

Thursday 23 November 2017, 5.00-7.00pm

Village Hotel, Forstal Road, Maidstone, ME14 3AQ

AGENDA

	Approx time	Page
1. Welcome, introductions and apologies for absence	5.00	
2. Declaration of Interests	5.02	
3. Minutes of previous meeting, matters arising & action tracker	5.05	2 + 9
4. Local Growth Fund 1, 2 & 3: Delivery Progress Report	5.15	12
5. Draft South East LEP Skills Strategy & the European Social Fund	5.25	41
6. Kent and Medway EDGE Hub: Presentation by Professor Callum Firth, Dean of Social & Applied Sciences at Canterbury Christ Church University	6.05	<i>Presentation</i>
7. Kent and Medway Growth Hub – Performance update and progress to date on putting Growth Hubs on a more self-sustaining financial footing.	6.25	<i>Presentation & 102</i>
8. AOB	6.50	

For information items:

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ITEM 3A

Date: 23 November 2017

Subject: DRAFT MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held at the Hilton Hotel, Maidstone on 7 September 2017.

Attendees:

KMEP Board Members

Geoff Miles (Chair | The Maidstone Studios)
Matthew Balfour (Kent County Council alternate)
Paul Barrett (C4B Business & Barretts Motors)
Andrew Bowles (Swale Borough Council)
Rodney Chambers (Medway Council)
Miranda Chapman (Pillory Barn Design Ltd)
Sarah Dance (Sarah Dance Associates)
Nick Fenton (Kent Developers Group)
Peter Fleming (Sevenoaks District Council)
Graham Galpin (Ashford Borough Council alternate)
Iain Hawthorn (HSBC Bank Plc)

Douglas Horner (Trenport Investments Ltd)
Andrew Metcalf (Maxim PR)
David Monk (Shepway District Council)
Graham Razey (East Kent College)
Prof. David Shephard (Canterbury Christ Church University alternate)
Paul Thomas (Dev. Land Services Ltd)
Paul Watkins (Dover District Council)
Fran Wilson (Maidstone Borough Council)
Paul Winter (Wire Belt Company Limited)

Observers & Presenters in attendance

Lee Burchill (KCC), David Candlin (TWBC), Nicholas Churchill (CCC), Barbara Cooper (KCC), William Cornell (MBC), Christina Fuller (ABC), Stephen Gasche (KCC), Mary Gillett (KCC), Stephanie Holt (KCC), Simon Hookway (GBC), Dave Hughes (KCC), Tim Ingleton (DDC), Sarah Kelly (CCC), Richard Kidd (TDC), Tomasz Kozlowski (MC), Rhiannon Mort (SELEP), Matthew Norwell (TGKP), Sarah Nurden (KMEP), Karla Phillips (KCC), Susan Priest (SDC), Joe Ratcliffe (KCC), David Smith (KCC), Katie Stewart (KCC), Jeremy Whitaker (TMBC), Emma Wiggins (SBC)

Apologies:

KMEP Board Members

Paul Carter (KCC), Gerry Clarkson (ABC), Simon Cook (CCC), Philip Cunningham (Cripps LLP and Chartway), Nicolas Heslop (TMBC), Jo James (Kent Invicta Chamber of Commerce), David Jukes (TWBC), Jeremy Kite (DBC), Jane Ollis (IOD), Jon Regan (Hugh Lowe Farms Ltd & Weald Granary Ltd), Nick Sandford (Kent Country Land Association), Steve Sherry (RBLI), Prof. Rama Thirunamachandran (CCCU), David Turner (GBC), Chris Wells (TDC)

Item 1 – Welcome, introductions and apologies

- 1.1 Mr Geoff Miles, KMEP Chairman, welcomed those present to the meeting and received apologies as set out above.
- 1.2 Miranda Chapman declared an interest in the Growing Places Fund agenda item. Douglas Horner declared an interest in the Housing Infrastructure Fund agenda item. Both board members excluded themselves from the debate when the corresponding agenda item was covered.

Item 2 – Minutes of previous meeting and action tracker

- 2.1 The minutes of the previous meeting were agreed as a correct record and signed by the Chairman accordingly. The action tracker was noted.

Item 3 – Growing Places Fund (GPF)

- 3.1 The Partnership received a presentation from Sarah Nurden (The KMEP Strategic Programme Manager) on the Growing Places Fund (GPF). She made the following comments:
 - Repayments are being made on previous GPF loans, which has created the opportunity to allocate £9.317 million of GPF to new projects across SELEP between 2017/18 and 2019/20.
 - There is a three-stage process, set by SELEP, to determine which projects will be awarded a GPF loan.
 - In the first stage, KMEP is asked to select projects up to a value of £4.65m to proceed to stage 2.
 - In the second stage, the Independent Technical Evaluator will RAG-rate the strategic outline business cases, and use this rating to produce a draft prioritised list. This draft list will be presented to the SELEP Investment Panel in November for debate and decision.
 - In the third stage, the outline business case will be taken to the SELEP Accountability Board to seek their approval to draw down funding.
 - The KMEP Strategic Programme Manager ran through the criteria for stage 1 and 2, and emphasised that, the expected benefits exceeding the project costs, the contribution to the establishment of a revolving fund, and the deliverability criteria would be of high importance during the stage 2 assessment.
 - She gave a description of the 7 projects seeking a GPF capital loan, and summarised their expected benefits.
 - She explained that match funding information had not been supplied with one of the projects. A 30% match was stipulated the SELEP criteria, causing this bid to be discounted.
 - She explained that she had met with the Independent Technical Evaluator before the KMEP discussion took place to gain a greater understanding of how the ITE may assess the bids in round 2.
 - Concluding her presentation, she drew the board members attention to the GPF assessment sheet.

- 3.2 In response to her presentation, the Partnership made the following comments:
- Paul Watkins, who is chairman of the East Kent Spatial Development Company, withdrew the EKSDC bid.
 - Geoff Miles spoke of the large quantum of commercial space that would be delivered by three of the bids (Javelin Way Development, the Fitted Rigging House, and the Innovation Park at the North Kent Enterprise Zone). In addition, the No Use Empty bid stood out due to its 3-year repayment schedule and lower cost per job when compared to the remaining schemes.
 - Douglas Horner, Andrew Metcalf and Paul Barrett expressed regret that there was not more loan funding available, as the Beach Street scheme fitted well with the strategic vision of KMEP. In particular they commented on the project's positive impact on place-making in Herne Bay.
 - There was a discussion over the criteria. Some of the technical criteria (such as cost per job) were deemed by some board members to be blunt instruments, however, it was agreed by the Board that it is important to maximise the chances of the bids successfully progressing through stage 2 of the selection process. This would involve the technical assessment by the ITE.
 - Graham Galpin expressed Ashford Borough Council's support for the Javelin Way Development, which would enable Jasmin Vardimon Company to remain based in the South East LEP area.
 - Matthew Balfour commented on the strong track record of NUE in bringing derelict buildings back to life, supporting regeneration. He commented on NUE's high value for money.
- 3.3 KMEP took a vote on which projects should proceed to stage 2. It was agreed that the following projects would be endorsed by KMEP:
- Javelin Way Development in Ashford;
 - Fitted Rigging House in Chatham Historical Dockyard;
 - Innovation Park at the North Kent Enterprise Zone; and
 - No Use Empty Commercial Programme, covering Kent.
- 3.4 KMEP thanked the Strategic Programme Manager for her presentation, and asked her to notify the applicants of the outcome of the debate.

4. London Resort

- 4.1 A presentation was given to the KMEP Board on the 'London Resort' by:
- Humphrey Percy, CEO, LRCH (London Resort Company Holdings)
 - Andy Martin, Communications Director, LRCH, and
 - Chris Potts, Director, Savills
- The London Resort is an entertainment resort planned for the Swanscombe Peninsula.
- 4.2 The presenters made the following comments:
- The vision is to create a global destination resort. It plans to be an immersive experience aimed at families. It will be a world class level 1 theme park (on par with Universal and Disney) that attracts international, national and local visitors.

- Its scale and the type of experience offered will differentiate it from existing UK theme parks.
- Transport modelling is a key strand of the planning, and the proposal is to have a good split between road, rail and river as access routes.
- A memorandum of understanding has been signed with the Port of Tilbury, so construction materials can be barged across the river directly to site.
- The heads of terms have been signed with IHG (a British hotel firm).
- Around 30,000 new jobs are estimated at the resort, in the hotels, in the supply chain and in the surrounding area.
- By 2038, the ambition is to have 15 million visitors a year.
- Savills is taking the scheme through planning. The statutory consultation is scheduled for quarter 1 of 2018. The Development Consent Order is due to be submitted in quarter 2 of 2018. The expectation is that it will take 15 months from the DCO submission to the planning decision.
- The grand opening is presently planned for 2023.
- LRCH recognise the importance of links to the local community. There will be a network of cycle and footpaths.

4.2 In response to the presentation, the KMEP Board asked about the link with the local creative industries and skills providers. LRCH outlined their ambition to use local supply chains where appropriate, and they have created a database of firms (both local and national) which have expressed an interest in supplying goods and services to the resort. On skills, the LRCH has had conversations with the Kent County Council skills officers and with Visit Kent. Graham Razey encouraged them to speak to the Further Education Colleges, and shared his contact details. A final question was asked about the likelihood of delays impacting the timeline. LRCH were confident that the timeline would be broadly adhered to.

4.3 The Chairman thanked Humphrey Percy, Andy Martin, and Chris Potts for the presentation.

5. The Open and associated works at Sandwich Railway Station

5.1 Tim Ingleton (Head of Inward Investment at Dover DC), Katie Stewart (Director of Environment, Planning and Enforcement at Kent County Council) and Stephanie Holt (Head of Countryside, Leisure and Sport at Kent County Council) introduced The Open report. They made the following comments:

- The Open is a sporting event that independent research demonstrates brings at least £77m of economic benefit to the area. This financial assessment was undertaken by Sheffield Hallam University's Sport Industry Research Centre.
- Critical transport improvements are required at Sandwich Station to enable the expected number of spectators to access the Royal St George's Golf Course when The Open is underway.
- In January 2017, SELEP and KMEP partners agreed that a temporary platform extension would be appropriate to provide the necessary capacity for the duration of the event.

- Since January, further work has been undertaken to develop the project and confirm the costs of the temporary infrastructure. This work has identified that £909,000 would be required each time the temporary infrastructure was re-established, on top of the initial costs.
- The permanent infrastructure option becomes more cost effective than the temporary option on the second return to Kent. Partly as a result of this, the permanent platform is now the stated preferred option of DfT, DCMS, KCC, Royal and Ancient, DDC, and Royal St George's Golf Club.
- The officers had identified the Ashford Spurs underspend as a potential source for the SELEP/KMEP contribution to The Open. This is currently anticipated to be c. £2 million. They have also identified the Sustainable Interventions Programme as a second potential source for SELEP to draw upon if required.

The presenters concluded their presentation by asking the Partnership to state if the temporary or permanent option was KMEP's preference, and asked for their endorsement that the Ashford Spurs underspend be earmarked to support this project.

5.2 In response to her presentation, the Partnership made the following comments:

- Iain Hawthorn commented on the project contingency. Stephen Gasche explained that Network Rail stipulate the contingency figure. This 35% contingency is lower than the contingency set for other projects (such as Ashford Spurs with a 40% contingency). The Secretary of State for Transport has made a verbal agreement to cover the contingency costs. If there is an underspend greater than £1,041,688 (which is the contingency cost for the permanent project), then the underspend would be split between all parties.
- A question was raised about the timeframe for the project. Stephen Gasche confirmed that there is enough time to deliver the project, subject to SELEP Accountability Board agreeing that the funding can be drawn down at their meeting in November 2017. Stephen Gasche has set an earlier time for Network Rail to deliver the project in case of delay.
- Paul Barrett asked about planning consent. Stephen Gasche confirmed that planning consent is not needed for railway works on railway land.
- Paul Winter asked about the power supply. Stephen Gasche confirmed the project group should have the power report by mid-November.

5.3 KMEP took a vote on whether to agree that:

- the permanent option was KMEP's preference,
- that any Ashford Spurs underspend be earmarked to fund the Open project.
- that the Sustainable Interventions Programme funding for future years be used towards the project if there is insufficient Ashford Spurs underspend.

The vote was taken, and it was unanimous in favour of this approach.

5.4 The Chairman thanked Tim Ingleton, Katie Stewart, Stephanie Holt, and Stephen Gasche for the presentation and their comments.

6. Housing Infrastructure Fund

6.1 Katie Stewart (Director of Environment, Planning and Enforcement at Kent County Council), Mary Gillett (Major Projects Manager at Kent County Council) and Joe Ratcliffe (Transport Strategy Manager at Kent County Council) introduced the Housing Infrastructure Fund report. The presenters made the following points:

- The Government has announced a £2.3bn Housing Infrastructure Fund (HIF) to deliver up to 100,000 high quality new homes by unlocking infrastructure.
- There are two types of fund available through the HIF: Forward Funding for high impact infrastructure projects to be submitted by upper-tier local authorities; and Marginal Viability Funding for lower-tier local authorities to bid for.
- There are three bids being developed as Forward Fund proposals across Kent and Medway. Medway Council is developing a bid called 'Connectivity – Medway's new paths to good growth'. Kent County Council is developing two bids, which are 1) Infrastructure programme to unlock delivery of Otterpool Park Garden Town and 2) Swale Transport Infrastructure Junction 5a Plus.
- The DCLG asks that the Forward Funding bids are ranked, and the Otterpool Park Garden Town is ranked as first priority for Kent County Council. The Swale bid is ranked as the second priority. Both bids have a very strong rationale for investment. After the bids are submitted, there is a 6-month period where DCLG will work with Kent County Council, and KCC officers are hopeful to evidence to DCLG why both bids should be funded, not only the first priority. In the 6 months, there will be testing of assumptions and a green book appraisal.
- The annex to the main report showed the marginal viability fund bids. Excluded from this annex are two bids from Thanet District Council, which have recently been received. Katie Stewart said she would circulate the details of these two new projects to KMEP Board Members.
- Most projects included in the list are already included in the Kent Local Transport Plan 4 or the Kent and Medway Growth and Infrastructure framework. All bids have a strong evidence base to show the need.
- KMEP is being asked to endorse the outcomes desired, rather than scrutinise the deliverability of the bid.
- The final funding award by the DCLG is expected to happen in Summer 2018.

6.2 In response to her presentation, the Partnership made the following comments:

- David Monk thanked Kent County Council for their hard work on the Otterpool Park bid. He explained that Shepway District Council had been strongly encouraged by the DCLG and HCA to make the bid. The bid will provide a range of infrastructure to unlock the delivery of 12,000 homes, including utilities, health and education facilities. If Forward Funding is awarded, the grant will accelerate the delivery of Otterpool Park.
- Andrew Bowles spoke about the Junction 5a Plus project, which would help deliver key transport infrastructure across Sittingbourne. He accepted that this was the second priority, but felt the case was strong so the DCLG could possibly fund both. He spoke about this project's connection to the local plan.
- Rodney Chambers mentioned the 'Connectivity: Medway's new paths to good growth' project would help deliver transport infrastructure on the Isle of Grain.

6.3 KMEP took a vote on whether to support the Forward Funding and Marginal Viability Fund bids, and also to endorse the ranked order of the two Kent bids. The vote was taken, and it was unanimous in favour of this approach.

6.4 The Chairman thanked Katie Stewart, Mary Gillett, and Tom Marchant for the presentation.

7. Any Other Business

7.1 The Chairman alerted attendees that the next KMEP meeting on 26th September may be cancelled, but asked them to keep it on hold for now. Final confirmation would be sent by email.

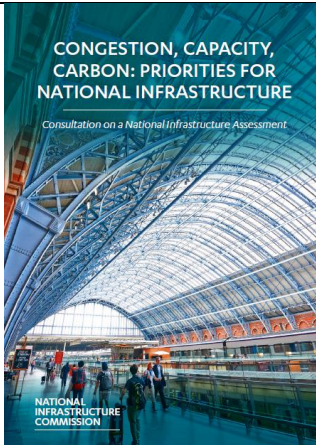
ITEM 3B

Date: 23 November 2017

Subject: Action Tracker and Progress Update

The table below provides a brief update on matters previously discussed by the Board, central government policy and consultation announcements, and give notices about forthcoming events.

Topic	Progress update
Growing Places Funding	<p>Strategic Outline Business Cases were sent to SELEP back at the end of September for the 4 GPF bids which KMEP endorsed on 7 September:</p> <ul style="list-style-type: none"> • No Use Empty • Fitted Rigging House • Innovation Park at the North Kent Enterprise Zone • Javelin Way Project <p>An email is due to be sent to the SELEP Strategic Board Members on 17/11/17. It will include a report that shows the independent technical evaluator’s advice on which GPF projects to prioritise for funding. The Strategic Board will then be asked to vote on whether to accept the ITE’s recommendations.</p> <p>The KMEP Strategic Programme Manager has been advised that all 4 of KMEP’s bids will be recommended to receive funding by SELEP.</p>
2018 Kent Food & Drink Conference	<p>Produced in Kent are hosting its 2018 Kent Food and Drink Conference at the University of Kent, Canterbury, on Tuesday 24 April 2018. It is sponsored by Barclays, NFU Mutual, Cripps LLP and Sollleys Ice Cream.</p> <p>The aim of the event is to stimulate business development and growth in the food and drink sector. To register for the event or to find out more, please go to this link: http://www.producedinkent.co.uk/about/kent-food-drink-conference/</p>
SELEP Annual Review	<p>The SELEP Annual Conversation with the Cities and Local Growth Unit will take place on 7 December. The SELEP Chairman and Managing Director will reflect on delivery and demonstrate how SELEP is moving forward with Mary Ney’s recent review of LEP governance – the recommendations from which DCLG are</p>

	requesting all LEPs to institute by 28 th February 2018. SELEP will be sending a revised declarations of interest template to all federated board members to ensure adherence with the new guidance in Mary Ney's report. Further information will be sent by email.
Planning for the right homes in the right places: Central Government's consultation	<p>Since the last KMEP Board meeting, the DCLG ran a consultation setting out the Government's proposals to reform the planning system to increase the supply of new homes and increase local authority capacity to manage growth.</p> <p>The current local assessment of housing need suggests 8,215 dwellings per annum should be built between 2016 and 2026 across the whole of Kent and Medway. The central government consultation raised this figure to 11,722 dwellings per annum.</p>
Budget	The Chancellor of the Exchequer, Rt. Hon. Philip Hammond M.P., will publish the Government's Autumn Budget on Wednesday 22 November.
Congestion, Capacity, Carbon: Priorities for National Infrastructure	 <p>The National Infrastructure Commission has launched a consultation called 'Congestion, Capacity, Carbon: Priorities for National Infrastructure.'</p> <p>The consultation runs to 12 January 2018.</p> <p>For more details about the consultation, please go to: https://www.nic.org.uk/wp-content/uploads/Congestion-Capacity-Carbon - Priorities-for-national-infrastructure.pdf</p>
South Eastern Rail Franchise	<p>The DfT announced the shortlisted bidders for the next South Eastern passenger franchise on 22 June 17. The current bidders are:</p> <ul style="list-style-type: none"> • South Eastern Holdings Ltd (NS's Abellio Transport Group, East Japan Railway and Mitsui & Co); • London & South East Passenger Rail Services Ltd (Govia 65:35 joint venture of Go-Ahead and Keolis UK); and • Stagecoach South Eastern Trains Ltd (Stagecoach Group). <p>The SELEP Capital Programme Manager and the KMEP Strategic Programme Manager met separately with each of the three South Eastern Rail Franchise bidders in September. The purpose of these meetings was to run through KMEP's response to the SE Rail Franchise Consultation (which the board agreed to issue back in June 2017).</p> <p>The Invitation to Tender is expected to be issued by the DfT shortly.</p>

Strategic Economic Plan Production update	<p>At the December Strategic Board, SELEP will be looking to highlight the evidence base; provide some early analysis of the Industrial Strategy White Paper (due by end November); seek support for the first cut shared agenda; and agree the short-term timetable for next steps. After the top line of the strategy is agreed, SELEP can then populate the place-based sections. The SELEP Managing Director is proposing that SELEP sign-off the whole project at the March SELEP Strategic Board.</p> <p>Central Government’s Industrial Strategy report is expected to be issued in the week commencing 27 November 2017.</p>
SELEP Strategic Board Membership	<p>The board member vacancy on the South East LEP’s Strategic Board, created by the retirement of Cllr Paul Watkins, has been filled by Cllr Simon Cook, Leader of Canterbury City Council.</p>
SELEP Accountability Board agenda	<p>On 15 December, the SELEP Accountability Board is expected to discuss the following items:</p> <ul style="list-style-type: none"> • STEM Innovation Centre - Colchester Institute LGF award • STEM Innovation Centre – Braintree Institute LGF award • SELEP Secretariat Budgets – Outturn 17/18 and budget setting 18/19 • <i>M20 Junction 10a LGF award - Ashford</i> • South Essex College Centre for Advanced Automotive and Process Engineering Growing Places Fund award • Eastbourne Fisherman Growing Places Fund award • Changes to LGF Capital Programme

ITEM 4

Date: 23 November 2017

Subject: Local Growth Fund 1, 2 & 3: Delivery Progress Report

Report authors: Lee Burchill, Local Growth Fund Programme Manager, Kent County Council
Helen Dyer, Project Officer (LGF projects), Medway Council

Summary

This report provides an update on the progress in delivering Kent and Medway's Local Growth Fund (LGF) programme.

The Board is recommended to:

1. Note the update on LGF project scheme delivery
-

1. Introduction

- 1.1 £162 million has been allocated from the Local Growth Fund (LGF) round 1, 2 and 3 to capital projects – primarily transport schemes - in Kent and Medway.

2 Kent and Medway's forecast LGF spend in 2017/18

- 2.1 The 2017/18 grant offer letter from central government confirms the grant amount to be paid and the provisional LGF allocation for the current financial year (2017/18).
- 2.2 The spend forecast as reported and agreed by the South East LEP (SELEP) Accountability Board in April 2017, has been set at £31.785m for Kent and £12.296m for Medway. This is the benchmark for which delivery and spend will be monitored against for the 2017/18 financial year and will be adjusted based on reporting to the quarterly SELEP Programme Consideration meetings.

3 Spend Profile for 2017/18

- 3.1 The table overleaf shows the updated LGF spend forecast for 2017/18 (as published in the November SELEP Acc. Board report):

LGF (£m)	Planned Spend in 2017/18 (as restated in September 2017)	Total Forecast Spend in 2017/18 (as reported in October 2017)	Variance*	Variance* (%)
East Sussex	25.999	26.404	0.405	0.016
Essex	17.887	14.099	-3.788	-0.211
Kent	32.238	25.923	-6.313	-0.198
Medway	12.299	5.910	-6.389	-0.519
Southend	13.508	7.517	-5.991	-0.444
Thurrock	12.293	8.905	-3.387	-0.278
Skills	0.096	0.096	0.000	0.000
M20 Junction 10a	8.300	8.300	0.000	0.000
LGF Sub-Total	122.597	97.153	-25.443	-0.208
Retained	31.128	15.211	-15.915	-0.511
Total Spend Forecast	153.723	112.364	-41.358	-0.269

- 3.2 The current variance in the predicted spend for 2017/18 across the Kent programme when compared to the SELEP profile from September 2017 is largely down to a reduction in the overall predicted cost of the Ashford Spurs scheme and the risk and contingency being re-profiled into 18/19 (£3.6m). It should be noted that this variance will reduce to £2.575m if SELEP Accountability Board approve the reallocation of underspend from this scheme as a contribution to the Open Golf Transport Improvements project (£1.025m) on 17 November 17.
- 3.3 The 2017/18 allocation for Fort Halstead (£1.53m) and Thanet Parkway (£4m) have now been reallocated into future years to coincide with a revised programme.
- 3.4 There is a risk for Kent and Medway that a very high proportion (51%) of spend for the year is profiled in Quarter 4 of 2017/18. This is predominantly a result of the requirement for LGF3 schemes to obtain business case approval from the SELEP Accountability Board before funds can be released and spent by the Local Authority or third parties who are delivering the schemes.

4 Business case development

- 4.1 Project funding is only secured following the completion of a full project Business Case, its appraisal by the Local Enterprise Partnership's (LEP) Independent Technical Evaluator (ITE) (currently Steer Davies Gleave) and approval by SELEP Accountability Board.
- 4.2 Across Kent and Medway, approval of a business case is required for a number of schemes programmed to spend LGF allocation in 2017/18. Appendix B presents the likely forward plan of business case submissions and approval by the SELEP Accountability Board.

- 4.3 At the last SELEP Accountability Board on the 22nd September 2017, the Board approved the business cases and LGF allocations to the projects identified in Appendix A, totalling £8.385m.
- 4.4 The next SELEP Accountability Board meeting is scheduled for 17th November 2017 which is after the publication of this report. An update on the outcome from the SELEP Accountability Board on 17th November will be presented at the KMEP meeting on 23rd November 2017.

5 Scheme delivery

- 5.1 A Red, Amber, Green (RAG) spreadsheet (shown in Appendix D and E) provides an overview of progress in delivering all the LGF capital projects in Kent and Medway.

For the KCC programme:

- 11 are Green (business case approved, funding fully secured and delivery on target).
- 14 are Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated);
- 2 are Red (funding not yet secured and significant cost or delivery issues).
- 1 is not profiled to spend until later in the programme.
- 5 are completed
- 1 has been removed

For the Medway programme:

- 4 are Green (business case approved, funding fully secured and delivery on target)
- 2 are Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated)
- 2 are not profiled to spend until later in the programme.

6 Recommendations

- 6.1 The Board is recommended to:
- Note the update on LGF project scheme delivery

7 Appendices:

Appendix A: Business Case Update from SELEP Accountability Board in September 17. A verbal update will be given on the outcome of the SELEP Accountability Board in November 2017.

Appendix B: Forward Plan of Business Case submissions

Appendix C: Details of projects highlighted red in the RAG rating

Appendix D: RAG spreadsheet (Kent County Council schemes)

Appendix E: RAG spreadsheet (Medway Council schemes)

Appendix F: RAG summary position

Business Case Update from last SELEP Accountability Board meeting in September 2017 – Appendix A

SELEP Accountability Board meeting date	Scheme	Description	SELEP Accountability Board Decision
22 September 17	A2500 Lower Road Improvements	Scheme to realign and improve the capacity of A2500 Lower Road/ Barton Hill Junction.	<p>The SELEP Acc. Board approved the allocation of £1.265m of LGF to the A2500 Lower Road Project. (£0.387m profiled to be spent in 2017/18)</p> <p>The business case was assessed as presenting high value for money with high certainty of achieving this.</p>
	Kent & Medway EDGE Hub	Scheme to construct and equip a new engineering, science and technology centre called the EDGE Hub	<p>The SELEP Acc. Board approved the allocation of £6.12m of LGF to the Kent & Medway Edge Hub Project. (£1.12 m profiled to be spent in 2017/18)</p> <p>The business case was assessed as presenting high value for money with medium certainty of achieving this.</p>
	Tunbridge Wells Junction Improvements (Phase 2)	Package of transport improvements (A26 Cycle Route)	<p>The SELEP Acc. Board approved the allocation of £1m of LGF to the Tunbridge Wells Junction Improvements Phase 2 Project.</p> <p>The business case was assessed as presenting high value for money with medium certainty of achieving this.</p>
	No Medway schemes were taken to the Board.		

SELEP Accountability Board Forward Plan – Appendix B

SELEP Accountability Board meeting date	Scheme	Description	SELEP ask
17 November 2017	Open Golf	Transport Improvements at Sandwich Station	Approval for the inclusion of the Project into the LGF Programme and approval for identified underspend from Ashford International Connectivity Project, to be reallocated to this project (£1.025m). The Business Case has been assessed as presenting high value for money with medium certainty of achieving this.
15 December 2017	M20 Junction 10a LGF award	A new motorway junction that supports local infrastructure needs as part of the future growth plans to the South of Ashford, Kent.	<p>Highways England are developing the business case for this project.</p> <p>In February 2017, the SELEP Acc. Board approved the award of £8.3m LGF funding to the Project to support the Development Phase.</p> <p>The SELEP Acc. Board also approved the remaining £11.4m LGF allocation to the Project to support the construction phase subject to:</p> <ul style="list-style-type: none"> i. Highways England providing evidence that a robust Value for Money assurance process has been followed and a funding decision has been made by Highways England’s Investment Decision Committee to approve the project in full; and ii. Sufficient funds being made available to the SELEP by Government for the future year LGF allocation to the Project.

			<p>Highways England's Investment Decision Committee is due to meet on 7 December 2017.</p> <p>An update will thus be provided to the SELEP Acc. Board on 15 December providing the decision made by Highways England Committee, and giving an updated value for money assessment.</p>
23 February 2018	Kent Sustainable Interventions Programme (18/19)	Programme of smaller sustainable transport intervention schemes to compliment larger Local Growth Fund schemes.	Approval for the 2018/19 funding from the £3m LGF allocation (£0.6m profiled to be spent in 2018/19).
	Kent Strategic Congestion Management Programme (18/19)	Programme to identify and deliver congestion improvement schemes on the road network in Kent.	Approval for the 2018/19 funding from the £4.8m LGF allocation (£0.922m profiled to be spent in 2018/19)
	Strood Civic Centre – flood mitigation measures	Improvements to flood defences to enable development of the site.	Approval for £3.5m LGF allocation (£1.0m profiled to be spent in 2017/18)
	A289 Four Elms to Medway Tunnel – revised Outline Business Case	Highway capacity improvements to provide journey time savings and reduced congestion.	Approval to unlock funding required to fully develop the scheme.
27 April 2018	Maidstone Integrated Transport (Phase 2)	Package of transport improvements (M20 Junction 5 scheme)	Approval for further funding from the £8.9m LGF allocation
	Dartford Town Centre Transformation	Programme of work aimed at improving the economic performance of Dartford town centre through public sector funding of transport/public realm improvements	Approval for £4.3m LGF allocation (£0.2m originally profiled to be spent in 2017/18)
	A2 Off-Slip at	Scheme to deliver an off-slip in the coastbound	Approval for £4.4m LGF allocation (£0.354m

	Wincheap	direction of the A2, to improve accessibility to Canterbury Town Centre, retail + residential area.	originally profiled to be spent in 2017/18)
	Leigh Flood Storage	Scheme to reduce the risk of flooding to vulnerable communities in the catchment	Approval for £4.636m LGF allocation (£0.091m originally profiled to be spent in 2017/18)
15 June 2018	Thanet Parkway	New Railway Station	Approval for £10m LGF allocation
	Fort Halstead	Mixed use development of houses, business park, hotel and village centre.	Approval for £1.53m LGF allocation (entire sum originally profiled to be spent in 2017/18)

Appendix C

Details of projects highlighted red in the RAG rating

Scheme	Description	Budget	RAG Rating
Fort Halstead	Mixed use development of houses, business park, hotel and village centre.	32.03m (£1.53m LGF, £30.05m match funding)	
<p><u>Progress:</u></p> <ul style="list-style-type: none"> - In February 2017, the Local Growth Fund allocated provisional funding of £1.53m to the delivery of the Fort Halstead project, a mixed use development of houses, business park, hotel and village centre. - SDC and KCC held a Gate 0 review meeting with the SELEP ITE in May 2017 to gauge what further work was required to update the existing Outline Business case into a Full business case for submission. - The original bid submission as part of the Growth deal profiled a spend of £1.53m in the 2017/18 financial year. <p><u>Issue:</u></p> <ul style="list-style-type: none"> - There has been a change in ownership earlier in 2017 of the long leasehold interest in the site from Deutsche Bank to the Merseyside Pension Fund (MPF). - There has been a reprogramming of the Defence Science & Technology Laboratory (DSTL) relocation from Fort Halstead to Porton Down to December 2020. - MPF are continuing to review their future strategy for this key employment led redevelopment site and, as part of that work, Sevenoaks District Council are continuing discussions with them. <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> - The planned expenditure of funding for the acquisition of employment land at Fort Halstead for 2017/18 is proposed to be deferred into 2018/19. - The aim is to enable the allocated funding to be used innovatively to enable additional jobs and growth through new business space and supporting infrastructure. The allocation of these funds is subject to confirmation of the full business case and the outcome of those discussions will inform its preparation and evaluation. 			

Scheme	Description	Budget	RAG Rating
Thanet Parkway	New railway station to the west of the Cliffsend village, Thanet	£21.48m (£10m LGF, £2.65m KCC, £8.77m funding required)	

Progress:

- KCC have carried out a second public consultation (355 responses between 25th January to 19th March 2017)
- Network Rail gave Approval in Principle (AiP) of the scheme in August 2017, completing GRIP Stage 3.
- Substantial work carried out to date on TA, EIA and planning documents.
- Planning submission scheduled for spring 2018.
- Business case submitted to ITE and Gate 2 review carried out.
- Highway outline design is now complete following Stage 1 Road Safety Audit

Issue:

- This scheme has a £10m LGF allocation (originally profiled to spend £4m in 2017/18 and £6m in 2018/19).
- The project is not yet in a position to draw down this LGF allocation owing to a funding gap and need to identify a solution to overcome this.
- An £8m funding bid was submitted by Kent County Council for Network Rail's New Station Fund, but proved unsuccessful.

Mitigation:

- The funding gap for Thanet Parkway remains following the unsuccessful bid to the New Stations Fund. KCC, acting on advice from the Department for Transport, is exploring options to close the funding gap from investment by the rail industry. The drawdown of LGF funding has therefore been re-profiled to reflect these changing circumstances and the likely timeframe to secure funding from alternative sources to complete the funding package.

Appendix D – Kent Schemes

Scheme	Description (Delivered by KCC unless stated)	Scheme delivery by	Budget	LGF Spend (millions) (to 2 decimal places)	Status	RAG Status	Comments	Key Events for Next Period	Target outcome
Local Growth Fund Round 1 Schemes									
A28 Chart Road, Ashford	Carriageway dualling, junction improvements & NR bridge widening. Start of works planned for Spring 2018 with 18 month construction period.	19/20	£32.77m Made up of: £10.2m LGF £22.57m match	15/16 LGF spend = £0.89 16/17 LGF spend = £0.98 17/18 LGF spend profile = £1.13 17/18 spend until October 17 = £1.27	DETAILED DESIGN (Business Case Approved)	→	The design and site investigation works continue. The proof of evidence for the CPO has been completed and is on deposit at KCC/ABC offices. Further work is ongoing in relation to the existing objections. It is anticipated that both the remaining objections will be removed prior to the Public Inquiry being held on 21-24 November 2017.	Continue with design and site surveys and co-ordination with utility companies. Continue to progress land deals and prepare for the Public Inquiry. Start to plan for the pre-start publicity/exhibitions.	Jobs = 250 Homes = 600
Sturry Link Road, Canterbury	New link road connecting A28 Sturry Road to A291 Sturry Hill - requires a crossing of both railway & river. Start of works planned for Spring 2019 with 18 month construction.	20/21	£29.60m Made up of: £5.90m LGF £23.70m match	15/16 LGF spend = £0 16/17 LGF spend = £0.40 17/18 LGF spend profile = £0.42 17/18 spend until October 17 = £0.15	DETAILED DESIGN (Business Case Approved)	→	Consultation report drafted, following completion of the Public Consultation for this scheme. Detail Design Progressing. EA comments received on Flood Modelling.	Assessment of consultation responses. Prepare EIA and Planning documentation. Prepare works information for procurement package. Submission of Planning application now January 2018	Jobs = 250 Homes = 720
A28 Sturry Road Integrated Transport Package, Canterbury	Extension of in-bound bus lane.	17/18	£0.55m Made up of: £0.3m LGF £0.25m match	15/16 LGF spend = £0.02 16/17 LGF spend = £0.01 17/18 LGF spend profile = £0.27 17/18 spend until October 17 = £0.01	DETAILED DESIGN (Business Case Approved)	→	Scheme Consultation completed on 22 October 2017. Report presented to Joint Transportation Board on 14 November. The Board made the recommendation for further options in regards to the loss of parking to be looked at and that the decision is deferred to December 2017.	If the recommendation is approved then progress contract with view to hand over scheme to contractor for a start of build in February 2018.	Jobs = 50 Homes = 100

Middle Deal transport improvements, Dover	New road between Albert Road & Church Lane, Deal. Scheme being prepared & delivered by developer. (Delivery by Quinn Estates)	17/18	£1.55m Made up of: £0.8m LGF £0.75m match	15/16 LGF spend = £0 16/17 LGF spend = £0.8 17/18 LGF spend profile = Match funding only 17/18 spend until October 17 = Match funding only	CONSTRUCTION (Business Case Approved)	→	The developer is still reviewing the road alignment where a rethink in house/access positions may benefit the use of the road.	Work is still progressing on the S38 agreement, the completion of which will dictate the duration of the overall program.	Jobs = 150 Homes = 150
Rathmore Road Link, Gravesend	New 2-way link road between Stone Street & Darnley Road. Start of works planned for June 2016 with 18 month construction	17/18	£9.5m Made up of: £4.2m LGF £5.3m match	15/16 LGF spend = £1.56 16/17 LGF spend = £2.64 17/18 LGF spend profile = Match funding only 17/18 spend until October 17 = Match funding only	CONSTRUCTION (Business Case Approved)	→	Site Work Progressing towards planned scheme completion in Early December 2017. Issue with shortage of granite, order placed but long lead in time may delay completion of the works, opening ceremony still to be confirmed.	Complete works in Rathmore Road and arrange opening ceremony.	Jobs = 215 Homes = 390
Maidstone Integrated Transport	Package of transport improvements. Works to start in 2016/17.	16/17 to 19/20	£15.8m Made up of: £8.9m LGF £6.9m match	15/16 LGF spend = £0 16/17 LGF spend = £0.27 17/18 LGF spend profile = £2.13 17/18 spend until October 17 = £0.61	VARIOUS STAGES OF DELIVERY (Business Case approved for phase 1, further approvals required for remaining allocation)	→	1) M20 J5/Coldharbour R/bout - Finalising design work and traffic modelling with estimated completion in early 2018 to feed into a business case for release of funding in early 2018/19. 2) A274 Sutton Road j/w Willington Street – Engagement planned for 1 st December 2017 to inform a key decision on the scheme layout in January 2018. 3) A20 London Road j/w Willington Street – Commission raised with consultant to take forward the design. All other schemes within the MITP are being engaged upon with County and Local Members accordingly to progress as soon as possible.	1) M20 J5/Coldharbour R/bout - Complete designs and agree procurement route. 2) A274 Sutton Road j/w Willington Street - Complete detail design. 3) A20 London Road j/w Willington Street - Finalise design.	Jobs = 1820 Homes = 1725

Sittingbourne Town Centre Regeneration (developer delivered), Swale	Re-alignment of St. Michaels' Rd & public realm improvements adjacent to rail station. (Delivery by Spirit of Sittingbourne)	17/18	£4.7m Made up of: £2.5m LGF £2.2m match	15/16 LGF spend = £0.34 16/17 LGF spend = £2.16 17/18 LGF spend profile = £0.0 17/18 spend until October 17 = Match funding only	CONSTRUCTION (Business Case Approved)	→	The first phase of works begun in August and are progressing with a completion date planned for the start of December 2017. The remaining phases are scheduled for completion by September 2018. Once complete, the works will release the multi-storey car park and leisure areas, progressing the Spirit of Sittingbourne regeneration project.	Continue S278 works.	Jobs = 560 Homes = 214 & training facilities
Tunbridge Wells Jct Improvements (formerly A26 London Rd/ Speldhurst Rd/ Yew Tree Rd)	Junction improvement & A264 junction changes. Start of works for phase 1 planned for January 2016. Phase 2 construction planned for summer 2017	15/16 to 17/18	£1.8m LGF	15/16 LGF spend = £0.60 16/17 LGF spend = £0.19 17/18 LGF spend profile = £0.66 17/18 spend until October 17 = £0	DELIVERED - PHASE 1 OUTLINE DESIGN- PHASE 2 (Business Case Approved for full allocation)	→	The detailed design for this scheme is progressing and the business case and remaining allocation was approved by SELEP Accountability Board on 22nd September 2017.	Complete design and seek agreement from all necessary parties to allow preparation of the documents for contractor to start works in early 2018.	Jobs = 105 Homes = 85
West Kent LSTF	A package of measures to support travel by sustainable means. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £9.06m Made up of: £4.9m LGF £4.16m match	15/16 LGF spend = £0.8 16/17 LGF spend = £1.31 17/18 LGF spend profile = £0.79 17/18 spend until October 17 = £0.03	VARIOUS STAGES OF DELIVERY (Business Case Approved)	→	Tunbridge Wells Public Realm phase 2 - Decision was taken by TWBC to amend the scheme to restrict car movements and focus on buses, taxis, cycling and walking. New design and programme being carried out, which will delay project as a full consultation will be required. Maidstone East station – Network Rail has signed off the project and work is starting as programmed. Next site meeting being arranged. Updated Legal agreement being drafted to allow the transfer of LGF. Tonbridge Station - Detail design to be progressed in 17/18, following a decision on the chosen scheme which will be put forward for value engineering exercise / planned staged approach and then taken out to consultation in early 2018.	Commence detail design for Tunbridge Wells Public Realm Phase 2. Complete the demolition of the Vic PH in early 2018 for Maidstone East Station improvement. Choose favoured outline design option for Tonbridge Station scheme. Submit CIL application for £750k contribution for Swanley Station scheme.	Jobs = 345 Homes = 393

							Swanley Station - Decision taken by Sevenoaks to progress with £1.5m spend on station and £750k for 'access improvements'. Further design work required for station works.		
Kent Thameside LSTF	A package of measures to support travel by sustainable means. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £7.65m Made up of: £4.5m LGF £3.15m match	15/16 LGF spend = £2.05 16/17 LGF spend = £0.48 17/18 LGF spend profile = £0.47 17/18 spend until October 17 = £0.12	VARIOUS STAGES OF DELIVERY (Business Case Approved)	→	Barrack Row Bus Hub - Land purchase from NR is unlikely to complete until early 2018. NR has confirmed that KCC should receive a valuation by the end of November. Estimates for detail design and construction have been received from Amey and consultation is currently being progressed in preparation. Princes Rd cycle route - route not constructed in 16/17 as designs require minor updates which will be completed once SGN provide a date to move the gas pipe. Members to be re-consulted and construction is now programmed for March 18. Burnham Rd Toucan - construction did not go ahead due to overwhelming consultation response to relocate the crossing further south on the road to cater for school children as well as cyclists. The scheme is currently out to consultation until 26th November and construction is programmed for February 18. Gravesend Station to Cyclopark cycle route - outline design completed with full consultation to commence following agreement of a revised design. Detail design to be delivered at	Consultation & delivery of Princes Road, Burnham Road & Gravesend Station to Cyclopark cycle schemes.	Jobs = 843 Homes = 657

							the start of 2018 with construction later in the financial year.		
Kent Strategic Congestion Management programme	Package of congestion management initiatives. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £4.8m LGF	15/16 LGF spend = £0.86 16/17 LGF spend = £0.69 17/18 LGF spend profile = £0.73 17/18 spend until October 17 = £0.26	VARIOUS STAGES OF DELIVERY (Annual supplementary Business Cases are required to secure future years' funding)	→	<p>2015/16 schemes completed (HMC Technology Refresh - Database/CCTV & VMS).</p> <p>2016/17 schemes completed (A292 Mace Lane/ Wellesley Road, & Somerset Road/ Canterbury Road junction improvements in Ashford - Complete).</p> <p>2017/18 schemes in progress (A229 Blue Bell Hill CITS Scheme - Contract 1 professional services awarded and first brief has been issued for the work in Kent. Workshop on contract 2 early December to meet award in April 2018. Physical works likely to start Autumn 2018.; Dartford Network Improvements Scheme complete with further negotiations to be had with Atkins/HE/KCC regarding links with Bluewater. J1a assessments and validation being undertaken in mid-November.; Barton Hill Drive, Sheerness Scheme construction late November / Early December 2017 prior to embargo.</p>	<p>2017/18 schemes in progress (A229 CITS Scheme - Professional Services & Procurement Contract to be awarded for Contract 2; Dartford Network Improvements - finalise J1a assessments; Barton Hill Drive - Construct scheme</p>	Jobs = 1903 Homes = 2230
Kent Sustainable Interventions programme – 2015/16 Scheme details	Package of smaller transport interventions. Start of works planned for 2015/16.	15/16 to 20/21	Total across 6 years - £3m LGF (£0.5m annually)	15/16 LGF spend = £0.14 16/17 LGF spend = £0.41 17/18 LGF spend profile = £0.49 17/18 spend until August 17 = £0.21	VARIOUS STAGES OF DELIVERY (Annual supplementary Business Cases are required to secure future years' funding)	→	<p>2015/16 schemes completed (Sittingbourne TC & Dartford cycle routes & South Street, Deal).</p> <p>2016/17 schemes completed (Folkestone Town Centre - Schools to Harbour Cycle links & Thames Greenway Cycle path).</p>	<p>2016/17 schemes in progress</p> <p>1 - Folkestone to Dymchurch Cycle improvements - Phase 1 & 2 -Cinque ports Phase 1 complete, with Phase 2 zebra crossing to be constructed in December 2017. Further discussion on land required.</p> <p>2 - Tonbridge Angels to Rail Station cycle improvements - Construction of cycle</p>	Jobs = 1335 Homes = 1440

								<p>facility complete. Additional work required on additional footway required over small portion of land in Welland Road;</p> <p>3 - Highfield Lane/Kingsford Street, Mersham, Ashford - Designs complete, but construction in doubt following the developer not agreeing to the land being gifted.</p> <p>4 - A21 NMU via Pembury Road, Tunbridge Wells - Scheme designs completed and construction began on site in early October 2017. This scheme is fully funded by Highway England.</p> <p>2017/18 schemes in progress</p> <p>1 - Morehall Schools Cluster to Seafront, Folkestone, Designs ongoing for cycle improvements to be delivered in early 2018, currently out to consultation;</p> <p>2 - Morants Court Roundabout, Polhill, Sevenoaks, designs ongoing for cycle improvements to be delivered in early 2018;</p> <p>3 - Kent Spa & Castle Ride cycle improvements across Tonbridge, Tunbridge Wells & Sevenoaks to be taken forward by Sustrans.</p>	
Kent Rights of Way improvement plan	Package of ROWIP measures. Start of works planned for	15/16 to 20/21	Total across 6 years - £0.3m LGF	15/16 LGF spend = £0.19 16/17 LGF spend = £0.06 17/18 LGF spend profile	VARIOUS STAGES OF DELIVERY (Business Case Approved)	↑	<p>2015/16 schemes completed (Loose Greenway)</p> <p>2016/17 schemes in progress (Finberry to Ashford scheme) - PROW team are currently seeking 3 x quotes</p>	Finberry to Ashford scheme - work to begin on two sections of the new route to link the Finberry residential housing development at	Jobs = 140 Homes = N/A

	2015/16.			= £0.30 17/18 spend until October 17 = £0.003			for the bridge improvement / widening and are waiting on a price / programme for the ground works to enable delivery in late Q3 – Q4 possibly into Q1 2018-19 dependent on ground conditions; (Powder Mills scheme - Leigh to Tonbridge) - Discussed works with key landowner and completed creation agreement with them to establish new public footpath. Attended site meeting with contractor to review works specification for the scheme. Currently waiting for the contractor to confirm price for the works and timetable for programme delivery.	Cheesemans Green to Ashford town centre and International train station. Powder Mills scheme – programme of delivery to be confirmed and construction to begin. Further work required to assess what schemes will be delivered from the programme in 18/19.	
Innovation Investment Fund (Growth Hub Capital)	Loan support programme.	15/16 to 20/21	Total £6m (£1m annually)	15/16 LGF spend = £0 16/17 LGF spend = £0.39 17/18 LGF spend profile = £2.61 17/18 spend until October 17 = £0.65	PHASE 6 APPLICATIONS TO BE LAUNCHED AT THE END OF NOVEMBER 2017 (Business Case approved)	→	Phase 1 agreed at I3 Approval Board & accepted by applicants to a value of £388,500 with private leverage of £418,500. Phase 2 complete with £700,000 of loans agreed, with £450,000 defrayed to applicants to date. A further £250,000 is planned to be defrayed by the end of Quarter 3 2017/18. Phase 3 complete with £450,000 of loans agreed, with £200,000 defrayed to applicants to date. The remaining £250,000 is planned to be defrayed by the end of Quarter 3 2017/18. Phase 4 is now complete, with 2 companies completing a full application to a value of £1,632,000. Phase 5 recently opened on 25th August and closed to applicants on 11th September, with presentations to the panel arranged for 23rd November 2017. Phase 6 to open at the end of November 2017 to provide a pipeline of loan applications for the next financial year (2018/19).	Approval of further legal agreements to enable the defrayal of agreed funds to successful applicants in phases 2 to 4.	

