

AGENDA

Opportunity South Essex Board meeting

21st February 2018, 1.30 – 3.45PM *

High House Production Park, London Rd, Purfleet RM19 1RJ

***Please note:** Prior to the Board meeting there will be presentation of the Regeneration proposals for Purfleet Town Centre. **This will commence at 1pm**, and will include a light lunch.

| Item No. | Item Description | Lead | Timing |
|--|---|------------------------|------------------|
| Procedural items and items for which a full report has been circulated prior to the meeting | | | |
| 1. | Introductions and apologies | Kate Willard | 1.30 – 2.00PM |
| 2. | Declarations of interest | Kate Willard | |
| 3. | Minutes of last meeting | Kate Willard | |
| 4. | OSE Budget update To receive the latest update on the OSE budget for 2017/18 (Report enclosed) | David Marchant | |
| 5. | Capital Monitoring report To provide the Board with an overview of the capital programme (Report enclosed). | Ian Lewis | |
| 6. | OSE Operational Update Report to confirm OSE representation on external Boards and update on resourcing (Report enclosed). | Tim Rignall | |
| 7. | A127 Corridor Update of progress with the improvement scheme at the Fairglen Interchange and strategy for the A127 corridor (Report enclosed) | Cllr Bentley, ECC | |
| 8. | South East Local Enterprise Partnership Update Update on SELEP activity (Report enclosed). | Adam Bryan SELEP | |
| 9. | Department for Business, Energy and Industrial Strategy (BEIS) Update Thames Estuary 2050 Commission, Industrial strategy update and LEP Review (Report enclosed) | Iain McNab BEIS | |
| Strategic items for Board discussion | | | |
| 10. | SELEP Skills Strategy To receive a presentation from SELEP on their Skills Strategy (Report enclosed) | Louise Aitken SELEP | 2.00 – 2.15PM |
| 11 | South Essex 2050 The main purpose of the session is to draw on the expertise and experience of the members of the OSE Board to help focus and shape the South Essex 2050 proposition. | David Sturgess | 2.15 – 3.45PM |
| 12 | Date of next meeting – TBC –2.00PM on 18 April 2018 | | |

Item 3

**Minutes of the Board meeting of Opportunity South Essex
Wednesday 8th November 2017 at 14.00
Held at Saxon Hall, Rochford**

Present

Kate Willard, Stobart Group (Chair)
Cllr Kevin Bentley, Essex County Council
Cllr Colin Riley, Castle Point Borough Council
Cllr Terry Cutmore, Rochford District Council
David Marchant, Castle Point
Shaun Scrutton, Rochford District Council
Cllr Linda Allport-Hodge, Basildon Borough Council
Adam Bryan, SE LEP
David Burch, Essex Chambers of Commerce
Murray Foster, Southend Business Board/Partnership
Emma Cooney, Southend-on-Sea Borough Council (for Andrew Lewis)
Claire Hamilton, Basildon Borough Council
Gunilla Edwards, Basildon Borough Council
Mark Evershed, Castle Point Borough Council
Iain McNab, BEIS Cities and Local Growth Unit
Alison Griffin, Southend-on-Sea Borough Council
Mark Francois, MP
Sarah Stone, Konica Minolta
Colette Bailey, Metal Works
Larry Fenttiman, Inner London Group
Martin Hodson, Peak Security
Robert Moore, HCA
Ian Lewis, Essex County Council
Dominic O'Donnell, Highways England
Gareth James, Highways England

1. Introduction

The Chair welcomed the new private sector Board Members and confirmed their appointments. An Induction Workshop for new members will be held early in 2018.

2. Declaration of Interest

No declarations of interest received.

3. Minutes of last meeting

Minutes were approved as a true record with two outstanding items:

- Circulate project pipe line and SE LEP Declaration of interest proforma
- EDMs to work out a process and system for capturing information with regard to private sector investment projects that may not currently be engaging with the public sector.

4. Budget update

DM presented the budget and identified an uncommitted balance of £29,000 and suggested OSE could spend this on updating the website. Options for the future design and hosting of the OSE website to be developed.

Action: IL to work with SELEP Communications Manager to arrange publication of OSE papers on the SELEP site.

5. Funding Bids Update

Growing Places Fund bid for South Essex College is going to the Accountability Board in December for approval. The result of the HIF bids is expected end of March 2018. New members were promised an explanation to various government funding streams and bids at the Induction workshop planned for early 2018. HIF bids are being assessed with an update in December and the marginal viability Bids portal will be open shortly for update.

