 Problem reported locations
- Railway line**
 Railway Line
- Motorway**
 Motorway
- A_Road**
 Main road
- B_Road**
 B road
- Minor_Road**
 Minor Road

Version 1.2
 NGAI Intelligence Team
 mark.page@essex.gov.uk
 Tel: 01245 434005
 Date: 17th June 2013

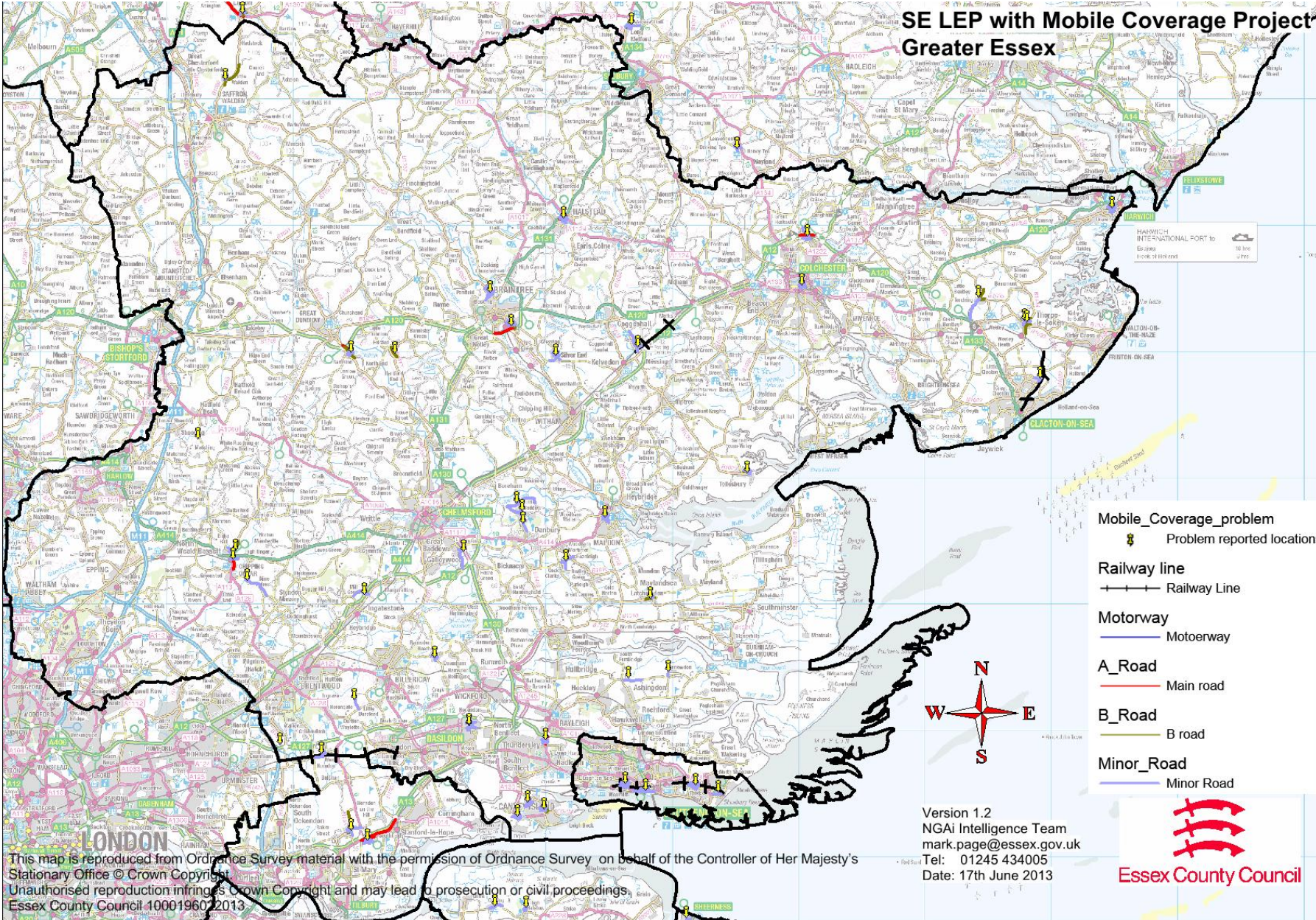


This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationary Office © Crown Copyright.
 Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings.
 Essex County Council 1000196022013



This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationary Office © Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. Essex County Council 1000196022013

SE LEP with Mobile Coverage Project Greater Essex



ACCELERATING DELIVERY – THE CURRENT ECONOMIC ROLE OF HOUSING

Purpose

1. This is a discussion paper which considers activities that accelerate housing growth and delivery with the objective of stimulating broader productivity and economic growth.

Recommendations

2. The Board is asked to:
 - a. **Note** the content of the report for discussion proposing a new housing delivery model;
 - b. **Agree** to support the identification of 2 x public sector sites for desk-top analysis of the equity share model;
 - c. **Consider** what more we can do to de-risk our most strategically important sites with the biggest growth potential; and
 - d. **Agree** to survey developers, contractors and similar bodies to determine the current utility company performance status.
3. A verbal update will be given on key CSR outcomes for housing.

Background

4. There is a large and complex body of evidence on the economic role of housing in the economy. Longer term trends over the last 100 years and the more recent economic cycle feature the following:
 - a. Real growth in house prices and increase in importance of home ownership;
 - b. Increasing mortgage debt relative to incomes;
 - c. The increase in population and number of households;
 - d. Continued linkages between housing booms and economic cycles and most recently the availability of cheap and accessible credit fuelling house price inflation;
 - e. Narrowing of regional house price differentials;
 - f. Sluggish supply side responses and an increase in affordability;
 - g. Dramatic drop in new housing activity since 2007 but limited fall in house prices; and
 - h. Fall in the rate of owner occupation especially amongst lower cohorts.
5. A helpful and succinct way of thinking about the current economic role of housing can be summed up in the following table.

Figure 3-1: A New Model of the Economic Role of Housing		
Type of Role	Main Impact	Subsidiary or less certain Impact
A. Short Term in Economic Recovery	<ul style="list-style-type: none"> • <i>Macro-economic boost from building new housing (multiplier effect)</i> 	<ul style="list-style-type: none"> • <i>Wealth or collateral effect on consumption from an increase in house prices (short term benefit, but with potentially adverse long term consequences)</i>
B. Medium term productivity role	<ul style="list-style-type: none"> • <i>Labour market and geographical flexibility from relative housing costs and access to tenures</i> • <i>Impact on economic competitiveness, quality of public services and, in some instances, productivity of certain high cost housing locations from lack of affordable housing (and potentially in some locations lack of range of housing choices)</i> 	<ul style="list-style-type: none"> • <i>Investment effect from scale and distribution of housing equity</i>
C. Long term productivity and economic effects	<ul style="list-style-type: none"> • <i>Poor quality stock and overcrowding impacting on health, education and life chances</i> • <i>Energy efficiency of new and existing housing impacting on UK CO₂ emissions (and so wider economic costs of mitigation for the economy as a whole)</i> 	<ul style="list-style-type: none"> • <i>Possible adverse neighbourhood spillover effects from concentrations of low quality or social housing</i>

Source: Regeneris Consulting

6. The following ideas for discussion are ways in which delivery could be accelerated:

Equity Share

Objective

- To increase the number of new homes so that it aids recovery in the UK economy by creating more homes and construction jobs. Such homes would be built on public sector land. The homes would be equity share tenure, (buy a percentage and pay no rent on the outstanding amount for 5-7 years);
- The builder does not purchase the public sector land, but finances the planning, the house build, sells on the dwelling to purchasers and the land value created is locked in as a public sector equity/investment;
- As such, a 3 bed house, worth £300k on the open market, could be built for £150k, which would be its sales price, so that the buyer is getting a 50% discount. If sold in say five years' time, the public sector body would receive 50% of the prevailing value;
- Because the builder never buys the land, it has finance savings; it is only taking a profit on costs, not the full value, hence a further saving, its sales cost would be dramatically reduced as would the site prelims; all providing savings to the builder and hence enhancing the value of the land and equity; and
- One of the key challenges to housebuilders is slow sales rates and the impact that has on limiting supply. By introducing an 'affordable' private ownership product under the equity share scheme, one would anticipate the better affordability allowing for a faster take-up of homes and therefore increased confidence in the sector to deliver homes faster.

7. Benefits:

- House building is acknowledged to be the quickest boost to GDP;
- The country needs an additional 120,000 new homes pa over and above current output to keep pace with house hold formation;
- The homes would be sold at a discount to Open Market Value to local hard working households with the public body retaining the Equity/discount;
- This will assist in the delivery of more homes, more affordable homes, create more construction jobs, increase house builders Return on Capital Employed, increase public sector land value;
- The model would increase the supply side of the market by encouraging the broader entry of developer-contractor players whose interests – i.e. volume construction work and not speculative developer's profit – are aligned with the objective of increasing volume;
- This does not require any capital funding from the HCA and has no demand on housing benefit

- g. This does not require any ownership or management from the local authority or a housing association;
- h. This will double the number of house starts and double the number of completions in the timescale of build because the homes would be pre sold off plan, incentivising the builder to build faster; and
- i. The costs and any increase would rest with the builder, any uplift in value would fall to the public sector and householder.

8. Benefits to the homebuyer include:

- a. Faster access on to the housing ladder;
- b. Making first time home ownership more affordable; and
- c. Enabling a much less burdensome mortgage.

9. Why not?

- a. It is not currently DCLG policy;
- b. It defers land receipts to a later date and therefore impacts on public sector cash;
- c. It is not social or affordable rent, and it is not shared ownership;
- d. Traditional major house builders and housing associations will object to the competition;
- e. It puts public sector land value at risk if the housing market falls;
- f. The value of the land and the equity risk is shared by both the public sector and homebuyer. The downside of a large, structural government mortgage guarantee scheme – as we saw in the US – can have much broader repercussions in a downturn and hit taxpayers, the credit sector, and the government’s ability to borrow;
- g. It does not work in low value areas; and
- h. the mindset of homebuyers would need to change to encourage them to buy off-plan.