A226 London Rd/B255 St Clements Way, Dartford	Junction improvements. Start of works planned for Spring 2019 for 12 months.	19/20	£6.9m Made up of: £4.2m LGF £2.7m match	15/16 LGF spend = £0 16/17 LGF spend = £0.73 17/18 LGF spend profile = £1.27 17/18 spend until October 17 = £0.2	DETAILED DESIGN (Business Case approved)	→	Jackson awarded contract on 23 October 2017. Jackson/KCC currently mobilising the start of the contract and arranging for advance trial hole works/Pre-start PR. Landscape design ongoing.	Continue with start-up activities, including advanced trial holes. Arrange stakeholder meetings and pre-start PR.	Jobs = 2395 Homes = 890
Thanet Parkway, Thanet	New rail station.	19/20	Project cost under review (£10m LGF)	Allocation for 2017/18 onwards 17/18 LGF spend profile = £4 Awaiting Business Case Approval	FEASIBILITY (Business Case submitted to ITE for review)	↓	Work is still continuing on the Transport Assessment and Planning Application. Data from the Thanet Transport Model is being provided to AECOM for the TA. New Stations Fund team were very positive about the strategic and economic case for the station and recommended that commercial opportunities for funding are investigated. SELEP Gate 2 review feedback has been received and will be addressed. Highway design has been accepted and is currently being finalised.	Planning application submission - April 2018 Award design contract - January 2019	Jobs = 2100 Homes = 800
SELEP Coastal Communities	Housing-led economic regeneration in Cliftonville West/Margate Central (Delivery by Thanet DC)	20/21	£1.529m Made up of: £0.666m LGF £0.863m match	Allocation for 2017/18 onwards 17/18 LGF spend profile = £0.67 17/18 spend until October 17 = £0.051 (estimate from third party - not transferred from KCC)	DETAILED DESIGN (Business Case approved)	→	1. Ethelbert Crescent – this project has planning consent & Thanet DC are currently preparing tender documents for issue. Construction is currently programmed for starting at the end of 2017 with completion early in 2018/19. 2. Warwick Road – Thanet DC have reviewed the proposals for this project & following some pre-planning community consultation will issue the tender documents in early 2018 with a physical start on site in summer 2018 anticipated.	Finalise Legal Agreement between KCC & Thanet DC & issue tender documents for Ethelbert Crescent scheme.	Jobs = TBC Homes = TBC
Local Growth Fund Round 2 Schemes									
Dover Western Dock Revival	Package of highway improvements. (Delivery by	15/16 to 19/20	£5m LGF	15/16 LGF spend = £0 16/17 LGF spend = £4.73	CONSTRUCTION (Business Case approved)	→	Business case approved at SELEP Accountability Board in February 2017 for full £5m & this was transferred from SELEP to KCC on 31st March	Main scheme on A20 complete and work has also begun on Marina pier element of the DWDR.	Jobs = 1685 Homes = 500 &

	Dover Harbour Board)			17/18 LGF spend profile = £0.273 17/18 spend until October 17 = £0.00			2017. Dover Harbour Board have supplied evidence of spend to date & have raised invoices to drawdown LGF allocation from KCC, which have now been paid following the sealing of the funding agreement by both parties.	Further evidence of spend to be provided by DHB in November 2017.	Enables broader Western Docks Revival scheme
Ashford International Rail Connectivity (Ashford Spurs)	Signalling upgrade to maintain international rail services at Ashford (Delivery by Network Rail)	16/17 to 18/19	£10.5m Made up of: £0.7m partner funding; £5m LGF2 £4.8m LGF3	15/16 LGF spend = £0 16/17 LGF spend = £0.17 17/18 LGF spend profile = £8.90 17/18 spend until October 17 = £1.13 estimate from third party - not transferred from KCC)	GRIP STAGE 6 (Business Case approved)	→	GRIP 6 (delivery) has started, and is on time and within budget. Supplies delivered to Ashford MDU and works on track planned for Nov/Dec 2017.	Delivery of works on track and signalling cabling throughout the Spurs, and gauge clearance works on London ends of platforms 3 & 4	Jobs = 1000 Homes = 350 & Retain International Rail Services
Folkestone Seafront (developer delivered)	Construction of platform & sea defences to facilitate development of Folkestone Seafront. (Delivery by Folkestone Harbour Board)	17/18	£22.11m Made up of: £5m LGF £17.11m match	15/16 LGF spend = £0 16/17 LGF spend = £1.97 17/18 LGF spend profile = £3.03 17/18 spend until October 17 = £2.47 (estimate from third party - not transferred from KCC)	CONSTRUCTION (Business Case approved)	→	Dredging works completed at the end of May 2017 & the remaining Earthworks to shape the beach & complete timber board walk are also complete. The Harbour Arm and Viaduct opened as part of the Folkestone Triennial event which started on 31st August 2017.	Complete those works which were not finalised before the Folkestone Triennial.	Jobs = 450 Homes = 1000 & Regenerates seafront & town centre
M20 Junction 10A (now a full junction to be delivered by Highways England)	New Motorway Junction in Ashford (Delivery by Highways England)	19/20	£104.4m Made up of: £19.7m LGF £16m match £68.7m Highways England	Allocation for 2017/18 onwards 17/18 LGF spend profile = £8.3 17/18 spend until October 17 = £0	DETAILED DESIGN (Business Case approved)	→	Awaiting decision on Development Consent Order (DCO) process which ended on 2nd June 2017. Highways England may start offline work as early as December 2017 if planning approval is granted.	Decision on Development Consent Order (DCO) likely by Christmas 2017.	Jobs = 900 Homes = 1700

Local Growth Fund Round 3 Schemes

<p>Dartford Town Centre Transformation</p>	<p>Part of a wider programme of work aimed at improving the economic performance of Dartford town centre through public sector funding of transport/public realm improvements. (Delivery by Dartford BC)</p>	<p>21/22</p>	<p>£12m Made up of: £4.3m LGF £7.7m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend profile = £0.2 Awaiting Business Case Approval</p>	<p>FEASIBILITY (Business Case being prepared)</p>	<p align="center">→</p>	<p>Work has progressed on the SELEP Business Case and further work has been carried out on the design and costings. There are still a number of gaps that prevent a full submission of the business case to the November Accountability Board.</p>	<p>Continue to work on the SELEP Business Case, production of evidence required to support it and development of scheme priority listing.</p>	<p>Jobs = 1811 Homes = 2341</p>
<p>Fort Halstead, Sevenoaks</p>	<p>Mixed use development of houses, business park, hotel & village centre. (Delivery by Sevenoaks BC)</p>	<p>21/22</p>	<p>£32.03m Made up of: £1.530m LGF £30.5m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend profile = £1.53 Awaiting Business Case Approval</p>	<p>FEASIBILITY (Business Case being prepared)</p>	<p align="center">↓</p>	<p>Sevenoaks DC to meet with new owners and their advisors of the site in December 2017 to discuss timescales and programme delivery. It is unlikely that a business case will be submitted before February 2018, so LGF funding will not be secured in 2017/18.</p>	<p>Programme of delivery to be identified by SDC to be incorporated into a business case.</p>	<p>Jobs = 1100 Homes = 450</p>
<p>A2500 Lower Road Improvements, Isle of Sheppey</p>	<p>Scheme to realign & improve the capacity of A2500 Lower Road/ Barton Hill Junction.</p>	<p>18/19</p>	<p>£1.805m Made up of: £1.265m LGF £0.54m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend profile = £0.39 17/18 spend until October 17 = £0.10</p>	<p>DETAILED DESIGN (Business Case Approved)</p>	<p align="center">↑</p>	<p>The detailed design for this scheme is progressing and the business case and funding was approved by SELEP Accountability Board on 22nd September 2017. S106 agreement signed, KCC NPIF bid successful and Dev Cons confirmed, so scheme has been expanded to include the widening of Lower road and the provision of a new footway Cycleway link to Cowstead Corner.</p>	<p>Complete detailed design and works Information. Plan public engagement event for December 2017 and commence procurement.</p>	<p>Jobs = 1500 Homes = 892</p>

<p>Kent & Medway Engineering, Design, Growth & Enterprise (EDGE) Hub</p>	<p>Scheme to construct & equip the Kent & Medway EDGE Hub. (Delivery by Canterbury Christ Church University)</p>	<p>19/20</p>	<p>£21m Made up of: £6.12m LGF £14.88m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend profile = £1.12 17/18 spend until October 17 = £0 estimate to be agreed with third party)</p>	<p>CONSTRUCTION (Business Case Approved)</p>	<p style="text-align: center;">↑</p>	<p>The business case and funding was approved by SELEP Accountability Board on 22nd September 2017. KCC and CCCU are currently resolving contractual issues with regards to the funding agreement. The first Strategic Industry Advisory Board meeting was held on 12th October, and will now meet quarterly, early priorities identified as helping to shape marketing and communications and curriculum development.</p>	<p>LGF funding agreement to be signed off. Marketing & Comms Plan in place. Project Plan agreed.</p>	<p>Jobs = 398 Homes = 0 Learners = 1250</p>
<p>Leigh Flood Storage Area & East Peckham - unlocking growth</p>	<p>Scheme to reduce the risk of flooding in the catchment. (Delivery by Environment Agency)</p>	<p>22/23</p>	<p>£24.691m Made up of: £4.636m LGF £20.055m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend profile = £0.091 Awaiting Business Case Approval</p>	<p>FEASIBILITY (Business Case being prepared)</p>	<p style="text-align: center;">→</p>	<p>Funding Agreement between KCC, EA and Tonbridge & Malling progressed and business case (Based on the EA Outline BC) is being drafted for submission.</p>	<p>Submit Business Case to allow drawdown of LGF allocation in 17/18. Complete legal agreement and sign to allow transfer of contributions..</p>	<p>Jobs = 70 Homes = 850</p>
<p>A2 off-slip at Wincheap, Canterbury</p>	<p>Scheme to deliver an A2 off-slip in the coastbound direction, creating a full movements junction to improve accessibility to Canterbury. (Delivery by Pentland Homes)</p>	<p>20/21</p>	<p>£10.055m Made up of: £4.4m LGF £5.655m match</p>	<p>Allocation for 2017/18 onwards 17/18 LGF spend profile = £0.35 Awaiting Business Case Approval</p>	<p>FEASIBILITY (Business Case being prepared)</p>	<p style="text-align: center;">→</p>	<p>Highways England has raised queries on the transport modelling & departures from standard in the design which are being addressed as part of the Growth and Highways Fund bid alongside CCC. Highways England has confirmed that a decision will be given by December 2017.</p>	<p>Revised modelling must be submitted to HE with any further details around departures by Christmas 2017</p>	<p>Jobs = 1685 Homes = 1150</p>

ADDITIONAL SCHEMES									
Open Golf Champions hip 2020	Transport Improvements at Sandwich Station (Delivery by Network Rail)	18/19	£4.299m Made up of: £1.026m LGF £0.250m KCC £0.100m East Kent DC 1.419m R&A £1.505 DfT (to be presented to SELEP AB on 22/09/17)	Allocation to be approved by SELEP Accountability Board in September 2017	FEASIBILITY (Business Case being prepared)	Not profiled to spend in 17/18	Network Rail to be contracted for site preparation in November 2017 subject to SELEP decision on full programme.	Decision on funding and business case approval currently on forward plan for SELEP Accountability Board on 17th November 2017.	Jobs = TBC Homes = TBC
SCHEMES COMPLETED OR REMOVED									
Folkestone Seafront Resurfacing Phase 1, Shepway	Resurfacing Phase 1		£0.29 LGF				Scheme Delivered		
Folkestone Seafront Resurfacing Phase 2	Resurfacing of Tontine Street (in conjunction with S106 works at same location).		£0.36m Made up of: £0.21m LGF £0.15m S106				Scheme Delivered		
Maidstone Gyrotory Bypass, Maidstone	A229 Gyrotory Bypass, Fairmeadow.		£5.74m Made up of: £4.6m LGF £1.14m match				Scheme Delivered - Main Works completed but some supplementary works are continuing. Towpath works are now complete and works on the rejuvenation of The Broadway subway have commenced and will be completed by December 2017, following minimal delays.		Jobs = 1250 Homes = 2000
M20 Junction 4 Eastern Overbridge	Widening of existing motorway overbridge.		£5.69m Made up of: £2.2m LGF £3.49m match				Scheme Delivered Main scheme completed. Supplementary resurfacing works and replacement of waterproofing on the Western overbridge completed in September 17. Further planned works to the Castleway Right turn are currently being carried out and are due for completion at the end of November 17.		Jobs = 745 Homes = 1695

Tonbridge Town Centre Regeneration	Tonbridge High Street and adjacent transport improvements.		<p>£2.65m</p> <p>Made up of: £2.4m LGF £0.25m match</p>	<p>Scheme Delivered (Phase 1 completed - High Street improvements June 2016 Phase 2 completed - River Walk improvements April 2017 / Hadlow Road/Cannon Lane jct improvements completed September 2016)</p>	<p>Jobs = 366 Homes = 1000</p>
Maidstone sustainable access to employment areas	New pathway along River Medway between Aylesford & Allington Lock.		<p>£3m</p> <p>Made up of: £2m LGF £1m match</p>	<p>Scheme Delivered (Main works complete - May 2017). Scheme opening ceremony held on Friday 6th October 2017 with Tracey Crouch/Mike Hill attending.</p>	<p>Jobs = 350 Homes = 475</p>
Westenhanger Lorry Park	Removed from programme following approval by KMEP & AB				

Appendix E – Medway Schemes

Scheme	Description	Scheme Delivery By	Budget and LGF spend	Status	RAG Status	Comments	Key Events for Next Period	Target outcomes
Local Growth Fund round 1 schemes								
A289 Four Elms roundabout to Medway Tunnel	Highway capacity improvements to provide journey time savings and reduced congestion.	End of 2020/21	<p>BUDGET</p> <p>Original budget = £18.697m Made up of: - £11.1m LGF - £7.597m match funding</p> <p>Revised budget = £11.564m* Made up of: - £11.1m LGF - £0.464m match funding</p> <p>* see comments</p> <p>LGF SPEND</p> <p>15/16 LGF spend = £0.298m</p> <p>16/17 LGF spend = £0.402m</p> <p>Profiled to spend in 2017/18 = £0.585m</p>	OUTLINE DESIGN (Business Case Approved)	→	<p>Officers have been considering proposals for the project, which will deliver the required outcomes, within the available budget. A number of options have been submitted for modelling and high level BCR calculations. A preferred option has now been selected and work is progressing well on the revised Outline Business Case.</p> <p>The additional work needed to ensure a deliverable scheme is taken forward will require an extension of one year, to 2020/21, to enable the scheme to be delivered in its entirety.</p> <p>* SELEP have requested that the Outline Business Case be refreshed, due to the reduced S106 contributions impacting on the original budget, as a result of revised timescales for Lodge Hill being developed. It is anticipated that the revised Outline Business Case will be submitted for consideration at the February 2018 SELEP Accountability Board meeting.</p>	<p>Work will continue on the revised Outline Business Case. The Business Case will be submitted in November for consideration at the Accountability Board meeting in February 2018.</p> <p>Work will begin on the developed design for the project.</p>	<p>Jobs = 7688</p> <p>Homes = 4433</p>

<p>Strood town centre</p>	<p>Journey time and accessibility enhancements to the town centre including changes to the highway, improved public realm and retail improvements.</p>	<p>End of 2018/19</p>	<p>BUDGET</p> <p>Total budget = £12.75m</p> <p>Made up of: - £9.0m LGF - £3.75m match funding</p> <p>LGF SPEND</p> <p>15/16 LGF spend = £0.2m</p> <p>16/17 LGF spend = £1.772m</p> <p>Profiled to spend in 2017/18 = £1.197m</p>	<p>DETAILED DESIGN (Business Case Approved)</p>	<p>→</p>	<p>Work has continued on the technical design (RIBA stage 4), following resolution of issues identified within the Road Safety Audit.</p> <p>The re-build of Strood train station by Southeastern is continuing.</p>	<p>Work will continue on the technical design (RIBA stage 4). Engagement with the proposed construction contractor will commence. It is anticipated that work will begin onsite at Tolgate Lane car park in early 2018.</p> <p>The new Strood train station will open to the public in December.</p>	<p>Jobs = 360-450</p> <p>Homes = 600-815</p>
<p>Chatham town centre placemaking and public realm package</p>	<p>Improving the link between Chatham railway station and Chatham town centre and waterfront area and provision of a new civic space.</p>	<p>Early 2018/19</p>	<p>BUDGET</p> <p>Total budget = £4.9m</p> <p>Made up of: - £4.0m LGF - £0.9m match funding</p> <p>LGF SPEND</p> <p>15/16 LGF spend = £0.871m</p> <p>16/17 LGF spend = £0.945m</p> <p>Profiled to spend in 2017/18 = £1.314m</p>	<p>CONSTRUCTION (Business Case Approved)</p>	<p>→</p>	<p>Work has continued on the route improvements between the train station and the town centre. Works outside St John's Church and on New Cut (outside the fire arches) are nearing completion.</p> <p>Network Rail has been granted planning consent for the proposed forecourt improvement works at Chatham train station.</p>	<p>Construction work will continue in the St John's Square and New Cut area. After Christmas works will move to Military Road/Railway Street area. These works will complete the project.</p> <p>Engagement with Network Rail regarding the forecourt improvement works at Chatham train station will continue, with the works expected to start on site in early 2018.</p>	<p>Jobs = 6271</p> <p>Homes = 3682</p>

<p>Medway Cycling Action Plan</p>	<p>A range of measures designed to improve access to cycling in the Medway area and improve upon and expand existing cycle facilities.</p>	<p>1st phase in 2015/16, then annually until end of 2017/18.</p>	<p>BUDGET</p> <p>Total budget = £2.9m</p> <p>Made up of: - £2.5m LGF - £0.4m match funding</p> <p>LGF SPEND</p> <p>15/16 LGF spend = £0.229m</p> <p>16/17 LGF spend = £1.15m</p> <p>Profiled to spend in 2017/18 = £1.121m</p>	<p>CONSTRUCTION (Business Case Approved)</p>	<p>→</p>	<p>Work has continued on site to deliver the majority of the proposed cycle route improvements, including Gillingham Business Park, Riverside Country Park, Lordswood Lane, A289 between The Strand and Owens Way and Beechings Way phase 2.</p> <p>Design work has continued on the final routes to be delivered as part of this project.</p>	<p>Work will continue on site to deliver the remaining cycle route improvements.</p>	<p>Jobs = 390</p> <p>Homes = 261</p>
<p>Medway City Estate connectivity improvement measures</p>	<p>An integrated package of infrastructure measures aimed at addressing the existing barriers to movement to and from and within the Medway City Estate.</p>	<p>Early interventions starting in 2015/16 with second part of the project by end of 2019/20.</p>	<p>BUDGET</p> <p>Total budget = £2m</p> <p>Made up of: - £2m LGF - £0m match funding</p> <p>LGF SPEND</p> <p>15/16 LGF spend = £0.3m</p> <p>16/17 LGF spend = £0.181m</p> <p>Profiled to spend in 2017/18 = £0.060m</p>	<p>PHASE 1 - COMPLETE PHASE 2 - DEVELOPMENT OF SUSTAINABLE TRANSPORT INTERVENTIONS (Business Case Approved)</p>	<p>→</p>	<p>Phase 1 works, which focus on improving egress from Medway City Estate are now complete. The new traffic signals are operational and indications are that there has been an improvement in journey times for vehicles leaving Medway City Estate during the evening peak.</p> <p>Discussions have begun regarding the content of phase 2 of the project, with further development work to be undertaken in Q3 and Q4 of 2017/18.</p>	<p>The impact the phase 1 works have had on the flow of traffic leaving Medway City Estate will continue to be monitored.</p> <p>Proposals for phase 2 of the project, which will focus on improving connectivity to the site for sustainable modes of travel, will be developed.</p>	<p>Jobs = 390</p>

Non-transport schemes - LGF rounds 2 and 3

<p>Rochester Airport - phase 1</p>	<p>Introduction of a Technology Park at Rochester Airport. Phase 1 of the project involves improvements to airport infrastructure and removal of the second runway - works which are required to facilitate the development of the Technology Park.</p>	<p>2019/20</p>	<p>BUDGET</p> <p>Total budget = £4.4m</p> <p>Made up of: - £4.4m LGF - £0.0m match funding – phase1 only</p> <p>LGF SPEND</p> <p>15/16 LGF spend = £0.0m</p> <p>16/17 LGF spend = £0.179m</p> <p>Profiled to spend in 2017/18 = £0.881m</p>	<p>OUTLINE DESIGN (Business Case approved)</p>	<p>→</p>	<p>The amendment to the original planning application, removing the paved runway and control tower, was presented to planning committee on 15th March 2017. The application was granted consent. No successful challenge has been made against this decision.</p> <p>Rochester Airport Ltd and their consultants have submitted the second planning application along with the required Environmental Impact Assessment (EIA) for the runway works and new control tower to both Medway Council and Tonbridge and Malling Borough Council. This planning application is currently progressing through the planning process, however, as expected a number of objections have been received which will need to be addressed prior to determination of the application.</p> <p>Rochester Airport Ltd have indicated that they intend to start some of the hangar repair and utility upgrade works, which form part of this project, in early 2018 following completion of the procurement process.</p>	<p>It is anticipated that the second planning application will be determined by Medway Council in early 2018. The application will then be determined by Tonbridge and Malling Borough Council.</p> <p>Procurement will continue to appoint contractors to lead on the hangar improvements and utility upgrade works.</p>	<p>Jobs = 37</p>
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Rochester Airport - phase 2	Introduction of a Technology Park at Rochester Airport. Phase 2 of the project involves infrastructure works to enable the development of the Technology Park.	2020/21	<p>BUDGET</p> <p>Total budget = £49m</p> <p>Made up of:</p> <ul style="list-style-type: none"> - £3.7m LGF - £45.3m match funding <p>LGF SPEND</p> <p>15/16 LGF spend = £0.0m</p> <p>16/17 LGF spend = £0.0m</p> <p>Profiled to spend in 2017/18 = £0.0m</p>	BUSINESS CASE NOT YET APPROVED		It is anticipated that work will commence on this project in 2018/19, following receipt of Accountability Board approval of the Business Case. Submission of the Business Case is dependent upon Medway Council granting planning consent for the enabling works which form phase 1 of the project.		Jobs = 1544
Civic Centre site, Strood - flood mitigation measures	Improvements to flood defences at the former Civic Centre site to enable the development of the site. The former Civic Centre is a prime development site offering views across the river to Rochester Castle and Cathedral.	2019/20	<p>BUDGET</p> <p>Total budget = £36.3m</p> <p>Made up of:</p> <ul style="list-style-type: none"> - £3.5m LGF - £32.8m match funding <p>LGF SPEND</p> <p>15/16 LGF spend = £0.0m</p> <p>16/17 LGF spend = £0.0m</p> <p>Profiled to spend in 2017/18 = £0.750m</p>	BUSINESS CASE NOT YET APPROVED		The Business Case will be submitted to SELEP in November 2017, for consideration by Accountability Board in February 2018. Once the Business Case has been approved the project will commence.		Jobs = 610 Homes = 325

Appendix F – RAG summary

Summary of Kent RAG rating

January 17	March 17	May 17	July 17	Sept 17	Nov 17
0 red	0 red	0 red	0 red	2 red	2 red
13 amber	12 amber	20 amber	18 amber	16 amber	14 amber
8 green	9 green	11 green	9 green	9 green	11 green
3 not required to spend until later years; 1 removed and 1 complete	11 not required to spend until a later year; 1 removed and 1 complete	1 is not required to spend until later in the programme; 1 removed and 1 complete	1 is not required to spend until later in the programme; 1 removed and 1 complete	1 is not required to spend until later in the programme; 1 removed and 1 complete	1 is not required to spend until later in the programme; 1 removed and 1 complete
26	34	34	34	34	34

Summary of Medway RAG rating

January 17	March 17	May 17	July 17	Sept 17	Nov 17
0 red	0 red	0 red	0 red	0 red	0 red
1 amber	1 amber	1 amber	2 amber	2 amber	2 amber
5 green	5 green	5 green	4 green	4 green	4 green
N/A	2 not required to spend until later	2 not required to spend until later	2 not required to spend until later	2 not required to spend until later	2 not required to spend until later
6	8	8	8	8	8

Methodology

Green (business case approved, funding fully secured and delivery on target).

Amber (funding not yet secured; or scheme delay or funding issue which can be mitigated);

Red (funding not yet secured and significant cost or delivery issues).

Key for Kent spreadsheet: The arrows denote the direction of travel.

↑	denotes significant improvement/progress in scheme delivery
→	denotes a similar position as reported at the last KMEP meeting
↓	denotes scheme delivery experiencing a delay

ITEM 5

Date:	23 November 2017
Subject:	Draft South East LEP Skills Strategy & the European Social Fund
Report authors:	Cover note provided by Sarah Nurden, KMEP Strategic Programme Manager. Draft Skills Strategy provided by Louise Aitken, Skills Lead, SELEP

Summary

A presentation will be given on 23rd November to update the board on the progress in delivering a new Skills Strategy for the South East LEP. The presentation will also provide information on the European Social Fund.

The Board is asked to:

1. Comment on the draft SELEP Skills Strategy
 2. Comment on the draft SELEP Skills Evidence Base
 3. Note the call for tender for the remaining European Social Funding is due to be issued at the end of 2017/early 2018.
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1. The draft SELEP Skills Strategy

- 1.1 In March 2017, the SELEP Strategic Board took the decision to refresh its Strategic Economic Plan. It agreed that the Strategic Economic Plan would be supported by an Investment and Infrastructure Plan, and a new Skills Strategy.
- 1.2 Louise Aitken, the SELEP Skills Lead, has been working with the SELEP Skills Advisory Group to produce a first draft of a new SELEP Skills Strategy and a new Skills Evidence Base to support the document.
- 1.3 The SELEP Skills Advisory Group is chaired by Graham Razey of East Kent College. Kent County Council and Medway Council skills officers are members of the SELEP Skills Advisory Group, as are other representatives from Kent and Medway's FE colleges and universities.
- 1.4 The draft strategy can be found in the appendix A. The SELEP Skills Lead is consulting with the federated boards and the local skills boards; she would welcome the views of KMEP.

These can be provided in person by the Board Members at the meeting, or in writing. Please send any written comments to Louise.Aitken@essex.gov.uk.

2. The European Social Fund

- 2.1 The second item that Louise Aitken will cover in her presentation is the future use of the European Social Fund.
- 2.2 Appendix B to this report is the summary of the information provided at the SELEP European Social Fund (ESF) workshop, which was held on 12th September 2017.
- 2.3 The South East LEP was originally allocation £71.6m of European Social Funding to support skills development; approximately £50m of this is already allocated to projects. There is approximately £15-£20m remaining which requires a 50% match. SELEP is being consulted between now and the end of 2017 on the focus for the calls to tender for this remaining money. The calls for tender must align with the priority axes detailed in the attachment. Louise Aitken would welcome the views and comments of the KMEP Board Members at the meeting on how they would wish to see this funding deployed.



South East LEP

A Five Year Skills Strategy Published 2017/18

A partnership approach to skills for a flourishing, inclusive economy

Contents

1. Foreword from our Chairman

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7. What we are already doing

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10. Conclusions and next steps

1. Foreword from our Chairman

“This is an area with national and international significance; quite simply it is instrumental to the UK’s success.”

It is an exciting time for the South East LEP, the largest in the country. This is an area of national and international significance. We are instrumental to keeping goods and services moving and our productivity impacts on the national picture. We look to the future with enthusiasm and skills is absolutely fundamental to our response.

Across our LEP area, there are so many tangible examples of growth; Public Health England’s forthcoming relocation, a new Entertainment Resort in north Kent, one of Amazon’s largest warehouses at the Port of Tilbury, Southend Airport growth, Bradwell Power Station plans, Newhaven Enterprise Zone,, North Kent Enterprise Zone and Gatwick Airport growth. Our LEP area will see up to 300,000 new homes to 2030, requiring a skilled construction workforce on a significant scale. Likewise, sectors like health and care have current shortages, set to increase with an ageing and growing population. This year so far, our LEP area has advertised over 7,500 nursing vacancies, nearly 8,000 programmers and web developers and over 4,000 care workers. Our sectors are advertising a range of skills needs from entry level to post graduate.

This is in the context of some challenging statistics. Although our skills levels are improving, we have nearly 190,000 people with no qualifications. 33% of people have a degree level qualification compared to 38% nationally and nearly 42,000 people are claiming out of work benefits. We have 178,000 workless households.

*When we talk about size and scale, it is useful to remind ourselves that we have a population of 4.1 million, set to grow to nearly 5 million by 2039. That is bigger than Croatia, Panama, Georgia and Lithuania and double the size of countries like Estonia and Cyprus. Our 165,000 enterprises employ over 2 million people and in sectors such as construction, our LEP employs nearly double that of other LEPs outside London (98,000 compared with 58,000 in Leeds and 51,000 in Birmingham). For virtually all sectors, **the South East LEP has far greater numbers of employees than most other LEP areas outside London.** There are over 100,000 in manufacturing, 42,000 in finance and 222,000 in health and social work. This is an area of diversity, home to the longest coastline in England, large rural areas and urban concentrations and a close relationship with London. Our communities are among the most prosperous but also most deprived nationally and we have world beating international companies as well as burgeoning SMEs.*

*We are doing much already. [Our29 skills capital projects and ESF programmes totalling £100m of investment are already delivering apprenticeships](#), employment training and growth. Local Skills Board initiatives also respond to the skills shortages and illustrate a joined up, consistent approach. Local authority Leaders are exploring their use of the apprenticeship levy to respond to growth. Looking to the future, nearly £15m Local Growth Funding allocated to skills projects, such as the Canterbury Christ Church University EDGE Hub will continue to support strong partnerships between education and employment. There is much more to do and I am pleased to introduce our shared approach to building a first class, locally driven skills system. **Christian Brodie, South East LEP Chair***

2. Background

“The SELEP believes that skills have a fundamental role in productivity and growing an inclusive economy; it is a top priority.” *Adam Bryan, South East LEP Managing Director*

The existing South East LEP (SELEP) Skills Strategy was produced in November 2014. The economic and skills landscape has changed significantly and there are a number of areas of change and reform, including apprenticeships, careers support and T-levels. Therefore a refresh is necessary. The aim of this strategy is to set out skills and employment priorities across the LEP area to inform funding, drive activity, influence government and shape future focus. The importance of skills is also reflected in the new emerging SELEP Economic Plan and Investment and Infrastructure plan. This document is owned and driven by the LEP Skills Advisory Group; a partnership of colleges, universities, local authorities, training providers and voluntary sector representatives across the LEP. Its production has also involved discussion with local Employment and Skills Boards and employers and partners across the LEP through meetings and an online consultation.

This strategy is supported by a suite of documents and evidence:

- **South East LEP Skills Evidence Base** – LEP wide information
- **District and sector profiles** (appendix 1)
- **Skills Strategy online Consultation** – headline results and conclusion (appendix 2)
- **The impact of Brexit** – supporting paper (appendix 3)
- **The Digital economy** – supporting paper(appendix 4)
- **Construction and its importance to the SELEP area** (CITB report) (appendix 5)
- **Celebrating Skills – overview of current capital and ESF investments** (at http://www.southeastlep.com/images/uploads/resources/SELEP_brochure_%28ESF_and_Skills_Capital%29.pdf)

Headlines

- By virtually all measures the SELEP area is considerably bigger than other LEP areas outside London (vacancies, employees, enterprises).
- However, our GVA, earnings, skills levels and benefit claimants require improvement if we are to be a productive, competitive area.
- Apprenticeship numbers have remained static in recent years and need to increase significantly for us to contribute proportionately to the government’s three million target and to increase our productivity.
- Our focus on sectors is broadly appropriate, with sectors such as construction, IT & digital, manufacturing, health, care and logistics experiencing large shortages already, set to increase with significant growth across the SELEP area. Sectors such as tourism, land based and agriculture are also clearly important to our area. We might consider how we support the education sector and should acknowledge the large volume of jobs, vacancies and enterprises in retail.
- Although we have issues such as high numbers of workless households and benefit claimants, this is coupled with a wide range of opportunities, which means that we can be optimistic with regard to responding to the challenge.

3. National context and impact upon SELEP area

“We must help people and businesses to thrive through skills. Our poor performance in basic and technical skills is key to the UK’s persistently lower levels of productivity compared with other advanced economies.” *UK government*

3a. The Apprenticeship levy and reforms are one of the most significant changes in recent years.

The levy is essentially a tax on UK employers with annual pay bills over £3 million (therefore less than 2% will pay the levy). The government’s ambition is that this supports productivity, helps to deliver the 3 million-apprenticeship target to 2020 and ensures that training is employer led. Therefore funding will be with the employer, rather than the provider. Most non-levy payers will make a 10% contribution to apprenticeships, with 90% provided by the government, though there are exceptions to this based on business size and apprentice age. There has been speculation that smaller non-levy paying employers may be deterred by this new requirement and that there may be a short-term decrease in the numbers offered. Additionally, whilst it is positive that apprenticeships may open up for many existing employees of all ages, there is a risk that employers seeking to get value for money will re-badge existing training as apprenticeships, not necessarily therefore offering added value.

There have been short-term issues impacting upon apprenticeships and the roll-out of these reforms, including reduced allocations to non-levy apprenticeship funded training and delays in the Register of Approved Training Providers (RoATP) to deliver apprenticeships. SELEP and partners have written to the Skills Minister and Education and Skills Funding Agency in July 2017 querying a recent reduced allocation for non-levy apprenticeship funding and the consequent impact this will have on take up.

SELEP’s population is 4.1 million, roughly 7% of England. Applying this proportion to the government target of 3 million apprenticeships (from 2015-2020) would equate to **SELEP contributing 210,000 apprenticeships to this target**. For the last few years, apprenticeship starts have been approximately 32,000 annually. ****AREA FOR ACTION****

The reform of apprenticeships means that apprenticeship frameworks will be phased out and replaced with standards, also known as ‘*Trailblazers*’ and with employer input informing their design. In the short-term therefore, new standards applicable to growth sectors will not be universally available though in the longer-term these should be more relevant and employer driven. Degree apprenticeships have also been introduced, which it is hoped may address the arbitrary divide between academic and vocational routes. **Available degree apprenticeships are limited currently but in the longer-term, we would hope this is an area for Further and Higher Education to expand.** ****AREA FOR ACTION****

SELEP and partners are absolutely committed to achieving significant apprenticeship growth across the LEP and ensuring the conditions are right for more technical, adult and degree apprenticeships, which will respond to priority sectors and growth.

3b. Introduction of T-levels – now 2020

T-levels are new technical qualifications aimed at putting vocational qualifications on an equal footing with academic ones. They will enable 16 to 19 year olds to study in 15 sectors such as construction, hair and beauty replacing thousands currently on offer and with the ambition of making access to the job market easier and young people ‘work fit’ in a number of key industries. The first T-levels were originally due to be in place for February 2019, the government has announced that this will now commence from September 2020 with the remaining routes in place by 2022. Industry bodies such as the Confederation of British Industry have generally welcomed these delays given the extent and complex nature of these reforms, which the government has described as ‘*the biggest overhaul of post-school education in 70 years.*’ The government has pledged £500 million per year to deliver T-levels by 2022. The qualifications falling within the sectors have yet to be determined and will be informed by industry panels. There will be a requirement for three months high quality work experience, which is positive though may be challenging to offer given the high number of SMEs across SELEP. Employers will therefore need to be assisted to prepare for this change.

The 15 sectors / routes covered are as follows and some of these cover a range of occupational areas (those with * will primarily be delivered through apprenticeships). These correlate with many of SELEP’s areas of growth and sectors potentially experiencing shortages due to Brexit:

- Agriculture, Environmental & Animal Care
- Business and Administrative
- Catering and Hospitality
- Childcare and Education
- Construction
- Creative and Design
- Digital
- Engineering and Manufacturing
- Hair and Beauty
- Health and Science
- Legal, finance and Accounting
- Protective Services *
- Sales, Marketing and Procurement *
- Social Care *
- Transport and Logistics *

As with apprenticeships, SELEP is committed to achieving greater levels of technical skills, supporting Further Education to deliver these and responding to sectors where there are shortages. To this end, alongside and in parity with A-levels this simplification may assist respond to growth and the confusion within the landscape often cited. However, it will be necessary to respond to the detailed proposals, as and when they become available. It should be noted that there is a general shortage of qualified trainers aligned to growth sectors, exacerbated by and impacting upon skills shortages in industries.

3c. £170m for Institutes of Technology (IoTs)

The government announced £170m capital for Institutes of Technology early in 2017, to improve attainment of technical and STEM (Science, Technology, Engineering & Maths) based skills required by employers. Given that this is a national pot, there is some concern over how far this funding may stretch and how it will be determined, with a lot of the detail still to be published. As of October 2017, Expressions of Interest have been invited by the end of the month and preliminary information circulated in February 2017 gave the context and cited that ‘*in the UK we currently have too few people equipped with the higher level technical skills our economy needs. This skills gap is harming the economy, hindering productivity and hampering the life chances of young people.*’ As our Skills Evidence Base illustrates, this picture is clearly echoed across SELEP arguably on a far greater scale than

anywhere else nationally. SELEP's Skills Strategy and Evidence Base will help to inform the areas for priority for any IoTs in the SELEP area.

IoT's are expected to be based around boosting provision at Levels 4 and 5 in STEM subjects (mainly within FE), developing a strong pipeline of provision at Level 3 with clear pathways to the IoT's level 5/5 provision and up-skilling or re-skilling the existing workforce, to keep pace with rapid technological change. Again, the Skills Evidence Base illustrates the necessity of this across SELEP, with lower than average skills levels particularly at level 4 and above, coupled with high levels of need. Employers are expected to be central and to this end, the LEP's local Employment and Skills Boards will have a key role to play. SELEP and partners would be keen to see strong Higher / Further Education and employer partnerships, responding to the growth set out in the Skills Evidence Base. **** AREA FOR ACTION****

3d. The Industrial Strategy and skills

The government's Industrial Strategy Green Paper was published in January 2017 and set out 10 pillars 'important to drive forward the industrial strategy across the entire economy'. The second of these pillars is 'developing skills' illustrating the importance placed on skills for growth. The strategy outlines that *'we must help people and businesses to thrive by; ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths), skills, digital and numeracy; and by raising skills levels in lagging areas'*. The role of skills in supporting businesses to grow is also captured.

The Industrial Strategy acknowledges again the importance of investment in technical education, which it notes has been 'relatively neglected' and notes the 'bewilderingly complex array of qualifications, some of which are poor quality'. This complexity is also reflected by responses to SELEP's skills strategy consultation. As the Industrial Strategy outlines, this has led to a shortage of technical-level skills (which is also evident across SELEP) and a position of 16th out of 20 OECD countries for the proportion of people with technical qualifications. Greater proportions of young people are still choosing academic rather than vocational study.