6. Local Growth Fund Capital Monitoring

IL provided an update of the LGF supported projects in South Essex. The Board was asked to note that £17million will be spent in this financial year and that there is a £18 million slippage for the A13 project due to a delay in the start date. Future expenditure profiles have been updated to accommodate the delay. MF said the project was delivered by Thurrock BC not DfT, but late approvals by DfT led to a significant knock on delay to the procurement process. AB stated that as the funding is managed locally we need to be careful how we position this in the public domain as it could reflect badly on how the rest of the funded projects are managed by SE LEP. MF offered to engage with the Secretary of State in order to clarify implementation programmes.

Action - Clarify the programme for Fairglen.

7. Governance Review

EC presented the proposal on the Governance Review and framework which was agreed by the Board.

Action - Membership list in Appx 2 to be updated.

8. Lower Thames Crossing

Highways England presented the most recent update from DfT and the current plans from the Lower Thames Crossing (LTC). They asked how often the Board wanted to be updated and how businesses want to engage.

DM stated we need to understand the impact on A13 will have and referred to Vision 2050. He said it is important to find out how we can join this up and keep our conversations going and who OSE needs to talk to. AG highlighted connectivity as being the driver to help us solve some of our challenges. KW said she is interested in the broader trade paths and pointed to the lack of a freight strategy from DfT. Projects like LTC connect wider national freight paths not just Essex and Kent. DD said they are doing a much broader modelling and can see the importance of this and will be doing a new exercise to look at the impact on local and strategic network.

KW asked how many businesses have been consulted and noted that there were probably a large number of businesses who had not had an input to date. DB offered to help to spread consultation responses from businesses and also asked if there was any danger that this project could be deferred or delayed.

DD said there is no guarantee it will not be deferred but MF said it had cross party support. KB said he was certain that the project will go ahead and it is fully supported by OSE Board. However he queried what Thurrock's position is and if they support the OSE position as there is a need to represent the views of the whole partnership. KW said OSE need to continue to help develop and enhance the potential benefits of this project, in particular for Thurrock.

Action - LTC team to help develop and enhance the wider benefits of the project working with the LTC team.

KB also asked to ensure that the A127 is also included as it is a crucial road and access to growth. TC asked DD whether the potential delays caused by road works have been looked at. DD said they are looking at how they can minimise the disruption at M25 and on local roads. Their construction team is currently looking at how to do this and also looking at how to get the construction material moved effectively and smoothly as this could also be disruptive.

LA-H stated the plans need to be integrated with the wider network as the South East will have considerable future growth and needs to have the infrastructure to manage this growth. KB said that since the A127 was de-trunked it doesn't receive the same government attention and support so it is worthwhile having a discussion with DFT on the possibility to re-trunk the A127.

Action - EDMs to make sure OSE Board is aware of formal consultations in relation to the LTC and receives regular updates.

9. Resourcing

The Board considered the options for future resourcing of the Partnership. The consensus was that experience had shown that the way EDMs had worked together showed that at this stage there was no need for high level or costly resource but a mix between the circulated Options B and C. The Board agreed it was important to first agree what the resource would do and that this would then decide the level of responsibility and seniority. KB stated that clear line management and financial management would be key to long term sustainability of the role. KW asked for interested Board members to the appointment panel and KB, SS and AB came forward.

Action – EDMs to develop a hybrid option for future resourcing positioned between options B and C and forward to the appointments panel.

10. South East Local Enterprise Partnership Update

AB provided an update on the progress of the Strategic Economic Plan (SEP). SE LEP Board met in September to agree a structure of the SEP. Evidence was prepared but the consultant's contract has been terminated. The further development of the SEP will focus on the top level shared agenda, where the LEP can add value, what outcome we want, what is the LEP role and how is this reflected locally. SELEP will resource this in house and also continue to have conversations across the LEP with relevant stakeholders. The December SE LEP Board will reflect on the evidence base, government policy, the industrial strategy and what can be achieved assessing where are the areas where SE LEP could add value. When the top line priorities have been agreed, SE LEP will then look at what the implications are for this locally. The SEP will be signed off at the March SE LEP Board meeting.

LA-H said that the evidence base is key to the strategy and asked how this was collected. AB stated they used a bottom up approach starting at federated areas. Evidence is based on national statistics and information from partners. AB stated they will only focus on matters where the LEP can add value.