10. The Conversation with Local Authorities (LAs) / HCA

- a. As this is uncharted territory, LAs / HCA will need convincing;
- b. Some LAs / HCA will be sceptical that no or little immediate land receipt is received under this model, particularly at a time when there is press on authority budgets and HRAs;
- c. The model equity share, however, allows LAs / HCA to keep an interest in the capital value – i.e. in a financial asset – on its balance sheet, rather than just transferring it to the private sector;
- d. Outside of London, there are many regions where land has not yet recovered to pre-crisis levels. Instead of taking the short-term view and off-loading land at relatively depressed levels, the public sector could retain a long-term interest under the equity share model with the potential upside from recovery in regional land values;
- e. The opportunity for staircasing and realisation of equity stakes provides for future income streams;
- f. Some LAs are looking at increasing their HRAs by raising debt ceilings and taking on more borrowings. It is only natural that a time of constrained financial resources LAs should look at increasing debt as the only possible way to access capital for project funding. However, we should take note of lessons learnt round the world of excessive municipal borrowing and the pressures that can bring in a downturn. The equity share model utilises existing assets on the LA balance sheet without necessarily increasing debt borrowing; and
- g. There is a school thought that says long-run increased leverage is not the key to driving economic growth, but rather on maximising the productivity of our investments.

11. Availability of Skilled Labour

Objective

- a. To ensure that there is availability of skilled workers to deliver current rates of housebuilding and critically accelerated rates of housebuilding for the future;
- b. Given the current recession in the construction sector the availability of skilled workers is not considered to be a significant factor in holding back housing development;

- c. However, the UKCES 2011/2012 Evidence Report 65 on Construction highlighted the fact that the construction sector has above average share of both Hard to Fill Vacancies (HtFVs) (40 per cent of vacancies as compared to 23 percent for the whole economy) and Skill-shortage Vacancies as a percentage of all vacancies (26 percent as compare to 16 per cent for the whole economy);
- d. It concluded that there is a supply-side issue in terms of the availability of adequately skilled individuals in the available labour pool; and
- e. It is likely that the recession and the influx of skilled eastern European labour is hiding a significant potential skills shortage. If previous upturns in the economy can be taken as a reliable indicator there is a likelihood that skills will again be a limiting factor for future growth.

12. Potential areas of action

- a. Identify current and potential future skills shortages within companies operating within the housing sector in the LEP region. This can be through interviews / questionnaires and through round-table discussions arranged in partnership with the skills funding agency and industry bodies; and
- b. This information can then be used to target companies with guidance on training and taking on apprentices and also to help inform training providers, existing workers and potential new entrants on the skills that are most in demand. The LEP can also use this information to support the development of strategies to support apprenticeships for young people and targeted skills development.

13. Build Now Pay Later

Objective

- a. To stimulate development activity
- b. This mechanism can accelerate delivery through improved cash flow and risk sharing between the landowner and the developer. It is used in most cases by the HCA but has more limited take-up elsewhere in the public sector.
- c. It essentially allows land receipt to be deferred from an upfront payment therefore allowing the developer to better manage development cash flow. It can also allow some sharing of the risk on sales values between landowner and developer.
- d. It may be particularly appropriate in areas where sites have high land values or conversely where changing payment terms improves the viability of marginal schemes.
- e. For sites located in stronger markets with the potential for house price growth over the development cycle, Build Now, Pay Later may also secure greater returns for the landowners.

14. Help to Buy

Objective

- a. To stimulate development activity
- b. Help to Buy is an equity loan scheme that makes new build homes available to purchasers struggling to buy. It is funded by the Government through the HCA.
- c. Help to Buy is available from Registered House Builders and will run until March 2016.
- d. It offers a max of 20% equity loan (min 10%) on new build properties up to a max purchase price of £600,000 (with a min 5% deposit) The equity loan will be made to the purchaser. If the purchase defaults the taxpayer is liable for a share of the losses
- e. The Home Builders Federations have quoted 4,000 people had reserved a new home since it was introduced coinciding with a 0.4% rise in UK house prices in May – the highset for 2.5 years

B. De-risking Development Sites

- 15. In terms of accelerating delivery, there is also opportunity to consider what more we can do to de-risk our most strategically important sites offering the biggest growth potential. If the SELEP can reduce risk by undertaking appropriate investigations, obtaining relevant approvals etc., so that they have a lower risk profile, a more certain time-frame will lead to these sites being more attractive to inward

investment and / or be ready in the event there is HMG or EU monies available for schemes 'ready to go'.

The Board is asked for their views on this proposition.

C. Provision of Utilities

16. A recurring theme from developers is that they generally find utility companies are at best difficult and at worst very disruptive. The Board is asked to agree that SELEP surveys developers, contractors and similar bodies to determine the current utility company performance status. If this reveals that utility companies are holding back economic activity and adding unnecessary costs, then we can invite them to account for their negative impact and propose solutions.

The Board is asked for their views and to endorse a survey.

Authors: Terry Fuller – Executive Director East South-East Homes & Communities Agency and Graham Brown – Director Denne
Contact details: via Secretariat 01245 431469
Date: 21st June 2013



SELTB TRANSPORT SCHEME PRIORITISATION

Purpose

1. To advise the Board of the initial prioritised list of schemes to be considered by the SELTB for progression to detailed evaluation and inclusion in the list of priorities to be submitted to the DfT by the end of July.

Recommendation

2. That members **note** the SELTB's prioritisation work and initial scheme listing.
3. That the Vice Chairs **outline** the progress of the engagement between businesses and transport scheme promoters in their areas.

Background

4. Atkins have been appointed by the SELTB to undertake the prioritisation process in accordance with the methodology agreed by the SELTB.
5. The prioritisation has been undertaken in two stages. The first stage being a "gateway" approach (eligibility test) where schemes had to achieve minimum standards against strategic, economic and managerial/commercial cases. The second stage ranked the schemes in terms of their overall economic benefits to reflect the weighting given to the LEP's priorities for growth.
6. The methodology and initial prioritised listing is included in the Atkins report attached as an Appendix.

Author: David Bull
Position: Director of Transport
Contact details: 01375 652070
Date: 21st June 2013



MAJOR SCHEME PRIORITISATION

Purpose

1. The purpose of this paper is for members to agree the prioritisation of major schemes for the period 2015/16 to 2018/19. The approach applied to the methodology and weighting to prioritise transport schemes was agreed at the May 2013 SELTB meeting.

Recommendations

2. LTB is asked to **approve** the following items:
 - Agree the "Premier League" of schemes (Table 1) that can be implemented and that scheme promoters should start the evaluation process;
 - LTA's should be asked to develop schemes in the "Championship League" of schemes (*Table A2 – Appendix 1*) to a state where they are ready for evaluation if funding come forward from the DfT and promoted to the "Premier League";
 - All schemes in the "Premier League" will be funded subject to the final funding being made available by the DfT. Where there is insufficient funding, the schemes with the highest priority will be eligible for funding first; and
 - Risks will be agreed with scheme promoters and any extra costs, on top of those identified, will need to be funded in full by the scheme promoter.

Background

3. Forty four schemes have been identified by promoters to a total cost of approximately £1.7bn. It has been agreed to prioritise projects to a value of about £200m.
4. The DfT has provisionally indicated that £98m ± 30% is available and has been calculated on a "per head of population" (*pro rata*) basis. For the purpose of this note we are assuming the SELTB will be given £130m but further funding is possible (subject to the 26th June Spending Round), therefore, we have identified a longer list of schemes. The LTB will be updated on the funding implications of the Spending Round. A shortfall means schemes lower in the prioritised list will need to be funded by the scheme promoter.
5. This note provides an explanation of the process undertaken to identify the draft moderated "Premier League" of schemes and is intended to support discussion. The DfT must be notified of our transport priorities by the end of July 2013.
6. The approach to prioritisation has taken into account that investment in transport infrastructure is necessary to support employment and housing, as well as deliver value for money. As such the approach taken applied greatest weighting to the SELEP's objectives related to growth, for example, each scheme's contribution to employment and housing growth was given greater weighting over other scheme benefits. This has resulted in the prioritisation shown in Table 1.

Methodology

7. In accordance with the Assurance Framework agreed by the LTB, Thurrock Council is the accountable body for the scheme prioritisation process. Atkins has been appointed as independent consultant to develop the methodology required by the DfT in order to agree the priorities in a rigorous, transparent and equitable way. However, weightings can be applied to ensure LEP strategic priorities are met. Therefore a qualitative and quantitative approach has been agreed.
8. The 44 candidate transport schemes have been assessed and prioritised using an approach which is proportionate to the timescales and level of information available for many of the schemes. The approach adopted is more sophisticated than simply applying a weighting to each of the cases but largely reflects the principles of weighting as discussed at the last LTB. A technical note detailing the approach (as summarised below) has been sent to scheme promoters.
9. A summary of the assessment of all 44 schemes, following moderation by Atkins, is provided as *Table A1* (Appendix 1).
10. Schemes were assessed against four 'cases' consistent with the DfT's Transport Business Case Guidance which has been agreed by the SELTB. In summary, the assessment considered for each scheme:
 - The Strategic ('need') Case:
 - The degree to which it would support achievement of the SE LEP's four strategic objectives.
 - The Economic Case:
 - The degree to which it would support economic growth (specifically: enabling new residential development, creating jobs, improving journey time reliability and/or reducing journey times/costs). Enabling housing and creating jobs are weighted at twice the other two criteria.
 - The scale of unwanted impacts it would cause (specifically: additional CO₂ emissions, local environmental impacts and social and distributional impacts).
 - The overall 'value for money' of the scheme.
 - The Managerial & Commercial Case:
 - The level of public, political, business/stakeholder and statutory body.
 - Delivery risks (specifically regarding technology, engineering feasibility, legal/planning and institutional).
 - The Financial Case:
 - The level of financial contribution required from the LTB (including allowance for cost risk, inflation and certainty of third party funding).
 - Affordability (funding required compared to the total indicative LTB allocation).
11. The assessment has been based on the scoring and supporting information provided by promoters in a *pro forma*. However, the scores have been checked and moderated by Atkins. Promoters have advised of the changes made by Atkins to the scores for their schemes and have had the opportunity to challenge the moderation. Atkins and scheme promoters have been in discussion to check for accuracy and to ensure promoters had the opportunity to challenge the process.
12. The technical prioritisation of the schemes is in two stages:
 - Stage 1: The scheme has to achieve minimum standards against the Strategic, Economic and Managerial & Commercial Cases.
 - Stage 2: The schemes are ranked in terms of their overall economic benefits score according to LEP strategic priorities. Weight is also being given to schemes that support Enterprise Zones.

Derivation of LTB contributions

13. The level of financial contribution required from the LTB was specified by the promoter of each scheme. These contributions have been modified to reflect cost risk (i.e. under-estimation of costs) and real inflation in construction costs (over and above underlying inflation). The contributions have also been modified to reflect the certainty of local funding contributions materialising; specifically the LTB contribution has been increased to cover portions of local contributions which are uncertain.

This is a policy decision which requires agreement by the LTB: it is recommended that promoters bear all risks associated with under-estimation of costs, real construction cost inflation and materialisation of local funding contributions (so doing could allow additional schemes to be financially supported – See Table A5, Appendix 1).