This picture is echoed in the SELEP area also and in our shared ambition to increase technical skills to respond to growth. The green paper consultation has now closed and in SELEP's response the ambition for 'parity of esteem' between vocational and academic was welcomed and SELEP's growth requirements were outlined as per this strategy, including awareness of jobs and clear pathways. The importance of adult upskilling and retraining was emphasised, particularly to qualifications for which there is currently no funding support (i.e. HGV driving, Construction Skills Certification Scheme card).

3e. Brexit and impact on sectors, funding and workforce

A separate report to support this strategy will consider the potential impact of Brexit more fully and the evidence base considers the impact on some sectors, with for example, higher proportions of migrant labour. With much still to be negotiated at the time of writing, it is difficult to make any predictions with certainty. The government nationally is already exploring a 'UK shared Prosperity' fund to replace EU funding.

SELEP and partners have influenced European Social Funding held by the DWP and matched by the DWP, ESFA and Big Lottery. This is delivering against areas such as apprenticeships, in work training for growth sectors and supporting unemployed and disadvantaged cohorts towards employment. Partners would welcome greater control, influence, and flexibility over this funding so any national pot will need to respond to local need and give local partners a leading role. For cohorts including homeless, carers, offenders and those with mental health barriers, EU funding support has been important. Therefore, some ring fencing would arguably be a positive thing.

A Federation of Small Businesses (FSB) report 'What Small Firms want from Brexit' was published in April 2017. This outlined that one in five companies have EU staff and one third do business with or within the EU. Key concerns were described as being accessing the skills required (59%), growing their business (54%) and enforcing new immigration rules (56%). The sorts of responses being considered to likely shortages included moving abroad (13%) or closing (8%), continuing to recruit from the EU at extra cost (40%). Some were considering investing in their current workforce (9%) or offering new opportunities like apprenticeships (16%).

In terms of SELEP priority sectors, the biggest being construction; the Royal Institute for Chartered Surveyors (RICS) has produced figures outlining that 'post Brexit should the UK lose access to the single market, nearly 200,000 EU workers could be lost, placing infrastructure and construction projects under threat.' The Nuffield Trust representing health and care also concluded that 'there is doubt about the future of our EU workforce who currently perform a vital role across health and social care'.

With skills shortages potentially set to increase, investing in areas such as skills support and apprenticeships are therefore likely to be even more important.

3f. Digital revolution changing the way we work (supporting report)

A separate report to support this strategy will consider the potential impact of the digital revolution more fully. This now cuts across all sectors, from robotics being used in warehousing to the application of digital care. In some sectors (i.e. manufacturing and engineering) robotics have seen employers reduce their workforce. Methods of working have changed, with remote and flexible working being applied by many employers, reducing travel times and negating the need to meet in person.

These advances represent huge potential for skills development. Many schools, further and higher educational establishments now use virtual reality, drones and robotics. Virtual reality and simulators mean that people can be trained for an industry without having to actually be there. A potential area for SELEP and partners to explore would be reaching adults and cohorts such as prisoners through such flexible and interactive learning.

It is predicted that this will continue to transform workplaces and with some forecasts suggesting that more than 10 million jobs could be at risk of being replaced by automation over the next ten years. This is already happening in areas such as self-service check-outs. Many of these will be lower skilled jobs and coupled with Learning and Work Institute predictions of more than six million too many low skilled people and two million too many

with intermediate skills, it again highlights the need to improve the skills levels across the LEP. It is therefore vital to help people in work to upskill as well as new entrants.

3g. UK skills levels in an international context and on productivity

According to the Organisation for Economic Co-operation and Development (OECD)'s international table published in 2015, two in ten 15-year olds in the UK lack basic maths, science and reading skills compared to one in 10 in Vietnam. The UK is ranked 20th of 76 countries and falls behind Japan, Poland, Finland and Canada. The OECD notes that if education failings are not tackled 'economic output is lost and is a powerful predictor of the wealth that countries will produce in the long run.

A BEIS report notes that 'a nation's prosperity depends largely on its ability to raise the level of its productivity. The education level of its workforce, and how effectively the skills are used in the production processes, are considered important factors in this process.' Comparisons with other countries illustrate relatively poor productivity in the UK compared with countries such as Italy, Canada, France and Germany. The same report finds evidence of a positive link between high skills and productivity. This is evident in SELEP's lower than average GVA, earnings and skills levels and further illustrates the benefits of upskilling.

It is clear that the UK's performance in productivity and skills is not keeping pace internationally and the skills evidence base illustrates that SELEP is failing to keep up with national skills levels and those of other LEPs. This is due to a combination of factors, including availability of employment, access to training in rural areas and deprivation in coastal areas and there are disparities, with some parts of SELEP well above and others well below the national average. This is therefore an important area to address, if the SELEP area is to reach its full potential and given its size, impact upon national performance.

3h. Further Education Area Reviews

In September 2015, the government commenced reviews of further education across England (33 in total), which concluded in 2017. The focus was on FE and sixth-form colleges, with participation by other institutions such as school sixth forms and training providers being voluntary. This did lead to questions about the scope of the review, in that not all post 16 provision was therefore included. Reviews were led by steering groups, chaired by the FE commissioner and including LEP and local authority representation as well as college Principals and Chairs of Governors. They explored areas such as mergers, financial resilience and responding to labour market needs.

The reviews were conducted in waves, with East Sussex being part of the Sussex Area Review in the first wave. Kent and Medway and Essex, Southend and Thurrock were in wave five, whereby the process was more streamlined and prescribed. The LEP worked with local authorities, Kent and Medway Skills Commission, the Essex Employment and Skills Board and Opportunity South Essex to present an employer led, evidence based overview of jobs and skills growth for FE providers, in line with the LEP's capital investments in FE from 2014.

- The full reports are now available at <https://www.gov.uk/government/collections/post-16-education-and-training-area-reviews> and key recommendations include:
 - Continued collaborative working to provide routes to higher technical and professional learning
- Developing progression routes beyond level 3 to increase skills levels of local residents

- Increasing delivery of apprenticeships in key sectors, particularly at higher levels
- Supporting better careers education, information, advice and guidance through collaborative working with colleges, the LEP and local authorities
- Colleges developing their estates to ensure facilities are suitable to support the delivery of provision in priority skills areas
- The development of greater specialisation in key areas where colleges have expertise in order to provide level 4+ provision in priority areas
- Effective transition arrangements between schools and colleges
- Mergers / potential mergers in SELEP's area include Canterbury and East Kent College, Palmers and SEEVIC and Sussex Coast and Sussex Downs College.

3i. Work and Health programme

The Work and Health programme is a new government welfare-to-work programme, due to launch in autumn 2017. This will replace the previous 'Work Programme' and 'Work Choice' though not all beneficiaries of those will necessarily be referred to the new programme. It will provide specialised employment support for people with disabilities and long-term unemployed people. This will be run by providers and as part of the bidding process, some providers have contacted the LEP or local authorities for further information on priorities and growth. It would clearly be the LEP's ambition that such programmes fit with the local landscape, do not duplicate with existing provision and address skills shortages. Geographically, the programme is based on Job Centre Plus operational boundaries and the SELEP falls within the 'Home counties' area, which also includes parts of East Anglia.

3j. The Careers Enterprise Company (CEC) – connecting schools and employers

The Careers Enterprise Company (CEC) is a national network set up by government to '*connect schools and colleges, employers and career programme providers to provide high-impact career opportunities for young people.*' As of August 2017, there were 1,700 schools nationally signed up to the network. The CEC part funds Enterprise Co-ordinator posts (EC's) by 50% and ECs work with up to 20 schools in their area to match them with an Enterprise Adviser (senior business volunteer) to work in partnership with schools and colleges to develop a careers plan and connection.

Across the SELEP area, match funding is currently provided predominantly by local authorities, with a presence across Essex, Southend, Thurrock, East Sussex, coastal schools in Kent and with a West Kent network just launched. This represents nearly 200 schools to ultimately be worked with and represents a huge opportunity to articulate LEP and local skills board priorities. The LEP has also played a role in linking partners such as the National Careers Service, Job Centre Plus and others up given all now have remits to work with schools. The training provider networks and local authorities across the LEP also do a lot of work with schools, including apprenticeship promotion and information. As part of the ambition to increase apprenticeships, independent and impartial services locally for employers are important, particularly given the high volume of SMEs across SELEP's area.

The importance of careers has emerged as a key requirement in the skills strategy consultation and the fact that ideally this would commence at primary level. There are many programmes and initiatives cluttering the landscape and a range of partners have expressed the need for simplification and local determination.

4. The South East LEP context

“The largest LEP outside London and covering a very diverse area, it is impossible to categorise SELEP”

One of 38 LEPs nationally, SELEP has a federated model of operation, principally supported by local business and skills boards. For skills, this includes the Skills Advisory Group and local Employment and Skills Boards. LEPs were set up by government to deliver activities to drive growth

Geographically, the South East LEP includes Kent, Essex, East Sussex, Medway, Southend and Thurrock. **By far the largest LEP area nationally, it has a population of 4.1 million** and covers 35 local authority areas, including 29 districts. The map below illustrates that it includes one of the largest coastlines in the country and borders on Greater London, Cambridge, Hertfordshire, West Sussex and Suffolk.



SELEP covers a very diverse area, made up of rural, coastal, urban, wealthy and deprived populations. From areas such as Jaywick in Essex (the most deprived ward in the country) to Tunbridge Wells in Kent, with low-level unemployment and high qualification levels, it is impossible to categorise the SELEP area and different areas often require different approaches. This diversity makes the SELEP area applicable to a wide range of government policy.

The SELEP is home to some world-beating companies and is an area to be proud of including household names such as Ford, Saga, Stansted Airport, P&O Ferries, Konica Minolta, Eurotunnel, DP World and Amazon as well as a wide range of start-ups in sectors such as digital, creative and construction. The area is soon to be home also to Public Health

England, a new Bradwell Power station, Entertainment resort and expanded ports and airports.

The SELEP area is nationally and internationally important –SELEP’s sea, rail and airports provide a gateway to the world and the rest of the UK. This area is vital and instrumental in keeping goods moving and enabling international trade.

Overall, SELEP has lower than average skills levels and though improving, these are failing to keep up with the national average at every level, except level 1. Generally, SELEP falls within the bottom half of LEPs for skills levels. As a diverse and large area, SELEP has areas well above and well below the national average.

Nearly 190,000 (7.5%) adults have no qualifications; the highest number of any LEP nationally after London and Leeds. 90,000 people in employment do not have a qualification and 237,000 have a level one only. **FE participation has fallen in recent years.**

This area will see significant housing and infrastructure growth, with up to 300,000 new homes projected to 2030. This has clear consequences for the construction sector but also for sectors serving a growing population, such as health, tourism and care. This is coupled with nationally important infrastructure schemes such as the Lower Thames Crossing.

There will also be significant population growth, increasing to nearly 5 million by 2039. This will include a sizeable ageing population, impacting upon sectors such as health and care.

SELEP has large volumes of both high value and entry-level jobs, building on a strong IT, creative, construction, manufacturing, care, tourism, agriculture and health base and with nearly 400,000 vacancies advertised from August 2016-July 2017.

SELEP has the second highest of all LEP areas of workless households; there are 178,000 workless households and 83,000 children living in workless households. **Over 40,000 people were claiming out of work benefits as of June 2017** – among the highest numbers nationally.

Apprenticeship start numbers have remained fairly static in recent years (around 32,000 annually), with a population of nearly half a million 15-24 year olds. SELEP applying a proportionate target to the government’s ambition for 3 million apprenticeships (from 2015-2020) would equate to SELEP contributing 210,000.

SELEP enjoys a close relationship with London, which has both positive and negative impact on the area in sometimes drawing skills out of the South East, offering higher salaries and affecting house prices (i.e. the average house price in Sevenoaks is £409,256), which has implications for lower paid jobs, in sectors such as care. However, some London companies are seeing opportunities for relocations to SELEP, in sectors like finance and creative.

Across SELEP, there is a growing need to support disadvantaged groups such as benefit claimants, ex-offenders and increasing numbers of homeless people. Some areas within SELEP are now nationally considered ‘hotspots’ for homelessness including Harlow, Basildon, Chelmsford and Colchester.

5. Sector context (all facing shortages already, set to increase)

The skills evidence base illustrates the significant size of SELEP compared with other LEPs and for its sectors also. For example, 98,000 people are employed in construction compared with 58,000 in Leeds and 51,000 in Greater Manchester. It is a similar picture for sectors such as health and care. The SELEP area also has the fourth highest number of manufacturing sector employees (103,000) of any LEP area nationally. Across all sectors, there is a growing need for more start-up / entrepreneurial, leadership and management skills as well as digital. Across all sectors, the speed and level of change mean that the nature of work is changing and therefore training needs to adapt accordingly.

A table from the skills evidence base is included below, to illustrate the sector requirements and developments in the area which will impact upon skills and jobs needs in the future. Generally, there is a need to support people across all sectors with higher, technical and professional skills to increase productivity and competitiveness and enable people to progress from low and entry level jobs. Sectors that have been marked as priorities have been identified as having LEP wide significance due to large current and future jobs growth, high value jobs or strategic importance. Supporting sector reports will be produced.

Sector	SELEP Picture Now	Growth / Future
Construction (PRIORITY)	<ul style="list-style-type: none"> 27,325 enterprises 101,000 employee jobs Ageing workforce Disproportionately male workforce Nearly 6,000 vacancies (including Electricians, plumbers, carpenters, Quantity Surveyors, Bricklayers, Production Managers) Average national salaries include: Production Manager (£46k), Supervisor (£33k), Carpenter (£32k), Quantity Surveyor (£47k) Competition from London offering higher salaries to people trained here 	<ul style="list-style-type: none"> 300,000 new homes across SELEP, so sector set to see considerable growth Large infrastructure projects (i.e. Lower Thames Crossing) Growing need for 'green' & low carbon skills Public perception hindering growth. Large requirements in 'off site' jobs Carpenters, Joiners, Architects, Project Managers, Plumbers & heating & ventilation engineers and Chartered surveyors identified by UKCES as jobs of the future Brexit impact as large migrant workforce
Health and Care (PRIORITY)	<ul style="list-style-type: none"> 7,240 enterprises 220,000 employee jobs Disproportionately female workforce (particularly in care) Over 45,000 vacancies (including Nurses, care workers, medical practitioners, social workers and care managers) Average national salaries include: Nurse (£35k), Care workers (£20k), Residential home managers (£41k), Social Workers (£41k) 	<ul style="list-style-type: none"> Population growth to 4.6 million by 2030 Increasing ageing population – both will impact on health and care needs Public perception of sector (particularly care) hindering recruitment – good opportunity to progress to management Care Workers, Nurses, dentists and nursing assistants identified by UKCES as jobs of the future Potential impact of Brexit as large migrant workforce Opportunities to use digital technologies in care
IT, Digital & creative (PRIORITY)	<ul style="list-style-type: none"> 19,170 enterprises 85,000 employee jobs IT has a disproportionately male workforce Over 30,000 vacancies (including Web developers, software developers, IT 	<ul style="list-style-type: none"> Current 'digital revolution' means skills for this sector applies across all other sectors with digital skills needs growing Many hard to fill vacancies in IT Programmers & Software developers, IT specialist managers, IT analysts, IT project

	<p>support, graphic designers)</p> <ul style="list-style-type: none"> • Average salaries include: IT project manager (£57k), IT technician (£34k), programmer (£43k) 	<p>managers, web designers and developers identified by UKCES as jobs of the future</p> <ul style="list-style-type: none"> • High numbers of micro businesses and freelancers which may require a different approach / support to enter sector
Finance (PRIORITY)	<ul style="list-style-type: none"> • 3,020 enterprises • 43,000 employee jobs • Strong relationship to London – many SELEP residents commuting to finance jobs • Over 8,000 vacancies (including Insurance underwriters, finance analysts, sales related roles and financial managers) • Average salaries include: Finance and investment analysts (£45k), Pensions and insurance clerks insurance underwriters (£42k), insurance underwriters (£41k) 	<ul style="list-style-type: none"> • Trend for some finance companies in London relocating to parts of SELEP due to available workforce / lower rents • Growing need for IT (software) skills due to online nature of industry – difficult to recruit to • Finance and investment analysts and advisers, chartered and certified accountants, sales accounts and business development managers identified by UKCES as jobs of the future • Potential impact of Brexit on international companies presence in UK, with London as Europe's main financial services hub
Manufacturing (PRIORITY)	<ul style="list-style-type: none"> • 108,000 employee jobs • Nearly 12,000 vacancies including mechanical engineer, production manager, engineering manager, test engineer • Disproportionate male workforce • Ageing workforce • Internationally famous companies located here (i.e. Ford, Raytheon, e2v) • Average national salaries include: design and development engineers (£43k), engineering professionals (£33k), mechanical engineers (£38K) 	<ul style="list-style-type: none"> • Public perception of sector hindering recruitment • Ageing workforce likely to impact on skills needed – high need for technical skills • Mechanical Engineers, Metal fitters, production and maintenance fitters identified by UKCES as jobs of the future • Impact of digital and robotics on future skills requirements • Decline in employment forecasts but current shortages and factors such as competition from other sectors / ageing workforce means there is continued need for skilled staff
Transport & Logistics (PRIORITY)	<ul style="list-style-type: none"> • 6,270 enterprises • 93,000 employee jobs • Disproportionate male workforce • Of national and international significance – SELEP has nine ports, high speed rail links and regional airport capacity • Over 8,000 vacancies including HGV Driver, Forklift Truck driver, warehouse manager, transport manager and depot manager • Average national salaries include: managers in transport distribution (£37k), Warehouse Managers (£36k), LGV Drivers (£26k) 	<ul style="list-style-type: none"> • Impact of digital and robotics on future skills requirements (i.e. automated warehousing) • Aircraft pilots, LGV drivers, train drivers identified by UKCES as jobs of the future • Airport expansion at Gatwick (outside LEP but providing large volume of jobs), Stansted, Southend airports
Agriculture and land based (Kent & East Sussex PRIORITY)	<ul style="list-style-type: none"> • 6,000 enterprises • 1,000 vacancies including landscaper, veterinary nurse and farm estate worker • Average national salaries include farmer (£44k), veterinary nurses (£24,495) 	<ul style="list-style-type: none"> • Important to food security and potential move to more UK production if imports become costly • Innovations in areas such as wine production could lead to further growth • Farmers UKCES jobs of the future • Growing need for farm based R&D
Retail	<ul style="list-style-type: none"> • 11,495 enterprises • 276,000 employee jobs (NB includes wholesale and repair also) 	<ul style="list-style-type: none"> • Impact of online retail • Heavy reliance and inter-relation with transport and logistics sector

	<ul style="list-style-type: none"> 11,000 vacancies including store manager, sales executive and retail sales person Average national salaries include sales assistants (£21k), cashiers (£18k), retail managers (£28k) 	<ul style="list-style-type: none"> UKCES identifies IT skills associated with sector, such as business analysts as jobs of the future
Education	<ul style="list-style-type: none"> 2,935 enterprises 156,000 employee jobs 33,000 vacancies including secondary education teaching professionals, teaching assistants, primary and nursery education teaching professions Reported difficulties recruiting and people leaving sector Average national salaries include secondary education teachers (£31k), FE teaching professionals (£35k) & teaching assistants (£17k) 	<ul style="list-style-type: none"> Largely public sector so reliant on public funding UKCES identifies Secondary School Teachers and educational support assistants as jobs of the future General challenge in schools, colleges and universities to recruit to sector specialism especially where there are shortages in the sector itself. Useful to explore industry placements and support to address this.
Professional, scientific & technical (cross cutting) PRIORITY	<ul style="list-style-type: none"> 27,950 enterprises 110,000 employee jobs Reflecting the high level of technical and higher level jobs across SELEP Reflects jobs in some of sectors as above such as IT, construction and also legal Over 9,000 vacancies including Solicitors, legal professionals and legal secretaries Average national salaries include Solicitors (£45k), Vets (£40k) and legal professionals (£45k) 	<ul style="list-style-type: none"> Technical roles are increasing as reflected in the sectors described above and are reflected in UKCES jobs of the future as well as legal and medical roles
Energy & Utilities (PRIORITY)	<ul style="list-style-type: none"> 18,000 employee jobs 1,600 vacancies including water and sewerage operatives, engineering technicians and business sales executives Average national salaries include £29,000 for water and sewerage operatives and £30,000 for engineering technicians 	<ul style="list-style-type: none"> The sector reports requirements in engineering and experiences similar shortages to the engineering sector UKCES identifies needs for technical skills and notes that in future there will be increasing skills requirements for the expansion of intelligent energy systems that track usage as well as installation of energy technologies such as solar & wind.
Accommodation, Food & Hospitality	<ul style="list-style-type: none"> 112,000 employee jobs 8,615 enterprises Nearly 6,000 vacancies including restaurant manager, bar staff, hotel manager Average salaries include £28,000 for a Restaurant Manager, £20,000 for a Chef & £30,000 for a Hotel Manager 	<ul style="list-style-type: none"> Current and future trends include the development of companies such as Airbnb changing the nature of the sector Growth across the SELEP area has seen an increase in new restaurants, hotels and bars in many areas

Future developments influencing these sectors

Clearly there is a lot about the future which will impact SELEP's sectors which cannot be predicted. However, there are a range of certainties in terms of forthcoming investments which will have skills and jobs implications across the area. Some key examples are as follows with more schemes and resultant jobs and skills needs described in the accompanying Construction and Industry Board (CITB) demand led report:

Development / investment	Further information
Public Health England relocation to Harlow (Essex) from 2019	Jobs to include Scientists, engineers, researchers, Scientific support workers, finance, HR, IT analyst and marketing roles. These will include graduate and post graduate roles, PHD studentships, entry level roles and apprenticeships. Recruitment is expected to take place from academia, industry and the NHS.
Bradwell Power Station (Essex) new build (pre-planning stage only)	Jobs would be in engineering, construction, planning
Amazon Fulfilment Centre location (Tilbury, Thurrock) – recently opened and still recruiting (2017)	1500 jobs including Control Systems Engineer, Senior Control System Engineer, maintenance technician and health and safety manager
Lower Thames Crossing (Essex, Southend, Thurrock and Kent) (timings to be confirmed)	Expected to generate up to 25,000 new jobs in construction and engineering
Cross Rail Essex routes – to 2020	Generating a share of 50,000 jobs which were projected for London and the south east
Harlow Enterprise Zone (Essex)	2,500 jobs, growing to 5,000 over 25 years
Southend Airport Growth	Up to 7,000 new jobs to 2020
Stansted Airport (Essex) growth	Up to 10,000 new jobs to 2030
Port of Tilbury (Thurrock) growth	Up to 5,500 jobs at London distribution Park and Tilbury sites
London Gateway (Thurrock)	One of Europe’s biggest logistics parks and growing
Wind farms (Greater Gabbard, Gunfleet Sands, London Array, East Sussex coast)	Maintenance (Engineering) skills likely to continue to be needed
Better Queensway Development (Southend)	£320 million regeneration in Southend over next 15-20 years
Up to 300,000 new homes to 2030 across SELEP area	Large numbers of jobs in construction and engineering. Sites including: <ul style="list-style-type: none"> • Ebsfleet Garden City (Kent) • Otterpool Park Garden Town (Kent) houses and commercial land • New garden town on Essex-Hertfordshire border • Dunton Hills in Essex (to include new schools and shopping facilities)
Discovery Park (Sandwich, Kent)	Up to 3,000 new jobs
Elwick Place Development Ashford (Kent)	Development requiring construction and engineering jobs. Leisure and hospitality jobs to be created
Sittingbourne Town Centre regeneration (Kent)	Development requiring construction and engineering jobs. Hotels, cinemas and shops to create retail and hospitality jobs
London Entertainment resort (previously Paramount) – plans only	Large scale entertainment resort would require construction and engineering skills and once up and running, large numbers of hospitality jobs
Growth of Gatwick Airport	Continuing jobs for people living in East Sussex and Kent
Shallows Business Park (Hailsham, East Sussex)	Over 500 new jobs
North Bexhill Access Road	Development opening up land for the development of 38,000 sqm of new employment space and the creation of over 2200 jobs
Lewes North Street Quarter	£180m development on brownfield site to include public spaces, off street parking, employment space and a healthcare hub
Devonshire Park (Eastbourne)	£44m project to deliver new welcome building, theatre and gardens
Queensway Gateway Road	New road to reduce congestions on the Ridge and open up land along a corridor between Hastings and Bexhill for business investment and housing development

6. Shared ambition across the LEP

“SELEP represents a unique and powerful collaboration of public and private sector partners with a shared ambition and drive to bring about growth for the benefit of its individuals, communities and employers and to ensure that this provides opportunity for all in society.”

Working with federated skills boards, the SELEP’s Skills Advisory Group brings together colleges, universities, local authorities, training provider, employer and voluntary sector representatives. As a working group of the largest LEP nationally, it is the biggest of its kind nationally and represents an expert group which could prove as a useful sounding board to government for new initiatives and consultation on what is and isn’t working on the ground. This group, the LEP Board and extensive LEP network of hundreds of partners have fed into and informed this strategy, which is the result of detailed research and consultation. There is therefore consensus across the LEP of issues to address, with headlines as follows:

- SELEP’s education and productivity in a national and international context highlights the need to align education to growth and where the jobs in future will actually be. We will share our clear and consistent message to all stakeholders’ schools, colleges, providers, universities in order to rise to the challenge of current shortages and future growth and ensure our communities can benefit from this.
- There is a consensus that apprenticeship numbers need to increase as an excellent way to respond to skills and sector shortages. As is outlined above, numbers need to increase significantly and align to growth.
- The scale of the skills challenge requires us to significantly increase adult participation and create the right conditions for upskilling and retraining. Models such as ‘returnships’ could be adopted to support people into growth sectors and respond to training needs.
- Across almost all responses to the SELEP skills consultation, the complex nature of the skills system was identified as a barrier. This is reflected in the UK government’s industrial strategy. It is vital that this complexity is addressed and duplication, waste and overlap are removed. It is important to ensure also proportionate allocations of funding to SELEP. More local control of funding to ensure it is efficiently and appropriately utilised, would be beneficial.
- This is an ambitious area, with among the largest growth nationally projected. There is every opportunity for the SELEP area to lead the way and to champion new and innovative areas such as digital skills in health and virtual reality learning in new settings.

7. What we are already doing

- Investing in facilities for growth through Skills Capital now and in the future, as is outlined in our ‘Celebrating Skills’ brochure¹. This includes facilities to respond to technical and STEM shortages across a range of sectors including agriculture, manufacturing, IT and digital and construction. We will continue to make the case for industry led, inspirational facilities as a key part of our response to skills shortages.

¹http://www.southeastlep.com/images/uploads/resources/SELEP_brochure_%28ESF_and_Skills_Capital%29.pdf

- Influencing provision and support through the European Social Fund and government funding (such as the Work and Health Programme)
- Supporting a Careers Enterprise Adviser programme now linking nearly 200 schools with employers across the LEP area and growing
- Exploring opportunities to reach primary schools, such as the 'Inspiring Governance' programme
- Raising the profile and importance of apprenticeships through, for example, videos² and infographics and planned work with the National Careers Service
- Fostering stronger links with LEP Growth Hubs to ensure local employers can access support and any skills feedback is shared
- Trailing innovative new approaches such as Tutor CPD through local Skills Boards and exploring a DWP and National Careers Service pilot to support older workers
- Piloting an online portal to simplify things - 'Opportunity South East', with the opportunity to roll out across the LEP (<https://my.opportunitiesoutheast.co.uk/>)
- Local federated skills boards also deliver a range of locally specific initiatives such as Open Doors in East Sussex, a care sector recruitment drive in Essex and a 'Made in Kent' campaign in Kent and Medway.

8. A shared skills vision and priorities for SELEP

SELEP's vision for skills:

To help deliver a flourishing and inclusive economy across the biggest LEP in the country by equipping employers, adults and young people with the skills, conditions and aptitudes required for significant growth today and tomorrow.

SELEP's skills principles:

To achieve our vision, we will continue to use evidence, consultation and partnership to understand, respond and deliver across our geography of Kent, Medway, Essex, Southend, Thurrock and East Sussex. We will continue to develop innovative responses to delivery and barriers and would like to work with government to deliver more and test new approaches.

SELEP's priorities:

As educators, local authorities, employers, voluntary sector, employers and providers we agree our priorities are to -

- *Increase apprenticeships and industry relevant qualifications for all ages, particularly in priority sectors and at higher and degree level*
- *Simplify the landscape for employers, stakeholders and individuals*
- *Build an inclusive economy and reduce polarisation*
- *Raise awareness of jobs and growth across SELEP and the area's size, scale, national and international significance*
- *Foster the spirit of pride, innovation and enthusiasm across SELEP to bring about change*

² <https://www.youtube.com/channel/UCkA5bGNj1ss8Xm4OjM1Va6g>

9. Emerging actions – a commitment to deliver

There is a strong shared commitment to deliver against the findings and conclusions in this strategy. With much excellent work happening at federated area level, partners have agreed that it is appropriate to agree on four or five areas for meaningful impact across the SELEP area. In order for these to be successful, all partners also need to articulate the vision, priorities and actions to their networks which will help to ensure a consistent message. Some emerging ideas for action are:

AREA FOR ACTION	WHAT WE ARE ALREADY DOING	WHAT WE WILL DO
INCREASE PRODUCTIVITY, JOBS AND EMPLOYER LED TRAINING		
<i>Increase apprenticeships and industry relevant qualifications for all ages, particularly in priority sectors and at higher and degree level</i>	<ul style="list-style-type: none"> Promoting apprenticeships at LEP at federated level through videos and infographics and on our websites Working with our existing programmes and initiatives (i.e. skills capital, ESF, Careers Enterprise, ASK) to promote apprenticeships and industry need Putting the right facilities in place through capital funding Linking in with the ESFA Apprenticeship Ambassador networks Developing LEP wide evidence of skills and employment need to help providers respond to growth Working with CEIAG and Careers Enterprise colleagues to ensure schools are aware of the range of options 	<ul style="list-style-type: none"> Take an LA proposal for utilisation of LA apprenticeship levy for growth sectors to government Train Growth Hub colleagues on the levy and reforms through National Careers Service Funding secured Issue ESF calls for tender to support apprenticeship and industry relevant training growth such as brokerage and support with travel and kit Develop more materials, videos and promotion of the benefits of apprenticeships and bust the myths Simplify access for employers and individuals through 'Opportunity South East' portal Prepare employers for changes such as the introduction of T-levels. Get high profile SELEP companies and developments to sign a public commitment to apprenticeships Raise awareness of and support adult apprenticeships
SIMPLIFY THE LANDSCAPE		
<i>Simplify the landscape for employers and individuals</i>	<ul style="list-style-type: none"> Creating materials to describe our skills capital and investments to have information in one place Working with partners such as Growth Hubs, NCS, JCP to share our information and facilitate joint work and introduction Feeding back to government the range of similar government funded initiatives causing confusion 	<ul style="list-style-type: none"> Work with Thurrock Council to develop the 'Opportunity South East' portal to host all relevant information for individuals and employers Support roll out across Greater Essex and explore this as a LEP wide tool Build the case for greater local control and say on skills related budgets (careers, apprenticeships, adult budgets) Work with federated skills boards to ensure a consistent approach across the LEP area
BUILD AN INCLUSIVE ECONOMY AND REDUCE POLARISATION		

<p><i>Enable <u>all</u> in our society to access training and employment</i></p>	<ul style="list-style-type: none"> • Understanding the barriers better, through engagement with partners (i.e. ESF workshop Sept 17). • Understanding and reflecting our cohorts better by working with specialists (such as NEET teams, Prison service, mental health support) • Support already available through a range of ESF programmes • Capturing what's already there and best practice to avoid duplication (i.e. start-up support, helping offenders into logistics) • Working with Work and Health Programmes and Adult Education Budget providers to ensure join up and response to ened 	<ul style="list-style-type: none"> • Develop our ESF calls to support particular cohorts and utilising our understanding of the barriers for them • Raise awareness of support already out there and bust the myths • Use evidence to capture the challenges, numbers and support required for these cohorts to make the case for future funding • Explore capital equipment and facilities for loan to prisons and other partners • Create the right conditions of support for adults to upskill and retrain, go into growth sectors & gain employability skills • Assist the progression from entry level jobs, to reduce in work poverty • Address the shortage of leadership and management and digital skills • Ensure that business start-up, innovation and entrepreneurship is supported across the LEP (ESF calls) • Redress the gender balance in sectors such as construction and IT
<p>RAISE AWARENESS OF GROWTH AND JOBS ACROSS SELEP & THE AREA'S SIZE, SCALE, NATIONAL AND INTERNATIONAL SIGNIFICANCE</p>		
<p><i>Raise the profile of our key sectors, skills needs and jobs of the future</i></p>	<ul style="list-style-type: none"> • Using evidence and research to capture sectors in Strategy Evidence base and SELEP Economic Plan for a wide audience and stakeholders • Ensure all partners are aware of these and can cascade and share across SELEP area • Working with partners like NCS and JCP to share key sector focus • Building a list of key developments for tangible evidence of jobs and growth 	<ul style="list-style-type: none"> • Develop innovative methods for bringing these sectors and jobs to life (i.e. virtual reality, info-graphics, videos, YouTube) • Hold sessions with key stakeholders to articulate the importance and job opportunities of these sectors (i.e. teacher CPD) • Share evidence and strategy nationally to illustrate the importance of SELEP's area • Continue to attract funding relevant to the size and growth potential of the SELEP area
<p>FOSTER THE SPIRIT OF PRIDE AND ENTHUSIASM ACROSS SELEP TO BRING ABOUT CHANGE</p>		
<p><i>Foster the spirit of pride, innovation and enthusiasm to bring about growth and change</i></p>	<ul style="list-style-type: none"> • Working with a range of big employers and fast growing SMEs through existing networks and achieving engagement in education • Liaising with other LEPs to ensure a joined up approach 	<ul style="list-style-type: none"> • Develop a LEP / local skills Board / employer commitment to apprenticeships, work placements, internships and other for employers to sign up to and to encourage similar from other companies • Work with local skills boards to raise awareness

10. Conclusions and next steps

(To be added to final version further to feedback on draft document, vision, priorities and actions and to include headlines from the LEP's Strategic Economic Plan).

South East LEP Skills Evidence Base

(Supporting document to SELEP Skills Strategy)



Key Facts

Population: **4,170,400**
 Projected population to 2030: 4.6m
 Working age (16-64) population: **2,538,900**
 Total jobs: **1,873,000**
 GVA overall: **£85,794m** GVA per head: **81.9**
 Job postings in last 12 months: **367,000**
 % 16-64 year olds with Level 1+ qualifications: **86.5%**
 % 16-64 year olds with level 2+ qualifications: **72.6%**
 % 16-64 year olds with level 3+ qualifications: **52.8%**
 % 16-64 year olds with level 4+ qualifications: **33.3%**
 % 16-64 year olds with no qualifications: **7.5%**
 Weekly earnings by residence: **£566.00**
 Weekly earnings by workplace: **£514.00**
 Number of people on out of work benefits: **40,070**
 Total number of enterprises: **164,070**
 Total number of SMEs: **163,565**
 Total number of large (250+) companies: **505**
 Total number of apprenticeship starts 2012/13:
 Total number of apprenticeship starts 2015/16:
 Number of secondary schools: **271**
 Number of primary schools: **1,132**
 Number of FE Colleges: **17**
 Number of Universities: **9**
 Total current households: **1,283,500**
 Number of workless households: **178,400**
 Number of children in workless households: **83,300**

Data included for SELEP Area within this Evidence Base:

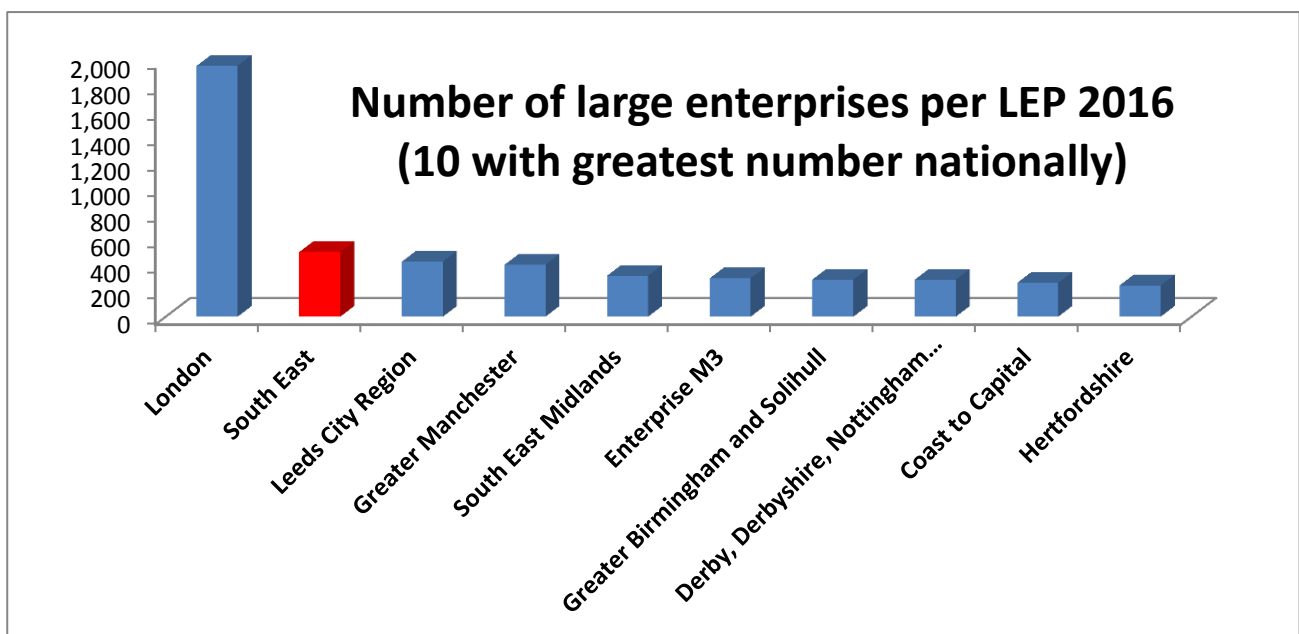
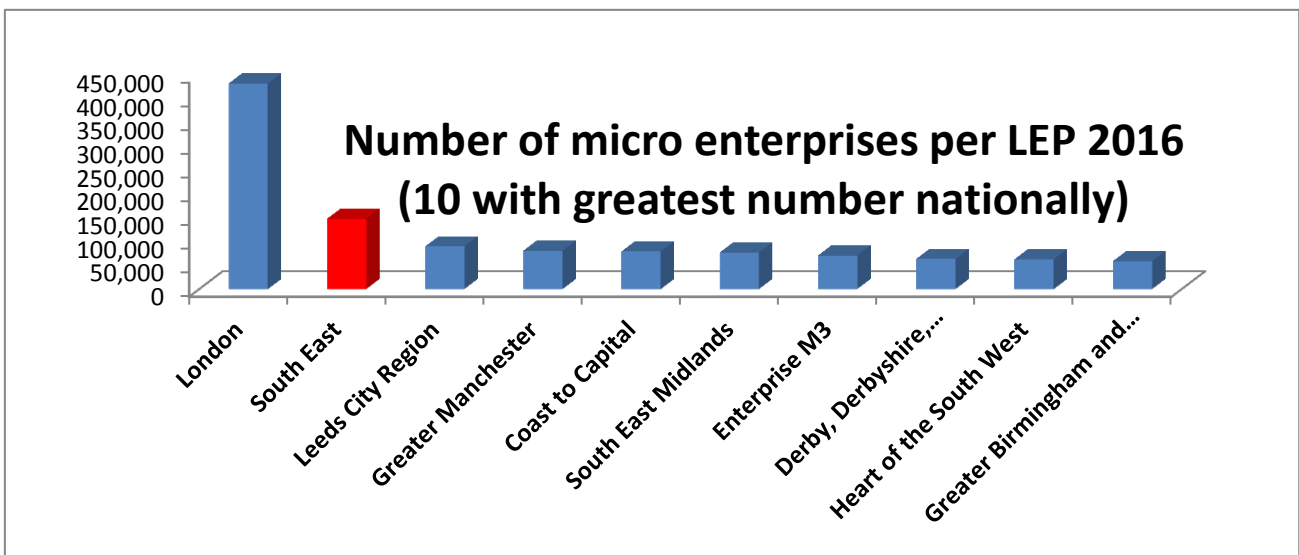
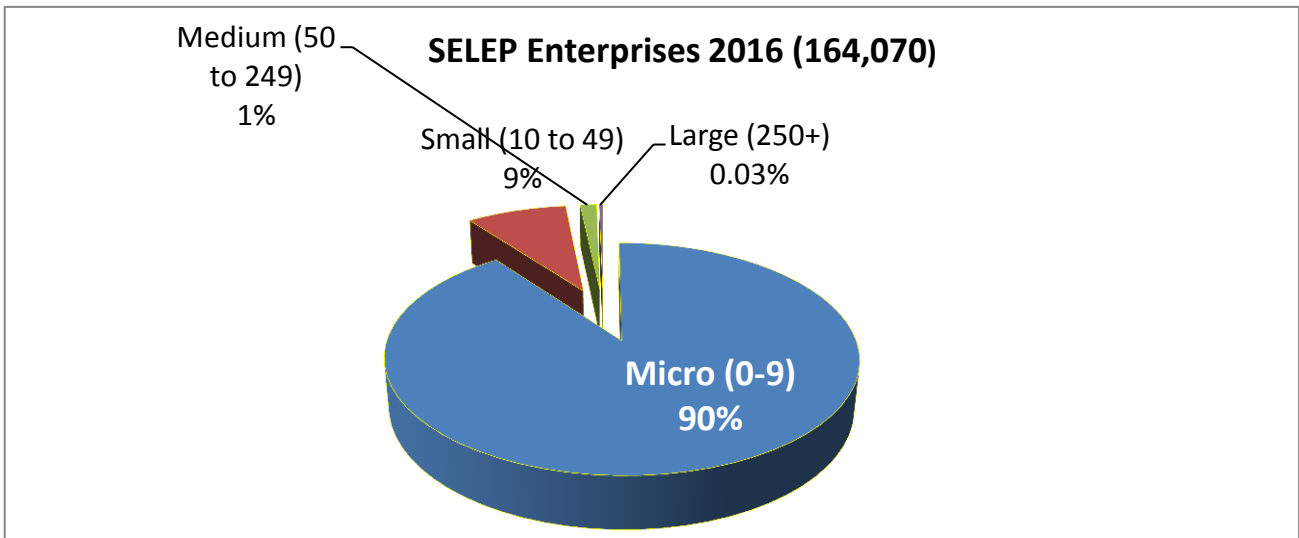
- Page 3: Enterprise and employee jobs overview (size, sectors, growth)
- Page 6: Gross Value Added (SELEP and other LEP areas)
- Page 7: Qualifications (benchmarked against national average and other LEP areas)
- Page 10 FE, Maths and English participation and achievements overall
- Page 11: Resident and Workplace earnings
- Page 12: Job Density (SELEP and other LEP areas)
- Page 12: Apprenticeship Starts and completions and example vacancies
- Page 14: Numbers in workless households and claiming out of work benefits
- Page 15: Projected population to 2034
- Page 16: Sector headlines: current view, growth and specific projects
- Page 20: SELEP job vacancies compared with other LEP areas
- Page 21: SELEP job vacancies by occupation, certifications sought, industry and qualification levels and employer survey
- Page 28: SELEP Prison and offender data
- Page 29: Data sources used in the Evidence Base

Headline conclusions / observations

- SELEP's key strength is size and scale; **on a wide range of measures, the SELEP area towers over that of all other LEPs outside London.** There are more vacancies, enterprises, existing employees and projected growth than most other LEPs. It is important to continuously state this and make the case for a proportionate share of funding accordingly.
- **Coupled with this however,** SELEP has lower productivity, **more 'workless households' benefit claimants and poorer skills levels than other LEP areas** and on a much larger scale. In the context of the UK's skills levels falling internationally, these are key areas to address.
- SELEP's **significant population (4.1 million) will grow to nearly 5 million by 2039.** The proportion of population aged over 70 will increase from 13 to 21% by 2039. This means that **a fifth of the population will be aged 70 and over,** with likely consequences for the health, care sectors and for SELEP's overall productivity.
- **SELEP's qualification levels are failing to keep up with the national average** and are **well below those of neighbouring and similar** LEPs such as Hertfordshire, Coast to Capital and London. With UK skills levels falling internationally (ranked 25th for intermediate skills), this will impact on the SELEP area competitiveness.
- **FE participation for all ages across SELEP has fallen** as has English and Maths participation and attainment. Future skills challenges will largely be met by adults and given that most employers are seeking English and Maths, this is an important area to address.
- **The SELEP area has large numbers of employees and / or enterprises in health, care, manufacturing, construction, finance, IT & creative, logistics and finance.** There are also **large numbers of vacancies and projected growth** due to factors such as 300,000 new homes projected across the SELEP area and specific events such as Public Health England's relocation. The retail and education sectors also experience high levels of vacancies and agriculture and tourism are important sectors to the SELEP area.
- **Apprenticeship starts across the SELEP area have stayed fairly static over the last few years, remaining at around 32,000 in the context of a nearly half a million 15-24 year olds.** The government has a target of 3 million apprenticeships to 2020, which proportionately would equate to SELEP contributing 210,000.
- **The SELEP area has had nearly 368,000 job vacancies in the past 12 months,** with large numbers in priority sectors. This is a much higher number than any other LEP area outside London. Jobs range from entry-level jobs to highly technical roles. Across most sectors, employers require digital skills.
- **Across the SELEP area there are considerable numbers of workless households (83,000) and out of work benefit claimants (over 40,000).** These numbers are higher than most other LEP areas.