11. Department for Business, Energy and Industrial Strategy (BEIS) Update

IM updated the Board on the current status of the Thames Estuary Commission and confirmed a new Chair has been appointed. The new Chair will be announced on or around the Budget and the first report is due to be published in April 18.

The Industrial Strategy White Paper is due at the end of November and it is still to be confirmed how to link this with local industrial strategies including with Midlands Engine and Northern Powerhouse. Plans will then be rolled out to LEPs and devolved areas but detailed plans for this rollout are still unclear. KW said OSE need to look at developing a South Essex Industrial Strategy and IM agreed that every local area needs to assess at its local industrial strengths.

Action – EDMs to develop a South Essex Industrial Strategy framework for next meeting.

IM also set out the on-going nationwide LEP review which has the aim to examine if the LEP model should be standardised. KB declared it was important that funders of LEPs should be consulted and that federated boards such as OSE should be part of the consultation process. DB said that Chambers have been consulted and fed in. KW said we need to understand how we can feed in.

The report can be accessed here <https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency>

12. South Essex 2050

DM reported back on the progress of Vision 2050 work and said they were half way through a series of workshops leading to a proposition in December. Most recently the Industrial Strategy was discussed. A local event is planned for January for stakeholders and then a presentation to Ministers in February to set out the asks for Government and proposed key interventions. KW confirmed the strong support for this initiative from OSE.

13. Thames Estuary Growth Day

KB reported back from the recent Thames Estuary Growth Day hosted by the London Borough of Barking and Dagenham with other outer London authorities. He emphasised the importance of joining TGSEP, OSE Growth Strategy and Vision 2050.

14. Format of Future Meetings

The Board agreed to combine Board meetings with study visits and holding the next Board Meeting at Ford Dunton to be explored.

15. Date of next meeting –

February 21, 2018

April 18th

June 6th

September 5th

November 7th

| Action | Whom | Status |
|--|-------------|---|
| Liaise with the SE LEP new Communication Officer to ensure OSE agendas, minutes and projects were prominent on SE LEP website. | IL | IN PROGRESS |
| Clarify the programme for Fairglen | IL | DONE |
| Present the report going to Accountability Board at the next OSE board, setting out the position of projects across SE LEP | IL | IN PROGRESS- to be included in next Board meeting |
| Circulate project pipe line and SE LEP Declaration of interest proforma. Getting feedback from private sector of their planned growth projects. | TR EDMs | |
| Membership list in Appendix 2 to be updated | GE | DONE |
| Develop a hybrid option for future resourcing positioned between options B and C and forward to the appointments panel. | EDMs | DONE |
| Action Circulate LEP governance review report. | GE | DONE |
| Developing a South Essex Industrial Strategy framework for the next meeting | EDMs | Done through Vision 2050 |

Item 4

Report of: The Accountable Body
Subject: Finance / Resource Planning Update
Date: 21 February 2018

SUMMARY

This report provides the Board with the latest financial status of the Opportunity South Essex Partnership, specifically the current position on 2017/18 income and expenditure, as well as the indicative budget for 2018/19.

RECOMMENDATION

It is recommended that the Board:

NOTES the latest updated position on the previously agreed budget for 2017/18 and the indicative budget for 2018/19, as outlined in Appendix 1. These show:

| | £000s |
|---|-------------|
| A surplus balance as at 01/04/17: | (42) |
| A forecast funding gap for 2017/18: | 18 |
| A forecast surplus balance at 31/03/18: | (24) |
| A forecast funding gap for 2018/19: | 14 |
| Overall forecast surplus as at 31/03/19: | (10) |

Failure to plug the any longer term funding gaps could mean that the Partnership would be unable to afford the post of OSE Programme Manager and deliver on its planned business priorities.

NOTES the timetable for receiving partner contributions as follows:

- **November Board Meeting** – Receives report of Chief Financial Officer of the Accountable Body regarding the financial position
- **February** - Local Authorities ordinarily set their budgets
- **End of March** – Request for Purchase Order issued by Castle Point
- **April/May** – Purchase Orders raised by Councils to Castle Point, and Castle Point issues invoices to Councils
- **June** – Partner contributions received prior to the Board meeting
- **June Board meeting** – confirm with Board that partner contributions have been received

BACKGROUND

1. Attached to this report, as Appendix 1, is the financial position for 2016/17 through to 2018/19. In summary, the Opportunity South Essex Partnership requires a total annual budget for 2017/18 of approximately **£116,000** to cover expenditure related to:
 - **£93,700** for salary and on costs for the previous Growth Partnership Director;
 - **£7,000** for related accommodation and support costs; and
 - **£15,300** for supplies and services, etc.