Funding available

14. The DfT has indicated that £98m ± 30% is available for major transport schemes in the SE LTB area for the period 2015/16-2018/19 (price base unknown, but assumed to be in current prices). Funding has been allocated to LTB areas *pro rata* on the 2011 Census population of the constituent local transport authorities (LTAs). The share of population within the LTB area of each of the six LTAs is provided in Table A3 (Appendix 1). The prioritisation set out below has worked on the assumption of a £130m allocation. Under the scenario that, as a consequence of the Spending Review, the allocation is reduced by 30% to c.£68m then clearly the number of schemes that can be funded will be reduced significantly or LTB funding spread more thinly. Table A3 (Appendix 1) shows *pro rata* allocation of funding between LTAs based on this total funding pot.

Prioritisation results

15. The assessment of all 44 schemes is provided in Table A1 (Appendix 1).

16. The draft prioritised list of schemes (the “Premier League”) is shown in Table 1. This table shows the schemes which can be funded within the total indicative allocation of £130m based on LTB contributions capped at £130m³. All these schemes have achieved the minimum standards set.

17. Table 1 shows the total level of LTB contribution, as calculated by Atkins. However, to reflect affordability, the table also shows, for relevant schemes, and LTB contribution capped at £30 million.

Table 1 – Prioritisation by economic benefits

Rank	LTA	Scheme	LTB contribution (m)			
			Uncapped	Cumulative (uncapped)	Capped	Cumulative (capped)
1	Kent CC	M20 Junction 10A	£28.2	£28.2	£28.2	£28.2
2	Essex CC	Beaulieu Park Station	£51.3	£79.5	£30.0	£58.2
3	East Sussex CC	A21 Baldslow Link	£16.3	£95.9	£16.3	£74.6
4	Medway C	A289 Four Elms to Medway Tunnel	£14.9	£110.8	£14.9	£89.4
5=	Southend BC	A127 Strategic Corridor, The Bell Junction and local traffic management	£5.4	£116.2	£5.4	£94.9
5=	Southend BC	A127 Strategic Corridor,	£5.4	£121.6	£5.4	£100.3

³ The A13 scheme takes the total capped LTB contribution to £142m.

		Kent Elms Junction and local traffic management				
7	Kent CC	Westwood Relief Strategy	£4.1	£125.8	£4.1	£104.4
8	Kent CC	Thanet Parkway Passenger Rail Station	£8.1	£133.9	£8.1	£112.5
9 ⁴	Thurrock C	A13 Widening	£29.3	£163.2	£29.3	£141.8
10	Kent CC	Overnight Lorry Parking	£20.5	£183.7	£20.5	£162.3
11	Network Rail	Journey Time Reduction Programme	£44.2	£227.9	£30.0	£192.3
12	Southend BC	JAAP Airport Access Package Improvements	£3.2	£231.1	£3.2	£195.6
13	Southend BC	A127/B1013 Tesco Roundabout Junction and Traffic Management	£6.9	£238.0	£6.9	202.5

18. A full list of all the schemes which achieved the minimum standards set is provided in *Table A2*.

Next Steps

19. This is the start of the process of delivery of major transport infrastructure in the SELEP area. Prioritised schemes will need to develop robust Major Scheme Business Cases, following DfT criteria, in order for the SELTB to decide whether these prioritised schemes should ultimately be funded. It is conceivable that some prioritised schemes may, for a variety of reasons, drop out of the prioritised list to be replaced by other schemes. The prioritisation process may also have to be repeated at a future date, for example, to reflect future funding allocations or for prudent programme management.

20. The phasing of these schemes for delivery (the Delivery Programme) will be considered and developed over the forthcoming weeks, and in advance of the submission date to DfT. Phasing will also be identified during the scheme evaluation process which will assess deliverability. No scheme is guaranteed funding until it has successfully passed through the Programme Entry and Full Approval stages.

21. Schemes that are agreed with Atkins can be moved from the “Championship” to the “Premier League” in line with the prioritisation methodology.

Author: Greg Hartshorn and Sunil Gogna

Position: Atkins

Contact details: 07834 507655

Date: 21st June 2013

⁴ Although the Bexhill / Hastings Rail Improvement Package achieves the same assessment score as the A13 Widening scheme, it is not included in the prioritised list because its funding requirement is in Network Rail’s Control Period 6 (2019 – 2024).

APPENDIX 1

Table A1 – Summary assessment of all schemes

SE LTB LOCAL MAJOR SCHEME PRIORITISATION ASSESSMENT DASHBOARD			South East Local Enterprise Partnership		Strategic Case	Economic case					Managerial & commercial case					Financial case																	
No.	Scheme	Promoter	Thames G'way	Coastal cts.	Rural economy	St. Growth areas	OVERALL	Benefits					Value for money	Negative impacts			Acceptability risk			Delivery risk			Cost (2013 prices, w/ risk & real const. cost increases)										
								Housing	Jobs	JT reliability	Journey time&costs	All benefits		Promoter BCR	VFM RAG	Carbon	Local environment	Social	All impacts	Public	Political	Stakeholder	Stat. Consultees	Overall	Technology	Engineering	Legal/planning	Institutional	Overall	Total scheme cost	LTB contribution	Cost risk	Affordability
1	A21 Baldslow Link	East Sussex CC	R	G	G	G	G	G	A	G	G	A	-2.7	R	G	A	G	A	A	G	G	R	A	A	G	R	A	£16.3	£16.3	G	A		
2	A21 Kippings Cross to Lambershurst Dualling	East Sussex CC	R	G	G	G	G	G	G	G	G	G	?	G	G	G	G	A	R	G	G	R	A	R	R	R	A	£203.5	£203.5	R	R		
3	A22/A27 Junction Improvement Package	East Sussex CC	R	G	A	G	G	G	G	G	G	G	?	G	G	G	G	G	R	G	G	R	A	A	A	A	R	£5.4	£4.5	G	G		
4	Corridor improvements to A27 between Lewes & Eastbourne	East Sussex CC	R	G	A	G	G	A	A	G	G	A	?	R	G	G	G	G	R	G	G	R	A	R	R	R	R	£303.2	£303.2	R	R		
5	Bexhill/Hastings rail improvement package	East Sussex CC	A	G	G	A	G	R	A	G	G	A	1.1	R	G	G	G	G	R	G	G	R	A	R	R	R	G	A	£85.3	£28.4	G	R	
6	East Croydon rail improvements	East Sussex CC	A	G	G	A	G	A	A	G	G	A	?	###	G	A	G	A	R	A	G	R	R	R	R	G	A	£0.0	£0.0	R	G		
7	A21 Flimwell to Robertsbridge	East Sussex CC	R	G	G	G	G	A	A	G	G	A	3.5	R	G	G	G	G	A	G	G	R	A	A	A	R	R	£193.7	£216.1	R	R		
8	A127 Corridor Improvement	Essex CC	G	A	A	G	G	R	A	G	A	R	3.0	R	G	G	G	G	R	G	A	R	R	A	A	G	G	A	£17.1	£17.1	A	A	
9	Basildon Enterprise Corridor Sustainable Access	Essex CC	G	R	R	G	G	A	A	G	A	A	?	G	G	G	G	G	R	A	A	R	R	A	A	G	G	A	£4.5	£4.5	A	G	
10	Beaulieu Park Station	Essex CC	R	G	A	G	G	G	A	G	G	G	?	A	G	G	G	G	G	G	A	G	A	G	G	A	G	£55.5	£51.3	A	R		
11	Chelmsford Army and Navy	Essex CC	R	R	R	G	A	G	G	G	G	G	2.0	R	G	G	G	G	A	G	A	R	A	G	G	R	A	A	£63.4	£38.0	A	R	
12	Chelmsford Public Transport Improvements	Essex CC	R	R	R	G	A	R	A	G	G	A	?	R	G	G	G	G	R	A	A	R	R	G	G	R	A	A	£11.6	£11.6	R	G	
13	Colchester P&R Bus Priority Measures	Essex CC	R	R	A	G	A	G	G	G	G	G	2.4	G	G	G	G	G	G	G	G	G	G	G	G	A	G	£4.8	£4.3	G	G		
14	Crossrail - Shenfield and Brentwood Multi-modal Interchanges	Essex CC	A	R	A	G	A	R	R	A	A	R	?	R	G	G	G	G	G	A	A	R	A	A	A	R	A	£7.9	£7.9	R	G		
15	Harlow M11 J 7a	Essex CC	R	R	R	G	A	G	G	A	A	A	3.7	R	G	G	G	G	G	G	A	R	A	G	A	R	A	A	£42.4	£51.9	R	R	
16	Harlow A414 Improvements	Essex CC	R	R	R	G	A	A	A	G	A	A	3.5	A	G	G	G	G	R	G	A	R	R	G	A	R	A	A	£8.8	£8.9	A	G	
17	JAAP and Airport Access Package Improvements	Essex CC	G	R	R	G	G	R	A	G	G	A	5.6	A	A	G	A	A	R	A	A	R	R	R	R	A	A	£7.2	£7.2	R	G		
18	A28 Chart Road Improvements	Kent CC	R	R	R	G	A	G	A	G	G	G	?	G	G	G	G	G	R	G	G	A	A	A	R	R	A	R	£6.5	£8.1	G	G	
19	Dover BRT	Kent CC	R	G	R	G	A	A	G	A	A	R	?	G	G	G	G	G	A	G	G	A	A	R	R	A	A	R	£6.3	£4.5	A	G	
20	A226 London Road/ B255 St Clements Way Junction	Kent CC	G	R	R	G	G	G	G	G	A	G	?	G	G	G	G	G	R	G	G	R	A	A	R	R	A	R	£9.7	£6.9	R	G	
21	M20 Junction 4 Eastern Overbridge Widening	Kent CC	R	R	R	G	A	G	G	G	G	G	17.7	G	G	G	G	G	R	G	G	A	A	R	R	G	A	A	£2.2	£2.1	G	G	
22	M20 Junction 10a	Kent CC	R	R	R	G	G	G	G	G	G	G	3.6	R	G	A	G	A	G	G	G	A	A	G	G	R	A	A	£21.5	£28.2	R	R	
23	Maidstone Gyrotory Bypass	Kent CC	R	R	R	G	A	R	A	A	A	R	?	A	G	G	G	G	A	G	G	R	A	A	A	R	A	R	£4.7	£4.6	A	G	
24	M20 Junction 7 Park and Ride, Maidstone	Kent CC	R	R	R	G	A	R	R	A	A	R	1.8	R	G	G	G	G	G	G	G	R	A	R	R	R	A	R	£7.2	£7.4	A	G	
25	Overnight Lorry Parking	Kent CC	R	G	R	G	G	R	A	G	G	A	?	R	G	G	G	G	R	G	G	R	A	R	G	R	A	A	£26.2	£20.5	R	A	
26	Sittingbourne Northern Relief Road - Bapchild Link Road	Kent CC	G	R	R	R	A	R	R	A	A	R	?	R	G	A	G	A	A	G	G	R	A	R	R	R	A	R	£37.5	£33.8	R	R	
27	A28 Sturry Link Road	Kent CC	R	G	G	R	A	A	A	G	G	A	?	A	G	G	G	G	R	G	G	R	A	R	R	R	A	R	£36.9	£22.2	R	A	
28	Thanet Parkway Passenger Rail Station	Kent CC	R	G	R	G	G	R	G	G	A	A	5.0	A	G	G	G	G	R	G	G	R	A	A	G	R	R	A	A	£6.3	£8.1	G	G
29	Westwood Relief Strategy	Kent CC	R	G	R	G	G	A	A	G	G	A	?	G	G	G	G	G	R	G	G	R	A	G	A	A	A	A	£4.1	£4.1	G	G	
30	A289 Four Elms to Medway Tunnel	Medway C	G	A	A	G	G	A	G	G	G	A	15.0	A	G	G	G	G	G	G	G	A	A	R	G	R	A	A	£13.7	£14.9	A	A	
31	Chatham Railway Station	Medway C	G	R	R	G	A	A	A	G	G	A	?	G	G	G	G	G	G	G	G	G	G	G	G	G	G	£1.2	£1.3	A	G		
32	Darnley Arch	Medway C	A	R	R	A	R	A	R	A	A	R	?	G	G	G	G	G	G	G	G	R	A	G	R	R	A	£2.2	£1.6	A	G		
33	Medway City Estate	Medway C	A	R	R	A	A	A	A	A	A	A	?	G	G	G	G	G	G	G	G	R	A	R	R	R	A	£1.9	£1.4	A	G		
34	Journey time reduction programme	Network Rail	G	G	G	G	G	R	R	G	G	R	2.0	R	A	G	G	A	G	G	A	R	A	A	R	R	G	A	£72.5	£44.2	R	R	
35	Star and East Guldeford Level Crossing closure	Network Rail	R	G	G	R	A	R	R	G	G	R	?	R	G	R	G	R	R	A	A	R	R	R	R	R	R	£22.7	£14.4	R	A		
36	Sturry Level Crossing closure	Network Rail	R	G	G	G	A	R	R	G	G	R	?	R	G	R	G	R	R	A	A	R	R	R	R	R	R	£21.9	£16.8	R	A		
37	A127/B1013 Tesco Roundabout Junction and Traffic Management	Southend BC	G	G	G	G	G	G	G	G	G	A	5.6	A	G	G	G	G	A	G	G	A	A	G	R	A	A	A	£5.3	£6.9	G	G	
38	A127 Strategic Corridor. Kent Elms Junction & Local Traffic Management	Southend BC	G	G	G	G	G	G	G	G	G	A	5.6	G	G	G	G	G	A	G	G	A	A	G	R	A	A	A	£4.3	£5.4	G	G	
39	A127 Strategic Corridor. The Bell Junction & Local Traffic Management	Southend BC	G	G	G	G	G	G	G	G	G	A	5.6	G	G	G	G	G	A	G	G	A	A	G	R	A	A	A	£4.3	£5.4	G	G	
40	JAAP and Airport Access Package Improvements	Southend BC	G	G	G	G	G	G	G	G	G	A	4.0	G	G	G	G	G	A	G	G	A	A	G	R	A	A	A	£3.2	£3.2	G	G	
41	A13 Widening	Thurrock C	G	G	G	G	G	A	G	A	A	A	2.0	R	A	A	A	A	A	A	A	G	A	G	R	G	A	A	£34.5	£29.3	A	R	
42	Stanford-le-hope Sustainable Transport Integrated Package	Thurrock C	G	R	R	R	A	A	G	G	G	G	?	###	A	A	G	A	R	G	G	R	A	R	R	R	A	R	£1.2	£0.1	R	G	
43	Grays Town Centre Transport Improvements	Thurrock C	G	R	A	A	A	A	A	G	G	A	?	A	A	G	G	G	G	G	G	R	A	G	R	G	G	£14.5	£10.9	R	G		
44	Sustainable transport measures	Thurrock C	G	R	R	A	R	A	A	G	G	A	?	G	G	G	G	G	G	G	G	G	G	G	G	G	G	£2.7	£2.2	G	G		