Business size make up in South East LEP

SELEP has a far higher number of enterprises (over 164,000) than any other LEP outside London as the charts below illustrate. This demonstrates its importance to national growth and productivity. SELEP has a large number of micro enterprises but also larger numbers of big companies (over 250 employees) than other LEP areas.

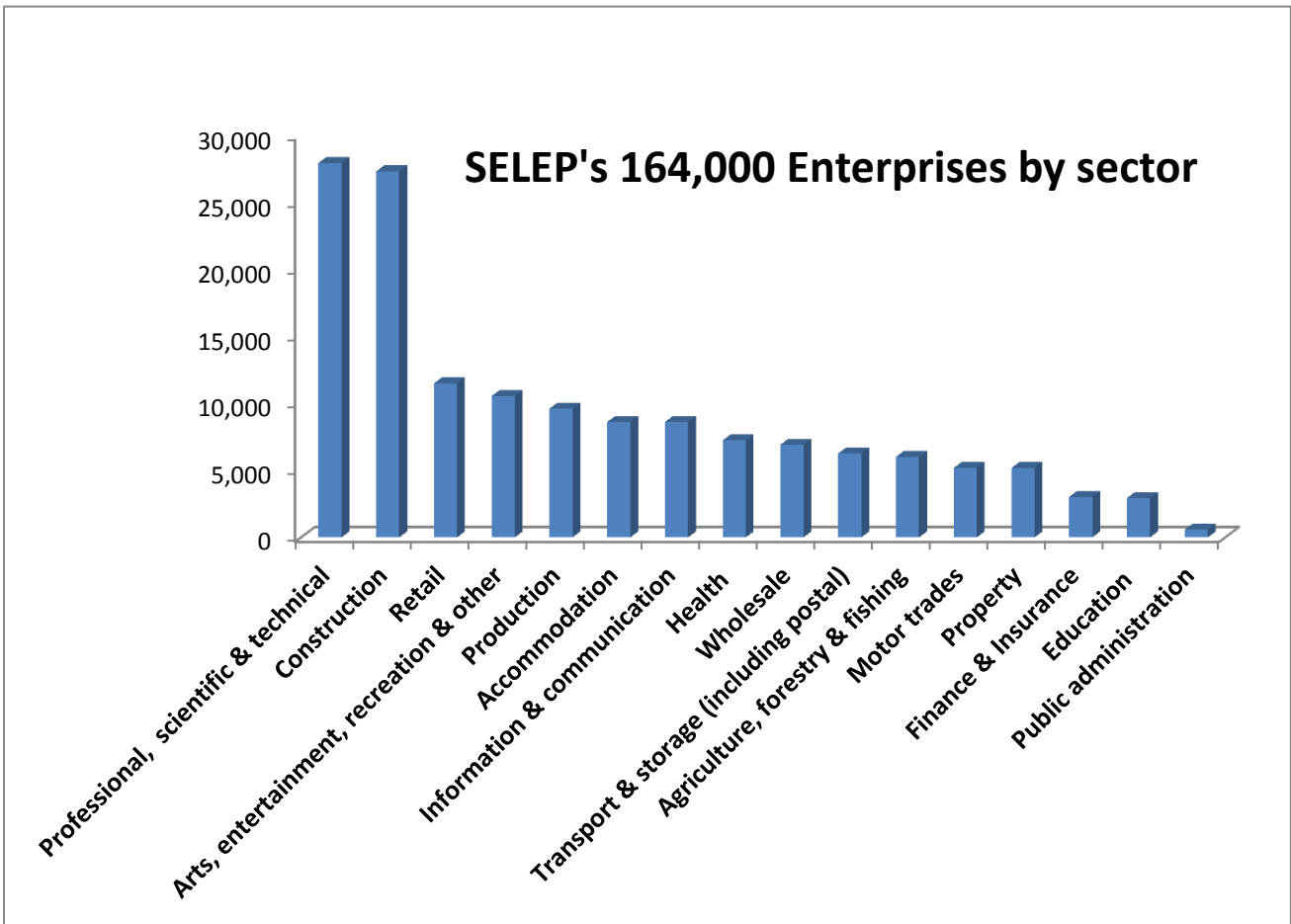


Figures as below for employee jobs and enterprises illustrate that those identified as priorities by SELEP are appropriate in having large numbers of enterprises and employees; health, care, manufacturing, construction, logistics ((transportation and storage), IT, finance, creative technical and scientific. Tourism and agriculture are important within different locations across SELEP and a priority area. It should be noted that wholesale and retail employs the largest number and has a large number of enterprises so is a significant part of the economic landscape, whilst on average not offering salaries as high as other sectors.

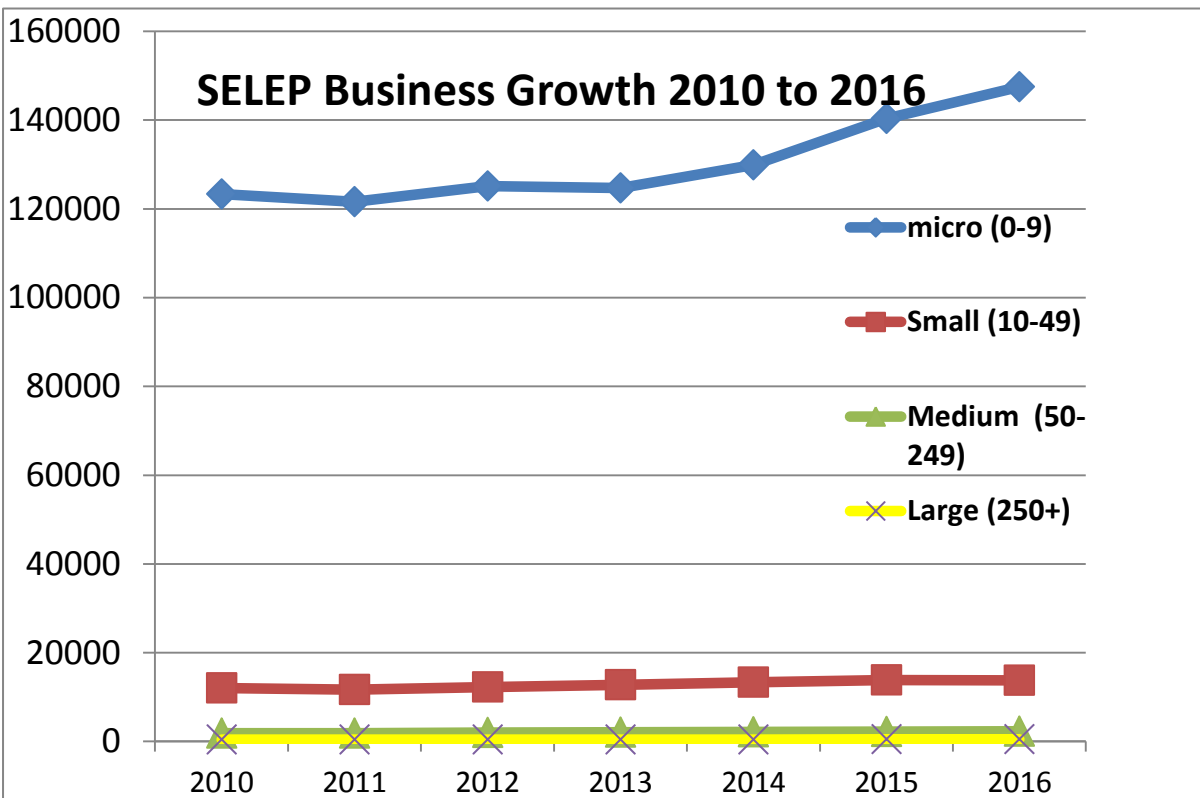
Construction is arguably the top priority for SELEP given its size and the growth that will result from housing and infrastructure developments on a significant scale. The education sector is a big employer and also has a lot of vacancies, so may be considered as a priority area for future.



Sector	Total Number of Enterprises
Professional, scientific & technical	27,950
Construction	27,325
Retail	11,495
Arts, entertainment, recreation & other	10,555
Production	9,610
Accommodation	8,615
Information & communication	8,615
Health	7,240
Wholesale	6,920
Transport & storage (including postal)	6,270
Agriculture, forestry & fishing	6,010
Motor trades	5,185
Property	5,180
Finance & Insurance	3,020
Education	2,935
Public administration	575



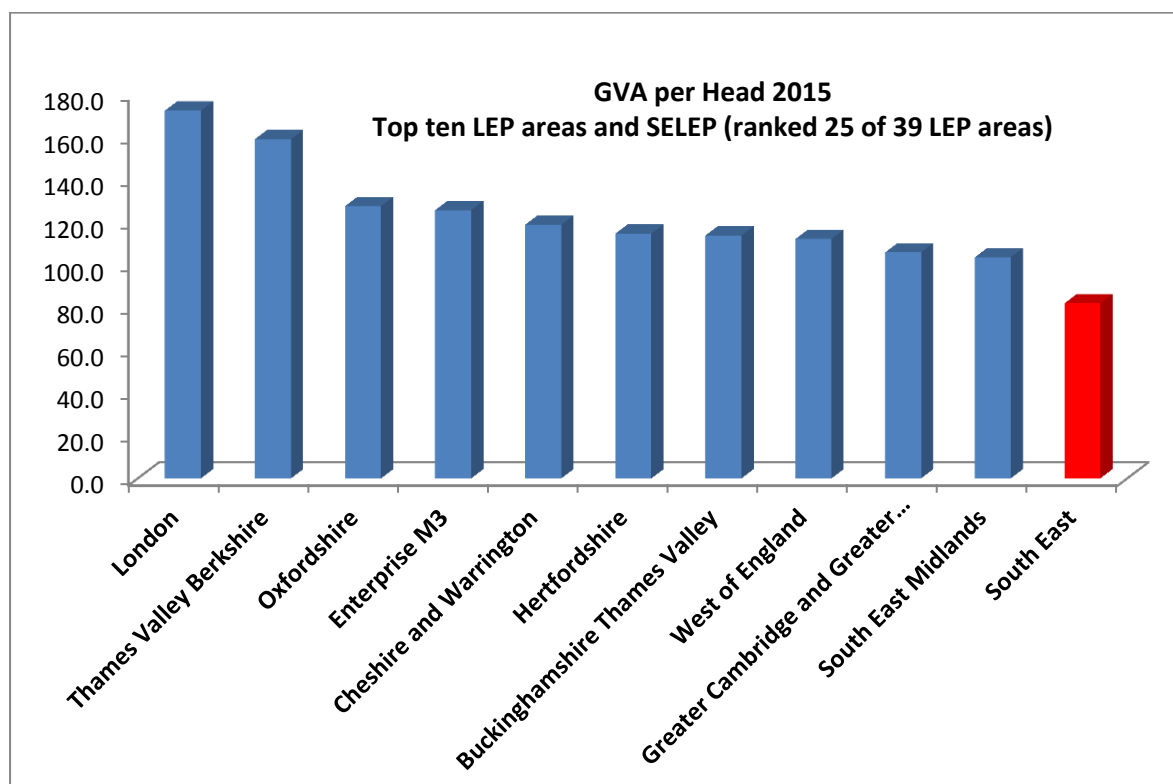
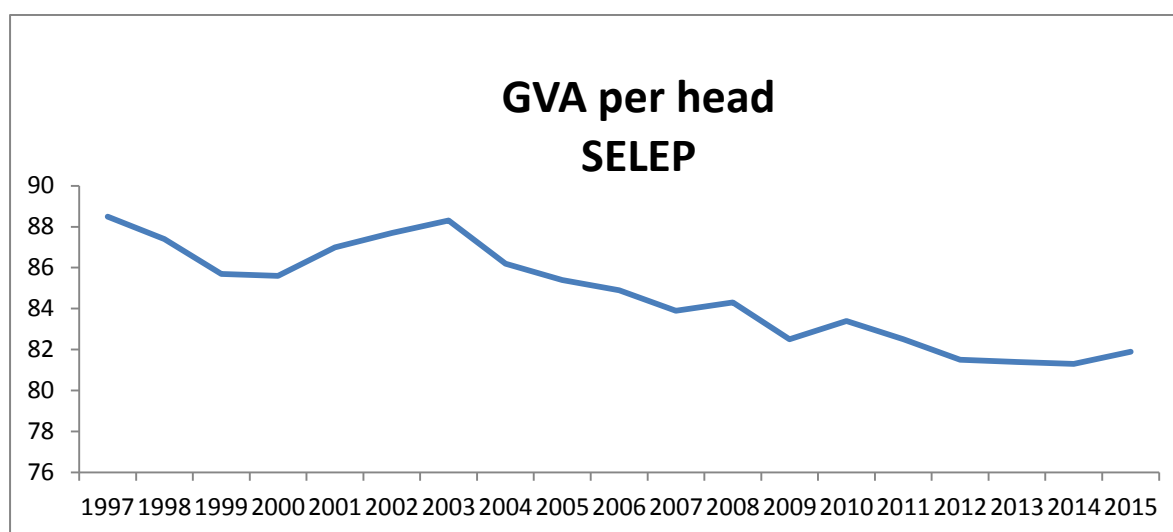
SELEP has seen 19% business growth since 2010, with medium sized businesses seeing 24 % growth. Overall, numbers have increased from 137,590 in 2010 to 164,070 in 2016. The increasing numbers of micro businesses illustrate the strong entrepreneurial and innovative culture across SELEP.



Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of goods and services produced in an area, industry or sector of an economy and is therefore a measure of productivity. The SELEP area's GVA overall has increased from £45,528m in 1997 to £85,794m in 2015. This compares to £378,423m in London, £33,864m in Hertfordshire and £59,606m in Manchester.

GVA per head enables comparisons between different areas. As the charts below illustrate, SELEP's GVA per head has fallen in recent years from 88.5 in 1997 to 81.9 in 2015. This is likely to reflect the high levels of out-commuting flows across SELEP. Therefore whilst overall the area is productive, it would be even more so if larger numbers of people living in SELEP's area worked there also.

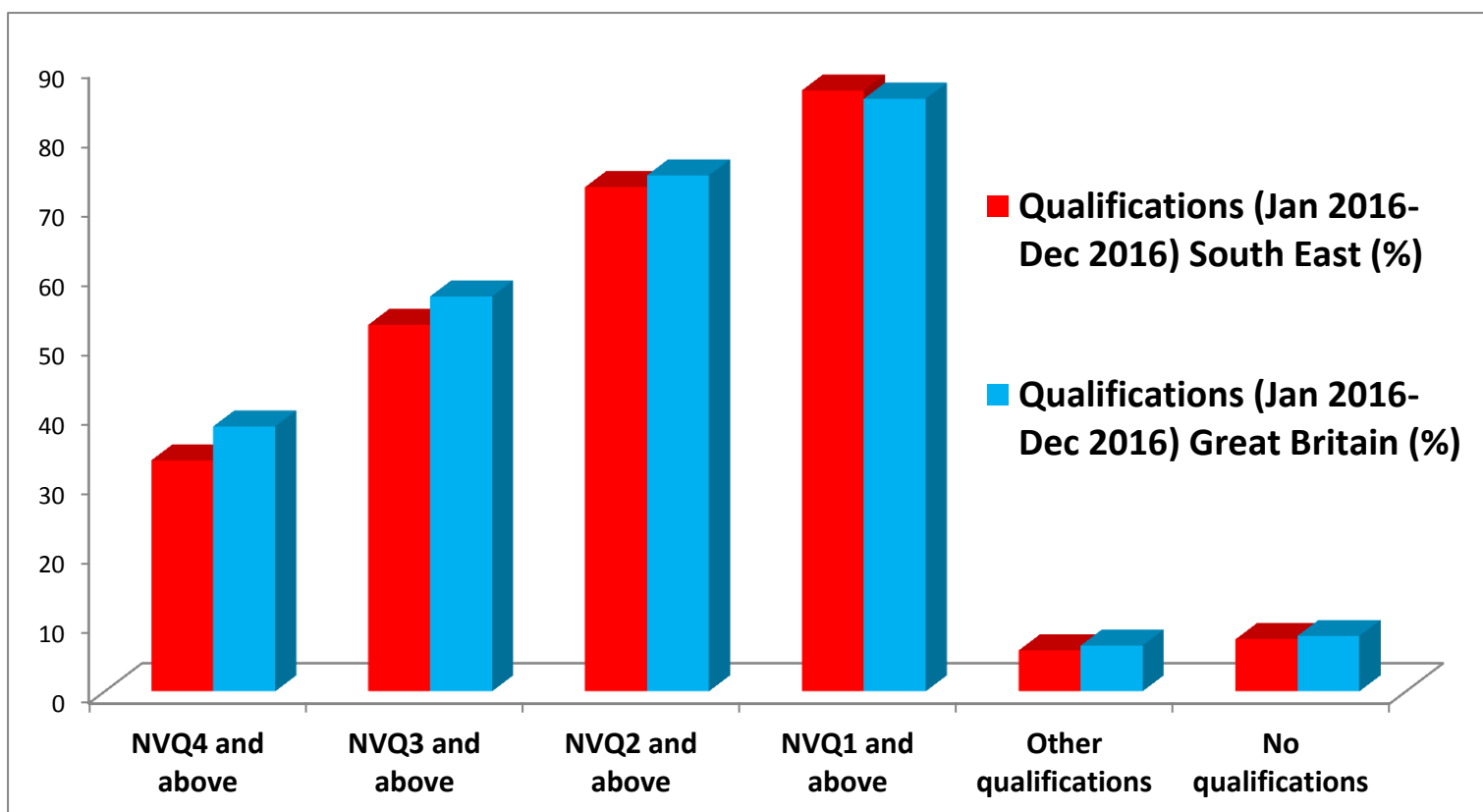


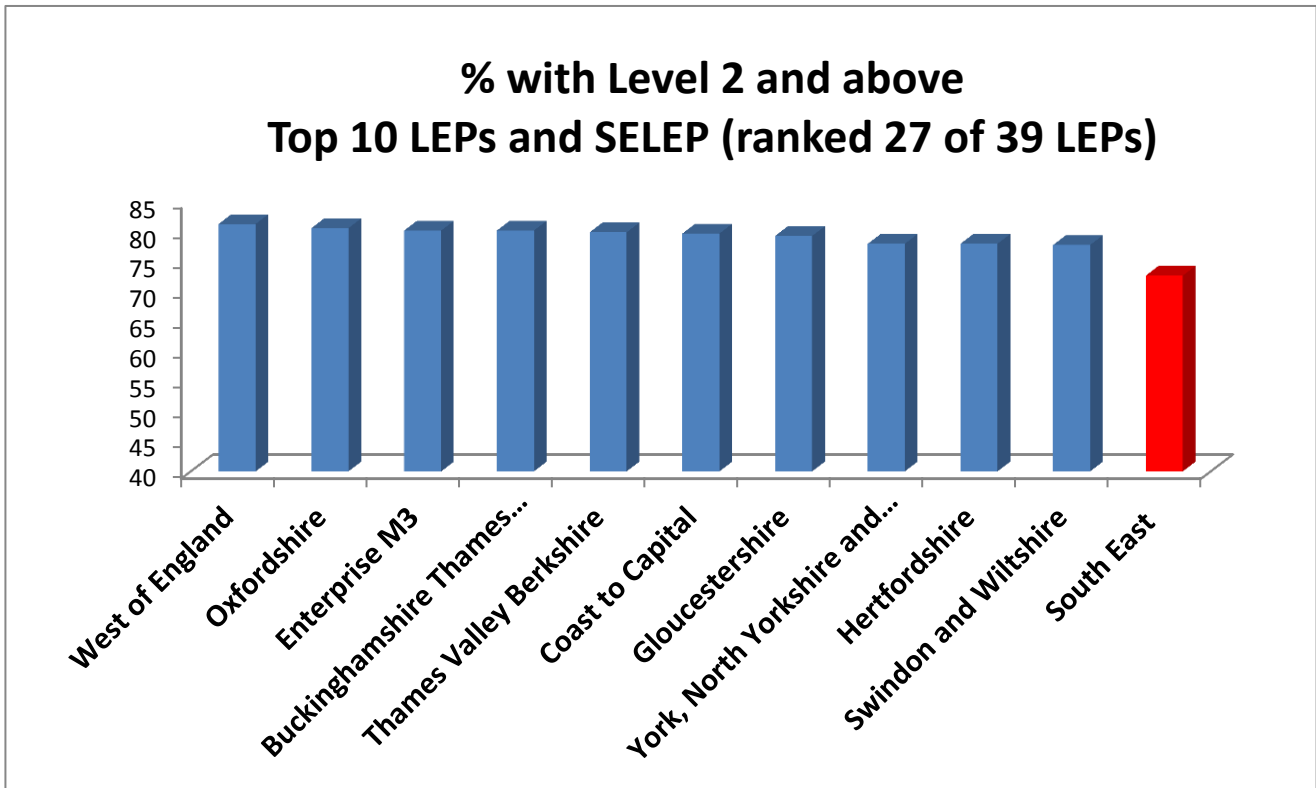
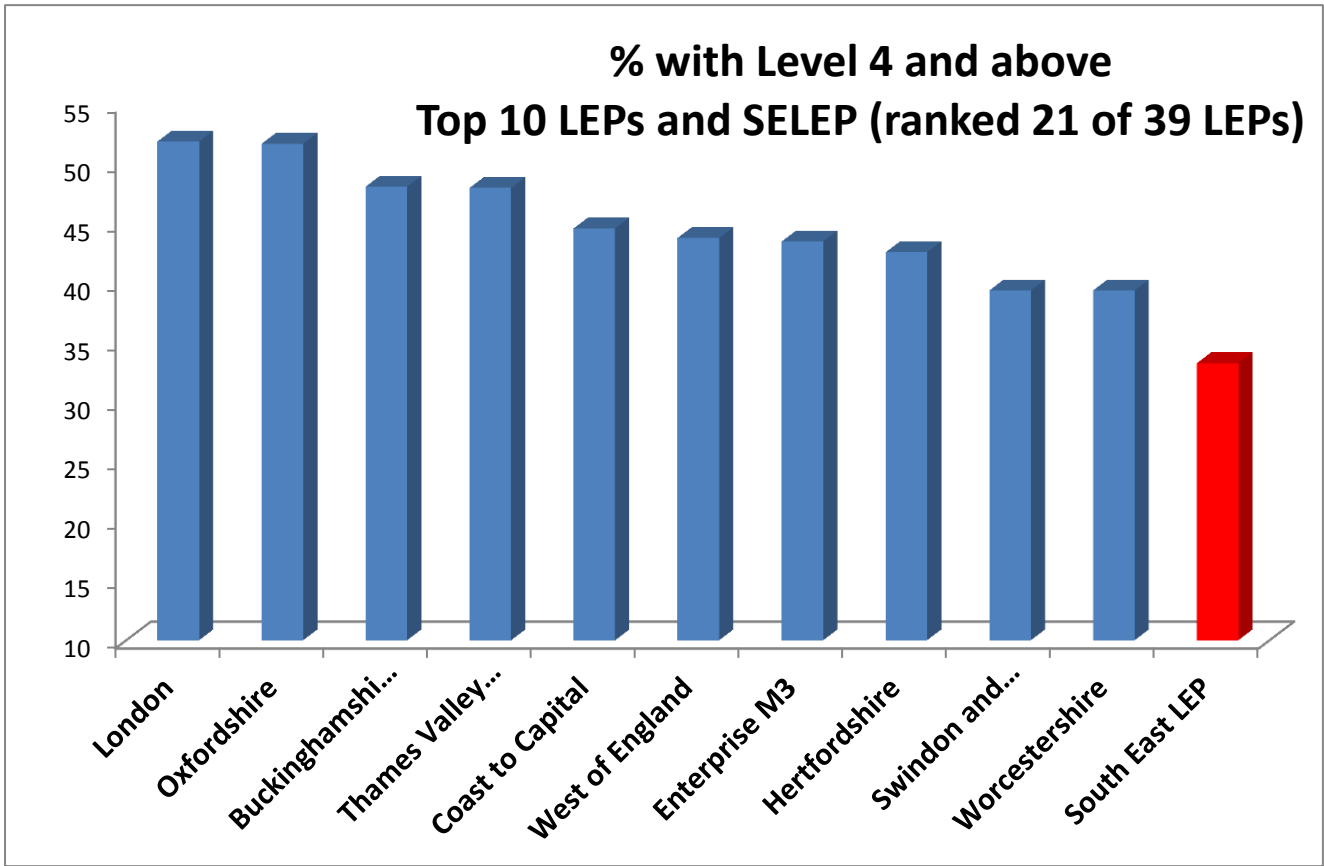
Qualification levels (16-64 year olds)

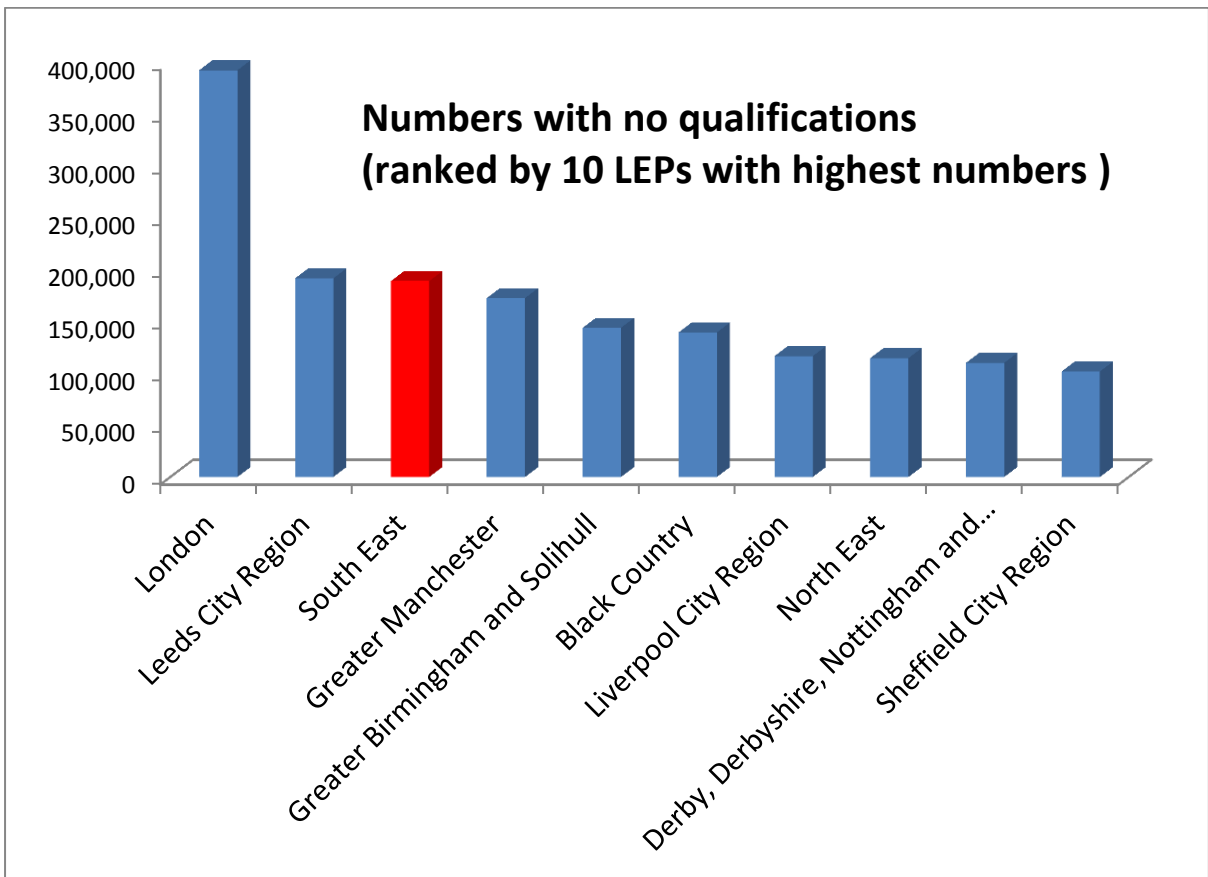
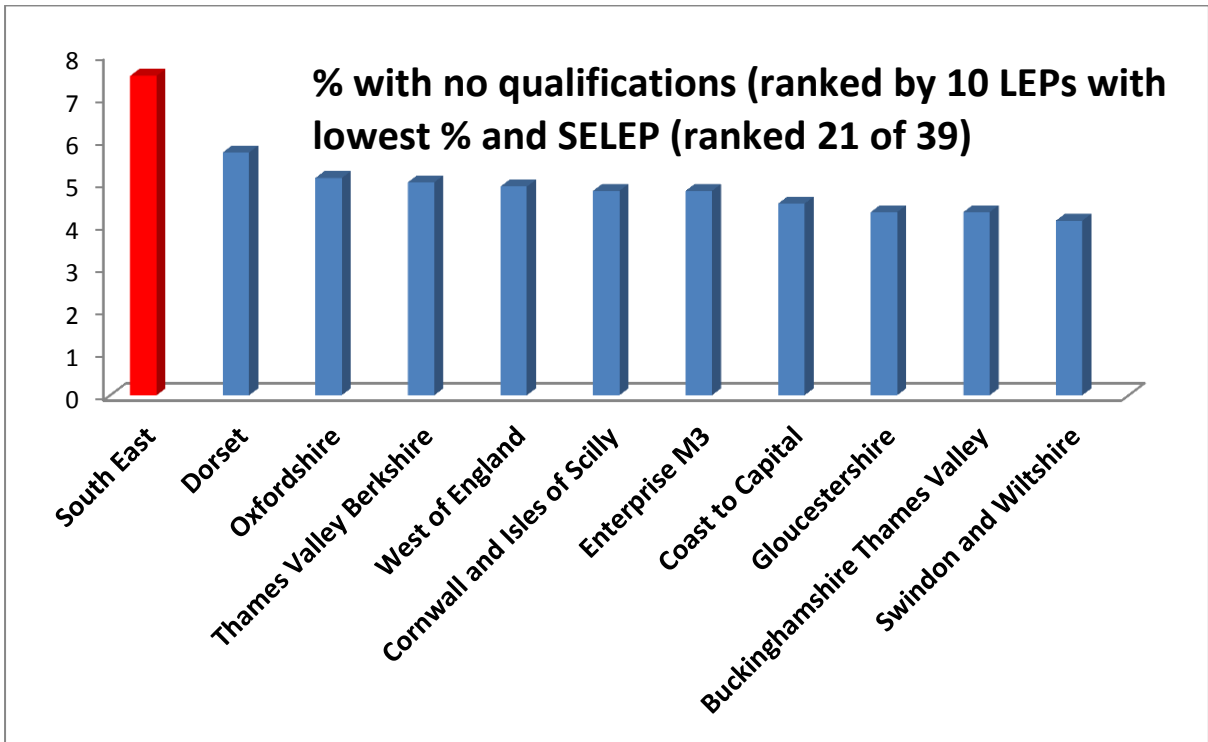
Although improving, for all skills levels other than level 1, SELEP is failing to keep pace with national skills levels, as the chart below illustrates. Notably, SELEP has 53% of people with level 3 (A level equivalent) compared with 60% nationally and 33% with level 4 (Degree equivalent) compared with 38% nationally. With the trend towards greater numbers of high skilled jobs, this is an area to address, for the SELEP area to be nationally and internationally competitive and to provide local populations with skills applicable to the future.

According to an LGA and Learning & Work Institute report, by 2024 there will more than four million too few high-skilled people to take up available jobs, two million too many with intermediate skills and more than six million too many low skilled.

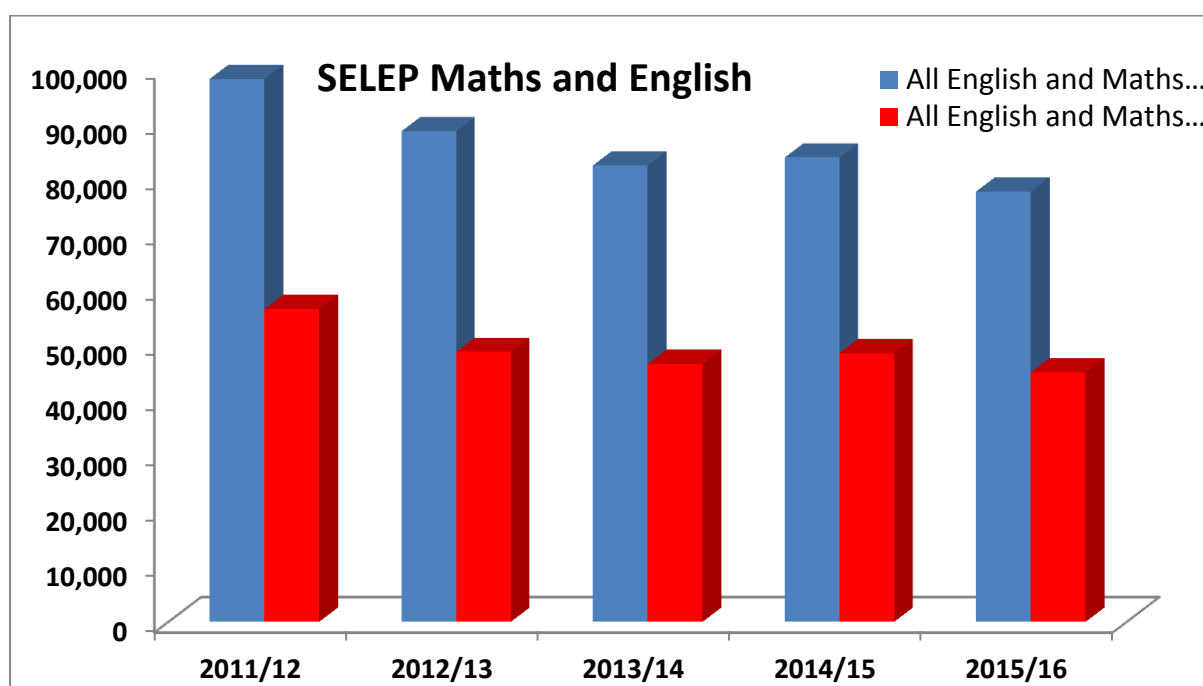
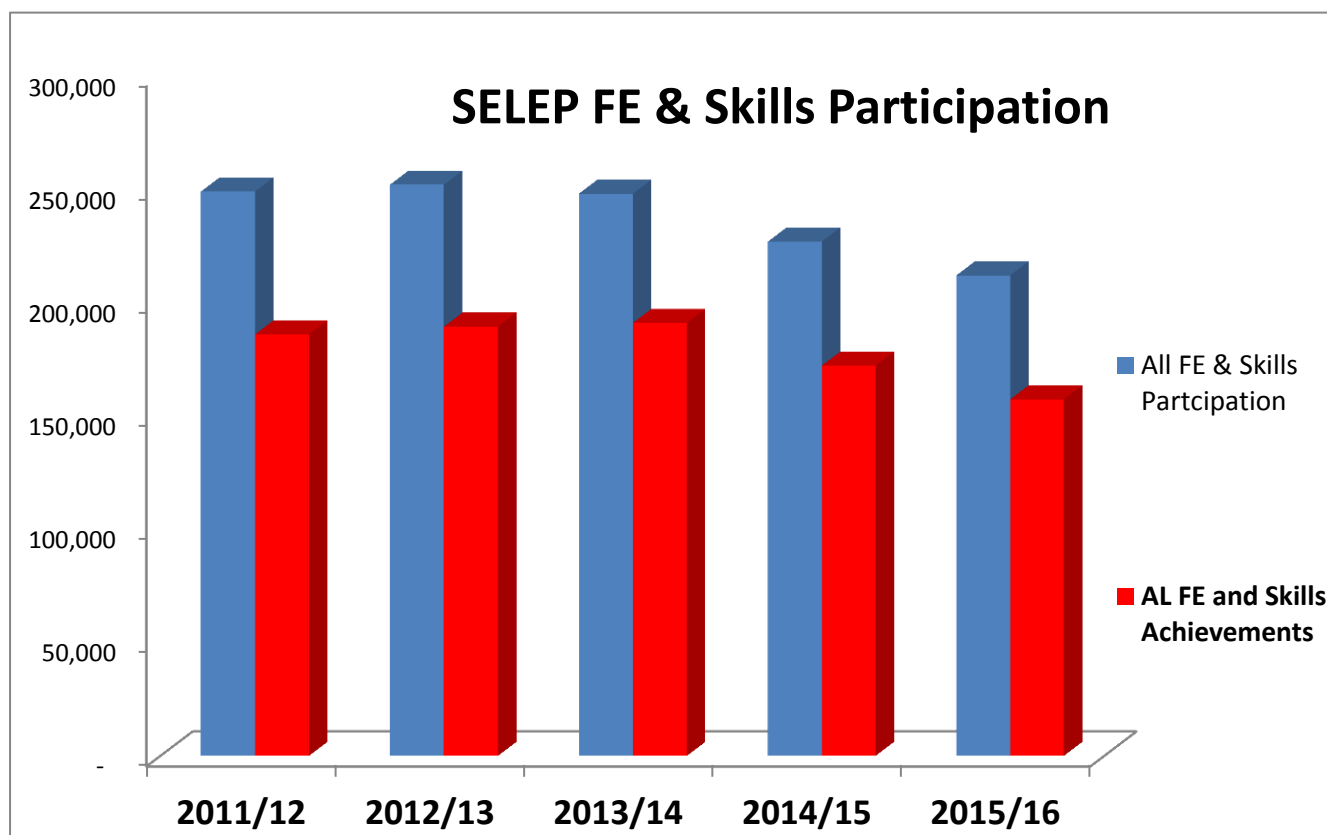
As the tables below illustrates, SELEP falls well behind many other LEP areas – for level 4 and 2 skills, SELEP is ranked 21 out of the 39 LEP areas and the top ten performing areas include those that are geographically close to SELEP such as Coast to Capital, Hertfordshire and Enterprise M3. When looking at areas with the fewest percentages of people with no qualifications, the SELEP area also performs poorly, ranking 21 out of 39 LEP areas in order of those with lowest percentages first.







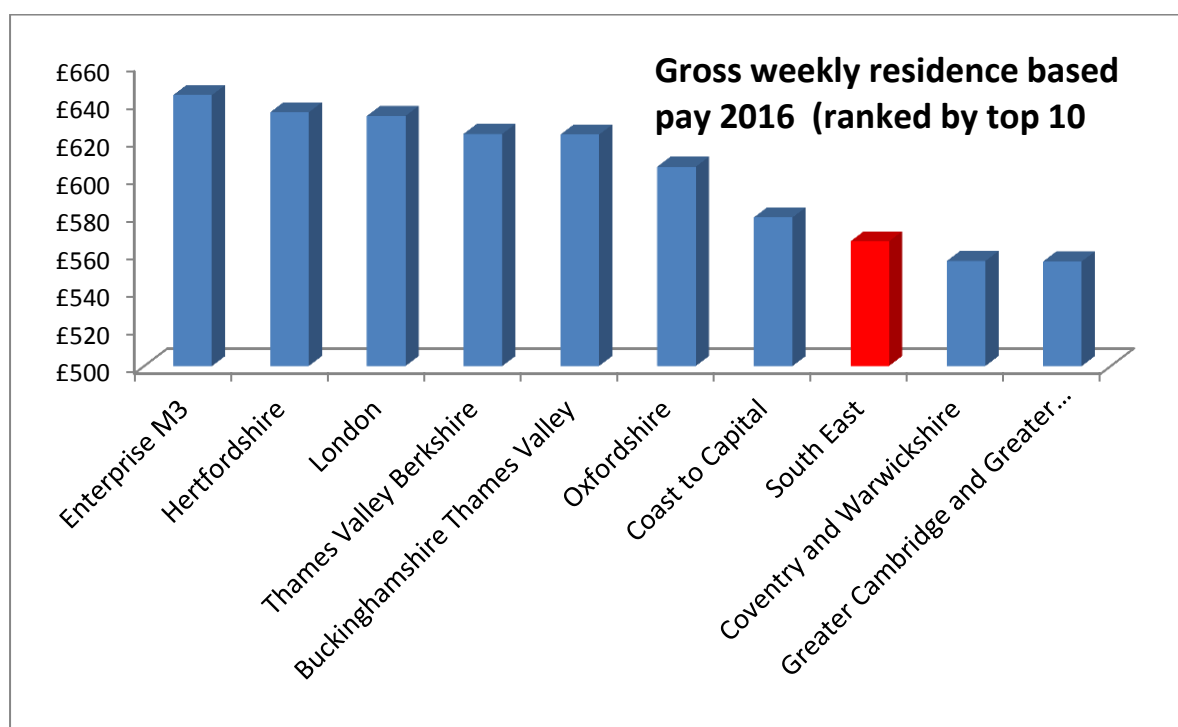
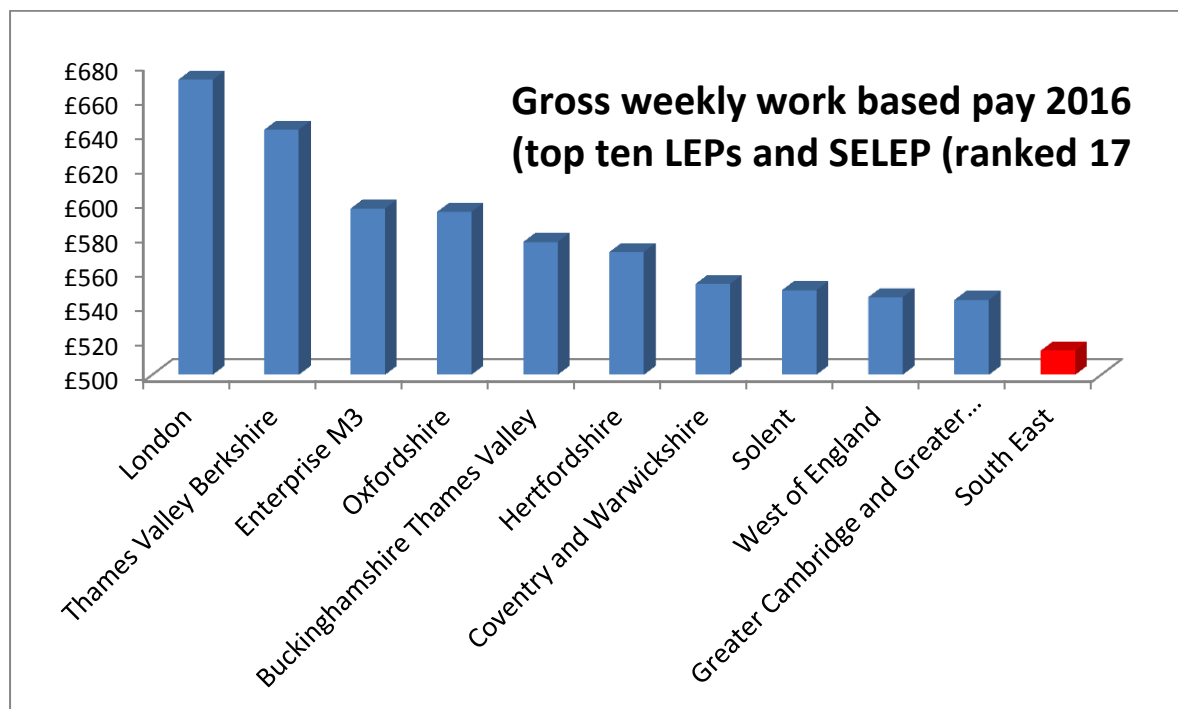
The tables below illustrate year on year falls in all FE and Skills participation and English and maths in recent years, with approximately 37,000 fewer people participating in 2016/16 compared to 2011/12, a large proportion being adults. In the context of the skills levels and numbers with no qualifications as above this is clearly concerning.