The above figures assume that the vacant post of Director will not be replaced until April 2018. For 2018/19 the total cost of the above items is forecast at approximately **£111,200**, assuming a new OSE Programme Manager were to be recruited on a pay of circa **£80,000** including on costs, from April 2018.

It should be noted that the current level of annual council contributions only covers **£97,500** of the above costs each year.

CURRENT FINANCIAL POSITION

2. The original 2017/18 operational budget for Opportunity South Essex of **£30,000** for supplies, services and other projects, has been reduced to **£15,300** of which **£300** has been spent to date in 2017/18. The remainder of **£15,000** has been left to cover any potential recruitment costs for the post of OSE Programme Manager. From 2018/19 onwards the operational budget has been reduced to **£20,000** per year. This is the only budget line where there is the possibility for a small degree of flexibility. All other costs are committed and fixed.
3. Therefore in summary, and taking into account:
 - the final 2016/17 outturn position
 - the reduction in spend in 2017/18, and
 - a replacement post at a lower salary for 2018/19,the partnership is now forecast to be in surplus by March 2019. However if costs and contributions were to continue beyond that point at a similar value to that forecast for 2018/19 there would still be a need to find at least **£14,000** in additional funding each year to avoid any future deficit and continue to be able to deliver on its planned business priorities and Implementation and Communication Plan commitments.

**Appendix 1 – Opportunity South Essex –
actual 16/17, actual/budget 17/18 and indicative budget 18/19**

| | 2016/17 actual £ | | 2017/18 actual/budget £ | | 2018/19 budget £ | |
|---|------------------------|----------------|-------------------------------|----------------|------------------------|----------------|
| Expenditure | | | | | | |
| <u>Staffing Costs</u> | | | | | | |
| Director / OSE Programme Manager | 82,550 | | 93,048 | | 80,000 | |
| Intern 1 (Nov 2016 to Jan 2017) | 2,647 | | | | | |
| Intern 2 | 0 | | | | | |
| Support (3 months 16/17) | 4,169 | | | | | |
| Travel costs, etc | | | | | | |
| • Lump sum essential user car allowance | 948 | | 545 | | 1,239 | |
| • Miscellaneous expenses (Spent) | 3,072 | | 128 | | | |
| • Miscellaneous expenses (Uncommitted balance) | 0 | | 0 | | 3,000 | |
| <u>Supplies and services</u> | | | | | | |
| • Spent: | | | | | 0 | |
| Website costs | 300 | | 300 | | | |
| Shared Intelligence consultancy work | 12,607 | | | | | |
| 3 Fox international communications work | 6,068 | | | | | |
| Park Inn Palace - Workshop 20/09/16 | 344 | | | | | |
| Basildon Council - Opportunity South Essex Strategy Workshop | 58 | | | | | |
| • Committed | 0 | | 0 | | 0 | |
| • Uncommitted balance | 0 | | 15,000 | | 20,000 | |
| <u>Premises and establishment</u> | 7,000 | | 7,000 | | 7,000 | |
| Total expenditure | 119,764 | | 116,021 | | 111,239 | |
| Income | | | | | | |
| Essex | (25,000) | 25.64% | (25,000) | 25.64% | (25,000) | 25.64% |
| Basildon | (12,500) | 12.82% | (12,500) | 12.82% | (12,500) | 12.82% |
| Castle Point | (12,500) | 12.82% | (12,500) | 12.82% | (12,500) | 12.82% |
| Rochford | (12,500) | 12.82% | (12,500) | 12.82% | (12,500) | 12.82% |
| Southend | (17,500) | 17.95% | (17,500) | 17.95% | (17,500) | 17.95% |
| Thurrock | (17,500) | 17.95% | (17,500) | 17.95% | (17,500) | 17.95% |
| Total Council contributions | (97,500) | | (97,500) | | (97,500) | |
| Intern 1 funding from University of Essex | (2,850) | | | | | |
| Intern 2 funding from University of Essex | | | 0 | | | |
| Total income | (100,350) | 100.00% | (97,500) | 100.00% | (97,500) | 100.00% |
| Opening balance | (61,780) | | (42,366) | | (23,845) | |
| Net in year expenditure / (income) | 19,414 | | 18,521 | | 13,739 | |
| Closing (Surplus) / Deficit | (42,366) | | (23,845) | | (10,106) | |