Table A2 – Prioritised List ‘Premier League’

SELTB LOCAL MAJOR SCHEME PRIORITISATION			South East Local Enterprise Partnership		Ranking based on:		Scale of benefit								
PRIORITISED LIST					G only		G or A only	G or A only	G or A only	G, A or R					
			STRATEGIC	ECONOMIC				MAN/COMM		FINANCIAL					
			Objectives fit	All benefits		Value for money		Negative impacts	Acceptability risk	Delivery risk	LTB contribution	Affordability	Cuml. LTB contr.	LTB contribution (£30m max)	Cuml. LTB contr. (max £30m)
Rank	Scheme name	Promoter	RAG	Score	RAG	Score/£	RAG	RAG	RAG	RAG	£	RAG	£	£	£
1	M20 Junction 10a	Kent CC	G	24.0	G	1.3	R	A	A	A	£28.2	R	£28.2	£28.2	£28.2
2	Beaulieu Park Station	Essex CC	G	20.8	G	1.7	A	G	A	G	£51.3	R	£79.5	£30.0	£58.2
3	A21 Baldslow Link	EastSussex CC	G	20.0	A	1.3	R	A	A	A	£16.3	A	£95.9	£16.3	£74.6
4	A289 Four Elms to Medway Tunnel	Medway C	G	18.8	A	1.6	A	G	A	A	£14.9	A	£110.8	£14.9	£89.4
5=	A127 Strategic Corridor. The Bell Junction & Local Traffic Management	Southend BC	G	18.0	A	3.6	G	G	A	A	£5.4	G	£116.2	£5.4	£94.9
5=	A127 Strategic Corridor. Kent Elms Junction & Local Traffic Management	Southend BC	G	18.0	A	3.6	G	G	A	A	£5.4	G	£121.6	£5.4	£100.3
7	Westwood Relief Strategy	Kent CC	G	17.6	A	4.6	G	G	A	A	£4.1	G	£125.8	£4.1	£104.4
8	Thanet Parkway Passenger Rail Station	Kent CC	G	14.4	A	2.1	A	G	A	A	£8.1	G	£133.9	£8.1	£112.5
9	A13 Widening	Thurrock C	G	13.6	A	0.5	R	A	A	A	£29.3	R	£163.2	£29.3	£141.8
10	Overnight Lorry Parking	Kent CC	G	10.8	A	1.1	R	G	A	A	£20.5	A	£183.7	£20.5	£162.3
11	Journey time reduction programme	Network Rail	G	7.2	R	0.5	R	A	A	A	£44.2	R	£227.9	£30.0	£192.3
	JAAP and Airport Access Package Improvements	Southend BC	G	18.0	A	6.2	G	G	A	A	£3.2	G	£231.1	£3.2	£195.6
	A127/B1013 Tesco Roundabout Junction and Traffic Management	Southend BC	G	18.0	A	2.8	A	G	A	A	£6.9	G	£238.0	£6.9	£202.5
	Bexhill/Hastings rail improvement package	EastSussex CC	G	13.6	A	0.5	R	G	A	A	£0.0	R	£238.0	£0.0	£202.5

Table A3 – Pro rata allocations by population (For Information Only)

Local Transport Authorities have considered what schemes they would prioritise for funding if the allocation was distributed pro-rata by population. According to The Census and Office of National Statistics, the total population for the SELTB area is 3,979,286. Using the same source of information for populations, and assuming an allocation of £130m for the SELTB, *pro rata* allocations, based on population alone, are set out in Table A3 below.

Local Transport Authority	Population	Share of population	<i>Pro rata</i> allocation
Essex	1,393,587	35.0%	£45.5 m
East Sussex	526,671	13.2%	£17.2 m
Kent	1,463,740	36.8%	£47.8 m
Medway	263,925	6.6%	£8.6 m
Southend	173,658	4.4%	£5.7 m
Thurrock	157,705	4.0%	£5.2 m
Total SELEP	3,979,286	100.0%	£130.0 m

Table A4 – Scheme Promoter Priorities

This indicates the schemes that scheme promoters would seek funding for if this simple approach was adopted, noting that some scheme costs exceed the *pro rata* allocations (*approximately capped at pro rata allocation*).

Local Transport Authority	Scheme (& LTA priority)	LTB contribution
Essex	Harlow M11 Jn 7a (1)	£44.7 m
East Sussex	A21 Baldslow Link (1)	£6.7 m
East Sussex	A22/A27 Junction Improvement Package (2)	£4.5 m
Kent	M20 Jn 10a (1)	£24.4 m
Kent	Overnight lorry parking (1)	£20.5 m
Medway	A289 Four Elms to Medway Tunnel (1)	£16.1 m

Southend	A127 Strategic Corridor: Kent Elms Junction & Local Traffic Management (1)	£5.4 m
Thurrock	A13 Widening	£29.3 m
Total SE LEP		£151.6 m

Table A5 – No cost risk, construction inflation or cover for local contributions

SE LTB LOCAL MAJOR SCHEME PRIORITISATION			South East Local Enterprise Partnership												
PRIORITISED LIST			Ranking based on:				Scale of benefit								
			G only				G or A only			G or A only			G, A or R		
			STRATEGIC		ECONOMIC				MAN/COMM			FINANCIAL			
			Objectives fit	All benefits	Value for money	Negative impacts	Acceptability risk	Delivery risk	LTB contribution	Affordability	Cuml. LTB contr.	LTB contribution (£30m max)	Cuml. LTB contr. (max £30m)		
Rank	Scheme name	Promoter	RAG	Score	RAG	Score/£	RAG	RAG	RAG	RAG	£	RAG	£	£	
1	M20 Junction 10a	Kent CC	G	24.0	G	1.3	R	A	A	A	£18.0	A	£18.0	£18.0	
2	Beaulieu Park Station	Essex CC	G	20.8	G	1.7	A	G	A	G	£12.0	G	£30.0	£12.0	
3	A21 Baldslow Link	East Sussex CC	G	20.0	A	1.3	R	A	A	A	£15.0	A	£45.0	£15.0	
4	A289 Four Elms to Medway Tunnel	Medway C	G	18.8	A	1.6	A	G	A	A	£12.0	G	£57.0	£12.0	
5=	A127 Strategic Corridor. The Bell Junction & Local Traffic Management	Southend BC	G	18.0	A	3.6	G	G	A	A	£5.0	G	£62.0	£5.0	
5=	A127 Strategic Corridor. Kent Elms Junction & Local Traffic Management	Southend BC	G	18.0	A	3.6	G	G	A	A	£5.0	G	£67.0	£5.0	
7	Westwood Relief Strategy	Kent CC	G	17.6	A	4.6	G	G	A	A	£3.8	G	£70.8	£3.8	
8	Thanet Parkway Passenger Rail Station	Kent CC	G	14.4	A	2.1	A	G	A	A	£7.0	G	£77.8	£7.0	
9	A13 Widening	Thurrock C	G	13.6	A	0.5	R	A	A	A	£25.0	A	£102.8	£25.0	
10	Overnight Lorry Parking	Kent CC	G	10.8	A	1.1	R	G	A	A	£10.0	G	£112.8	£10.0	
11	Journey time reduction programme	Network Rail	G	7.2	R	0.5	R	A	A	A	£15.0	A	£127.8	£15.0	
	JAAP and Airport Access Package Improvements	Southend BC	G	18.0	A	6.2	G	G	A	A	£2.9	G	£130.7	£2.9	
	A127/B1013 Tesco Roundabout Junction and Traffic Management	Southend BC	G	18.0	A	2.8	A	G	A	A	£6.4	G	£137.1	£6.4	
	Bexhill/Hasings rail improvement package	East Sussex CC	G	13.6	A	0.5	R	G	A	A	£0.0	A	£137.1	£0.0	

EU INVESTMENT PROSPECTUS UPDATE

Purpose

1. The purpose of this paper is to update the Board on progress towards developing a South East EU Investment Prospectus (EU IP).