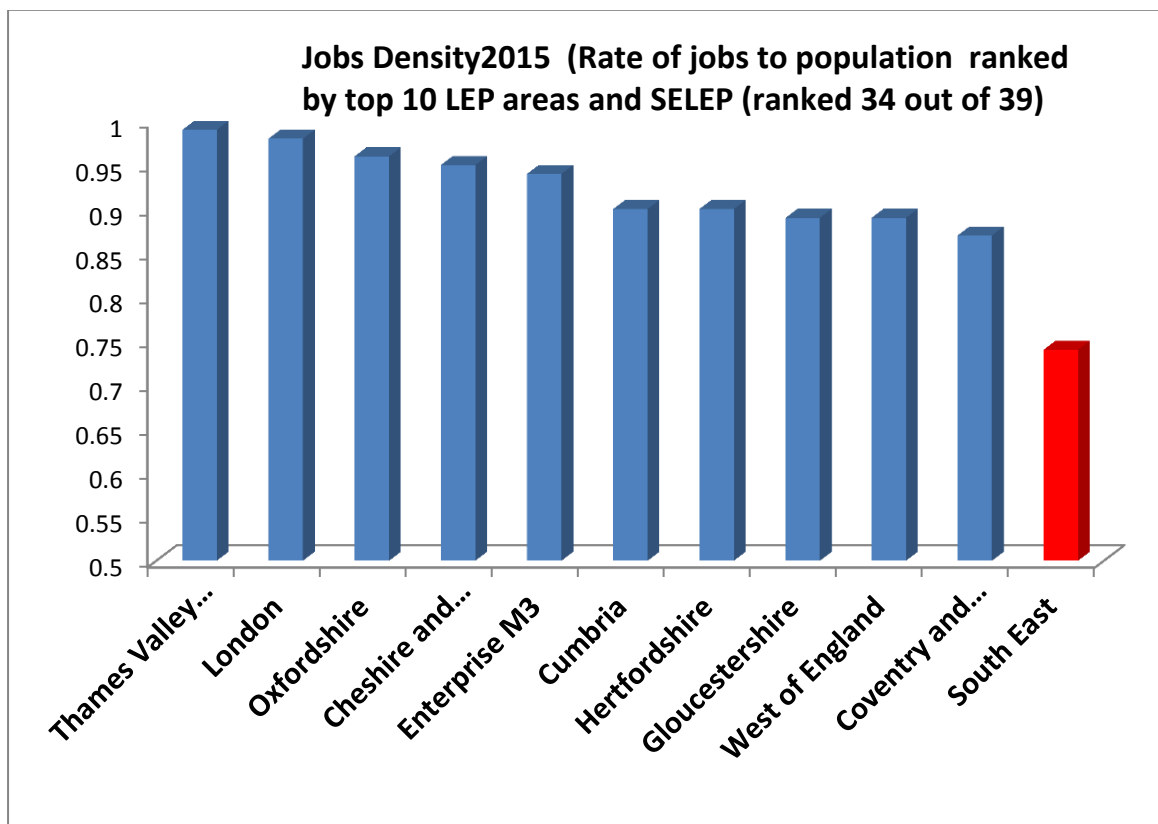
Work and Residence based earnings

Earnings are acknowledged as a key economic indicator. Work based earnings are those of people working (but not necessarily living) in the SELEP area illustrate the local economy. As the chart illustrates, SELEP's work based weekly pay (£514) is significantly below that of other LEP areas and SELEP ranks 17 of 39 LEP areas in order of those with the greatest earnings first. This may partly reflect the large numbers of jobs in sectors such as care and retail, which have lower average earnings than other sectors.

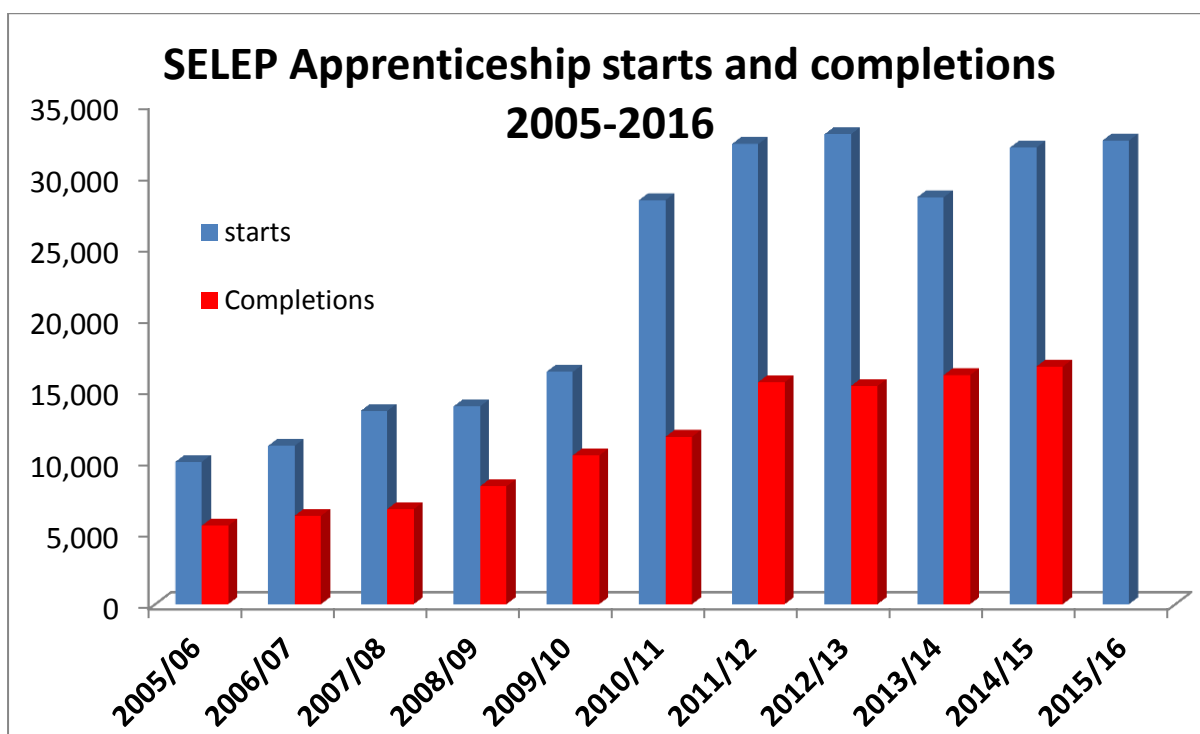
Residence based pay is higher (£566) which reflects people who live (but do not necessarily) work in the SELEP area so is likely reflecting higher salaries of residents in some SELEP areas working in London.

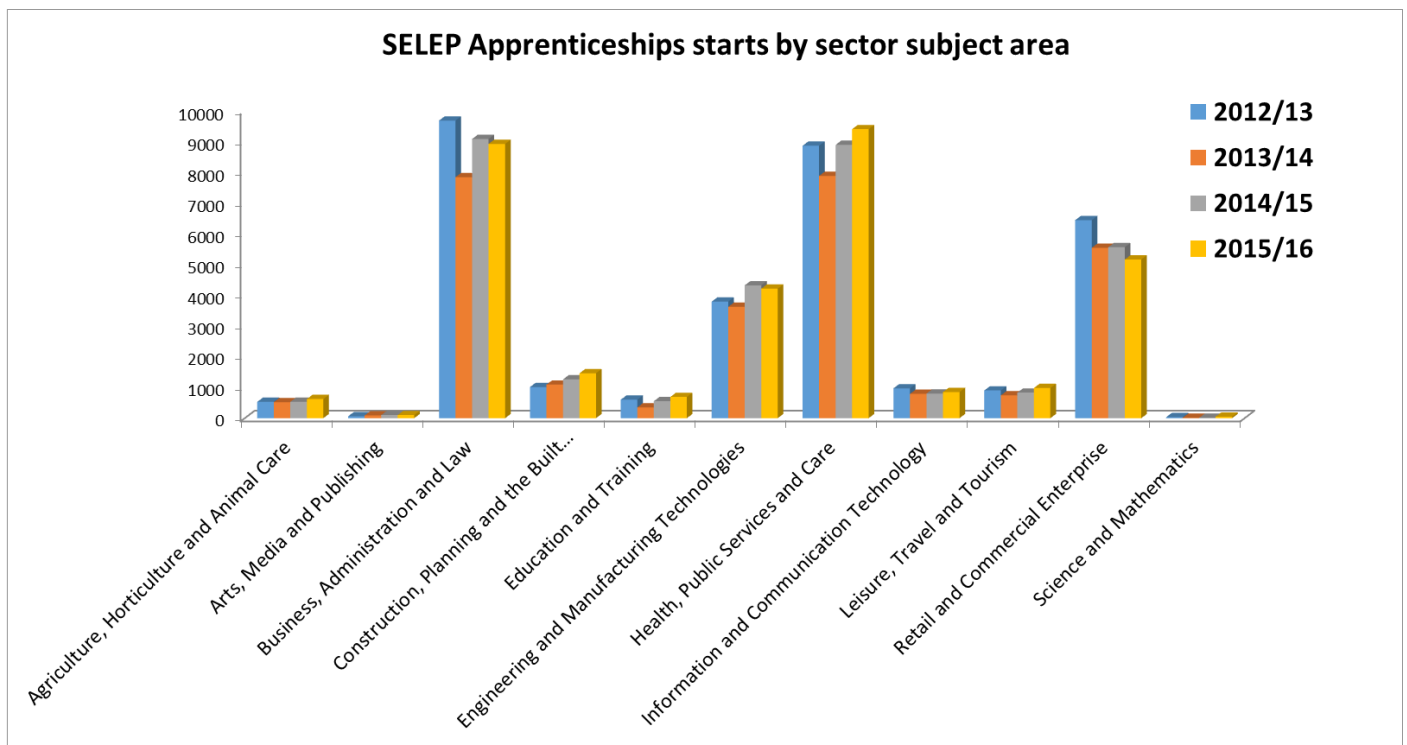


Jobs Density is a measure of the number of jobs per head of population (aged 16-64). A job density of 1 would mean there is a job for every working age resident. At 0.74, SELEP's is well below that of most other LEP areas. This may reflect SELEP's high out commuting levels but does illustrate that SELEP is not necessarily as productive or active as other LEP areas.



Apprenticeships





The charts above illustrates that apprenticeships have increased overall across the SELEP area over the last 10 years but have remained fairly static (and with a fall in 2013/14) over the last few years. In 2015/16, the total number of starts was 32,430 and the provisional first figure 2016/17 (August to October) was 9,270 which may indicate an end of year increase. Additionally, the largest numbers are in business, administration and law and retail and commercial enterprise with relatively low numbers in some of the priority sectors such as construction and IT. There are higher numbers in health and care and engineering. Further alignment to key sectors is a priority going forward.

Figures are in the context of a population of nearly half a million 15-24 year olds in the SELEP area and the below average skills levels of the working age population reflected above, which may present an opportunity for increased adult apprenticeships moving forward. The government has a target of 3 million apprenticeships to 2020. Applying SELEPs' population as a percentage of England's to this target would be 7%, or 210,000.

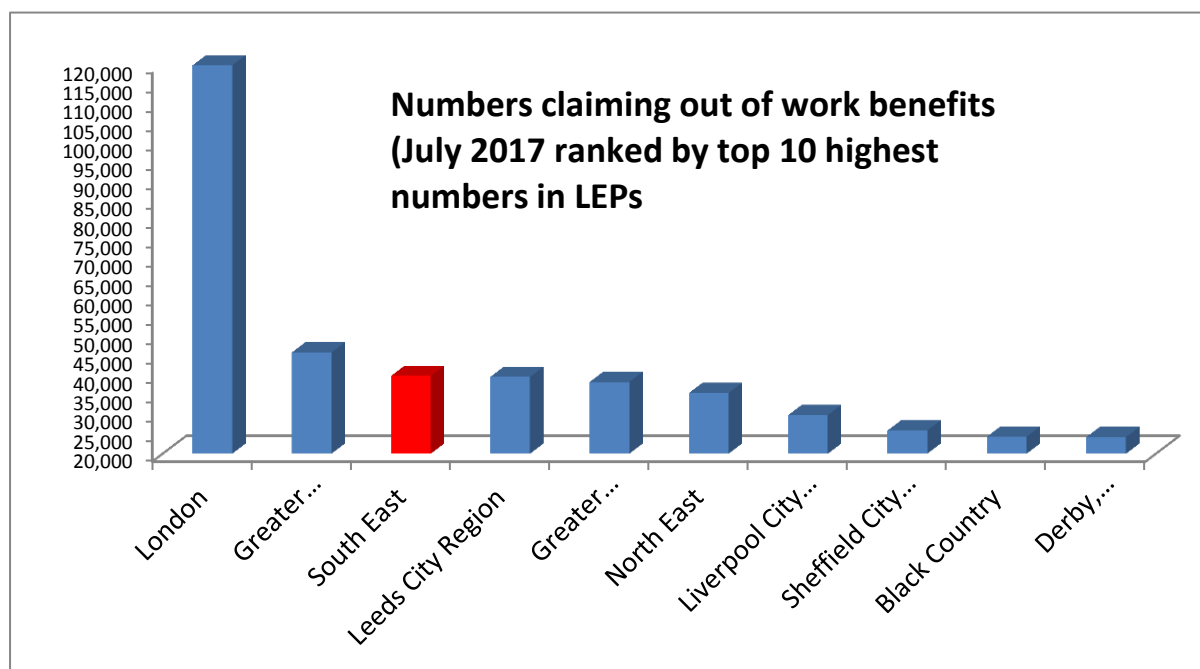
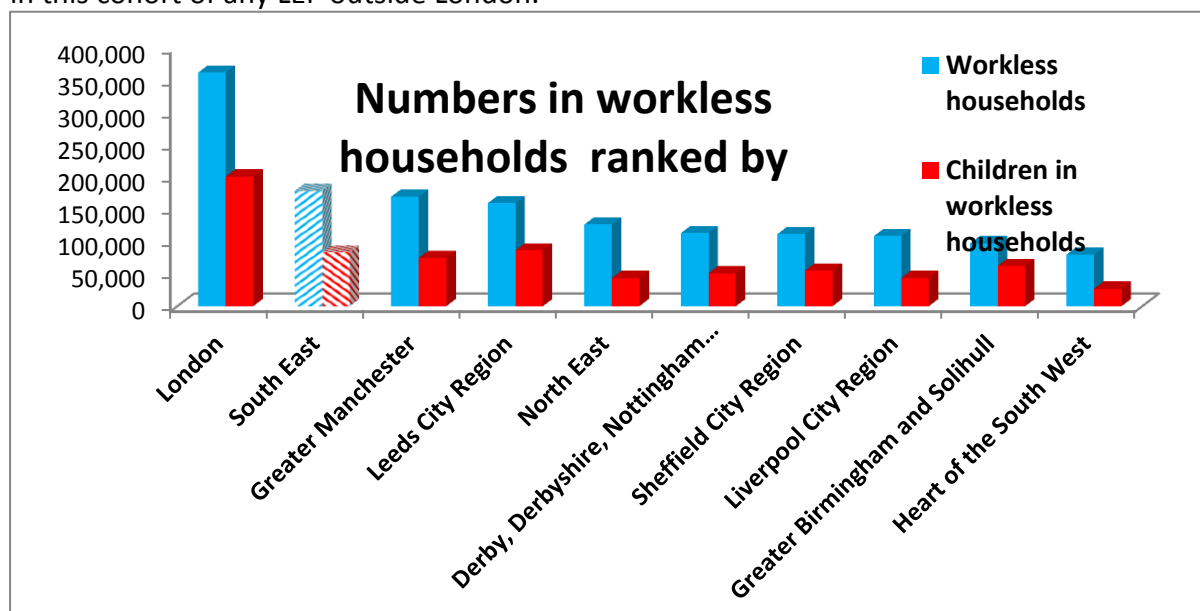
Example apprenticeship vacancies in SELEP area

- Engineering & Manufacturing Advanced Apprenticeship with Network Rail @ £162 per week
- Professional Chef intermediate apprenticeship (retail & commercial enterprise) with a Kent hotel @ £140 per week
- Pharmacy Assistant intermediate Apprentice (health, public services & care) with Essex pharmacy @ £129.50 per week
- IT Degree apprenticeship (digital industries) with Ford Motor company @ £18,654 per year
- Web Developer advanced level (digital industries) at East Sussex web company @ £150 per week
- Dental Nurse Advanced level apprenticeship with Medway Dental practice @ £170 per week
- Health & Social care intermediate level apprenticeship with Southend Care Home @ £129 per week
- Warehouse Operative intermediate level Apprentice (retail and commercial enterprise) with Thurrock company @ £185 per week
- Fabrication & welding intermediate level apprentice at Kent based company @ £140 per week
- Boat builder intermediate apprentice at Essex based company @ £144 per week
- IT support advanced level apprentice at Essex based company @ £200 per week

Workless households and benefits

The SELEP area has significant numbers of workless households (178,000) and children in workless households (83,000). As the chart illustrates, this is the second greatest number nationally compared with other LEPs next to London. This measures the number of houses only with those who have at least one working age adult. Research this year by UCL Institute of Education (2017) found that children from jobless households are more likely to experience disadvantage in adulthood and more likely to experience poverty.

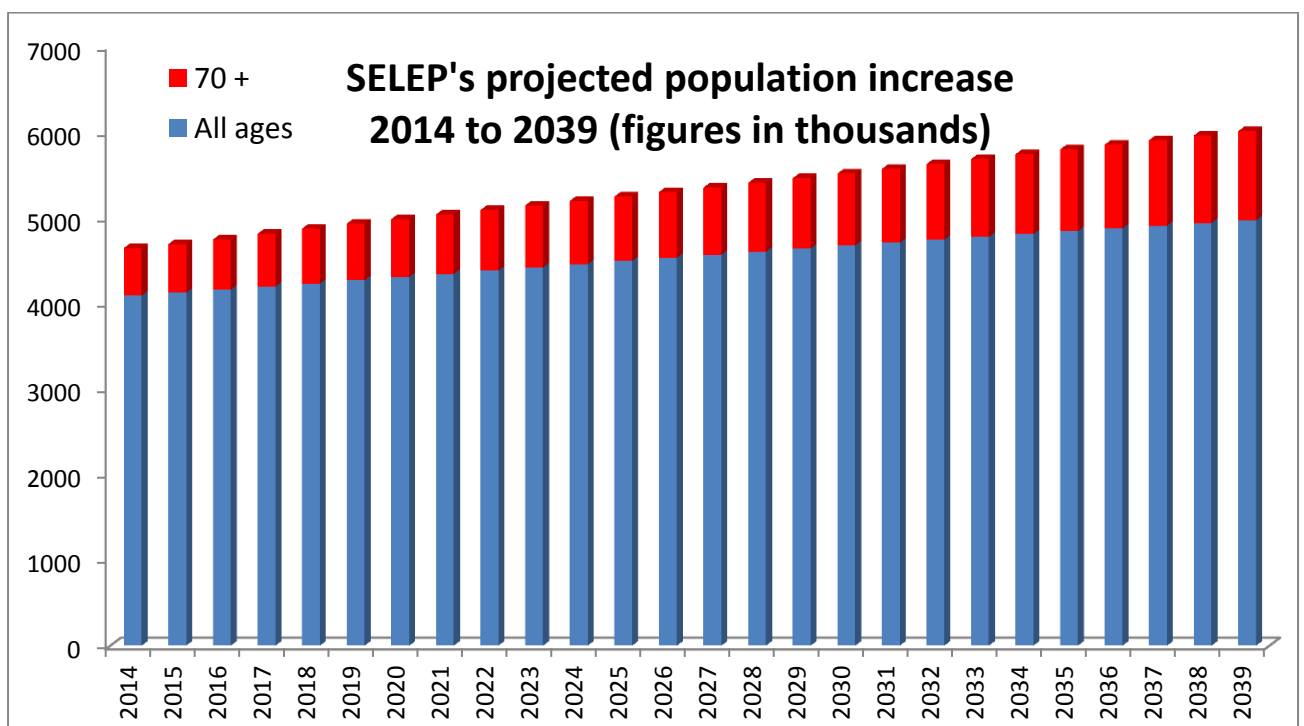
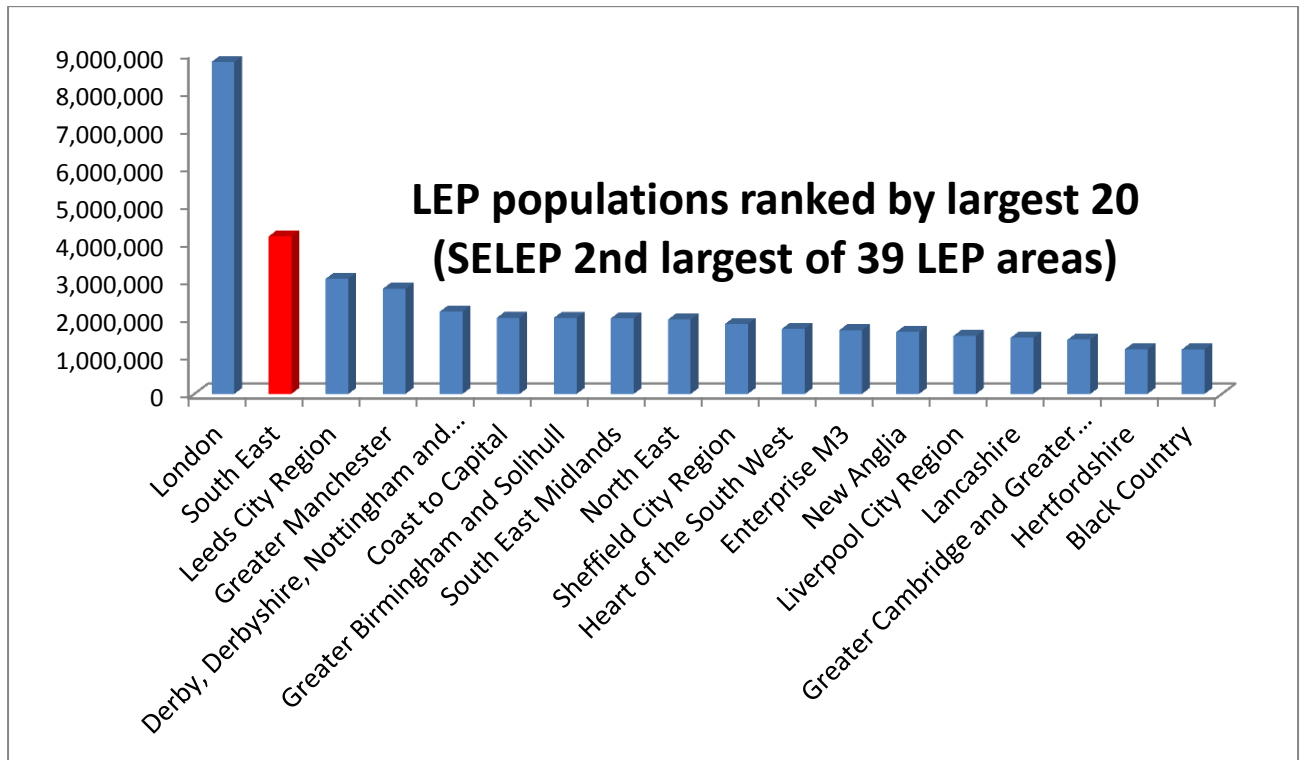
SELEP also has high numbers of people claiming out of work benefits compared to other LEP areas; over 40,000 in July 2017. This reflects people claiming that are unemployed and therefore available to work. Additionally, there are 531,500 'economically inactive' people across SELEP. This cohort includes students (138,500), those looking after the family home (134,400), retired people (78,900) and people who are long-term sick (99,400). Nearly 135,000 of this cohort are reported as 'wanting a job'. The 'economically inactive' cohort has grown from 494,400 in 2004 to 531,500 in 2017. SELEP has by far the greatest number in this cohort of any LEP outside London.



Population growth

At 4.1 million, SELEP has a vast population, the largest of all LEPs outside London. The chart below illustrates how significant this is. Fewer than 10 LEP have a population of over 2 million. The smallest 14 LEPs in population terms have populations of less than 1 million.

SELEP will also see considerable population growth, illustrated by the chart below. By 2039, the population is projected to be nearly 5 million. A greater proportion of the population will also be aged 70 plus; 21% compared to 14% in 2014. This clearly has implications for the health and care sectors.



Sectors: Headlines and Growth

Sector	SELEP Picture Now	Growth / Future
Construction (PRIORITY)	<ul style="list-style-type: none"> 27,325 enterprises 101,000 employee jobs Ageing workforce Disproportionately male workforce Nearly 6,000 vacancies (including Electricians, plumbers, carpenters, Quantity Surveyors, Bricklayers, Production Managers) Average national salaries include: Production Manager (£46k), Supervisor (£33k), Carpenter (£32k), Quantity Surveyor (£47k) Competition from London offering higher salaries to people trained here 	<ul style="list-style-type: none"> 300,000 new homes across SELEP, so sector set to see considerable growth Large infrastructure projects (i.e. Lower Thames Crossing) Growing need for 'green' & low carbon skills Public perception hindering growth. Large requirements in 'off site' jobs Carpenters, Joiners, Architects, Project Managers, Plumbers & heating & ventilation engineers and Chartered surveyors identified by UKCES as jobs of the future Brexit impact as large migrant workforce
Health and Care (PRIORITY)	<ul style="list-style-type: none"> 7,240 enterprises 220,000 employee jobs Disproportionately female workforce (particularly in care) Over 45,000 vacancies (including Nurses, care workers, medical practitioners, social workers and care managers) Average national salaries include: Nurse (£35k), Care workers (£20k), Residential home managers (£41k), Social Workers (£41k) 	<ul style="list-style-type: none"> Population growth to 4.6 million by 2030 Increasing ageing population – both will impact on health and care needs Public perception of sector (particularly care) hindering recruitment – good opportunity to progress to management Care Workers, Nurses, dentists and nursing assistants identified by UKCES as jobs of the future Potential impact of Brexit as large migrant workforce Opportunities to use digital technologies in care
IT, Digital & creative (PRIORITY)	<ul style="list-style-type: none"> 19,170 enterprises 85,000 employee jobs IT has a disproportionately male workforce Over 30,000 vacancies (including Web developers, software developers, IT support, graphic designers) Average salaries include: IT project manager (£57k), IT technician (£34k), programmer (£43k) 	<ul style="list-style-type: none"> Current 'digital revolution' means skills for this sector applies across all other sectors with digital skills needs growing Many hard to fill vacancies in IT Programmers & Software developers, IT specialist managers, IT analysts, IT project managers, web designers and developers identified by UKCES as jobs of the future High numbers of micro businesses and freelancers which may require a different approach / support to enter sector
Finance (PRIORITY)	<ul style="list-style-type: none"> 3,020 enterprises 43,000 employee jobs Strong relationship to London – many SELEP residents commuting to finance jobs Over 8,000 vacancies (including Insurance underwriters, finance analysts, sales related roles and financial managers) Average salaries include: Finance and investment analysts (£45k), Pensions and insurance clerks insurance underwriters (£42k), insurance underwriters (£41k) 	<ul style="list-style-type: none"> Trend for some finance companies in London relocating to parts of SELEP due to available workforce / lower rents Growing need for IT (software) skills due to online nature of industry – difficult to recruit to Finance and investment analysts and advisers, chartered and certified accountants, sales accounts and business development managers identified by UKCES as jobs of the future Potential impact of Brexit on international companies presence in UK, with London as Europe's main financial services hub
Manufacturing	<ul style="list-style-type: none"> 108,000 employee jobs 	<ul style="list-style-type: none"> Public perception of sector hindering

(PRIORITY)	<ul style="list-style-type: none"> Nearly 12,000 vacancies including mechanical engineer, production manager, engineering manager, test engineer Disproportionate male workforce Ageing workforce Internationally famous companies located here (i.e. Ford, Raytheon, e2v) Average national salaries include: design and development engineers (£43k) engineering professionals (£33k), mechanical engineers (£38k) 	<p>recruitment</p> <ul style="list-style-type: none"> Ageing workforce likely to impact on skills needed – high need for technical skills Mechanical Engineers, Metal fitters, production and maintenance fitters identified by UKCES as jobs of the future Impact of digital and robotics on future skills requirements Decline in employment forecasts but current shortages and factors such as competition from other sectors / ageing workforce means there is continued need for skilled staff
Transport & Logistics (PRIORITY)	<ul style="list-style-type: none"> 6,270 enterprises 93,000 employee jobs Disproportionate male workforce Of national and international significance – SELEP has nine ports, high speed rail links and regional airport capacity Over 8,000 vacancies including HGV Driver, Forklift Truck driver, warehouse manager, transport manager and depot manager Average national salaries include: managers in transport distribution (£37k), Warehouse Managers (£36k), LGV Drivers (£26k) 	<ul style="list-style-type: none"> Impact of digital and robotics on future skills requirements (i.e. automated warehousing) Aircraft pilots, LGV drivers, train drivers identified by UKCES as jobs of the future Airport expansion at Gatwick (outside LEP but providing large volume of jobs), Stansted, Southend airports
Agriculture and land based (Kent & East Sussex PRIORITY)	<ul style="list-style-type: none"> 6,000 enterprises 1,000 vacancies including landscaper, veterinary nurse and farm estate worker Average national salaries include farmer (£44k), veterinary nurses (£24,495) 	<ul style="list-style-type: none"> Important to food security and potential move to more UK production if imports become costly Innovations in areas such as wine production could lead to further growth Farmers UKCES jobs of the future Growing need for farm based R&D
Retail	<ul style="list-style-type: none"> 11,495 enterprises 276,000 employee jobs (NB includes wholesale and repair also) 11,000 vacancies including store manager, sales executive and retail sales person Average national salaries include sales assistants (£21k), cashiers (£18k), retail managers (£28k) 	<ul style="list-style-type: none"> Impact of online retail Heavy reliance and inter-relation with transport and logistics sector UKCES identifies IT skills associated with sector, such as business analysts as jobs of the future
Education	<ul style="list-style-type: none"> 2,935 enterprises 156,000 employee jobs 33,000 vacancies including secondary education teaching professionals, teaching assistants, primary and nursery education teaching professions Reported difficulties recruiting and people leaving sector Average national salaries include secondary education teachers (£31k), FE teaching professionals (£35k) & teaching assistants (£17k) 	<ul style="list-style-type: none"> Largely public sector so reliant on public funding UKCES identifies Secondary School Teachers and educational support assistants as jobs of the future General challenge in schools, colleges and universities to recruit to sector specialism especially where there are shortages in the sector itself. Useful to explore industry placements and support to address this.
Professional, scientific &	<ul style="list-style-type: none"> 27,950 enterprises 110,000 employee jobs 	<ul style="list-style-type: none"> Technical roles are increasing as reflected in the sectors described above and are

technical (cross cutting) PRIORITY)	<ul style="list-style-type: none"> • Reflecting the high level of technical and higher level jobs across SELEP • Reflects jobs in some of sectors as above such as IT, construction and also legal • Over 9,000 vacancies including Solicitors, legal professionals and legal secretaries • Average national salaries include Solicitors (£45k), Vets (£40k) and legal professionals (£45k) 	reflected in UKCES jobs of the future as well as legal and medical roles
Energy & Utilities (PRIORITY)	<ul style="list-style-type: none"> • 18,000 employee jobs • 1,600 vacancies including water and sewerage operatives, engineering technicians and business sales executives • Average national salaries include £29,000 for water and sewerage operatives and £30,000 for engineering technicians 	<ul style="list-style-type: none"> • The sector reports requirements in engineering and experiences similar shortages to the engineering sector • UKCES identifies needs for technical skills and notes that in future there will be increasing skills requirements for the expansion of intelligent energy systems that track usage as well as installation of energy technologies such as solar & wind.
Accommodation, Food & Hospitality	<ul style="list-style-type: none"> • 112,000 employee jobs • 8,615 enterprises • Nearly 6,000 vacancies including restaurant manager, bar staff, hotel manager • Average salaries include £28,000 for a Restaurant Manager, £20,000 for a Chef & £30,000 for a Hotel Manager 	<ul style="list-style-type: none"> • Current and future trends include the development of companies such as Airbnb changing the nature of the sector • Growth across the SELEP area has seen an increase in new restaurants, hotels and bars in many areas

Future developments influencing these sectors

Clearly there is a lot about the future which will impact SELEP's sectors which cannot be predicted. However, there are a range of certainties in terms of forthcoming investments which will have skills and jobs implications across the area. Some key examples are:

Development / investment	Further information
Public Health England relocation to Harlow (Essex) from 2019	Jobs to include Scientists, engineers, researchers, Scientific support workers, finance, HR, IT analyst and marketing roles. These will include graduate and post graduate roles, PHD studentships, entry level roles and apprenticeships. Recruitment is expected to take place from academia, industry and the NHS.
Bradwell Power Station (Essex) new build (pre-planning stage only)	Jobs would be in engineering, construction, planning
Amazon Fulfilment Centre location (Tilbury, Thurrock) – recently opened and still recruiting (2017)	1500 jobs including Control Systems Engineer, Senior Control System Engineer, maintenance technician and health and safety manager
Lower Thames Crossing (Essex, Southend, Thurrock and Kent) (timings to be confirmed)	Expected to generate up to 25,000 new jobs in construction and engineering
Cross Rail Essex routes – to 2020	Generating a share of 50,000 jobs which were projected for London and the south east
Harlow Enterprise Zone (Essex)	2,500 jobs, growing to 5,000 over 25 years
Southend Airport Growth	Up to 7,000 new jobs to 2020
Stansted Airport (Essex) growth	Up to 10,000 new jobs to 2030
Port of Tilbury (Thurrock) growth	Up to 5,500 jobs at London distribution Park and Tilbury sites
London Gateway (Thurrock)	One of Europe's biggest logistics parks and growing

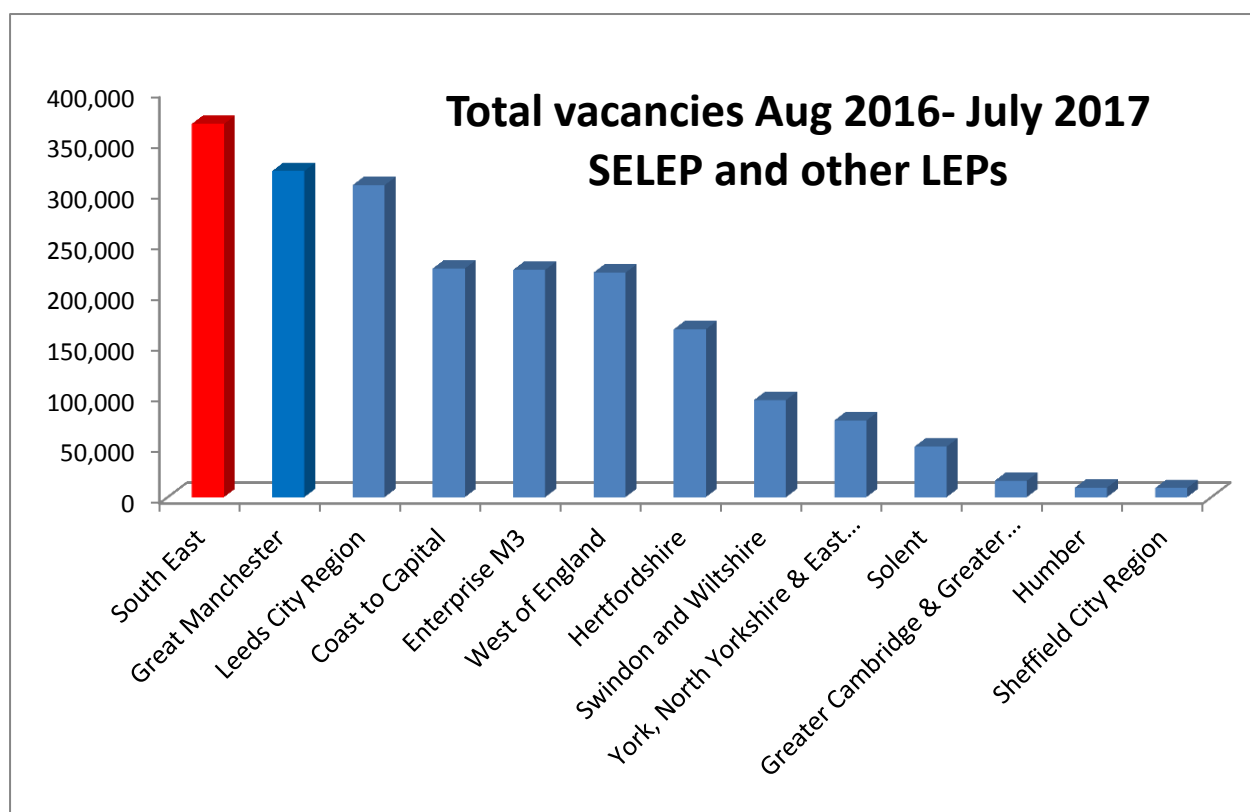
Wind farms (Greater Gabbard, Gunfleet Sands, London Array)	Maintenance (Engineering) skills likely to continue to be needed
Better Queensway Development (Southend)	£320 million regeneration in Southend over next 15-20 years
Up to 300,000 new homes to 2030 across SELEP area	Large numbers of jobs in construction and engineering. Sites including: <ul style="list-style-type: none"> • Ebsfleet Garden City (Kent) • Otterpool Park Garden Town (Kent) houses and commercial land • New garden town on Essex-Hertfordshire border • Dunton Hills in Essex (to include new schools and shopping facilities)
Discovery Park (Sandwich, Kent)	Up to 3,000 new jobs
Elwick Place Development Ashford (Kent)	Development requiring construction and engineering jobs. Leisure and hospitality jobs to be created
Sittingbourne Town Centre regeneration (Kent)	Development requiring construction and engineering jobs. Hotels, cinemas and shops to create retail and hospitality jobs
London Entertainment resort (previously Paramount) – plans only	Large scale entertainment resort would require construction and engineering skills and once up and running, large numbers of hospitality jobs
Growth of Gatwick Airport	Continuing jobs for people living in East Sussex and Kent
Shallows Business Park (Hailsham, East Sussex)	Over 500 new jobs
North Bexhill Access Road	Development opening up land for the development of 38,000 sqm of new employment space and the creation of over 2200 jobs
Lewes North Street Quarter	£180m development on brownfield site to include public spaces, off street parking, employment space and a healthcare hub
Devonshire Park (Eastbourne)	£44m project to deliver new welcome building, theatre and gardens
Queensway Gateway Road	New road to reduce congestions on the Ridge and open up land along a corridor between Hastings and Bexhill for business investment and housing development

Vacancies

The Office for National Statistics (ONS) and Organisation for Economic Co-operation and Development (OECD) use vacancies as a real-time measure of skills shortages and requirements. The OECD states that *'the use of vacancy data and of real time job market information is playing an increasingly important role within the available set of tools to monitor and measure skills shortages in the labour market'*. It should be noted that they are one measure only and will not capture activity such as innovation and business start-up.

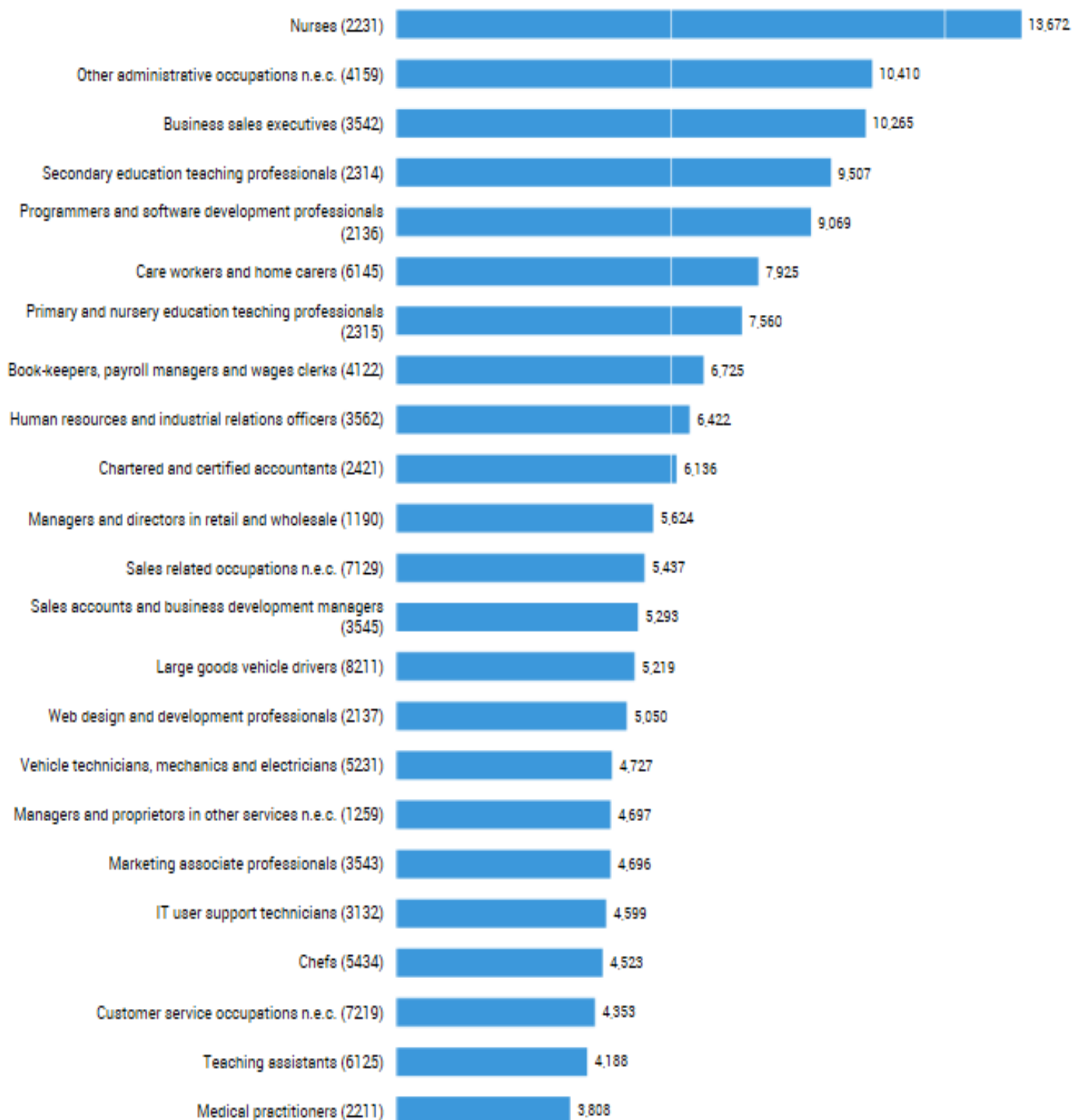
SELEP has had nearly 370,000 job postings in the period August 2016-July 2017. The chart below illustrates the scale of this in comparison to other LEP areas. The following charts break down the vacancies in terms of occupations, skills sought and industries advertising. They illustrate a strong level of need in the sectors identified above such as health, care, IT & digital, manufacturing, finance, logistics and construction and again endorse the focus on these sectors. As per the above, the retail sector also has large numbers of vacancies.