Item 5

Capital Programme Reporting

Purpose: To provide the OSE Board oversight of the current status of the Local Growth Fund supported Programme in South Essex; to confirm the recent funding awards from the Housing and Infrastructure Fund; provide a brief summary of the EU supported projects in South Essex

Recommendation:

To note the following:

- Minor slippage in the LGF programme of £0.46m, but noting that in South Essex we are still ahead of our original spend profile
- The success in securing over £25m from the Housing Infrastructure Fund for South Essex
- The current EU supported programmes operating in South Essex

Introduction

To date, a total of £590.8m of Local Growth Funding (LGF) has been secured by the South East Local Enterprise Partnership (SELEP). This breaks down as follows:

| Federated Area | Funding Allocated |
|-----------------------|--------------------------|
| South Essex | £191.04m |
| Essex | £164.06 |
| Kent and Medway | £162m |
| East Sussex | £73.7m |
| TOTAL | £590.8m |

Project Status (see also Annex 1)

There are 19 projects that are supported by LGF in South Essex. Two projects have now been completed, which leaves 17 active projects. Appendix A includes a summary of all projects, including current status, funding and key events for each project between now and the next OSE Board.

Two projects (A130 Fairglen and A13 Widening) projects are identified as being a 'Retained Scheme'. This means that scheme funding will be held by the Department for Transport (DfT), and approvals to the scheme Business Case will be through the DfT rather than through SELEP Accountability Board.

The RAG status reflects the current level of risk with each project. This means that:

- Green – project running to programme and all identified risks have appropriate mitigation in place
- Amber – funding not fully secured, or there is a risk, delay or finding issue that has occurred but can be resolved
- Red – significant cost or delay issues have occurred that cannot be resolved within the project

Of the 17 active projects, 8 are rated Green and 9 are amber. There are no projects currently with a red rating. The reasons for these amber ratings are summarised below. The Board should note that the convention we have adopted would be to classify a project as amber until its business case has been signed off by the SELEP Accountability Board.

| Project (Lead Authority) | Reason for Amber Status | Mitigation |
|---|--|--|
| Basildon ITP | Tie ins with adjacent development will need to be reviewed, which may introduce a delay to construction | Clarify issues and come up with options to resolve. Clarify implications this may have on construction programme |
| A130 Fairglen (A130 to A127 East Link) (Essex) | Business case not yet signed off by DfT/SELEP. | No profiled spend until 2019/20 financial year. Further scheme development is underway and the business case will be presented as part of the A130 Fairglen retained scheme (see below). Design process is underway. Scheme presentation to 21 st February 2018 OSE Board |
| A130 Fairglen Interchange (Retained Scheme) (Essex) | Process for business case sign off yet to be confirmed by DfT. Scheme development is continuing | Continuing to work with DfT to confirm the business case sign off route. No profiled spend until 2019/20 financial year. Design process is underway. Scheme presentation to 21 st February 2018 OSE Board |
| A127 The Bell Junction (Southend) | Delay to the presentation of the Business case to Accountability Board to a date in the 2018/19 financial year. This is due to increased stakeholder engagement. | Business Case to be presented to Accountability Board in 2018/19. Spend profile to be confirmed in the new business case. Appx A reflects new profile |
| Thurrock LSTF (Thurrock) | Phase 1 complete, amendments required from S3 safety audit. The final stages of the project are now underway with completion due in March 2018. | Spend has been achieved within the revised spend profile. Appendix A reflects the revised spend profile |
| Thurrock Cycle Network (Thurrock) | Construction of Tranche 1a schemes started on 31 May. Currently procuring designs for Tranches 1b and 2. Cycle schemes to be constructed by the new highways Term Maintenance contractor, Henderson & Taylor. Until designs are finalised there is a chance of some funding slippage. Project scheduled for completion in March 2019 as per business case. | Accountability Board on 23 February 2018 will confirm the spend profile. Appendix A reflects the spend profile |
| London Gateway / Stanford Le Hope (Thurrock) | Currently preparing the collaboration agreement and Asset protection agreement. Contractors target price submission exceeds the available budget. Looking at ways of reducing the target price. If this cannot be achieved it may be necessary to re-tender Stage 2. | C2C have now agreed to meet half of the £500K funding gap. The other half is to be met by Thurrock Council from section 106 contributions |