Recommendations:

2. The Board is asked to:
 - a) **Note** the progress being made towards developing a South East EU Investment Prospectus and **endorse** the proposed approach for stakeholder consultation;
 - b) Consider and **propose** names of private sector leaders for nominations to the Shadow National Growth Board and sub committees in the new national management structure for the 2014-2020 ESI Programme; and
 - c) **Note** that £67million of publically-funded financial support is available through 12 schemes available to support businesses in the SELEP area of which £7.24 mill has been allocated to date; and **endorse** the recommendation to commission expert input to undertake further work to feed into the EU IP.

South East EU Investment Prospectus

3. Work continues on developing the EU Investment Prospectus (EU IP) and to identify a pipeline of projects that relate to the 11 Thematic Objectives identified by Government. Local partners are being supported by Shared Intelligence, having been recently appointed to work on this and the South East Growth Strategy.
4. The deadlines for delivery of the EU IP are short and there is a lack of precise information on the Government’s expectations and requirements. The timetable for further information to be published and the deadlines are as follows.

End June 2013	Indicative EU Structural and Investment Fund allocations to LEPs but not for the rural programmes
1st week of July 2013	Second wave of Government guidance to LEPs on EU Investment Prospectus
25th July 2013	Shadow National Growth Board to convene
30th September 2013	Submission of SELEP Draft EU Investment Prospectus to BIS
October 2013	Shadow National Growth Board to consider LEP Draft EU Investment Prospectus submissions
31st January 2014	Submission of Final SELEP EU Investment Prospectus
October 2014	Earliest approval of national programmes by EU
Oct-Dec 2014	First projects recommended for approval
March 2015	First projects contracted to begin

5. The European Commission and the Government expect wide stakeholder engagement in the development of the Prospectus. These include private and public sectors, HEI, colleges and civil society.

The SELEP is therefore proposing that we continue to engage with interest groups on both a thematic and geographic basis across the LEP area in addition to a series of focussed thematic consultation events to inform the process of pulling the EU Investment Prospectus together. These will take place in July. Once the first draft of the Prospectus is available, further consultation will be needed to obtain buy-in from the full range of stakeholders. This will take place in September.

The Board is asked to endorse the proposed approach for stakeholder engagement during July and August.

National Growth Board

6. A National Growth Board will oversee the overall strategic management of the European Structural & Investment (ESI) funds in England which will be advised by expert sub-committees for each of the core themes of the programme and supported by local Departmental teams. This will be preceded by a Shadow National Growth Board, which will be an informal body that will be replaced by the permanent Board when the funds become fully operational in 2014. The first meeting of the Shadow Growth Board will take place in July. This Board will consider the 39 EU Investment Propsectuses in October to give approval to continue with development and recommendations for changes.
7. Membership of the National Growth Board is to reflect a representative range of local and national economic, social and environmental partners. Government has invited the LEP National Network and the Local Government Association to oversee a transparent process to nominate up to 4 and 3 members respectively to the shadow Board in the first instance. SELEP has been asked informally to put forward names of significant private sector leaders who could represent LEP interests the Shadow National Growth Board. Further details are in Annex A.

Board members are asked to nominate representatives for the Shadow National Growth Board and to forward suggestions to the secretariat.

Access to Finance: Financial Instruments

8. In April the SELEP secretariat undertook research to identify publically funded financial support schemes available for business across the SELEP area.
9. Information was received on 12 schemes currently in operation and details on others that were being considered for introduction later in 2013. A summary of these schemes, together with a brief analysis of the data is in Annex B.
10. Recently issued guidance indicates that the Government wants financial instruments (such as grants, loans and equity share schemes) to play a *greater* role in the 2014-2020 ESI programme and it is currently considering options for how this might work, including one to top-slice allocations for a national financial instrument. However, the Government has also indicated that if individual LEPs want to establish their own financial instruments then this would need to be justified on the basis of an assessment of SMEs' access to financial markets in the area, including evidence of market failure and the level of demand for investment products.
11. SELEP indicated in its initial response to Government at the end of May that it may want to introduce new financial instruments within the ESI programme. However, the feasibility (which is partly dependent on the size of the SELEP allocation) and the nature of these financial instruments are uncertain at this stage.

12. While the information collected on publically-funded financial support schemes provides some evidence of the supply of public finance across the SELEP area, there is a need to ensure that this information is comprehensive and that we also consider the needs of business and evidence of market failure.

The Board is asked to endorse the intention to commission expert input to undertake further work to help shape our thinking on new financial instruments for the 2014-2020 ESI Programme.

Author: Lorraine George & Katharine Harvey

Position: SELEP Secretariat

Contact details: 01245 431820

Date: 21st June 2013

Invitation to nominate member(s) of the shadow ESI Growth Board

The Government has announced plans to streamline the management of EU Structural & Investment Funds (ESI) in England as a single EU Growth Programme, with which the investment priorities of Local Enterprise Partnerships are aligned.

A National Growth Board (NGB) will oversee the overall strategic management of the ESI funds in England. It will be advised by expert sub-committees for each of the core themes of the programme and supported by local Departmental teams. The membership of the National Growth Board will reflect a representative range of local and national economic, social and environmental partners.

The government is determined to ensure that the relevant range of partners plays a pivotal role in the implementation of the ESI Growth Programme, and especially in the consideration and approval of LEPs' ESI investment strategies that will be submitted at the end of September this year.

The government has now written to a range of representative bodies seeking nominations to serve on a shadow National Growth Board to be established over the summer to help prepare for this important stage in the development of the new programme.

The shadow NGB will be an informal body, and will be replaced by a more permanent Board when the funds become fully operational sometime in 2014. However it will have a direct influence on the future use of over €6 billion of EU funds.

Amongst a range of other representative bodies, the government has invited the LEP National Network and the Local Government Association to oversee a transparent process to nominate up to 4 and 3 members respectively.

Ideally, nominations should people who are:

- 'Leaders' – able to provide a senior perspective of the views of your sector
- Knowledgeable - with a demonstrable track record and profile
- Consultative - able to communicate to / from a pre-existing consultative mechanism to/from their respective sector
- Available - able to commit a maximum of 4-5 days per annum preparing for and attending meetings of the shadow Board - and, if not able to attend any one meeting, be able to call upon a named alternate member with similar characteristics.

These representative bodies have been asked to make every reasonable effort to ensure that they have fully considered the equality and diversity implications of their nominations. .

The first meeting of the shadow Board will be held on 25th July at the BIS Conference Centre in London.

Annex B

Name of scheme	Administering Organisation	Funding Organisation	Geographical coverage	Eligibility	Type of finance	Max & Min loan/grant	Repayment period	Scheme start/end date	Scheme allocation
Local Enterprise & Apprenticeship Platform (LEAP)	Lewes DC	Lewes DC	Lewes	All businesses	Loan & Grant	Max for new business £3000 Max for individual £500		April 2013 End March 2015	2013/14 £150,000 2014/15 £150,000
Rural Growth and Employment Fund (RuGREF)	East Sussex County Council	East Sussex County Council	Lewes, Rother & Wealden	Start-ups or SMEs creating new/safeguarded jobs, growing business, creating additional/commercial flrspce, increased/improved training opportunities	Loan and Grant	Min £5,0000	Loan usually 3 years	2012 start	2012/13 £1.2mill 2013/14 £1.25mill
Let's do Business Finance	Let's do Business Group	Capitalise Business Support Ltd (trading as Let's do Business Finance)	East Sussex, West Sussex, Kent, Surrey, Hampshire	Start-ups, micro and small businesses	Loan	Min £1,000 Max £50,000	Min 1 year Max 7 years	2003 start	2012/13 £255,000 2013/14 £500,000 (+ £300k Start-up loan for Young People Scheme) 2014/15 £750,000
Low Carbon Freight Dividend	Haven Gateway Partnership	ERDF	Essex, Thurrock & Southend	SMEs moving containers by road	Grant	Min £1,050 Max £6,750		2012 Start 2014 End	2012/13 337,500 2013/14 £891,000 2014/15 £1,302,750
Low Carbon Business	Groundwork Essex	ERDF	Thames Gateway South Essex	SMEs	Grant	Min £1,000 Max £40,000		2010 Start	2012/13 £77,373
Low Carbon KEEP Programme	Anglia Ruskin University	ERDF	Essex, Suffolk, Norfolk, Camb, Beds & Herts	SMEs (EU definition)	Grant 60% match funding required	No min Max £20k capital No Max rev	Min 4 months Max – 18 months	1 Jan 2010	£2.5mill (41 projects) total alloc £3mill
Partners for Growth	Medway Council	Medway Council	Medway	Businesses with good growth and	Loan and Grant	Min £500 Max £15,000	3 years	April 2012 End March 2015	2012/13 £180,000 2013/14