Additionally, the UK Commission for Employment and Skills (UKCES) conducts an annual survey of employers, which captures recruitment requirements, available by LEP area, which is reflected below. This survey is now conducted by the Department for Education, who will publish future results. This illustrates again that many employers (nearly half) are recruiting and require skilled people (45%). Candidates having Maths and English to at least level 2 is seen as critical by 55% of employers as is having a relevant vocational qualification (49%) or work experience (65%). It also highlights that the majority of employers surveyed used commercial training (42%) to meet their requirements and few are offering apprenticeships (9%). Nearly half (48%) saw investing in leadership and management skills as a top priority.

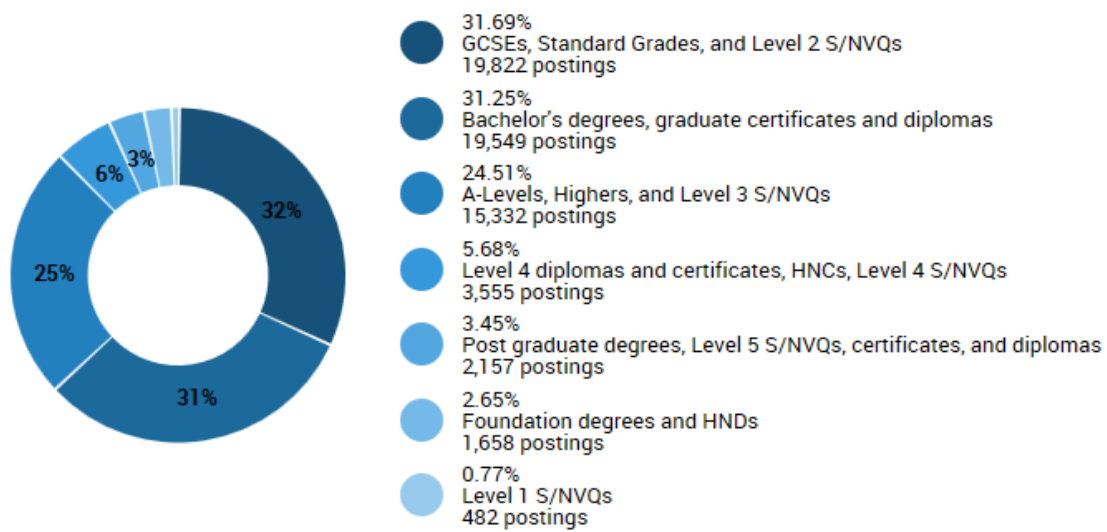


367,735 job postings across SELEP (Aug 16-July 17)

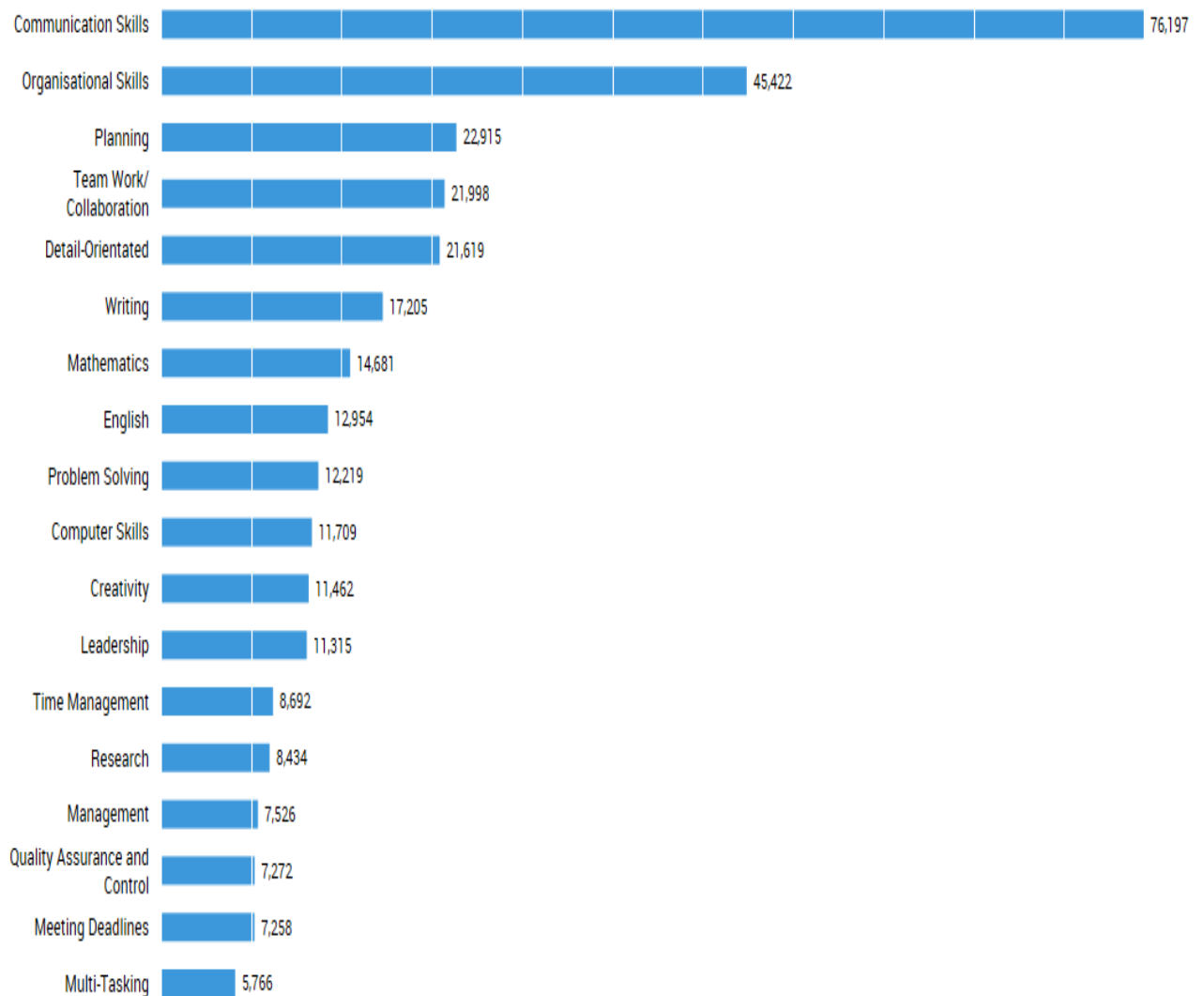
Top occupations advertised



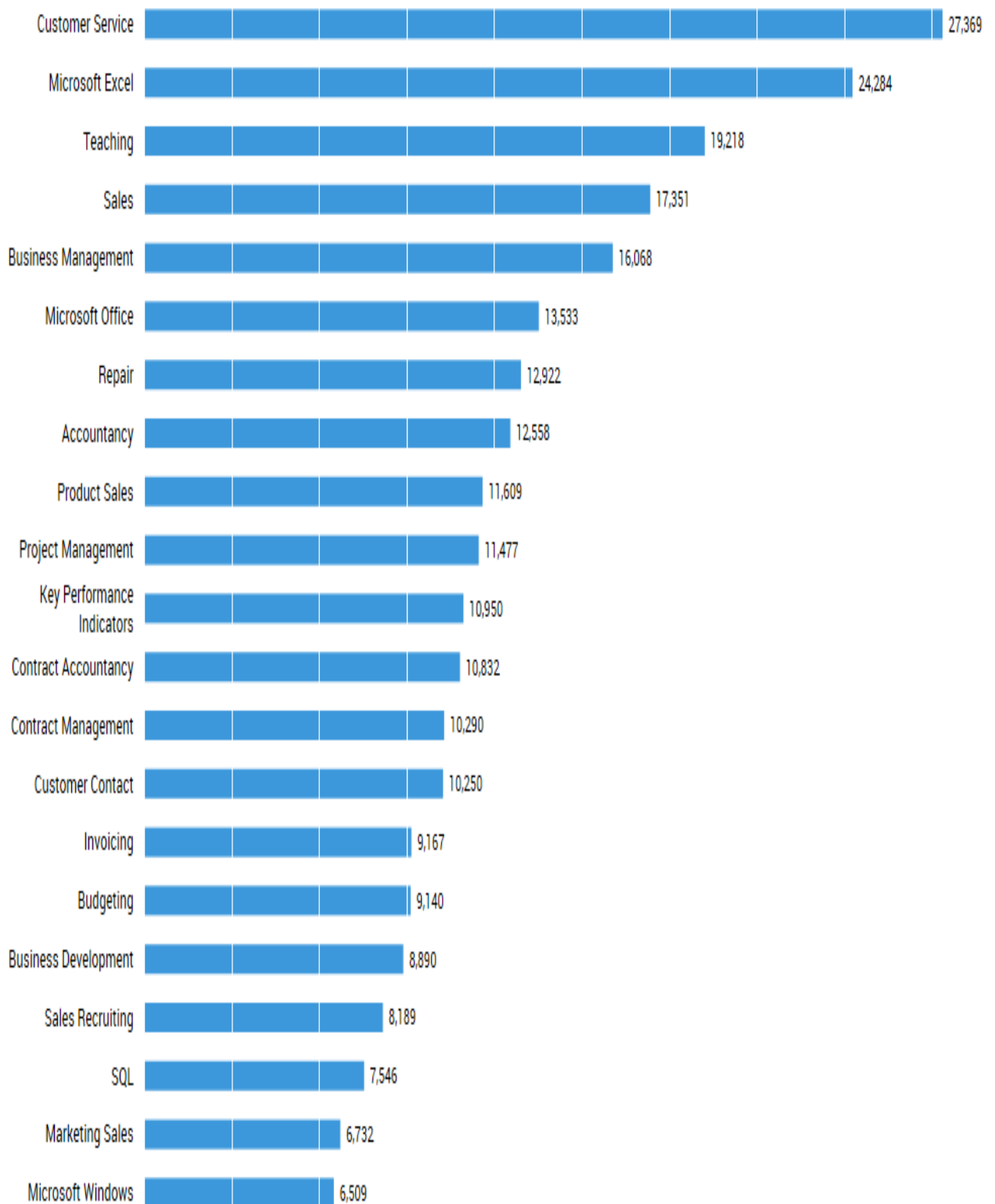
Distribution of Education (where advertised – **this applies to 17% of postings only**



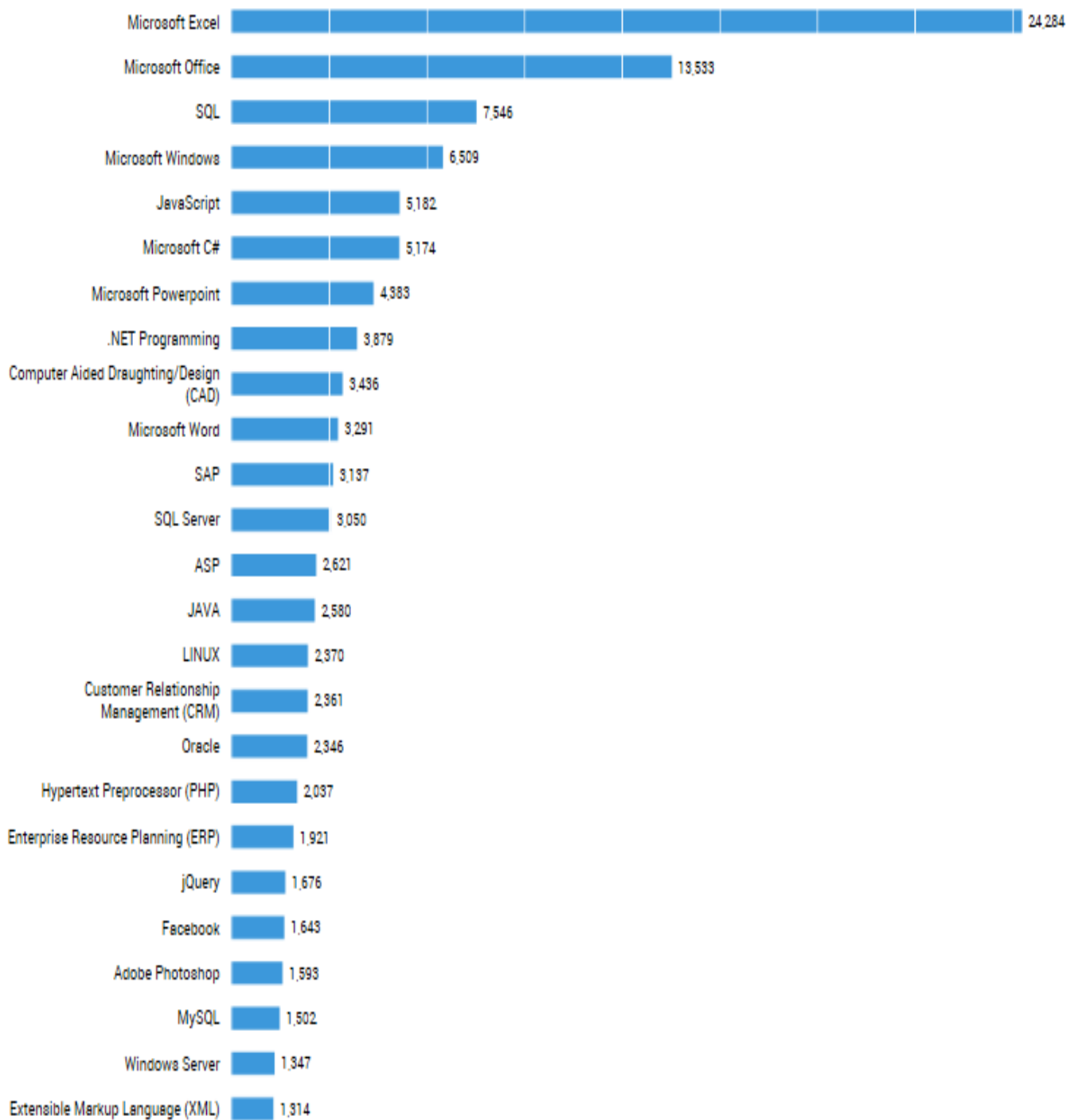
Top baseline skills sought in vacancies advertised



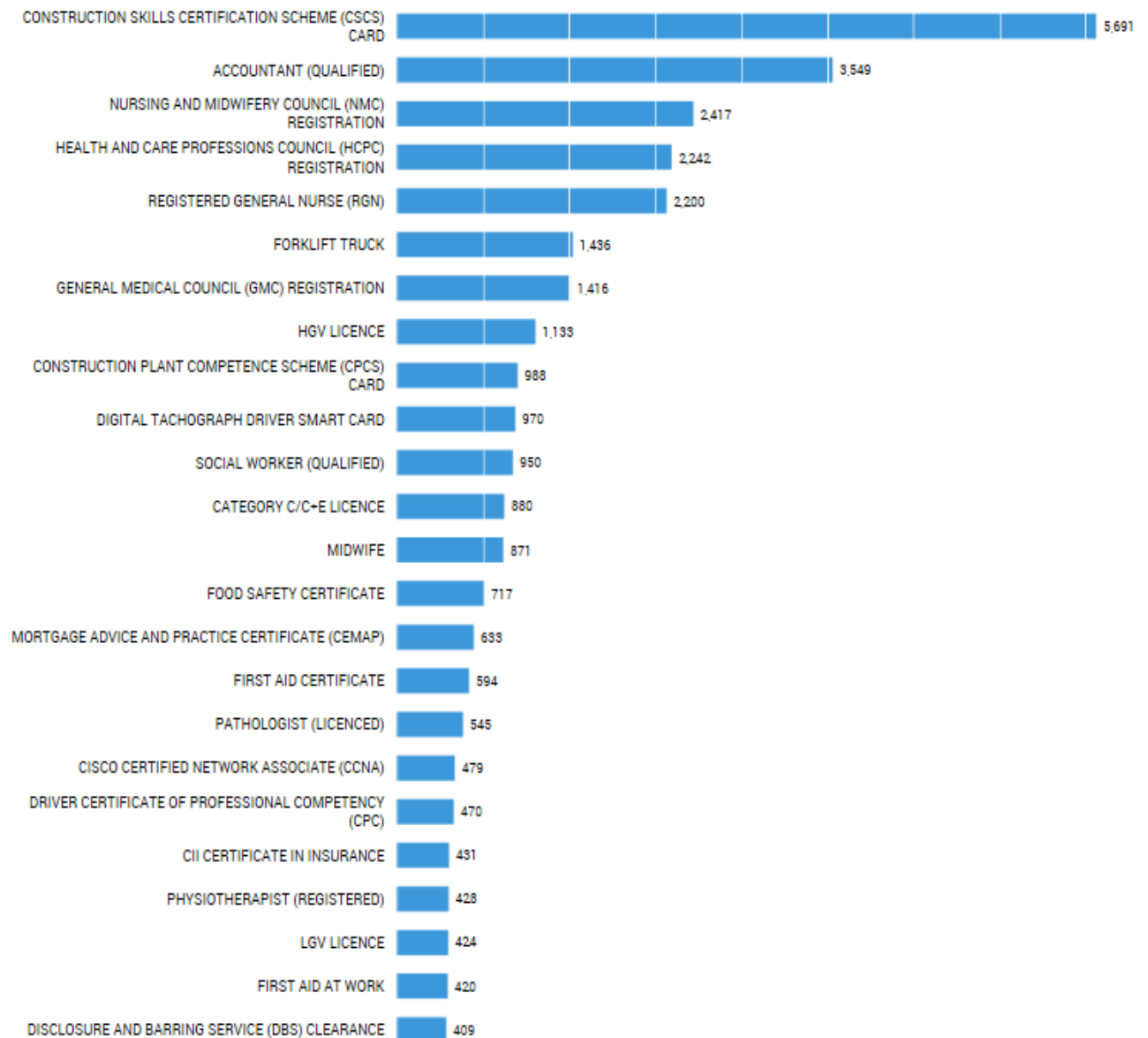
Top specialist skills sought in vacancies



Top Computer and Programming Skills sought in vacancies (applicable to approximately half of all vacancies)



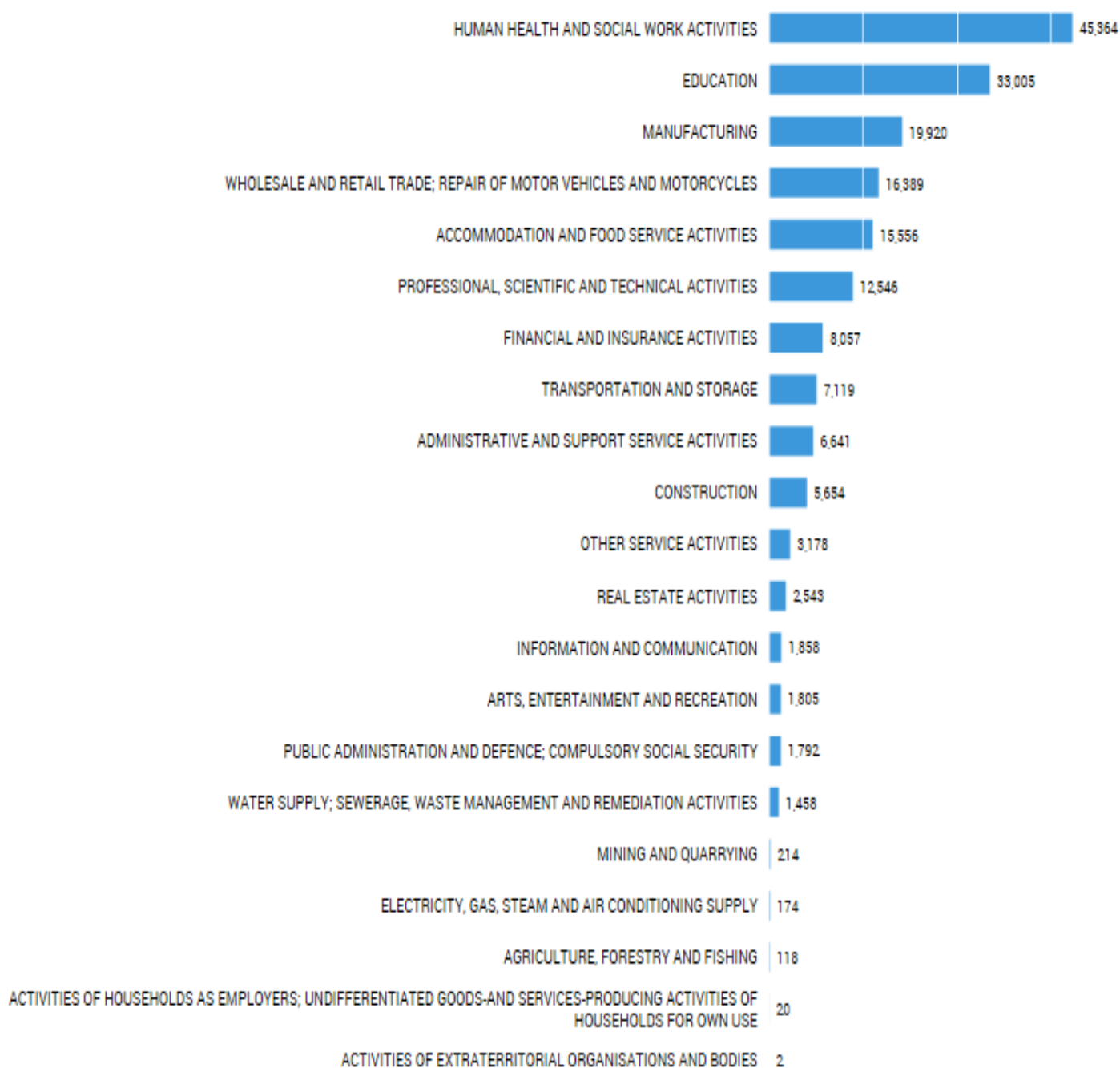
Top Certifications sought by employers



Employers with most vacancies across SELEP:

- NHS
- ATTB
- Essex County Council
- Care Com Limited
- Newcross Health Care
- ID Medical Limited
- Tesco
- Shepherd Neame Limited
- University of Kent
- East Sussex County Council
- Uberfluent
- Technology & New Media
- Saga Services Limited
- Coyle Sectors
- Capita PLC
- Prima Ardelle
- Barchester Health Care
- Traditional Pubs
- First Data Limited
- International Financial Data Services
- Travis Perkins
- Canterbury Christ Church University
- Applied Systems Limited
- University of Essex

Top industries recruiting

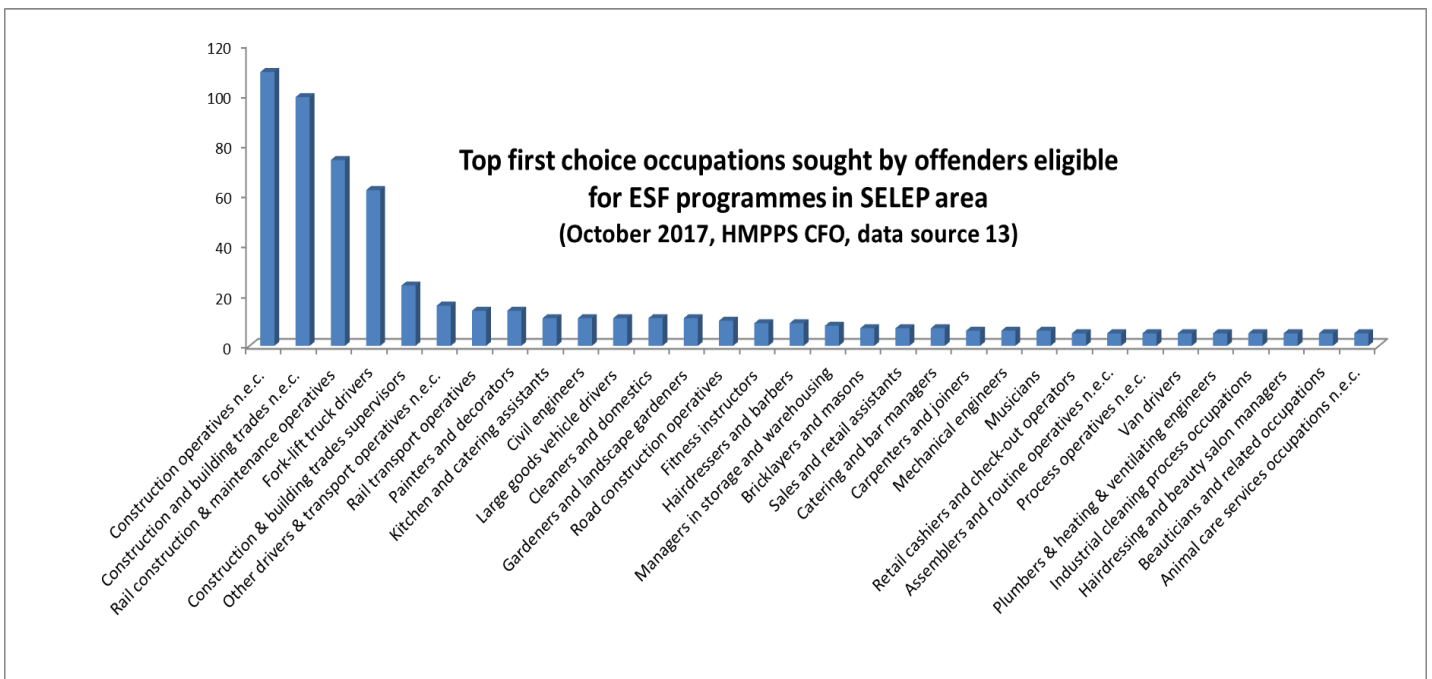


South East LEP: UK Commission for Employment & Skills 2016 (Survey of 672 employers)		
Recruitment	England	SELEP
Had any vacancies for full or part-time staff in the past 12 months	53%	*49%
Recruitment method used in last 12 months: Placed adverts on their website to recruit.	29%	*22%
Recruitment method used in last 12 months: Placed adverts on social media to recruit	24%	*20%
Recruitment method used in last 12 months: Paid someone to place adverts on website/ social media	5%	*4%
Recruitment method used in last 12 months: Used some other form of paid-for recruitment service	24%	21%
Recruitment method used in last 12 months: Used a government recruitment service or scheme	20%	18%
Recruitment method used in last 12 months: school, college or university job fairs or careers services	10%	9%
Recruitment method used in last 12 months: Relied on word of mouth or personal recommendations	42%	39%
Proportion citing that candidates having a particular level of achievement of academic qualifications (e.g. GCSEs, A levels or a degree) is either a critical or significant factor when recruiting	46%	45%
Proportion citing that candidates having Maths and English GCSE to at least level 2 or GCSE A*-C is either a critical or significant factor when recruiting	56%	55%
Proportion citing that candidates having a relevant vocational qualification is either a critical or significant factor when recruiting	49%	49%
Proportion citing that candidates having relevant work experience is either a critical or significant factor when recruiting	64%	65%
Recruited anyone in the last year	49%	*43%
Recruited anyone aged 16-18 in the past 12 months	12%	11%
Recruited anyone aged 19-24 in the past 12 months	28%	*24%
Recruited any young person in the past 12 months	32%	30%
Recruited anyone aged 50+ in the past 12 months	15%	14%
Work experience		
Had anyone in on work experience in the last 12 months	38%	*34%
Offered any work inspiration in the last 12 months	10%	8%
Aware of Government Traineeships	48%	48%
People Development		
Had any skills or training-related issues which required external information, advice or practical help	28%	27%
Whether offered internal training in the last 12 months	62%	62%
Whether offered external training in the last 12 months	47%	45%
Whether offered any training in the last 12 months	73%	72%
Proportion who had used FE Colleges to conduct their training	9%	*6%
Proportion who had used HEIs to conduct their training	5%	3%
Proportion who had used commercial organisations to conduct their training	44%	42%
Whether establishment has worked with another employer to develop skills / expertise in workforce	14%	12%
Offered vocational qualifications in the last 12 months	26%	26%
Apprenticeships		
Whether have any apprentices currently	12%	*9%
Whether currently offer apprenticeships at site	7%	7%
Whether have or offer apprenticeships	19%	*15%
Whether are aware and have a good knowledge of apprenticeships / have or offer apprenticeships	46%	44%
Whether plan to offer Apprenticeships in the future	31%	32%
Whether plan to offer Apprenticeships in the future but don't currently	15%	*18%
Characteristics		
Whether agree that: The ability of our staff to do their job effectively is more important than them having formal qualifications	83%	82%
Whether agree that: We are happy to pay towards staff training and development	63%	65%
Whether agree that: Keeping our staff happy is equally as important as organisation performance	86%	86%
Whether agree that: Investing in management and leadership skills is a top priority for the business	52%	*48%
Whether agree that: We are always looking for new ventures, developments or opportunities	56%	55%

Prison Data for SELEP area

SELEP’s geography has the highest number of prisons of any LEP nationally. It is clearly important to support this cohort into industry relevant training to ensure access to jobs and to meet skills shortages. Some key data on key prisons and prisoners for LEP’s area:

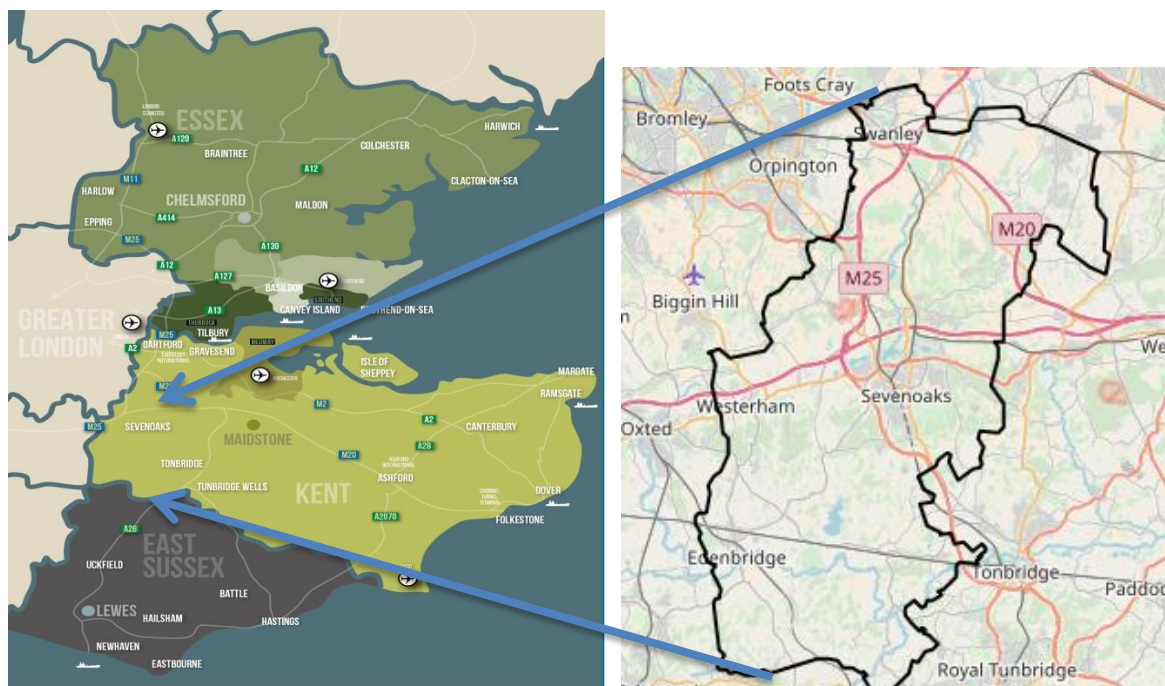
Prisons in SELEP area



Data sources for this report

- 1) Official Labour Market Statistics: <http://www.nomisweb.co.uk/>
- 2) Working Futures: <https://www.gov.uk/government/publications/uk-labour-market-projections-2014-to-2024>
- 3) Labour Insights (Vacancy data)
- 4) Business Register and Employment Survey (BRES, Office for National Statistics)
- 5) Sector Skills Council data and reports - <http://fiss.org/sector-skills-council-body/directory-of-sscs/>
- 6) ONS Population projections: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections>
- 7) FE Data Library: <https://www.gov.uk/government/collections/fe-data-library>
- 8) UKCES Employer Survey 2016: <https://www.gov.uk/government/publications/employer-perspectives-survey-2016>
- 9) UK Business by Size and Location: <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/previousReleases>
- 10) Apprenticeship Vacancies, Education and Skills Funding Agency (National Apprenticeship Service)
- 11) Local authority housing plans
- 12) HM Prison and Probation Service
- 13) HM Prison Service Co-Financing Organisation for ESF (*The data used pertains to offenders who are eligible for ESF programmes and have been enrolled on the HMPPS CFO programme due to the offenders' specific needs. Therefore, the data is not reflective of the HMPPS offender population and should not be used as official HMPPS/MoJ statistics*).

Sevenoaks



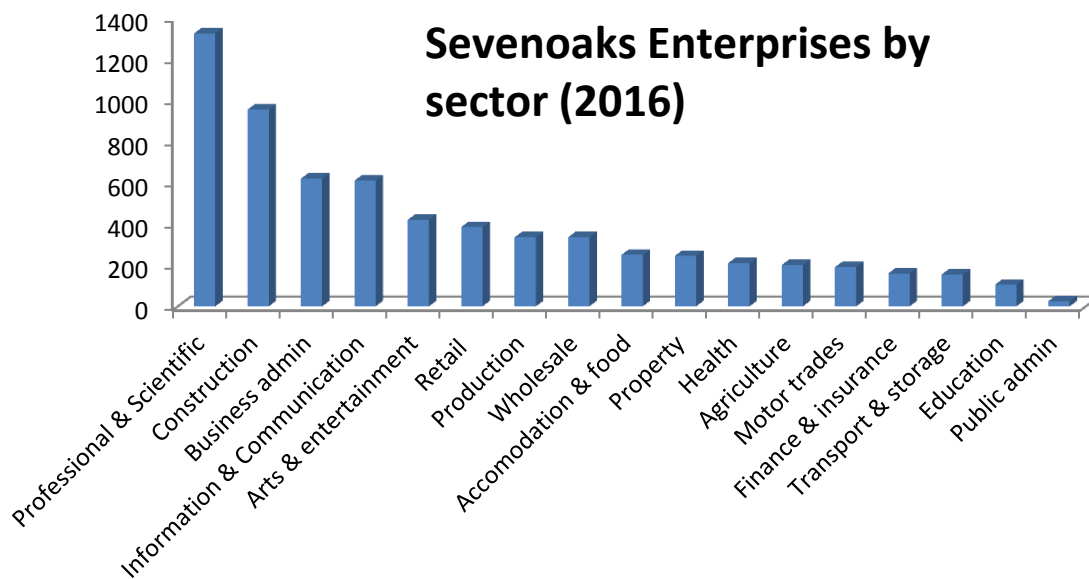
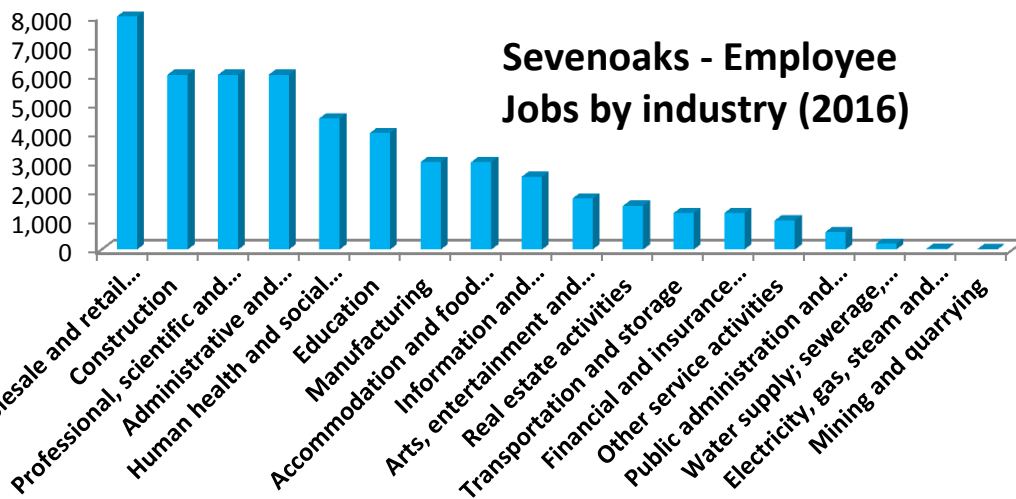
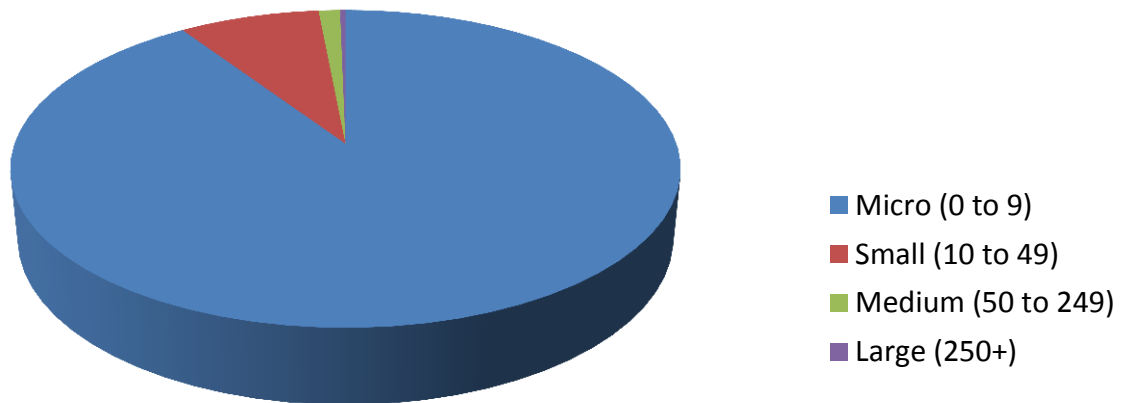
Key statistics at a glance

- Population: **119,100**
- Working age population(16-54): **70,300**
- Projected population by 2030: **135,000 (32,000 over 65)**
- % 16-64 year olds with Level 1+ qualifications: **87.1%**
- % 16-64 year olds with level 2+ qualifications: **77.0%**
- % 16-64 year olds with level 3+ qualifications: **48.4%**
- % 16-64 year olds with level 4+ qualifications: **30.4%**
- % 16-64 year olds with no qualifications: **8.2%**
- Weekly earnings by residence: **£584.50**
- Weekly earnings by workplace: **£526.50**
- Number of people on out of work benefits: **530**
- Total number of enterprises: **6,640**
- Total number of apprenticeship starts 2012/13: **690**
- Total number of apprenticeship starts 2015/16: **640**
- Average house price: **£424,595**

Data sources and further information

Official Labour Market Statistics: www.nomisweb.co.uk
 FE Data Library: <https://www.gov.uk/government/collections/fe-data-library>
 Labour Insights (subscription only) <http://www.labourinsight.com/>
 Sevenoaks Council: www.sevenoaks.gov.uk
 Office for National Statistics: <https://www.ons.gov.uk/>

Sevenoaks Business sizes (2017)

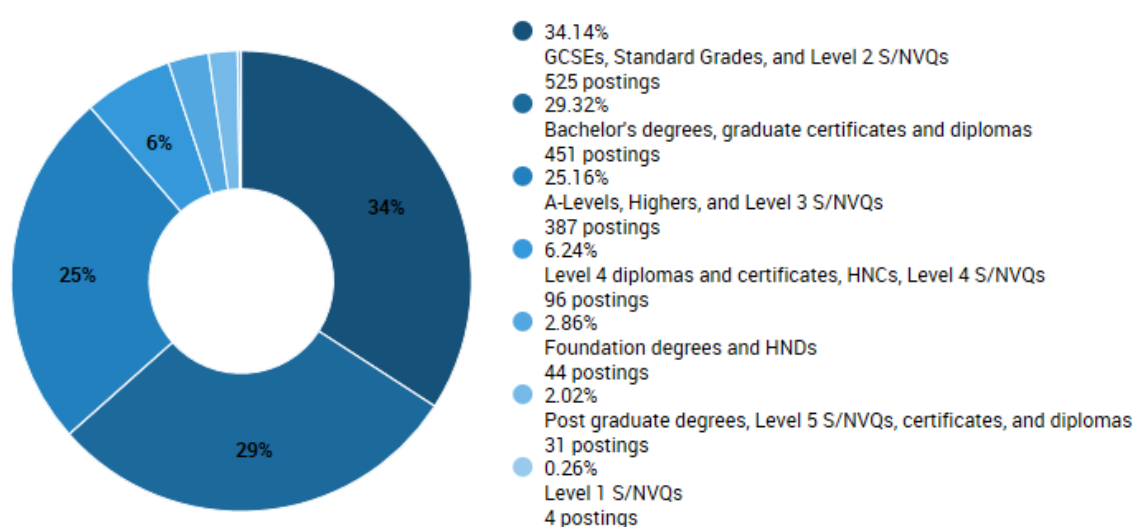


Sevenoaks Vacancy Headlines – October 2016-September 2017

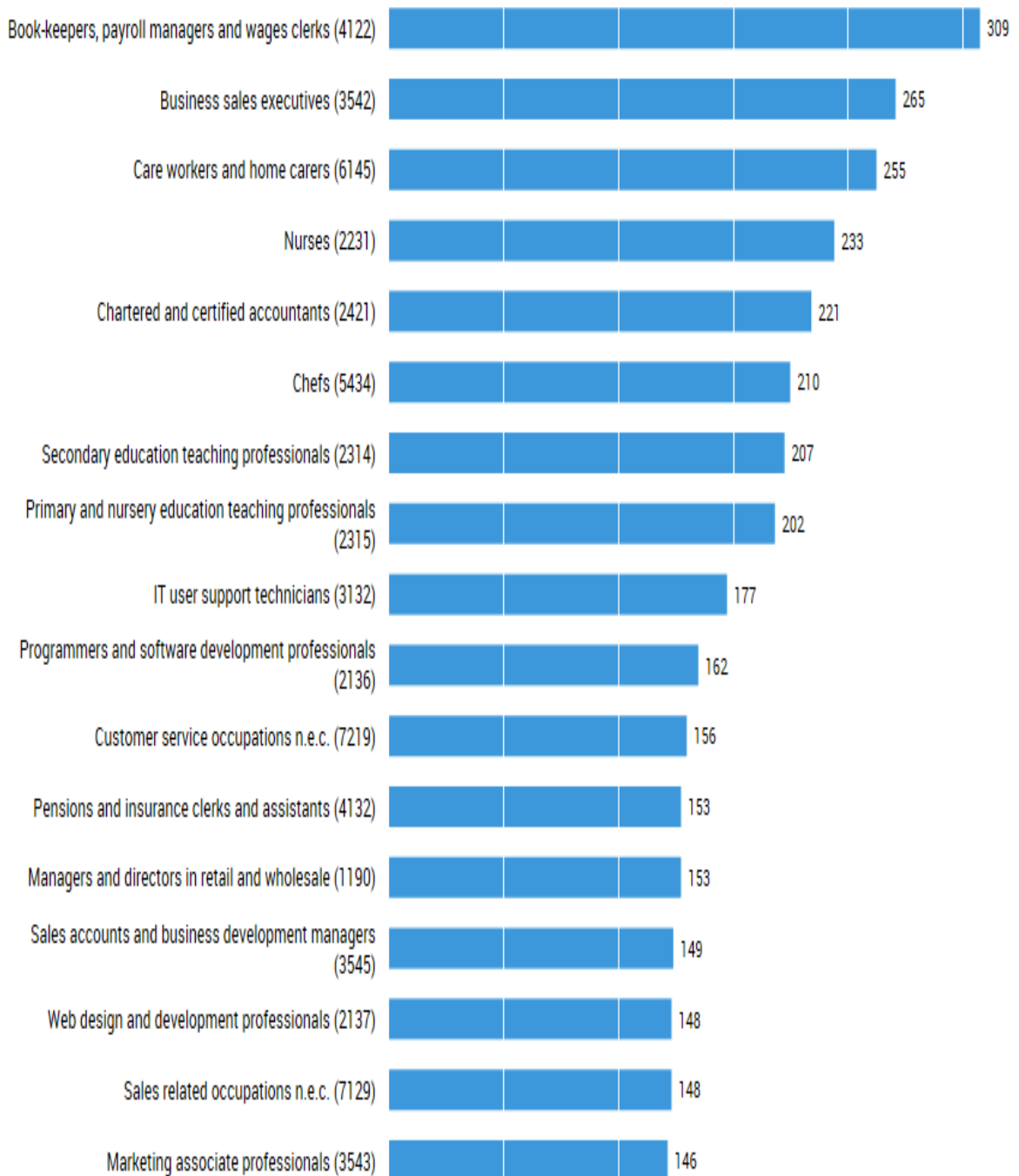
- The **top occupations** advertised were **book keepers and payroll managers** (309) **care workers** and home carers (255) and **nurses** (233), **chartered and certified accountants** (221)
- The **top sectors recruiting** were **health and social work** (846), **education** (842), **accommodation and food services** (611), **manufacturing** (504), **finance and insurance activities** (466)
- The **top employers recruiting** were the **NHS** (102), **Sevenoaks School** (69), **Barchester Healthcare** (52), **Handpicked Hotels** (51), **Trinity School** (44) and **FM Conway** (32).
- Where specified (1,538 postings), the education level sought was **34% of employers were seeking GCSE level skills, 25% A-Level** and the **remainder were degree level and above**
- The **top skills** sought by employers were **customer service, Excel, accountancy, business management** and **sales**
- The **top certifications** sought by employers were **the construction skills certification scheme card (CSCS)** (238), **accountant** (99) **Registered General Nurse** (69), **CII in insurance** (51) **Forklift Truck** (49)

Vacancies: Supporting Graphs

Educational level sought (1,539 postings)



Top occupations sought



Commuting Patterns (2011 Census)



Commuting totals (all categories: method of travel to work (2011 specification)) for Sevenoaks:

- Inflow: **20,948** person(s) commute into Sevenoaks from other local authorities in the UK.
- Outflow: **30,555** person(s) commute out of Sevenoaks to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **9,607** in Sevenoaks.