Name of scheme	Administering Organisation	Funding Organisation	Geographical coverage	Eligibility	Type of finance	Max & Min loan/grant	Repayment period	Scheme start/end date	Scheme allocation
				job creation potential and new business start-ups with a viable business model					£180,000 2014/15 £180,000
TIGER	Kent County Council	BIS – RGF	Dartford, Gravesham & Swale, Medway & Thurrock	SMEs with high growth & sustainable job creation potential Sectors - manu; low carbon technol; pharm & life sciences; ICT, software dev & info mangmt; media, creative & cultural inds; technol devt					
Expansion East Kent	Kent County Council	BIS – RGF	Canterbury, Dover, Thanet & Shepway	SMEs	Loan & Grant	Min - Loan/Grant none Max – Grant £5m, Loan £2.5m	Non – Case by case specific	27 April 2012	£35 mill to end 2015/16 2012/13 take-up £16,586
Schemes to be confirmed									
Capital fund to upgrade commercial premises	Let's Do Business Group	East Sussex County Council	East Sussex	Business premise owners upgrading and/or subdividing commercial premises linked to job creation and reduction of property blight	Loan, Grant & Equity 30-50% match required	No min No max		Aug 2013	2013/14 £500,000
Capital fund to develop business incubators	Let's Do Business Group	East Sussex County Council	East Sussex	Development of business incubation centres	Loan, Grant & Equity 30-50%	No min No max		2014	2014/15 £1.5mill

Name of scheme	Administering Organisation	Funding Organisation	Geographical coverage	Eligibility	Type of finance	Max & Min loan/grant	Repayment period	Scheme start/end date	Scheme allocation
					match required				
Capital Grants for Growth & Jobs	Let's Do Business Group	East Sussex County Council	East Sussex	Micro & small businesses with growth plans	Grant 30-50% match required	Min £3,000 Max £25,000		Aug 2013	2013/14 £700,000
Funds for Social Enterprise	East Sussex County Council	East Sussex County Council	East Sussex	New or existing social enterprises linked to business growth and job creation	TBC			Summer 2013	2013/14 £500,000

- The 12 publically-funded schemes across the SELEP area provide **just over £67 million** of funding for business. Two of these schemes (Low Carbon KEEP and Let's do Business Finance) extend over a wider area beyond the SELEP boundary, stretching into West Sussex, Hampshire and Surrey in one case and into Norfolk, Suffolk, Hertfordshire, Bedfordshire and Cambridgeshire in the other.
- The majority of the funds are available as **either grants (12%) and loans or grants (88%) and to date £7.24 mill of these funds have been allocated** (since 2009), but the vast majority are still available in the period to the end of March 2015.
- The vast majority of the funding available **(80%) comes from two schemes funded through the Regional Growth Fund** and both of these operate within the Kent & Medway area. Only 6% of the funding comes from local authorities, with only Medway Council and East Sussex County Council providing this.
- Across the SELEP area, the availability of these funds is geographically concentrated with around three quarters of funds only available in Kent and Medway area. The remainder is split almost equally between Greater Essex and East Sussex.

BOARD MEETING

Friday 28th June 2013

Agenda Item: 6b

Pages: 5

OPPORTUNITIES FOR JOINT HEI COLLABORATION TO SUPPORT INNOVATION AND ECONOMIC GROWTH

Purpose

1. This paper sets out a number of proposals for collaboration between the SELEP HEIs for the benefit of the business community and economic growth.

Recommendation

2. The Board is asked to:
 - a. **Note** the work that has gone on to date; and
 - b. **Support** the further development of the work streams into viable projects for submission to the EU Structural Funds.

Introduction

3. A meeting took place on 8 January 2013 between the Chair and Director of the South East Local Enterprise Partnership (SELEP) and the Vice-Chancellors of the region's HEIs (or their nominated representatives), it was agreed that five areas of potential collaboration between SELEP and the HEIs should be explored. It was agreed in each area one HEI would develop a short brief setting out potential areas for joint working, the proposals would then be circulated to all the HEIs in the region as the basis for identifying a potential programme of activity. It was further agreed a paper would be presented to the Board in June 2013. Following this meeting the HEIs met to discuss the work stream proposals. The lead institutions have taken forward the proposals and presented these to the Director of the SELEP at a meeting in Medway.

Work Streams

4. The work streams have been developed to ensure there are cross-cutting synergies between all five work streams. What follows is a summary of the papers.

SME support - Lead HEI – University of Essex

5. HEIs have a clear role to play in supporting SMEs within the SELEP region, especially those with "high growth potential" which are crucial to the economic growth of the region. To provide the most effective support, the eight HEIs within SELEP will collaborate to demonstrate clearly the substantial business benefits of Knowledge Exchange and deliver a consistent and easily accessible service to SMEs. To achieve this, the region's HEIs will:
 - a. take a prominent role in the development of existing R&D and Innovation Networks in the region, working with partners. The HEIs will also actively create and nurture new networks where there are clear gaps in the provision in relation to the needs of the region. Moreover, recognising the important role of Innovations Centres and Business Incubators the HEIs will work to ensure they are closely linked with the networks. Where a demand is established, and it is possible and appropriate, the HEIs will seek funding from regional, national and EU sources to create new facilities;
 - b. building on the proven success of Innovation Vouchers it is proposed that SELEP develops an Innovation scheme to be available to SMEs across the region. This would allow SMEs to access HEI expertise and services (for example consultancy, facilities, short focused internships, staff training and development etc.) which they have identified will assist their business growth but which they do not have the funds to support themselves or via existing schemes;

- c. establish a regional network that links the HEI's innovation services with those delivered by Innovation Centres and Business Incubators. The network will maintain a strong foundation in the research strengths of the Schools and will translate this to the business needs of SMEs.

Tourism and hospitality sector - Lead HEI – University of Essex

- 6. There are significant opportunities to build on existing activities and to establish new initiatives that would help deliver economic growth within the tourism and hospitality sector and fill the significant gaps that exist nationally and regionally⁰ The development of this sector is already supported by a number of activities delivered by the region's Higher Education Providers (HEPs - which includes both HEIs and Further Education Colleges), and there are significant opportunities to build on this through three new initiatives:
 - a. develop through the HEPs the region's capacity, for example through an Industry Observatory for businesses operating in the south east, to analyse the wealth of industry data that is already available in order to provide business and market intelligence for tourism and hospitality businesses. The concentration of SMEs in the sector means that few have the resources to invest in this type of work despite the significant benefits it can bring in highlighting and supporting opportunities for business growth;
 - b. develop and implementing a flexible CPD offer directly aimed, in terms of content and mode of delivery, at the tourism and hospitality sector. Working with national and regional sector organisations the HEPs could identify the regional skills gaps and needs within the sector and highlight future trends. This information would then be used to establish a comprehensive region-wide offer of qualifications in these industries, from NVQ and foundation degrees through to postgraduate programmes. Again, working closely with the relevant industry bodies a systematic framework for the recognition and credit-rating of CPD activities could be developed. This can be supported by a range of modes of delivery which draws on existing HEI expertise in online and work-based learning;
 - c. support and encourage innovation and the development of the offer of the region's tourism and hospitality sector to potential customers This would draw on relevant HEI expertise in areas such as logistics and supply chain management, the application of new technologies and addressing the environmental impact of tourism and addressing the types of issues that are currently being discussed with, and within, tourism and hospitality organisations in the SELEP region (and nationally). There is significant scope to link much of this work to the development of the food sector in the region.

Innovation Intervention Fund - lead HEI – University of Kent

- 7. Under the current austerity conditions finance to support early stage development, particularly student and graduate start-up, is increasingly difficult to obtain. This is a major problem given that student start-ups are predicted to rise by 30% over the next two years. Failure to investigate commercial potential and market demand sufficiently, at an earlier stage, is a big reason why the investors are less keen on putting money in at this phase, so exacerbating the challenge of bridging the funding 'valley of death'⁵. Investors and Investment Funds generally only invest in businesses, whether start-up or an established business. They are not prepared to 'risk' capital on an idea from a pre-start-up entrepreneur. Another gap in the innovation cycle is funding to enable SMEs to access HE innovation as part of their innovation and growth strategies. It is proposed SELEP develop an Innovation Intervention Fund (IIF) that supports early stage ideas evaluation (proof of concept) and a fund to enable innovative SMEs to access valuable intellectual property across the SELEP HEI network. The fund will have two strands:

⁵ <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmsctech/348/348.pdf>

a. Innovation Intervention Funding - supporting pre- and early stage start-ups

The IIF will provide a balanced package of 'investment ready' funding for the pre- and early stage start-up. A small amount of funding up front can get a pre- start-up going and growing – enabling them to move their idea to a stage where they can get something developed and in turn encourage more interest in their business idea. It is our experience that funding of £1,000 to £5,000, depending on the sector and innovation being developed, can make a huge difference to taking an idea and business forward. IIF will work with other funding organisations to move the start-ups through the later stages of their formation by building an escalator of financial support for innovative businesses at different stages of their growth running from initial, angel and seed funding, through start-up and expansion venture capital funding.

b. Innovation Intervention Programme - helping SMEs access IP across the SELEP HEI network

Commercialising research is a high priority for universities as a mechanism for demonstrating impact from research. A barrier to business innovation and growth is their absorptive capacity. IIF will provide an easy mechanism for SMEs to license or purchase SELEP HEI IP but more importantly the HEIs will provide knowledge transfer assistance in helping them adopt and embed the IP into their business. In order to make it easier for SMEs to find the innovation they require it is proposed a single portal is developed showcasing available HEI IP. The fund would seek co-investment from the businesses and could qualify for R&D tax credit so would be an incentive for businesses. Not all Proof of Concept projects would be suitable for this arrangement, but this could be an option for certain projects and an aspiration for the fund.

GEEPSEE – Graduate Enterprise / Entrepreneurship Project – South East England - Lead HEI - University of Greenwich

8. To develop the Essex, Kent and Sussex economy by supporting the creation of new business we need to encourage more graduate economic, social and community entrepreneurship by providing the opportunity for self-employed work placement / experience, compared to the more traditional 'being employed' approach. This will complement other graduate employability initiatives for which Universities now have been given greater responsibility and accountability, with a focus on new business / organisation start-up. We will encourage selected graduates to build their own careers based upon their creativity, imagination and ideas, possibly later employing others. Such graduate entrepreneurship is a vital component of sustainable economic and social regeneration, particularly in the context of a global, knowledge-based economy, and will help to keep, and attract, entrepreneurial and enterprising graduate talent in the Region. This should provide short, medium and long term return on investment, and is totally scalable. Doing nothing is arguably no longer an acceptable choice from any perspective, and this is a positive and forward looking proposal that carries few inherent risks.

General summary of project proposal:

9. Each partner will identify potential entrepreneurs / self-employed portfolio workers from their student body. They will be asked to submit their ideas in the form of an early stage business plan, which will be scrutinised by a designated panel, including internal and external partners. Selection to support these will be made based on potential / viability / sustainability and credibility. The support package will need to be defined and personalised according to needs – In the submission, we could ask for an outline of the nature of support that might be anticipated. In gross value, there is likely to be c£10k per supported business (which may comprise more than 1 individual). Components may include business space, professional services, small amounts of equipment, specialist software, academic support (including mentoring) and potentially, a small cash grant to support cash flow / basis living expenses (nor more than £5k pa, and only to be released against agreed targets /

deadlines). The scale will be dependent on funding available, but we should aim for each partner to identify 20 supportable ideas, per annum, for each of three years.

Digital Adventures in the south East (DASE) - Lead HEI– University of Creative Arts

10. Digital Adventures in the South East (DASE) can add value by providing an opportunity for SELEP to tap into the digital expertise, be it knowledge, creativity or skills around digital technologies and digital content, of the region's universities through a range of interventions prioritizing coastal and rural communities. DASE provides an opportunity for visions around sustainable regional economies and healthy communities to draw on the insights of national and international digital and creative economy related research and wider educational agendas whilst directly benefiting universities individual research ambitions as well as objectives around enhanced student experience, retention as well as recruitment. DASE proposes to create is a win-win relationship between the economic and social development and regeneration and research and educational agendas. DASE will achieve this through a range of impact-orientated interventions:
 - a. DASE will be celebrating digital adventures in STEAMED (Science, Technology, English, Arts, Maths, Entrepreneurship and Design) subject areas on the universities respective campuses. The annual **Digital Adventure Fest** will celebrate and showcase student and staff digital connections, their work, ideas and ambitions. These will be flanked by showcasing developments in industry and demonstrating the kind of beneficial and collaborative links that already exist between industry and academia.
 - b. **Digital Generations** will reach out to the schools and communities of the regions coastal and rural communities through digital summer schools covering the different disciplines, through supporting or initiating local student-led digital events, such as the games festival GEEK in Margate.
 - c. DASE will provide a series of digital skills development programmes for graduates informed by industry standards and requirements, covering both digital content and technology applications. The **Digital Foundations** scheme will offer participating graduates a structured digital and creative industry placement in the SELEP region supported by a bursary.
 - d. DASE will offer a **Digital Knowledge Exchange** through the development of industry/university collaborative applied research projects covering the STEAMED subject areas. Vehicles such as sandpit events will facilitate the collaboration.

In Summary

11. Universities have the potential to contribute significantly to, and do, contribute significantly to the growth of a vibrant, innovative local economy; they contribute circa £2bn annually to the economy. By combining their research expertise the HEIs can also provide rich insight into the region's economy and contribute to the development of the evidence base to the benefit of SELEP and its stakeholders, which could stimulate a wider, regionally-relevant research agenda. The Universities' work and economic impact cuts across all elements needed to grow the economy – our universities are not simply providers of services to local businesses but influential economic 'actors' in their own right, bringing new ideas, skilled people, investment, and businesses to a region. Our universities have an impressive track record in winning research, government and EU funding to develop and support businesses and we believe applications for funds are more likely to be successful if made on a regional consortium basis. All the universities can contribute to the work streams outlined in this paper and we have agreed to further develop these. Overall, we see good opportunities for the universities to contribute to the sustainable and smart growth agenda, particularly innovative pre- and early stage start-ups and SMEs seeking to access our innovation potential. The universities are keen to work with the LEP and develop a long-term platform (which the work streams for part of) for the exchange of knowledge, innovation, creativity and skills with the businesses in the region and the local communities. We

believe the European Structural Fund provides an opportunity to take forward the work streams whilst bringing together the HEIs for the benefit of the regions businesses and economy.

The Board is asked to endorse the proposed approach to accessing EU Structural Funds to support HEI collaboration across the SELEP region.

Author: Carole Barron

Position: Director of Innovation & Enterprise, University of Kent.

Written on behalf of the SELEP HEIs.

Date: 18th June 2013.

SE LEP - THE FUTURE
NOTE FROM JOHN SPENCE

As many members will know there have been on-going discussions in recent weeks about how best to manage the affairs of SE LEP going forward. These discussions have been driven by:

- Local authorities seeking a more direct allocation of programme funds;
- a desire to maximise business engagement at local level;
- a concern to formalise our principles of subsidiarity, maximising cost effectiveness by playing to local strengths and utilising local resource;
- a recognition that our existing governance can appear cumbersome and bureaucratic.

While all parties are agreed at the direction of travel there are many points of detail to be addressed and an absolute requirement that we do not lose the baby with the bathwater. As we compete for funds at national and European level we will be stronger where we speak with a united voice; the power of SE LEP has already been seen in discussions with government and, for instance, the London LEP. While government are happy to see the SE LEP deploy local partnerships they continue to expect us to emerge with a unified strategy and set of priorities. The attached paper has been developed with all these factors in mind. In our discussion next Friday I hope we can focus on the key themes rather than specific language, and realistically we will not be able to agree every word with so many players at the table.

I am hoping that we can make the following decisions:

1. That we move to more formal devolution with a series of more local boards feeding into a small over-arching board;
2. That we agree that the norm will be for government funds to be devolved to those boards but with decisions on a case by case basis;
3. That our modus operandi will be to develop strategies from the bottom up, with a SELEP Board and Secretariat providing co-ordination and identifying/agreeing where specific interventions will add pan-LEP value;
4. That the SE LEP Board and Secretariat continue to work with partners to develop specific pan-LEP initiatives to be pursued by consensus (eg. Coastal Communities, combined HEI Initiatives) and to pursue specific responsibilities placed by government.

If we can all agree on these points and can continue to commit and find tune the detailed paper, I hope to achieve approval by correspondence over the next four weeks.



John Spence
Chairman - South East Local Enterprise Partnership

SELEP - NEW WAYS OF WORKING

Purpose

1. Two years into the LEP, it is timely to review the effectiveness of the LEP's operation to ensure it is fit for purpose for the challenges ahead including accessing monies from the single pot and delivering our emerging growth and EU strategies. This paper makes detailed proposals as to how SELEP might achieve its goals through a more effective way of working by better deploying local resources and maximising business input.

Recommendation

2. The Board is asked to:
 - a. **Consider** the proposals; and
 - b. **Endorse** the proposed new ways of working.

Background

What do we want to achieve?

3. As a strong combination of business and public sector partners, the SELEP should:
 - a. drive, coordinate and support the maximisation of growth, innovation and prosperity across the region;
 - b. enable opportunities for growth to be delivered efficiently and in accordance with real economic need by delegating or mandating delivery of all but a limited list of strategic truly LEP wide functions, resources and decision-making powers;
 - c. through county / unitary and other geographical partnerships, be fully engaged with businesses throughout the region to reflect business needs;
 - d. fully and efficiently discharge all the specific responsibilities placed on it by government, achieving high ratings in all independent reviews;
 - e. be able to speak authoritatively with government where appropriate and to lobby effectively, maximising its influence by engaging with government where invited, and by liaising with all interested bodies in the region to speak with a single voice where there is added value in doing so.

What functions will be delegated?

4. It is proposed that there will be a number of county wide / unitary / other geographic partnerships supporting the SELEP. While terms of reference would be determined locally, each partnership would:
 - a. be responsible for the creation and delivery of its growth and economic development strategies;
 - b. ensure strong business engagement and participation;
 - c. ensure the proper deployment of all funds allocated to it;
 - d. determine the need for and oversee the implementation of any new Enterprise Zones, providing they can be funded from within the geographical area;
 - e. agree its transport investment priorities for aggregation to the local transport body; and
 - f. initiate any other activities as are appropriate to the geographic area.

What will be the central issues managed by the SELEP Board?

5. Central issues will be those that are resourced directly by the small central team and/or those that require consensus or majority agreement among the partners. At this level, together we will develop a cohesive and robust growth strategy with investment plans for the basis of growth deal discussions, and:
 - a. Assume, as a norm, that funding is delegated to the county / unitary / other geographic areas except in circumstances where a different approach is supported by the Board or required by government. The secretariat will oversee the deployment of the funds. A single Accountable Body will remain to provide continuity with HMG with streamlined reporting;
 - b. identify any pan-LEP issues and opportunities and agree with partners how best they are taken forward, e.g. joint lobbying activity on aviation, ports, impact of welfare reform on coastal communities etc.;
 - c. identify examples of best practice within specific geographies or sectors and facilitate and encourage others to foster their adoption;
 - d. within a framework of devolution, coordinate individual pieces of work where required to develop a LEP-wide submission consistent with government requirements (e.g. the SELEP Growth Strategy; SE EU Investment Prospectus; Skills Priorities, etc.)
 - e. engage with government as required and, with the county-wide / unitary / other geographic partnerships and local authorities, liaise with adjoining LEPs, such as London, to maximise influence and ensure our agenda is taken forward to best effect;
 - f. lead and manage a consistent, light touch but evolving communications strategy for use by all partners in relating to the wide business community; and
 - g. ensure all its directly managed budgets and resources are tightly managed and correctly deployed in accordance with all regulations and the spirit of devolution.

What does this mean for governance?

6. As set out at the start of this note, our goal is to achieve a LEP that is fleet of foot, creative and dynamic, that addresses strategic issues where there is added value in a LEP-wide approach and that engages with/is respected by businesses. Our governance must reflect these goals.
7. Each of the county / unitary / other geographic partnership areas will strengthen their local board and governance arrangements. It will be up to the county / unitary / other geographic partnership areas how they constitute these, but consistent principles will be:
 - a. at least equality of private/public sector representation, plus a private sector chair;
 - b. involvement of district / borough councils;
 - c. transparent and involving methodology for business sector representatives;
 - d. direct representation from and/or structured linkage with HE/FE; and
 - e. good practices of governance and transparency are adopted.
8. SELEP will have a new smaller Board, drawn from the supporting county wide / unitary / other geographic partnerships, comprising a representative from each of East Sussex, Essex, Kent, Medway, Southend and Thurrock. There will be at least an equal number of business representatives, with selection methodology to be defined locally. There will be a business sector chair. Representation from HE/FE to be decided.
9. It is envisaged that the SELEP Board will meet formally and in public meeting four times per annum, with the potential for extraordinary meetings if required.
10. The existing Board has served SELEP very well in creating a truly involving forum. It will therefore 'morph' into a SELEP Council, initially meeting twice per annum to receive reports from the board, to

maintain an element of oversight, and to engage in discussions on major issues. One meeting of the SELEP Council each year will take the form of an Annual General Meeting.

11. The Executive Group will be discontinued.
12. The SELEP Secretariat will lead on arrangements for the Board and Council and can attend the county / unitary / other geographic area meetings.
13. For the revised arrangements to work:
 - a. the secretariat will work very closely with the local authority officer leads to ensure that the SELEP programmes are appropriately delivered; and
 - b. there will be regular dialogue between the SELEP Chair and the Chairs of each local partnership. Whilst business sector only meetings/discussions are not part of the formal governance, it is expected that these will happen from time to time.
14. The LEP will remain geographically coterminous with the LTB. County wide / unitary / other geographic partnerships will determine their transport priorities and it is for the LTB to determine the investment of transport related funding allocated to it.