**Appendix B –
Information from the SELEP European Social Fund workshop
on 12 September 2017.**

Briefing paper for 12th September ESF Workshop

South East LEP ESF Allocations 2014-2020: current and remaining allocations

Background

SELEP's original allocation of European Social Fund (ESF) was £71.6m. Approximately £50m of this is already allocated to projects now delivering across the LEP described below. There is approximately £15-£20m remaining (requiring 50% match). ESF sits with the Department for Work and Pensions (DWP) who act as Managing Authority for ESF nationally.

ESF has to align to the South East LEP ESIF Strategy¹ which set out priorities and allocated amounts against these. It also has to align with government and EU ESF defined priority axis². Within this, there is some scope for flexibility and ensuring that new calls for tender don't duplicate existing ESF and nationally funded projects. SELEP is keen to ensure stakeholder input and discussion to avoid duplication, gather project ideas and ensure effective use of remaining ESF, in partnership with the DWP.

ESF Priorities defined by UK Government (for existing and future programmes):

'ESF focuses on improving employment opportunities, promoting social inclusion and investing in skills by providing the help people need to fill their potential.' (UK Government)

Priority Axis 1 (Inclusive Labour Markets)

- 1.1. Access to employment for jobseekers and inactive people – to help those who are disadvantaged but still relatively close to the labour market to tackle their barriers to work and enter and sustain employment
- 1.2. Sustainable integration of young people – to focus on helping young people, particularly those who are NEET or at risk of NEET to participate in the labour market and learning
- 1.3. Youth Employment Initiative (YEI) – to focus on helping young people, who are NEET (Thurrock only)
- 1.4. Active Inclusion – to help people who are more distant from the labour market and may face multiple disadvantages to tackle their multiple, complex and profound barriers to work and to move towards or into employment
- 1.5. Community Led Local Development – to support activities initiated by local action groups

Priority Axis 2 (Skills for Growth)

- 2.1. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce and promoting flexible learning pathways including through career guidance and validations of acquired competences. This includes basic, technical, higher level skills for people in work with focus on SMEs.
- 2.2. To promote improvements in the labour market relevance of skills provision and training systems through active engagement with relevant institutions and employers, particularly SMEs and micro businesses. This includes support for placements, internships, work experience and apprenticeships (especially advanced). Also includes development of online systems.

¹ http://www.southeastlep.com/images/uploads/resources/SELEP_ESIF_Refresh_March_2016_v11_CLLD_revised_FINAL.pdf

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461596/ESF_Operational_Programme_2014_-_2020_V.01.pdf

Contract value	ESF Priority / match / timeframe	Project name and description
CURRENT ESF PROJECTS UNDERWAY (matched by Big Lottery, ESFA, DWP)		
Further info at http://www.southeastlep.com/images/uploads/resources/SELEP_brochure_%28ESF_and_Skills_Capital%29.pdf		
£10 million (£9m contract, £1m DWP admin)	<ul style="list-style-type: none"> ESF Priority 1.1 Delivery to Aug 2019 Matched by Dept for Work & Pensions (DWP) 	Work Routes <ul style="list-style-type: none"> Supporting unemployed people into work Led by Reed in Partnership, working with RBLI and APM in Kent and East Sussex. Target of 4,500 people assisted
£16 million (£8m Big Lottery, £8m ESF)	<ul style="list-style-type: none"> ESF Priority 1.4 Delivery to 2020 Matched by Big Lottery 	Supporting those furthest from the labour market through 11 local projects: <ul style="list-style-type: none"> Gingerbread 'Working Forward' (2 projects) 4SX 'The Way to Work' Ixion Holdings 'Connecting Choices' Enable East 'Heads up' RCCE 'Essex Rural Skills Project' Papworth Trust 'Community Connections' RBLI 'Better Opportunities: Brighter Futures' Porchlight 'Aspirations' Social Enterprise Kent 'Lots More to Offer' Sussex Community Development Association 'Let's Get Working'
£14,799,000	<ul style="list-style-type: none"> ESF Priority 1.2 Delivery to July 2018 Matched by Education & Skills Funding Agency (ESFA) 	Enhancing Apprenticeships <ul style="list-style-type: none"> Supporting inactive 15-24 year olds into apprenticeships Delivery by SEETEC (Essex, Southend & Thurrock) and Skills Training UK (STUK) (Kent, Medway & East Sussex) Potential for funding to be returned to SELEP's allocation due to re-profiling (confirmation awaited from ESFA)
£4,604,575	<ul style="list-style-type: none"> ESF priority 2.1 Delivery to July 2018 Matched by Education and Skills Funding Agency (ESFA) 	Higher Level Skills in the Workforce <ul style="list-style-type: none"> Supporting people in work aged 19+ with high level skills (level 3 plus) aligned to LEP priority sectors Delivery by Ixion Holdings across SELEP area
£2,000,000		Basic Level Skills in the Workforce <ul style="list-style-type: none"> Supporting people aged 19+ in work with basic level skills towards higher level skills Delivery by STUK across SELEP area
£2,160,000		Numeracy Skills Support in the Workforce <ul style="list-style-type: none"> Supporting people in work aged 19+ with numeracy Delivery by STUK across SELEP area
£1,416,550		Digital Skills for People in the Workforce <ul style="list-style-type: none"> Supporting digital skills (level 3 and above) for people in employment, aligned to LEP priority sectors Delivery by East Kent College across SELEP area
£2,511,884	<ul style="list-style-type: none"> ESF priority 1.3 Delivery to 2018 Matched by Youth Employment Initiative 	Thurrock on Track <ul style="list-style-type: none"> Supporting 16-29 year olds in Thurrock closer to employment Delivery by Thurrock Council and partners
FUTURE ESF PROJECTS UNDERGOING EVALUATION BY DWP		
£4,250,000 (max) Also includes European Regional Development Fund (ERDF)	<ul style="list-style-type: none"> ESF Priority 1.5 Delivery to 2022 	Community Led Local Development (CLLD) 3 projects targeting the 10% most deprived <i>Hastings Borough Council (CHART)</i> community development and outreach: work with local communities and organisations to build confidence and capacity to tackle local problems. Key beneficiaries will be unemployed / inactive focusing on 50+, ethnic minorities; people with disabilities/long-term illness. <i>Thurrock Borough Council (Tilbury Tomorrow):</i> Support local people to access local jobs and develop their skills; tackle the barriers facing people furthest from the labour market; encourage local civic action,

Contract value	ESF Priority / match / timeframe	Project name and description
		pride and volunteering as routes into work. <i>Shepway district Council (Folkestone Community Works)</i> Work experience and job preparation for young people entering the job market; getting people back into work and job retention; emotional and physical well-being services to transition people into work; promoting financial wellbeing (debt crisis management/signposting).
£1,576,667	<ul style="list-style-type: none"> • ESF Priority 1.2 • Delivery to 2020 • 50% Matched by bidders • 	Supporting young people aged 15-24 to enter growth sectors <ul style="list-style-type: none"> • Initial applications submitted and shared with ESIF Committee. Successful bidders to be invited to submit full application. Potential for this to go above allocated amount. • Bids received for federated areas in the LEP

***Please note that the above is dependent upon DWP and ESFA clarifications and therefore subject to change and amendments*

REMAINING ESF ALLOCATIONS OF UP TO £20 MILLION AND NEXT STEPS

Subject to government confirmation and clarification, SELEP has unspent funding mainly against priorities 1.1, 1.2, 2.1 and 2.2. Ideas are still sought for other priorities as there are small pots of funding remaining against these.

- 1.1. Access to employment for jobseekers and inactive people
- 1.2. Sustainable integration of young people
- 2.1. Enhancing equal access to lifelong learning for all age groups
- 2.2. To promote improvements in the labour market relevance of skills provision and training systems

Emerging feedback through SELEP Skills Strategy and partner feedback

- A need for the SELEP area to be more productive and increase higher and technical skills
- All skills levels below national average and that of other LEP areas
- Support tools that simplify the landscape (e.g. Opportunity South East portal in development)
- Support for promoting growth sectors and careers and helping all in society to access these (e.g. young people struggling to take up apprenticeships due to travel costs, adults unable to re-skill due to costs involved)
- Support for all in society to upskill, starting at entry level and progression from level 2-3
- Cohorts including offenders and ex-offenders, homeless people (or at risk of becoming homeless), care leavers, unemployed people, people with disabilities, those involved in gangs, those in employment with low or no skills.
- A need to increase our apprenticeship numbers

Existing national programmes

- **Work and Health Programme** – a government welfare to work programme launching this autumn providing specialist support for people with disabilities and long-term unemployed people. Deliverers to be announced.
- **Her Majesty's Prison and Probation Service Co-financing organisation (national ESF)** – delivered by Shaw Trust and Ixion in the SELEP area and focused on improving offender's employability and reducing reoffending. There may be requirements for additional support for this cohort.

Examples of Calls for tender in other LEP areas

Once the focus has been agreed, calls for tender (managed by the DWP with input from SELEP) will be published at https://www.gov.uk/european-structural-investment-funds?funding_source%5B%5D=european-social-fund.

Current and previous Calls for Tender in other LEP areas offer useful examples of the sorts of activity that could be commissioned for the SELEP area around similar areas of need:

Skills for Growth: Health and Social Care sector in New Anglia – *this call aims to respond to the economic needs of the health and social care sector and specifically to improve the skills, career progression and employability of its workforce particularly level 3 and above. Applications are asked to support activities to reduce levels of in work poverty through skills attainment and career progression, address skills gaps and hard to fill vacancies across the employer base, identify skills solutions that will respond to shift patterns, technology advances and traditional barriers to progression and address the age profile in the sector where significant numbers of staff are older. The rurality of the area is also outlined where travel to work issues are impacting on staff retention.*

Active Inclusion: Work and Health Integrated Services in New Anglia – *this call aims to provide additional complementary activity to those people who are not able to access the Work and Health Programme but still need support to get back into employment. This includes people with (mental) health conditions and / or learning disabilities.*

Improving the labour market relevance of education and training systems in Coast to Capital – *businesses to benefit from graduate internships to help them initiate a project that would not progress without ESF support.*

Lancashire Developing Leadership and Management – *looking to tackle the issue of replacement demand, due to an ageing workforce and the issue of under-representation of females (particularly in STEM sectors). The focus is on progression in work, tackling disadvantage and support for wider career choices.*

Digital Skills for the unemployed in the Enterprise M3 LEP area – *innovative delivery of digital skills to unemployed and inactive individuals to enable them to engage with employment including support for business start-up and growth*

Wheels to Work: Tees Valley – *providing personalised travel planning and advice for individuals to given them improved access to training and employment opportunities. Including practical transport solutions for individuals such as scooters, electric bicycle hire, safety equipment and sustainable transport measures.*

Next steps

- Timescales for issuing calls for tender are dependent upon DWP and HM Treasury sign off and advice. It is hoped first calls may be issued later this year (2017).
- The UK government operates on an 'N+3' rule whereby funding should be spent within 3 years of the year it was allocated. Therefore for funding to 2020, this could be allocated to 2023 (as long as final calls go out by 2020). This means there is a reasonable time-scale within which to issue remaining calls and to enable current contracts to deliver.
- SELEP will confirm any new calls for tender on its website (<http://www.southeastlep.com/>) as well as communicating via partners and networks. They will also be published at https://www.gov.uk/european-structural-investment-funds?funding_source%5B%5D=european-social-fund.
- Evaluation of applications is undertaken by the DWP. SELEP's ESIF Committee is asked to comment on strategic fit of applications but the ultimate decision rests with the DWP, in their Managing Authority capacity.

ITEM 7

Date: 23 November 2017

Subject: Kent and Medway Growth Hub

Report author: Cover note provided by Sarah Nurden, KMEP Strategic Programme Manager.

Summary

A presentation will be given on 23rd November to update the board on the progress in delivering Kent and Medway's Growth Hub programme. The presentation will also provide information on progress to date on putting Growth Hubs on a more self-sustaining footing.

The Board is recommended to:

1. Note the report in advance of the presentation.
-

1. Introduction / Background

- 1.1 In September 2017, a paper was presented to the SELEP Strategic Board on Growth Hubs. It commented that "currently the funding from Central Government for Growth Hubs is not guaranteed beyond March 2018. Government had previously stated that they wished to see Growth Hubs become 'self-financing'. There has been some debate about whether this means that Growth Hubs would move to a commercial model that does not rely on the public purse or whether it means that they are supported locally without direct funding from Central Government." The full SELEP report can be found in the appendix.
- 1.2 At the time of writing, the budget has not yet been announced, thus it is unclear whether the Kent and Medway Growth Hub will continue to receive the same level of central government grant in future years after November 2018. The intention of the SELEP Strategic Board is to re-examine the financing of the Growth Hubs at their next meeting on 15th December 2017. It was therefore felt to be an opportune time for KMEP to receive a presentation on the progress of the Kent and Medway Growth Hub, and receive information on progress to date on putting Growth Hubs on a more self-sustaining footing.

- 1.3 The presentation on 23rd November will be delivered by Jacqui Ward of Kent County Council (who manages the Kent and Medway Growth Hub contract), and by Tudor Price from the Invicta Chamber of Commerce (the Chamber were awarded the contract to deliver the Growth Hub until October 2018).

Item 4 -Growth Hub – 2018 & Beyond

1. Purpose

- 1.1 The purpose of this paper is to provide the Board with background information on the Growth Hubs. This includes the history of the policy implementation, the operation of the Growth Hubs in the South East, evidence of impact and the potential issues facing Growth Hubs from April 2018.
- 1.2 This paper and consequent discussion will be used to shape a full decision paper that will be presented to Board for decision in December.

2. Recommendations

- 2.1 The Board is asked to discuss the provision of business support in the wider setting of economic growth so that officers are able to bring back a decision paper on the future model in December.

3. Background

Inception of Growth Hubs

- 3.1 There are currently 38 Growth Hubs operating in England. The Growth Hubs are local public/private sector partnerships that join up national and local business support so it is easy for businesses to find the help they need to start up, scale up and create more jobs. The Growth Hub programme is at the heart of Government's policy to simplify the business support environment and make it more accessible and joined up.
- 3.2 Prior to 2011, the national business support programme was delivered through Business Link. Following the closure of Business Link in 2011, there were clear indications that business support provision was becoming fragmented and it was becoming increasingly difficult for businesses, or individuals with a view to establishing a business, to get clear advice on what support was available and how to access it.
- 3.3 To address these problems, the Department of Business Innovation and Skills (BIS – now BEIS), developed the Growth Hub programme. This policy covered the whole of England and the original intention was that Growth Hubs would be a central repository of information, advice and support and offer a holistic approach to business support within a defined geographical area.
- 3.4 The first phase of Growth Hubs was focussed on those areas with City Deals (Within the SELEP area, one Growth Hub had been established as part of the Southend City Deal), but BIS/BEIS decided that the programme should be rolled out and that there should be a Growth Hub in each LEP area and the delivery of the Growth Hub services would be the responsibility of the LEPs.

The SELEP Model

- 3.5 Within the SELEP area, one Growth Hub had been established as part of the Southend City Deal before the national roll out. It was reported to the March 20th March 2015 Strategic Board that the SELEP Growth Hub would be a hub and spoke model. There would a South East Growth Hub website, known as the South East Business Hub (www.southeastbusiness.org.uk) but this website would direct users to the appropriate sub-hub for their geographical area. Three sub-hubs were set up; Business East Sussex (BES); Business Essex, Southend and Thurrock (BEST) and the Kent and Medway Business Hub.
- 3.6 It was agreed that the Southend Growth Hub that was already established would expand to cover the Greater Essex area and become the BEST Growth Hub.

- 3.7 A number of Local Authorities across the SELEP area have decreased their economic development team capacities in light of the ongoing budgetary pressures. As a result, there has been increasing reliance on the Growth Hubs to fill this gap. The majority of economic growth teams will now refer all business support enquiries directly to the Growth Hub.

Costs of the programme

- 3.8 Central Government provided a total of £800,000 of revenue funding to LEPs in financial year 2015/16 to support the setup and running costs of the Growth Hubs. It was agreed within SELEP, that each sub-hub would work on the basis that fit best with local needs and the operating principles of the delivery organisations (Southend-on-Sea Borough Council, Kent County Council and East Sussex County Council). Southend continued with their in-house offer whilst both Kent and East Sussex contracted with private companies to deliver support in their areas.
- 3.9 Government has made available £656,000 of revenue funding in each of the two subsequent financial years to support the Growth Hub operations. The split of these funds across the central hub and the three sub-hubs can be seen below at Table 1. This funding ensures that all businesses or individuals have the opportunity to access Growth Hubs on a 'free at first point of contact' basis.

Table 1

	Business South East	Business Southend, Essex and Thurrock	Kent and Medway Growth Hub	Business East Sussex	Total Funding
Quarter 1	5,000	51,345	56,189	28,280	140,814
Quarter 2	5,000	73,000	56,189	28,270	162,459
Quarter 3	41,045	56,500	56,189	28,270	182,004
Quarter 4	5,000	72,195	65,258	28,270	170,723
Total Govt Funding 2017/18	56,045	253,040	233,825	113,090	656,000

- 3.10 Local Authorities have also provided some further funding to support and enhance the services in their areas. Kent County Council has provided a total of £119,000 and East Sussex has provided nearly £82,000 of additional funding since 2015/16. In both cases this was funded from the SEEDA legacy funds that were transferred to authorities that previously were covered by the South East Economic Development Agency. As Southend was previously in the East of England region they received no funding from the SEEDA Legacy, but the Council has provided gifts in kind to the Growth Hub, including accommodation and back office services for the Hub.
- 3.11 The Growth Hub Steering group commissioned a report to examine the options for the service to move towards a more sustainable, commercialised model. The report is available at Appendix 1 to this paper.
- 3.12 The report highlights the work of the national Growth Hub Network Financial Sustainability Group that was established by BEIS. The Group found that, given the key principle of BEIS that Growth Hubs should remain free of charge to businesses at first point of contact; few Growth Hubs are focussing on generating revenue directly from businesses or individuals supported.
- 3.13 There is a potential opportunity to secure revenue through from organisations who want to sell their products or services to Growth Hub clients. This is an option that can be explored for the South East.

- 3.14 The report could not find any examples of Growth Hub sustainability plans and there was a strong view expressed by those interviewed for the report that becoming financially dependent on a partner and generating income could undermine the impartiality and independence of the Growth Hub. This may also result in Growth Hubs competing with the private sector and support organisations such as Chambers of Commerce and Federation of Small Businesses, in particular if the Growth Hub adopts a membership model.
- 3.15 The commercialisation of the Growth Hub website was also investigated. Generally, a website would need between 500 to 1,000 unique visitors a day to be able to make meaningful amounts of income from advertising. The SELEP websites are currently achieving around 50 unique hits per day. In addition, the Growth Hub websites do not offer access to a unique audience, which would reduce the rates at which advertisers would be willing to pay.
- 3.16 A number of different options are being pursued across the country, but to date no single option has been identified that would allow the Growth Hub to become self-sustaining. It is likely that a combination of different approaches would be needed to create the levels of revenue required to support current activity levels and some of these models would necessitate up-front investment. All models would require either increased resource or diverted resource within the teams to manage the additional activity and administration created.

Activity to date and Economic Impact

- 3.17 The table below shows the activity carried out across the SELEP area since the Growth Hub was launched. 'Business connections' includes unique users of the website, attendees at events, and referrals to the national helpline or other support.
- 3.18 Whilst Growth Hubs do not have funding available to directly support businesses, many referrals are made to grant schemes that do offer such support. The 'funding secured' figures are likely to be understated as not all grant-awarding bodies share this information.

3.19 Table 2 – Growth Hub Activity

Number of Business Connections	44,120
Number of Businesses Supported	2,265
Funding Secured for Businesses	£1,039,000
Jobs created	499
Jobs safeguarded	95

- 3.20 In addition, at Appendix 2, there is a report on the economic impact of the BEST Growth Hub, commissioned by Southend Council. Whilst the report only covered the activities of the Southend Sub Hub, it would be fair to assume that a similar impact is being made by the other two sub-hubs who are delivering similar activities.
- 3.21 The findings of the report were based on a survey of a random sample of businesses supported by the Growth Hub. Included in the benefits that the report identifies, businesses attributed an average 14% growth in turnover to the support they received from the Growth Hub.

Government Direction & Dependencies

- 3.22 Since the establishment of the Growth Hub Programme, the national policy has shifted from a purely navigational solution to one of specific intervention. In particular, Government is very focussed on the 'scale up' element. Reference was also made to Growth Hubs in the Industrial Strategy Green Paper.
- 3.23 As well as central Government support, the Growth Hubs are closely linked and integral to the delivery of a number of European Funding programmes, in particular the European Regional Development Fund (ERDF).
- 3.24 There are currently ten contracted ERDF projects delivering business support. Top level information for these projects can be found at Appendix 3. These 10 projects represent £28.2m of ERDF funding and leverage a further £30m. All ERDF projects are contractually obliged to work with the Growth Hubs to ensure that the businesses receive the support and customer journey most suited to them, and to ensure maximum uptake of the interventions offered by the projects.
- 3.25 At Appendix 4 there is a table showing the total outputs expected from the ten projects already contracted, alongside the SELEP ESIF targets for the whole 2014-2020 programme. These outcomes are additional to those that measured and reported against by the Growth Hub and represent significant additional benefits offered, in particular, the commercialisation of new products enable by linking businesses with academic research support.

Future funding commitment

- 3.26 Currently the funding from Central Government is not guaranteed beyond March 2018. Government had previously stated that they wished to see Growth Hubs become 'self-financing'. There has been some debate about whether this means that Growth Hubs would move to a commercial model that does not rely on the public purse or whether it means that they are supported locally without direct funding from Central Government.
- 3.27 A number of Growth Hubs nationally have investigated different commercial models and the prevailing view is that it is not possible to offer a 'free at first point of contact' model without some public support. Government officials have indicated informally that they share this view and are currently working to build a case to continue funding, however this may be at a different value or on a different basis, for example cash match funding may be required in future whereas no match is currently requested.
- 3.28 It is expected that we will know whether continued support will be forthcoming around the time of the Autumn Budget (end of November or beginning of December), but the details around match or other application requirements is unlikely to be known until after Christmas at the very earliest.
- 3.29 The SEP review will consider the role of business support in the wider context for the SELEP, but discussions are needed now to consider the future of the SELEP Growth Hubs should funding reduce or indeed cease from next year.



4. Next steps

- 4.1 Following the Autumn Budget a further paper will be brought to the Strategic Board to consider the future of the Growth Hubs, depending on the funding available. Currently there is no revenue funding available within the SELEP budget to fund the Growth Hub programme and given the budgetary constraints that Local Authorities face and indications they have given, it is unlikely that they will be able to plug the gap.

- 4.2 However, if the Growth Hub model is withdrawn, as well as the impact on businesses generally, there is a significant risk that the delivery of the ERDF Programme would be compromised and further support that should be available to the businesses of the South East is withdrawn.
- 4.3 A clear steer from the Strategic Board on their views for the requirement of business support in the South East and what role the Growth Hubs should play in that sphere will help to shape the potential models to be put forward once the funding situation becomes clearer.

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Date: 13th September 2017

PLEASE NOTE – EMBEDDED DOCUMENTS CAN BE ACCESSED VIA THE WORD ATTACHMENT TO THIS DOCUMENT

<p>Appendix 1 – Growth Hub Mapping and Sustainability Report</p>	 <p>SELEP Growth Hub Mapping and Sustaina</p>
<p>Appendix 2 – Economic Impact Assessment of Business Southend, Essex and Thurrock Growth Hub</p>	 <p>BEST Growth Hub Economic Impact Asses</p>

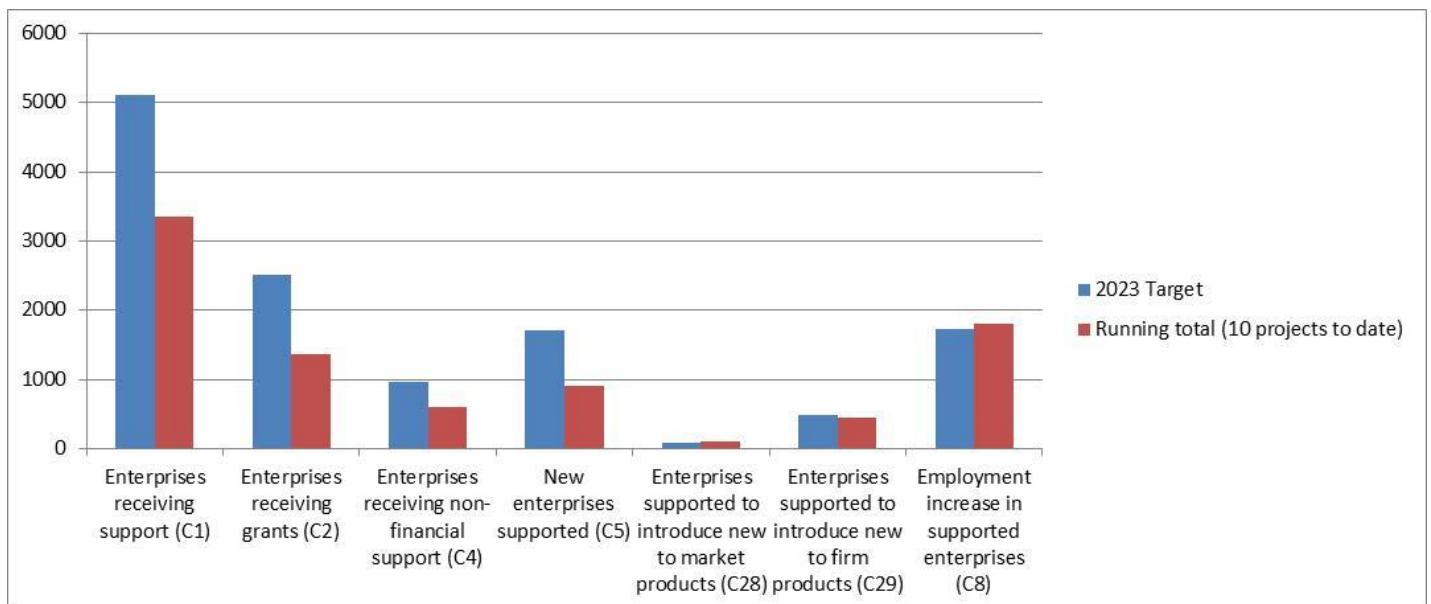
Appendix 3 – ERDF Projects delivery Business Support

<i>Project</i>	<i>ERDF value</i>	<i>Coverage</i>	<i>Lead Organisation</i>	<i>Beneficiaries</i>
Better off in Business	£368,410	SELEP	The Prince's Trust	Unemployed young people interested in self-employment and with a business idea they want to explore.
Essex Growth Programme	£1,631,708	Essex, Thurrock and Southend	NWES	Pre-start individuals and SMEs <36 months old
Foreign Inward Investment Kent	£1,744,391	Kent and Medway	Kent County Council	UK and foreign SMEs looking to relocate and/or expand operations into Kent and Medway
Get Exporting 2	£2,041,000	SELEP	Exemplas	SMEs looking to sell overseas or develop internationally
KEEP+	£3,296,204	SELEP	Anglia Ruskin University	SMEs looking to connect with academic expertise and talent, and R&D facilities, to help them develop new products and services
Low Carbon across the South East	£8,858,923	SELEP	Kent County Council	SMEs looking to improve business performance using energy efficiency measures, and LCEGS SMEs looking to grow
Manufacturing Growth Programme	£1,400,000	SELEP	WMMBF Ltd	SMEs in the manufacturing sector who are looking to grow
South East Business Boost	£6,116,639	SELEP	Southend Borough Council	An enhanced service to SELEP's core Growth Hubs to support SMEs, including pre and small start-ups, looking to grow and increase employment
South East Invest	£2,246,516	Essex, Thurrock, Southend, East Sussex	Essex County Council	SMEs looking to relocate and/or expand operations into Essex, South Essex and East Sussex

<i>Project</i>	<i>ERDF value</i>	<i>Coverage</i>	<i>Lead Organisation</i>	<i>Beneficiaries</i>
Supply Chain innovation for Offshore Renewable Energy	£510,000	Essex	NWES	SMEs looking to develop new and innovative technologies in offshore renewable energy

Appendix 4 – ERDF Targets

	2023 Target	Running total (10 projects to date)
Enterprises receiving support (C1)	5,119	3,346
Enterprises receiving grants (C2)	2,505	1,370
Enterprises receiving non-financial support (C4)	959	611
New enterprises supported (C5)	1,714	901
Enterprises supported to introduce new to market products (C28)	93	104
Enterprises supported to introduce new to firm products (C29)	495	446
Employment increase in supported enterprises (C8)	1,733	1,815



FOR INFORMATION ONLY PAPERS
KMEP 23rd November 2017

FOR INFORMATION ITEM A

Date: 23 November 2017

Subject: Future Meeting Dates for KMEP and SELEP

KMEP Board Meeting Dates

The future Kent & Medway Economic Partnership meeting dates are:

- Mon 29 January 2018
- Mon 26 March 2018 – Held at the Hilton Hotel, Maidstone
- Mon 21 May 2018
- Mon 16 July 2018
- Mon 24 September 2018
- Mon 26 November 2018

All meetings, except for the meeting on 26 March 2018, will be held at the Village Hotel, Maidstone.

All meetings start at 5pm and finish at 7pm.

SELEP Strategic Board Meeting Dates

The next SELEP Strategic Board meeting date is:

- Friday 15 December 2017 | Venue = Ashford College, Kent | 11.00am start.

SELEP Accountability Board Meeting Dates

The future SELEP Accountable Board meeting dates are:

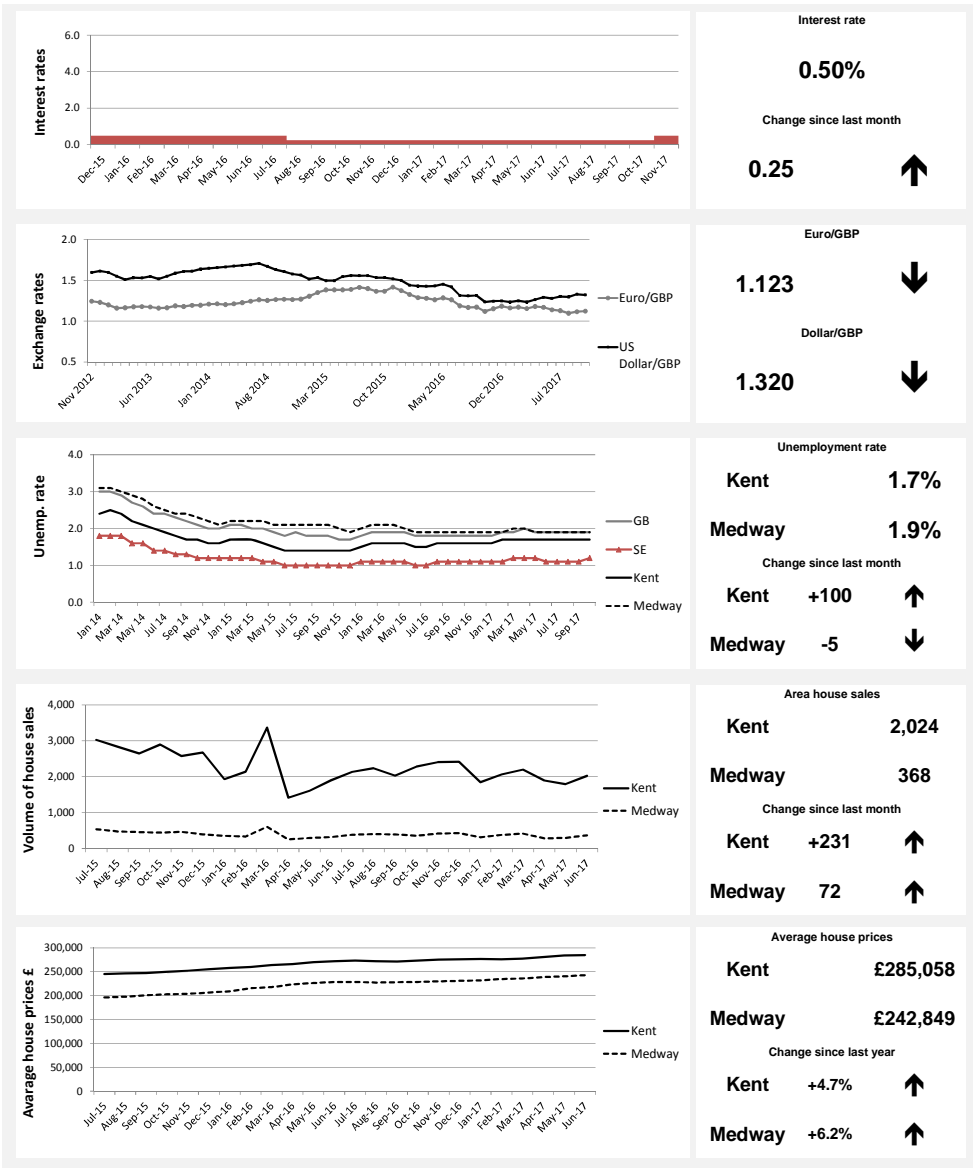
- Friday 15 December 2017 - Held at Ashford College. Starts at 9.30am.
- Friday 23 February 2018
- Friday 27 April 2018
- Friday 15 June 2018
- Friday 14 September 2018
- Friday 16 November 2018
- Friday 15 February 2019

All meetings, except for the meeting on 15 December 2017, will be held at High House Production Park and start at 10am.

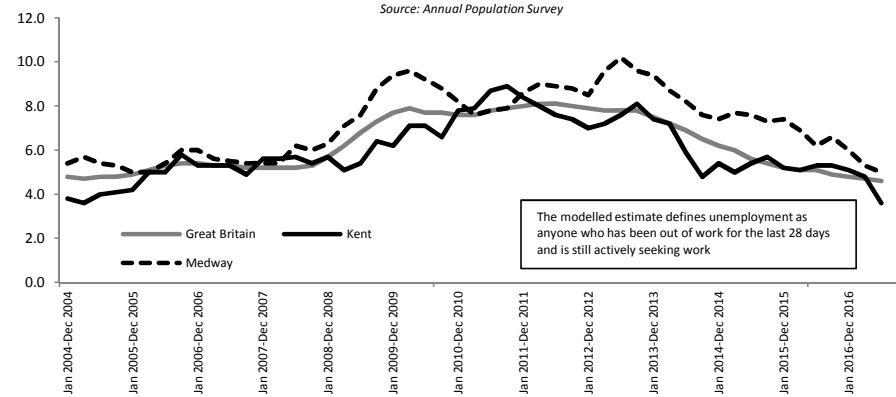
State of the Kent & Medway Economy



Headline Indicators

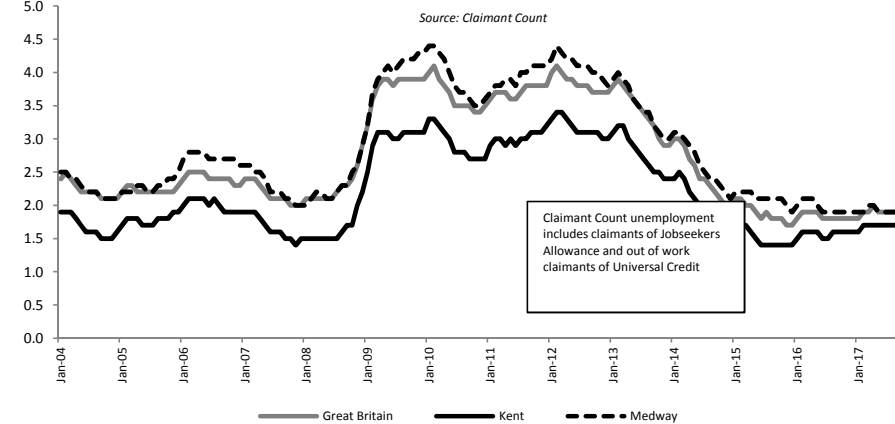


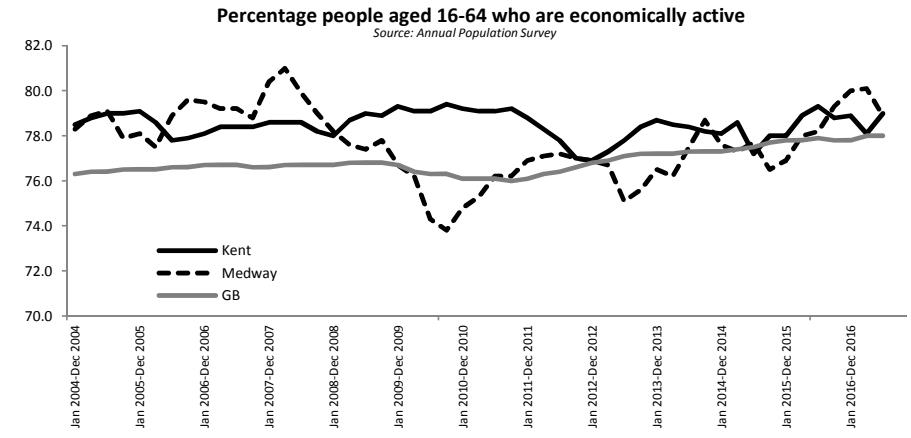
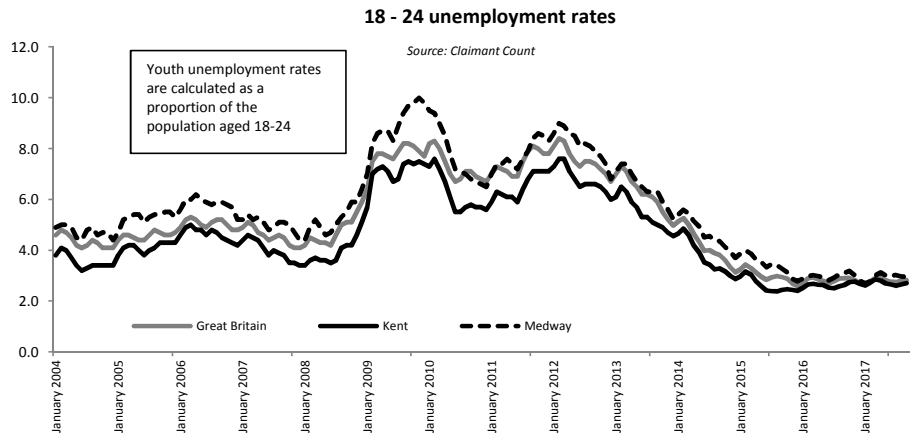
Modelled Unemployment rates - Great Britain, Kent & Medway 2004 - 2016



	Modelled unemployment	Claimant Count Unemployment
Kent	3.6%	1.7%
Medway	5%	1.9%
GB	4.6%	1.9%

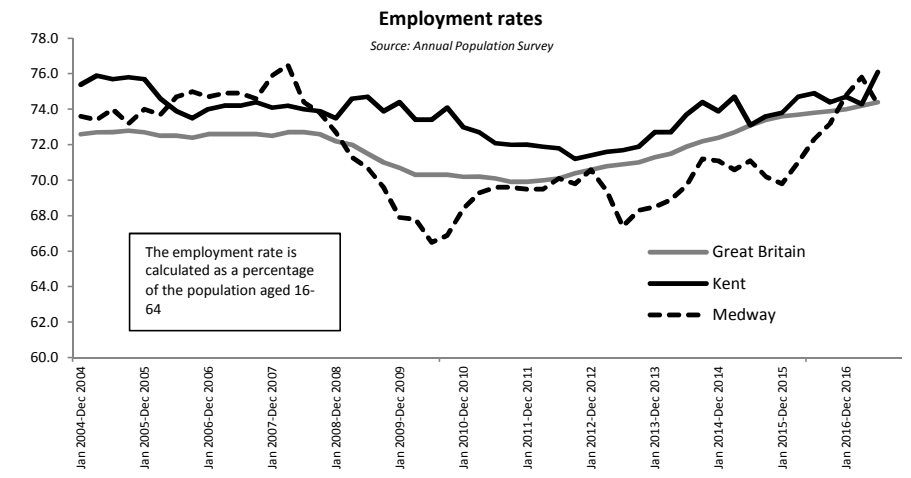
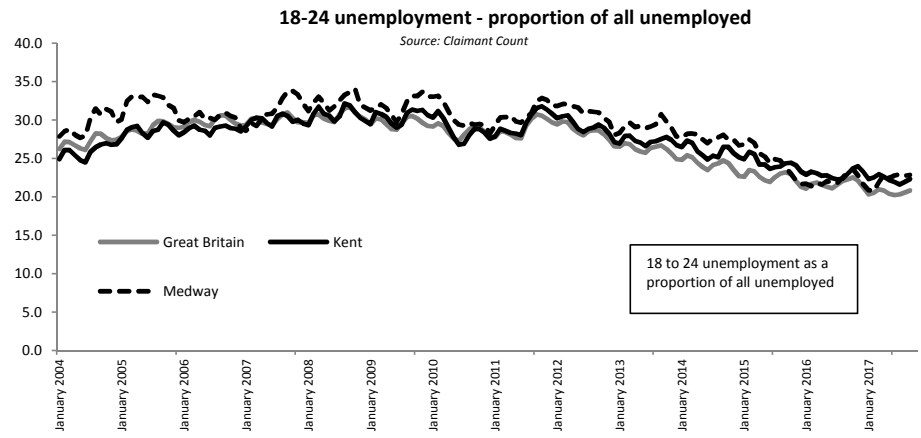
Claimant count unemployment rates - Great Britain, Kent & Medway 2004 - 2017

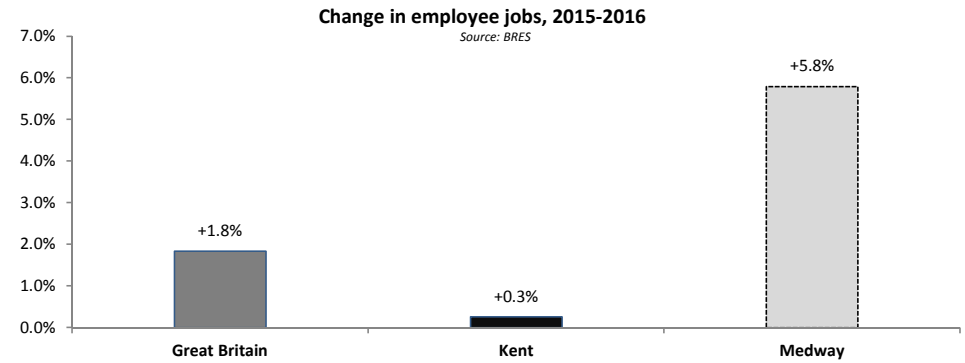
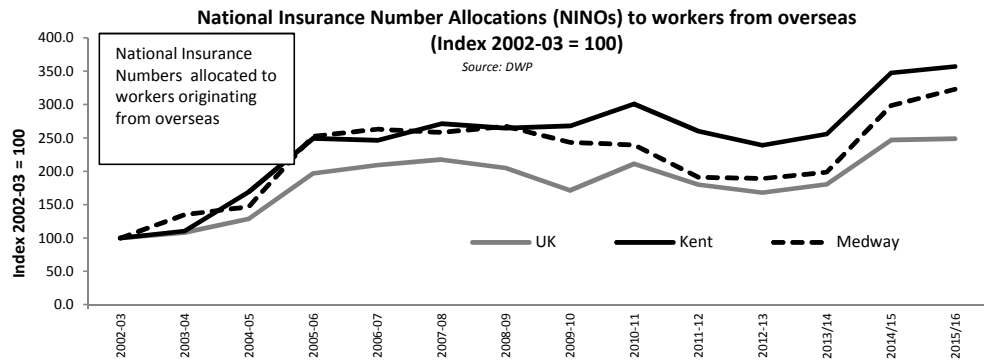




	Youth Unemployment - claimant count	% of all unemployed
Kent	2.7%	22.3%
Medway	2.9%	22.9%
GB	2.8%	20.8%

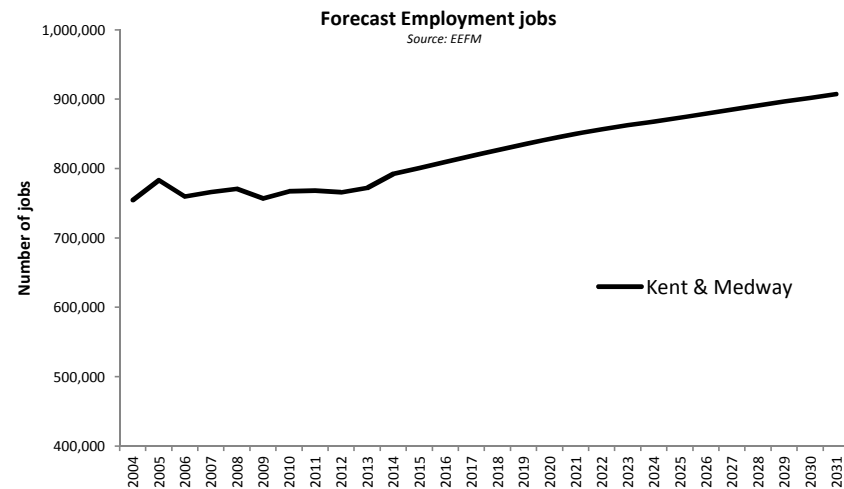
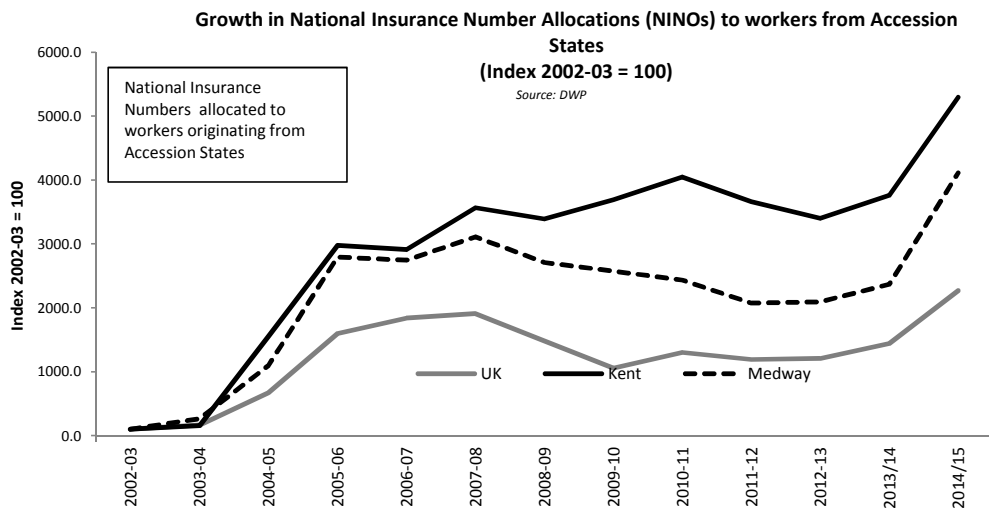
	Economically active	Employment rate
Kent	79.0%	76.1%
Medway	78.9%	74.3%
GB	78.0%	74.4%





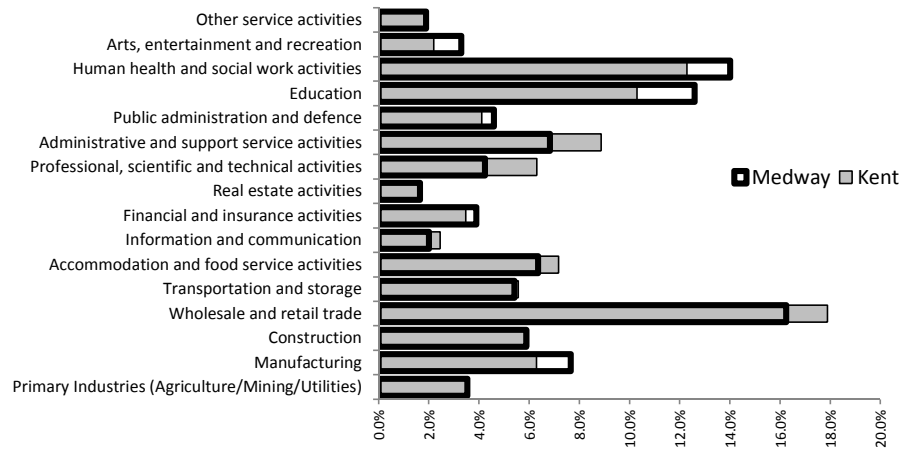
	NINOs 2015/16	% of working age population
Kent	14,882	1.6%
Medway	2,791	1.4%
GB	826,458	2.0%

	Employee jobs 2016	Change in employee jobs since 2015
Kent	622,100	0.3%
Medway	92,800	5.8%
GB	29,267,500	1.8%



Kent & Medway Employment Structure 2016

Source: BRES



Employment structure change 2015-2016 - BRES

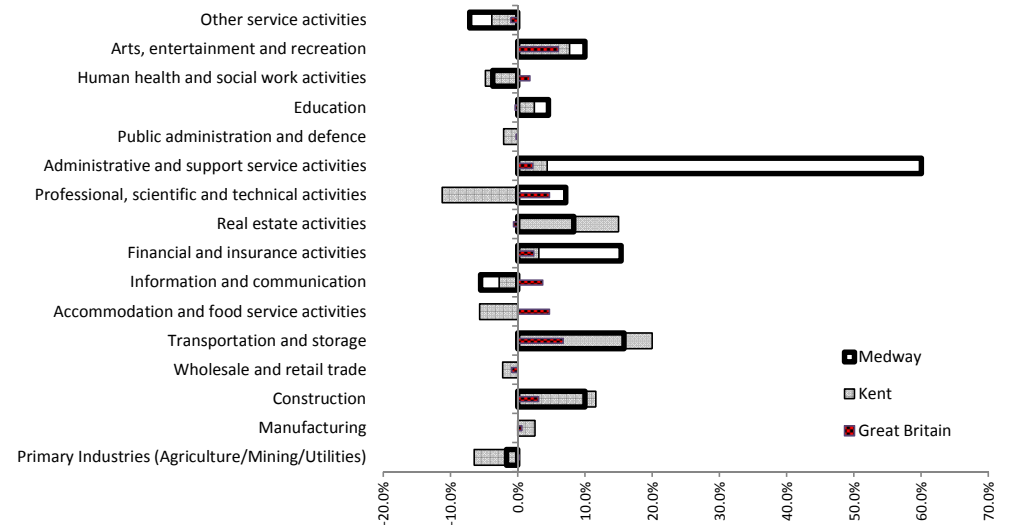
	Kent	Medway	Great Britain
Primary Industries (Agriculture/Mining/Utilities)	3.9%	30.4%	0.2%
Manufacturing	-8.9%	-8.5%	0.6%
Construction	-8.8%	-20.6%	3.1%
Wholesale and retail trade	4.3%	-2.8%	-0.9%
Transportation and storage	12.8%	24.3%	6.7%
Accommodation and food service activities	19.3%	10.2%	4.7%
Information and communication	5.1%	30.8%	3.7%
Financial and insurance activities	27.5%	32.0%	2.4%
Real estate activities	34.8%	40.0%	-0.6%
Professional, scientific and technical activities	7.2%	24.1%	4.7%
Administrative and support service activities	25.5%	5.5%	2.2%
Public administration and defence	-22.3%	-11.4%	-0.2%
Education	2.7%	5.9%	-0.4%
Human health and social work activities	-4.2%	-8.5%	1.8%
Arts, entertainment and recreation	10.3%	16.7%	6.0%
Other service activities	2.7%	-11.1%	-1.0%

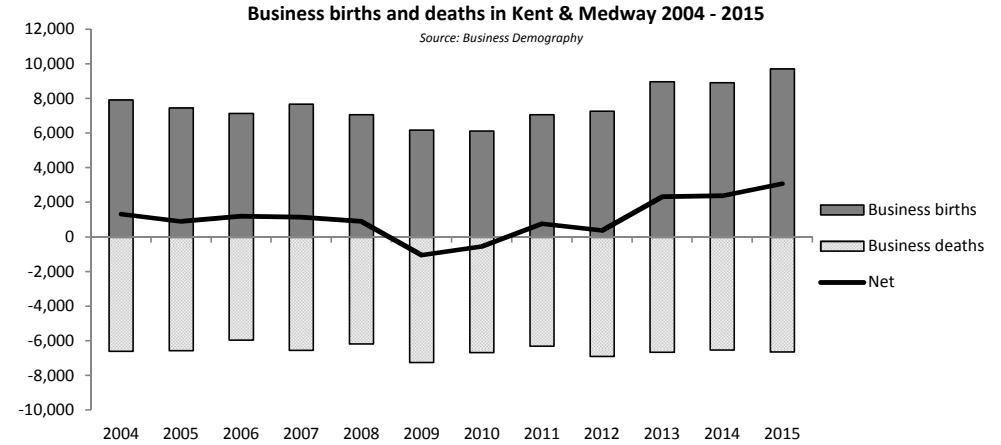
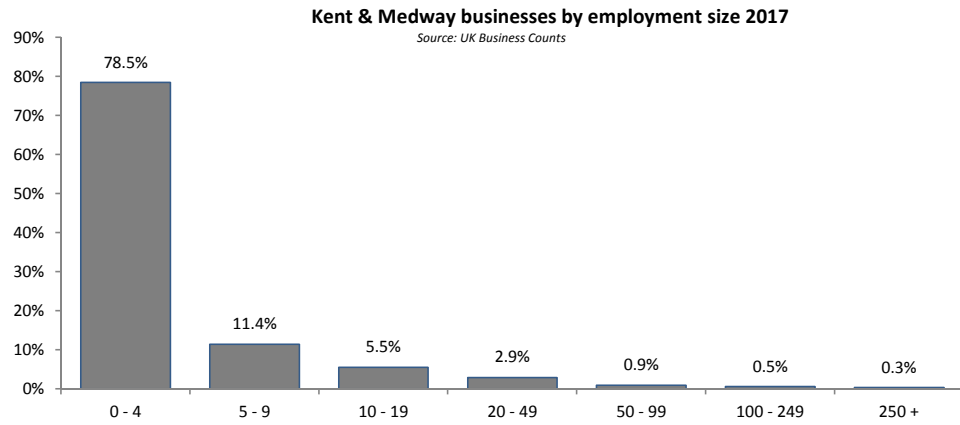
Employment structure 2016 - BRES

	Kent	Medway	Great Britain
Primary Industries (Agriculture/Mining/Utilities)	3.6%	3.5%	2.0%
Manufacturing	6.3%	7.6%	8.1%
Construction	6.0%	5.9%	4.6%
Wholesale and retail trade	17.9%	16.2%	15.2%
Transportation and storage	5.6%	5.4%	4.8%
Accommodation and food service activities	7.2%	6.4%	7.4%
Information and communication	2.5%	2.0%	4.2%
Financial and insurance activities	3.5%	3.9%	3.5%
Real estate activities	1.6%	1.6%	1.6%
Professional, scientific and technical activities	6.3%	4.2%	8.6%
Administrative and support service activities	8.9%	6.8%	8.9%
Public administration and defence	4.1%	4.6%	4.3%
Education	10.3%	12.6%	8.9%
Human health and social work activities	12.3%	14.0%	13.2%
Arts, entertainment and recreation	2.2%	3.3%	2.5%
Other service activities	1.9%	1.9%	2.0%

Kent & Medway Employment Structure Change 2015-2016

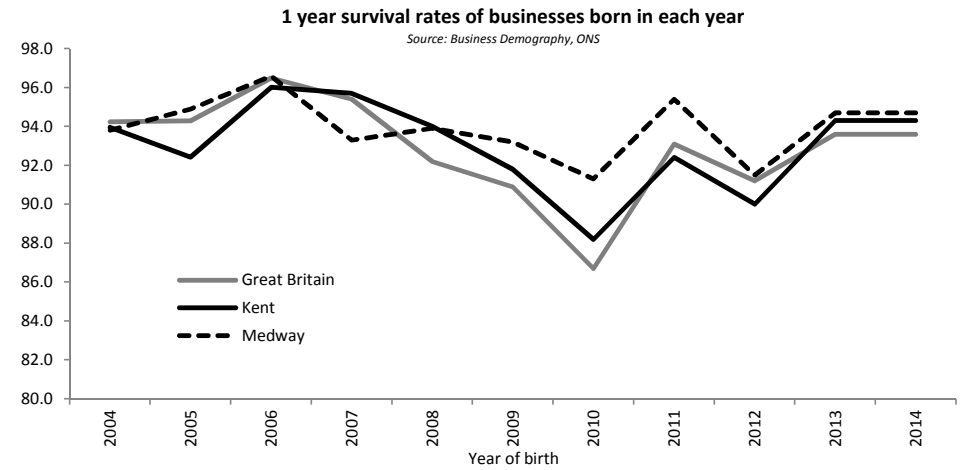
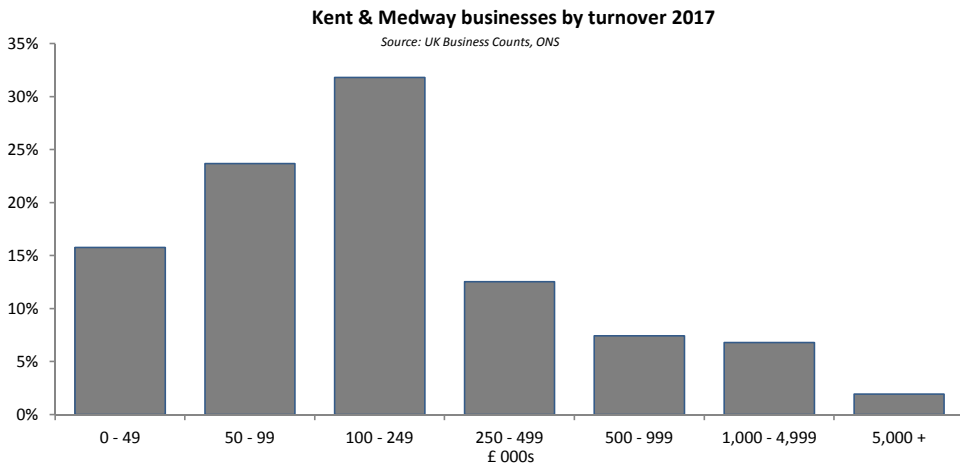
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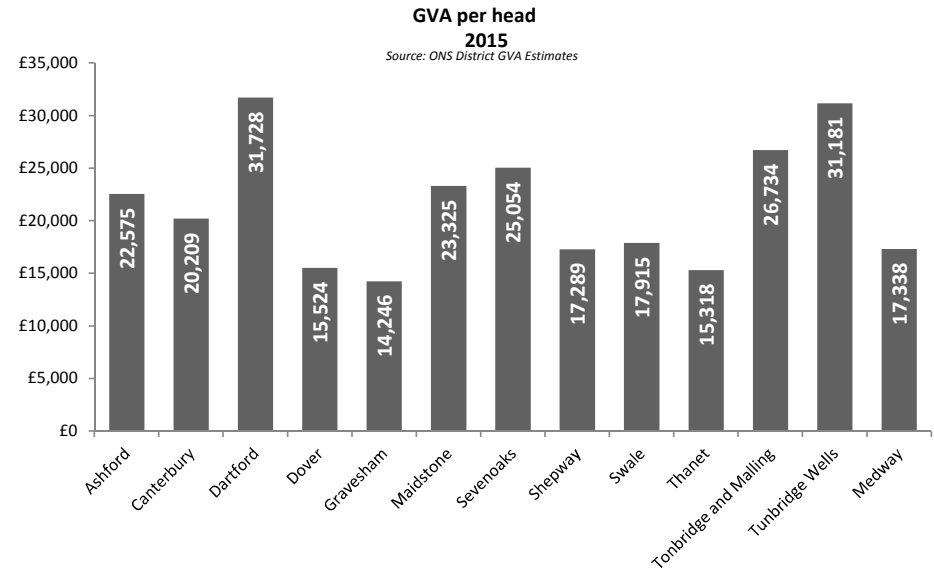
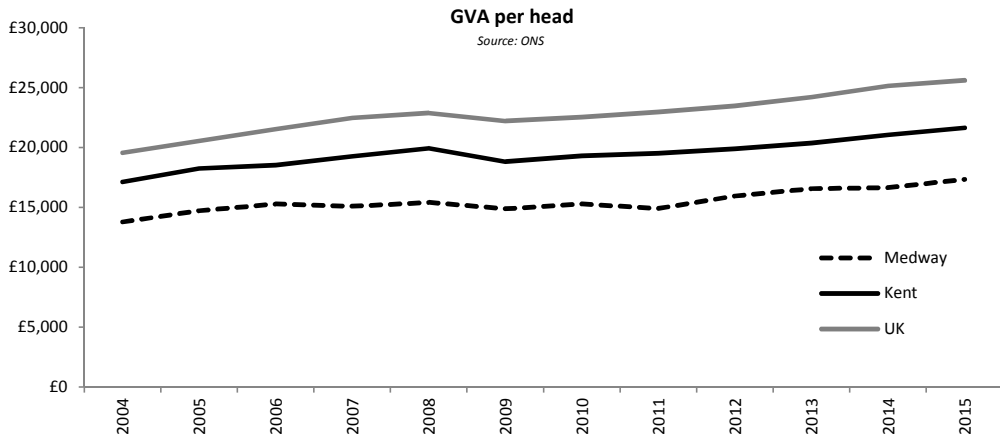




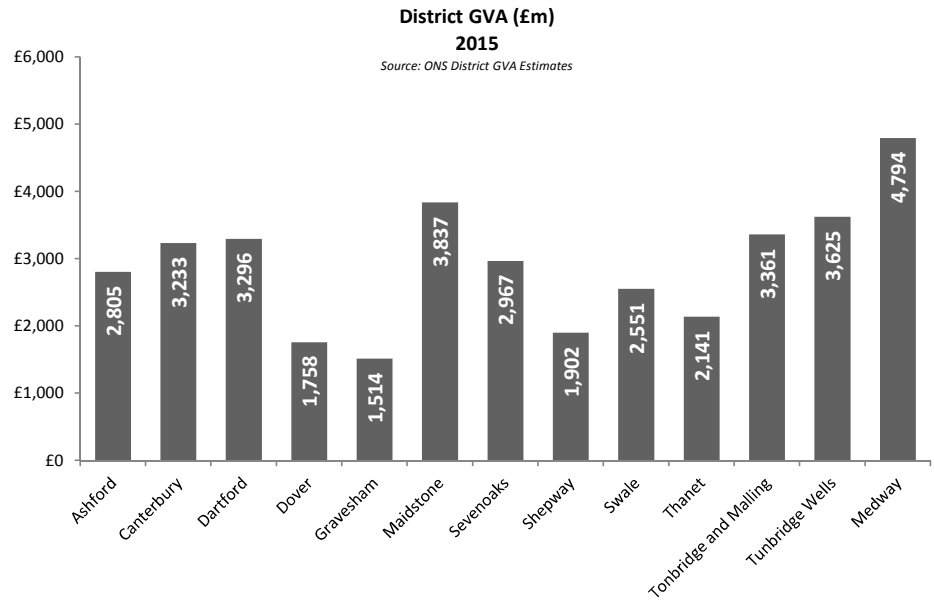
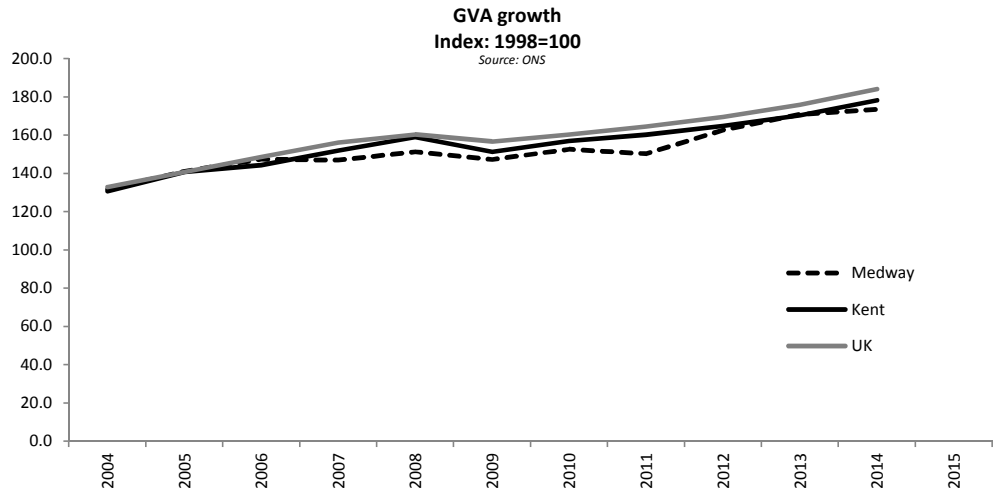
	Number of businesses 2017	% SME
Kent	60,935	99.7%
Medway	8,425	99.6%
GB	2,423,465	99.6%

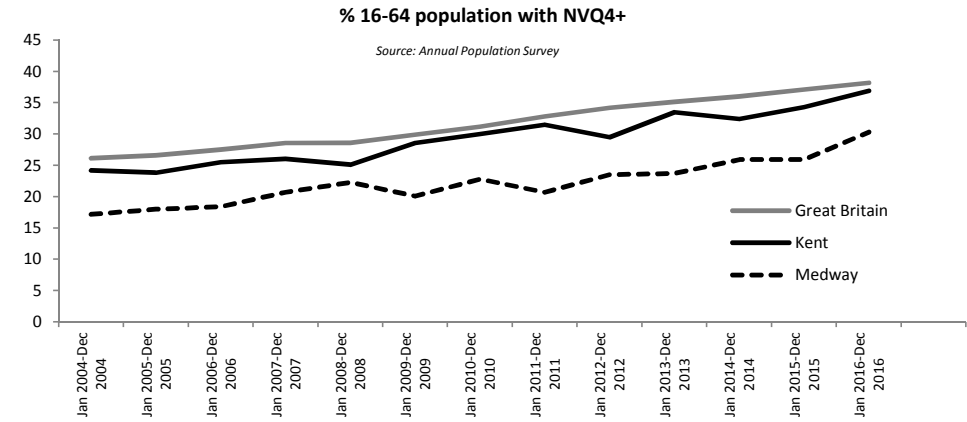
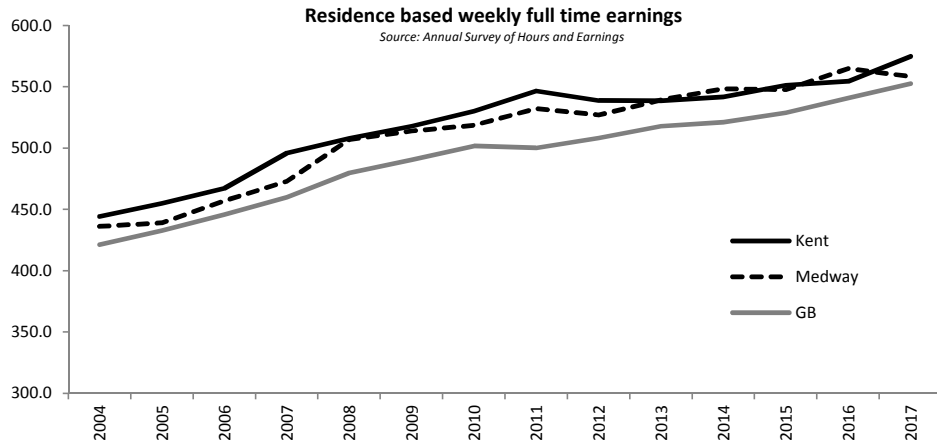
	Business Births 2015	1 year survival rates
Kent	7,680	94.3%
Medway	1,230	94.7%
GB	345,780	93.6%





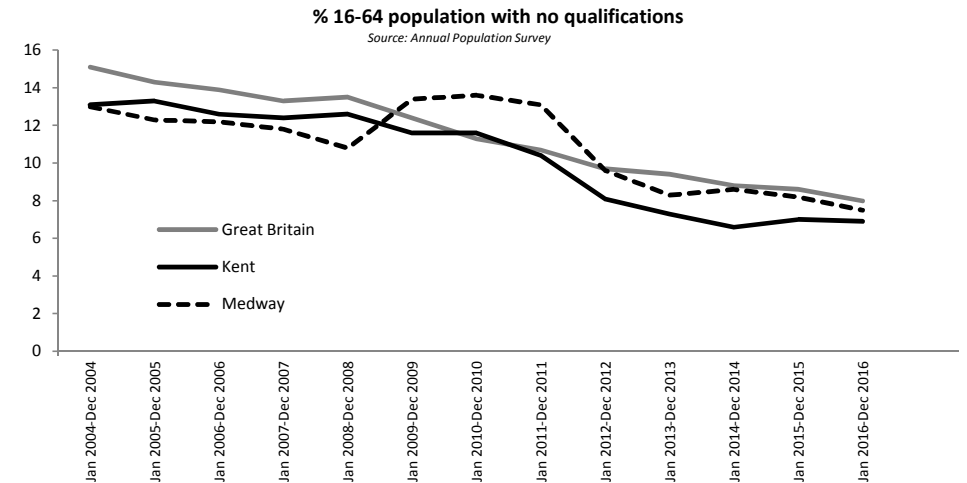
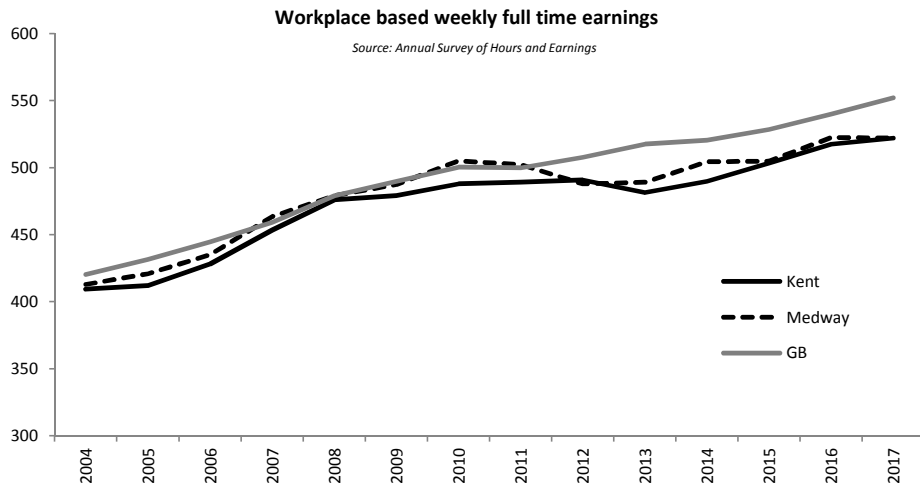
	Total GVA (£m)	GVA per head
Kent	£31,802	£21,056
Medway	£4,564	£16,655
GB	£1,624,276	£25,145

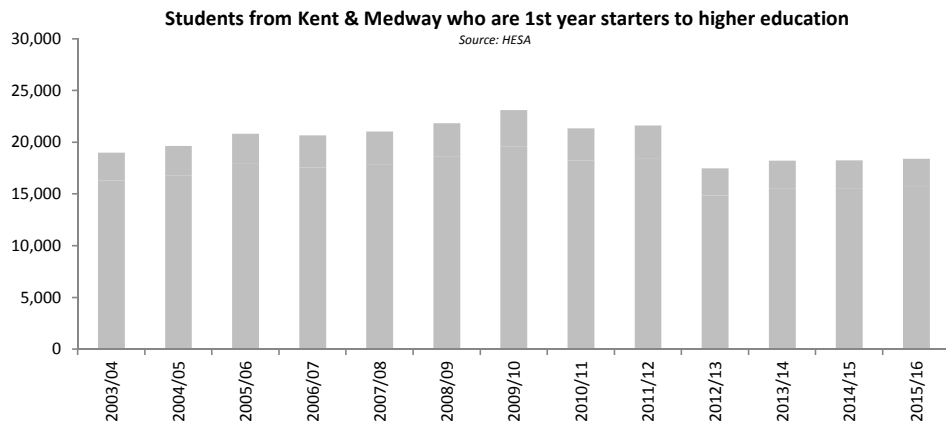




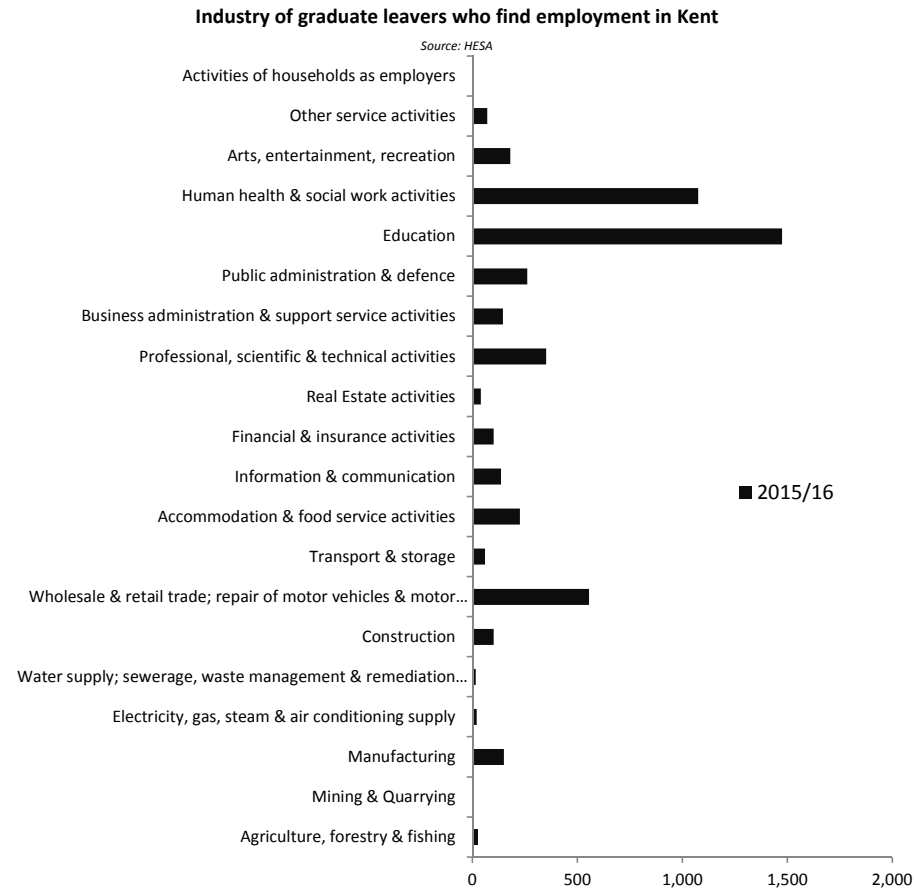
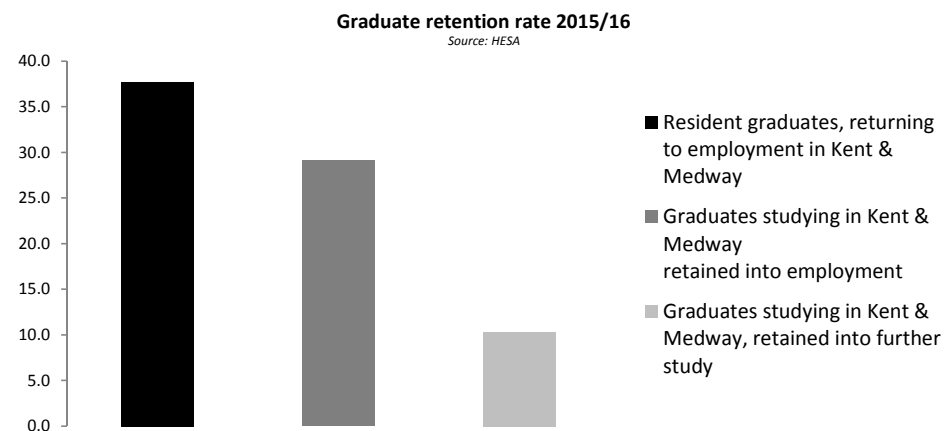
	Resident weekly earnings 2017	Workplace weekly earnings 2017
Kent	£574.90	£522.10
Medway	£558.40	£522.20
GB	£552.70	£552.30

	% NVQ4+	% No qualifications
Kent	36.9%	6.9%
Medway	30.3%	7.5%
GB	38.2%	8.0%





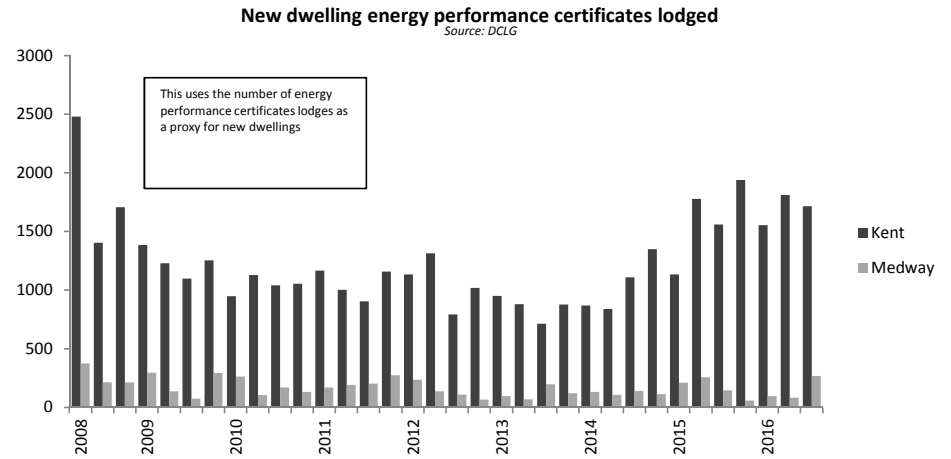
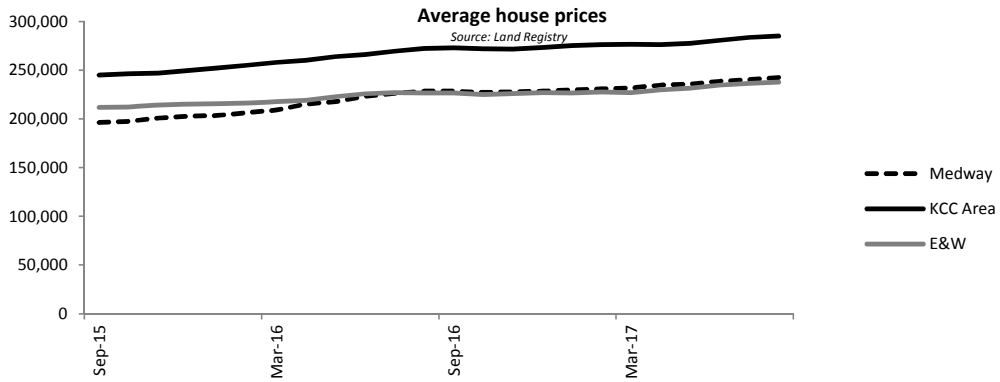
2015/16	
First year starters from Kent & Medway	18,260
Resident graduates, returning to employment	37.7%
Studying in Kent & Medway retained into employment	29.1%
Studying in Kent & Medway, retained into further study	10.3%



Graduate leaver occupations in Kent

Source: HESA

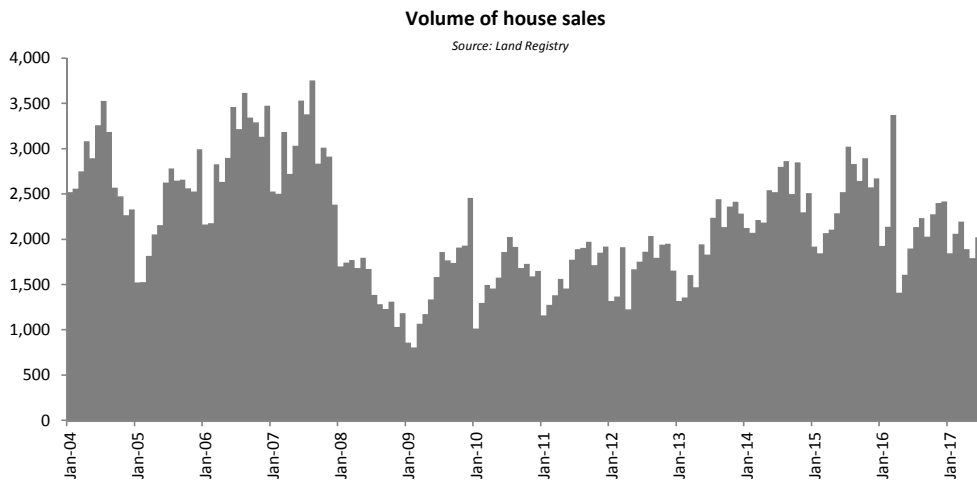
2015/16	Number
Managers, directors & senior officials	230
Professional occupations	2,465
Associate professional & technical occupations	935
Administrative & secretarial occupations	210
Skilled trades occupations	65
Caring, leisure & other service occupations	390
Sales & customer service occupations	435
Process, plant & machine operatives	30
Elementary occupations	235

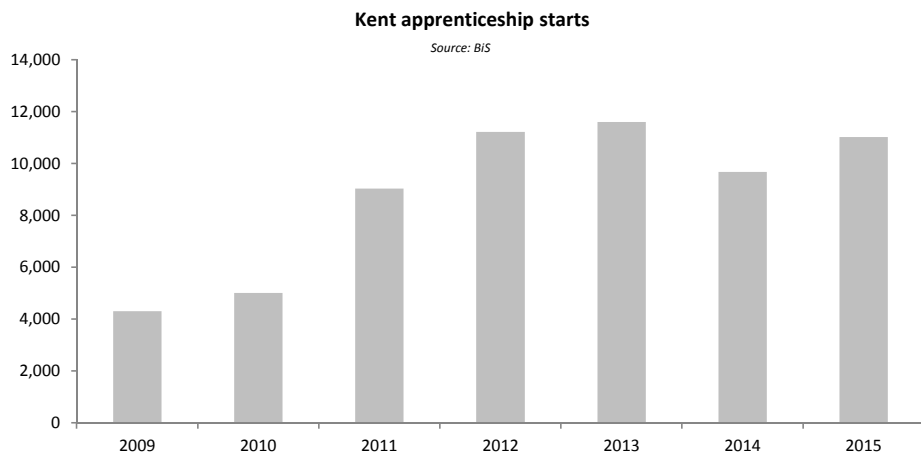


	Average house prices	Volume of house sales
Kent	£285,058	2,024
Medway	£242,849	368
E & W	£237,953	69,949

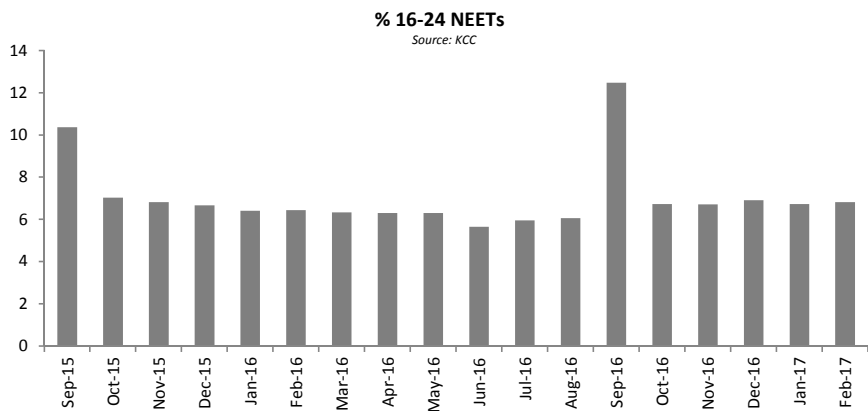
New EPCs by housing type - Qtr 3 2016

	Kent	Medway
Total	1,716	270
Bungalow	35	32
Flat	596	163
House	1,066	74
Maisonette	19	1





Kent
Apprenticeship starts **11,020**
16-24 year old NEETs **2,578**



The State of the Kent & Medway Economy has been produced by Business Intelligence, Kent County Council.

The following data sources have been used in this publication:

- Annual Population Survey, ONS
- Claimant Count, DWP
- Management Information Unit, KCC
- East of England Forecasting Model, Cambridge Observatory
- BRES, ONS
- NINO, DWP
- UK Business Survey, ONS
- Business Demography, ONS
- GVA Estimates, ONS
- Annual Survey of Hours & Earnings, ONS
- Higher Education Statistics Authority
- The Land Registry
- Bank of England
- Department for Business Innovation & Skills
- Department for Communities & Local Government

Further detailed publications are available from www.kent.gov.uk/research

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