Next Steps & Proposed Timelines

15. Subject to endorsement of these new ways of working by the Board over the coming four weeks, local partners will determine their arrangements for county-based / unitary / other geographic partnerships.
16. A fuller item will be presented to the October Board to coincide with the appointment of a new Chair. New ways of working to be adopted immediately thereafter.

Author: Dr Susan Priest

Position: Director SELEP

Contact details: 01245 431820

Date: 21st June 2013



ACTIVITY UPDATES

Purpose:

1. The Board is invited to **note** progress across a range of activities as the secretariat and partners deliver the business plan priorities.

Business Plan Priority: Business Critical Infrastructure

Strategic Infrastructure

2. The Highways Agency has announced Local Pinch Point funding for two schemes in Essex: A176 at Nethermayne in Basildon and Army and Navy A1060 in Chelmsford; and one scheme in Kent: Westwood Roundabout relief strategy in Thanet. These investments are from the second tranche of Local Pinch Point Funding, and are among 62 schemes across the country to benefit from the £170m Fund. These schemes will deliver over £7m total investment in projects which aim to reduce bottlenecks which are impeding growth.

Rail

Greengauge 21 HS1-HS2 study

3. Greengauge21 have published their report; Travel market demand and the HS1 - HS2 link. The report addresses the question (previously overlooked in the debate about HS2) of the potential link between HS1 and HS2 routes for domestic high-speed rail services and the demand for this. The report identifies a wide set of benefits from the proposed link, especially for the HS1 catchment of East London, Essex and Kent. The next steps following the outcomes of this study are being considered by the Strategic Transport Infrastructure Group of the LEP. The key findings are:
 - Demand for high speed rail travel from the SELEP area (plus Suffolk and East London) to the midlands, North West and Yorkshire and Humber area is 18,500 journeys a day.
 - Providing a double track HS1-HS2 link and interchange opportunities in east London adds a further 24,900 journeys to the figure above.
 - The highest demand occurs when high speed trains connecting Kent and the North West and Yorkshire with interchange at Stratford are augmented by a regional service connecting Kent, east London, north west London, Milton Keynes and Heathrow.
 - Potential to double the rail market share for journeys between SELEP area and the Midlands, North West and Yorkshire and Humber area.
 - A typical high speed train can carry up to 1100 passengers
 - Demand could support 4 trains per hour each way using the HS1 – HS2 link; a higher frequency than the planned single track link can support.

Business Plan Priority: Business Engagement

4. Three successful Open Business Meetings have recently taken place. These meetings provided the SE LEP the opportunity to raise awareness of its work and future priorities and for businesses to raise questions and issues. It also provided a forum for the SE LEP to consult with representatives of the business community regarding the SE Growth Strategy and EU Investment Strategy.
5. The East Sussex event was held on 18th June and was very successful with over 40 local businesses and partners attending and providing good input on themes for the growth strategy and EU prospectus

such as skills, transport, innovation and SME competitiveness.

6. The Essex, Southend & Thurrock event was held on 21st June with over 70 businesses in attendance and the private sector were also given the opportunity to provide views on the Lower Thames Crossing Consultation.
7. The Kent and Medway event on 24th June enabled discussion on the Lower Thames Crossing and the Unlocking the potential strategy for Kent County Council to be discussed, which will feed directly into the future LEP strategies.
8. The Conservative party has appointed twelve Small Business Ambassadors nationwide to help promote and represent small businesses across the country and government. Matthew Hancock MP has been appointed the Conservatives' Small Business Champion and will lead the new campaign, which will include events across the country in the coming months. The MPs for our area are:
EAST: Brooks Newmark (Braintree)
SOUTH EAST: Damian Collins (Folkestone and Hythe)

Business Plan Priority: Skills

9. The recent enquiry from the APPG for Local Growth has published its latest inquiry report, *Skills and employment in the age of Local Growth Deals*, which the LEP Skills workstream group submitted a response to. [The report is available here](#) This will be used as a contribution to the debate in the run up to the Spending Review and future single local growth fund.
10. In addition a new inquiry has been launched by the APPG '*Rising to the challenge – how LEPs can deliver local growth strategies*'. As LEPs ready themselves to take on an expanded role in the wake of the Heseltine Review, the APPG has announced a new inquiry on LEPs' strategic and leadership capacity, sponsored by the Institute of Chartered Accountants in England and Wales. The call for evidence is attached and can also be found at <http://appglocalgrowth.org/news-and-events/>. Responses are requested by 19th July 2013. As with previous inquiries a number of verbal evidence sessions will be held in Parliament and the lines of inquiry for these will be developed in light of the Spending Review on 26th June, and further details on the 'Single Local Growth Fund'.

Business Plan Priority: Cross Cutting Themes

Coastal

11. At its meeting on 22nd May 2013 the SE LEP Coastal Communities Group discussed the progress being made against the priorities presented and endorsed by the LEP Board at its meeting on 15th March 2013. Of these the Group recognised the imperative to clearly identify the economic potential afforded by the coastal communities and for this to be reflected within the LEP's emerging Growth Strategy. This requirement was explored in more detail in discussion following a joint presentation by Lorraine George and Katharine Harvey regarding the EU Growth Prospectus and the work being undertaken by the Secretariat to develop the LEP's Growth Strategy. It was agreed that the LEP's appointed consultants would facilitate a Coastal Communities workshop to agree the coastal priorities and strategic themes to be identified and reflected within the emerging strategy.
12. In addition the Group received an informative presentation on the work of the National Maritime Development Group and a further presentation by Natural England detailing its work to protect and improve the environment, whilst supporting initiatives to secure economic growth.

Rural

13. The SE LEP Rural Workstream was held on 11th June 2013 where various projects that might be included in the SELEP EU Investment Prospectus were discussed. This included a proposal to secure the future of livestock farming in the Weald and a programme to rebuild the research laboratories at East Malling Agricultural Research Station as part of their centenary celebrations.

Communications

14. Since end of May SE LEP has issued five press releases, including mobile telephony and aviation items and provided comment pieces to the Kent Chamber of Commerce; Harlow Chamber of Trade; Essex Chamber of Commerce and the FSB's in East Sussex, Essex and Kent. It has also provided a comment to the Local Government Chronicle regarding the move to a new way of working.

15. John Spence has been interviewed by both Heart and BBC Essex regarding the launch of the London-Stansted-Cambridge Corridor Consortium. He was also interviewed by the Financial Times regarding the benefits and impact of the London Gateway Port in Thurrock.

16. SE LEP has increased its Twitter followers by 84 to 1,124 (as of June 13) and has established a company LinkedIn profile. The SE LEP website has received 1,035 visits (730 unique) since the Executive Group. This means that since the new site was launched on 1 January 2013 it has received 10,361 visits (6,233 unique). The top five pages viewed since 1 January 2013 are Home Page (7,755 visits); mobile phone survey (1,795); meetings/agenda/minutes (1,793); contact us (1,561); What is SE LEP (1,545)

Author: Zoe Myddelton

Position: South East LEP Programme Manager

Contact details: 01245 431469

Date: 21st June 2013

Appendix 1: Holding Directions at 14th June 2013

SITE	TRUNK RD	LOCAL PLAN AUTH	DATE HD IMPOSED	HD REVIEW DATE	HISTORY AND CURRENT SITUATION	CURRENT ACTION WITH
Lodge Hill Chattenden	A2/M2	Medway MC/11/2516	29/11/2011	5/08/2013	Meeting held on 31/5/12 with applicant. Medway to submit evidence re M2 J2&3. Response re J2 shows no impact. Meeting held 10/9/12, agreed need to conduct modelling exercise. To take place between Oct-Jan 13 and feed to reopened Core Strategy EIP. Assessment continues. General design agreed and about to be subject to Stage 1 Road Safety Audit	Applicant - provide evidence
Codham Hall Lane Farm	M25 (Junction 29)	Essex Waste Local Plan.	31/5/13	26/7/2013	Application includes access to Junction 29 left in place by contractors for M25 Sect 4 widening. This includes a set of signals partially on land owned by a third party (who are lessor to the applicant). As well as impact on circulatory c-way of Jct rdabt HA also needs to resolve on-going maintenance and operational issues, including costs, of the signals.	Developer to carry out turning movement counts on M25 Jct 29 roundabout.
Plot 4 Eclipse Park	M20	Maidstone MA/12/0021 (MA/12/0022)	10/02/2012	28/06/2013	HA about to complete their assessment of design Departures. Applicant is asking for Exceptions to be made to the recommendations of the Road Safety Audit. Meeting held 10/1, agreed drawings, s278, timing of works. To commence summer 2013 ahead of opening of KIMS in early 2014. Potential exceptions to the recommendations of the Stage 1 Road Safety Audit are being considered	HA - consider departures from design standards and request for Exceptions to Safety Audit recommendations.

SITE	TRUNK RD	LOCAL PLAN AUTH	DATE HD IMPOSED	HD REVIEW DATE	HISTORY AND CURRENT SITUATION	CURRENT ACTION WITH
Phase 1 Waterbrook Park, Waterbrook Ave, Sevington, Ashford, Kent	M20/A2070	Ashford 12/00471/AS	06/06/2012	03/07/2013	Holding direction issued with letter explaining supporting information and justification is needed. 2nd letter issued 21/9 in response to 1st letter response. 21/11 Applicant seeking to agree increase in Ashford Dev Units (DUs) allocated to site. HA to be involved as necessary in assessing evidence re where past allocations have not been used and hence are available for reuse. Developer has proposed conditions and HA received comments on them from Ashford BC on 27/2/13. Awaiting final version of conditions from Ashford BC.	Applicant - awaiting conditions
45-47 Barnhorn Road	A259	Rother RR/2012/2115/P	09/01/2013	02/07/2013	Application for demolition of 2 existing dwellings and construction of 8 apartments. A geometric departure from standard in respect of visibility splays to a relocated new access has been submitted and is currently being processed.	HA - to complete departure process
Spilstead Farm, Stream Lane, Seddlescombe	A21	Rother RR/2012/2398/P/1	02/05/2013	28/06/2013	An existing application to remodel land to improve visibility on an airstrip was made in November 2011 but this was subsequently replaced with a new proposal dated 15 April 2013, which included a new temporary access for construction traffic. This new access is inappropriate for the proposed use by large volumes of heavy traffic and improved drawings for the access have been requested which will allow safer operational manoueuvering and visibility.	Applicant -to provide improved drawings