| Project (Lead Authority) | Reason for Amber Status | Mitigation |
|---|--|---|
| A13 Widening (Retained Scheme) (Thurrock) | The delay in the announcement of the A13 widening project resulted in a delay in the appointment of contractors. This in turn has required changes to the original spend profile (as reported in November 2017). Contracts have now been awarded for detailed design and construction and a licence has been with DP World to access the land for construction | The revised spend profile approved by Accountability board is included in the appendix. Quarterly monitoring reports are now being submitted to SELEP and DfT |
| Purfleet Centre (Thurrock) | Costs to be re-profiled due to ongoing property acquisition negotiations. However, detailed design progressing and planning application received in December 2017. | Confident that spend will be achieved as negotiations are concluded. Available mitigations will be used to carry forward and slippage to 2018/19. |

Spend and Risk Mitigation

There has been a minor change to the spend profile since the previous Board meeting in November.

- Baseline 2017/18 LGF spend reported in September 2017- £17.918m
- Spend to be achieved in 2017/18 - £21.250m (reported at November 2018 Board)
- Slippage reported in this report, variance to profile - £0.46m
- Revised spend to be achieved in 2017/18 - £20.79m
- Variance to 2017/18 Baseline - +£2.872

The slippage reported above is as a result of additional stakeholder engagement required to finalise the A127 The Bell project (See Appx A). However, it is worth noting that across the South Essex programme we are £2.872m ahead of our baseline projection for the year.

A delay in the announcement of the A13 widening project resulted in a knock-on delay in the appointment of contractors. This in turn meant that the original spend profile for the project had to be changed and approved by Accountability Board. This was reported to the Board in November 2017.

Discussions between SELEP, DfT and Thurrock have now agreed a quarterly reporting schedule to provide assurance about progress in delivering the project. Two contracts have been awarded for detailed design and construction and a licence has been agreed with DP World to access the land for construction. Licences have also been issued to occupiers of adjacent land to enable them to continue using it for operations and events until needed by the contractor. Site clearance and ground investigation started on 18 December 2017 and the project is now scheduled to complete in March 2020.

Future Business Case Submissions

A number of projects are still preparing business cases for the endorsement of the Accountability Board. The table below lists this projects and the Accountability Board meeting at which they will be presented:

| Accountability Board Meeting | Business Cases to be submitted | Description and SELEP Ask |
|------------------------------|--------------------------------|---------------------------|
|------------------------------|--------------------------------|---------------------------|

| | | |
|--------------------------------|---|--|
| 23 rd February 2018 | Growth Hub – Phase 2 | Approve business case for the second phase of Growth Hub activity from 2018/19 and secure allocation of £6m |
| 2018/19 | A130 Fairglen (A130 South to A127 East Link) Grays South A127 The Bell Junction | Business case for £6.235 LGF contribution. Decision to be confirmed on whether to present separately or within part of larger retained scheme business case Work is ongoing with Network Rail to develop the Business case to secure the £10m of LGF allocated through the Growth Deal. The business case will be developed during 2018 to ensure that funding secured for 2019/20 start. Approve business case for £4.3m LGF contribution |

Once the Accountability Board has signed off the business case, the financial profile within the business case will become the baseline for financial reporting.

Housing Infrastructure Fund

In Autumn 2017, the Department for Communities and Local Government (DCLG) invited bids to the Housing Infrastructure Fund. The Housing Infrastructure Fund is a government capital grant programme of up to £2.3 billion, which will help to deliver up to 100,000 new homes in England. Funding is to be awarded to local authorities on a competitive basis, providing grant funding for new infrastructure that will unlock new homes in the areas of greatest housing demand.

The fund is split into two funds. Firstly, the Marginal Viability Fund is for projects that need support to deliver enabling infrastructure which would unlock the development. The second fund, for forward funding, is intended to support the un-front infrastructure that unlocks significant housing sites.

On the 1st February 2018, the Ministry of Housing, Communities and Local Government announced the projects that have been successful in securing funding from the Marginal Viability Fund. A total of £25,337,500 has been awarded to projects in South Essex:

- Better Queensway, Southend - £15,000,000
- East Square, Basildon - £9,799,500
- Claudian Way, Thurrock - £538,000

A number of projects were also put forward from South Essex for the Forward Funding Fund, but these have not yet been announced.

EU Programmes

There are a number of EU Supported programmes currently being delivered in South Essex. They are:

- SECCADS (South East Creative Cultural and Digital Support) – A £5.5m ERDF programme providing support to grow the creative, cultural and digital sector. Support will be provided to promote and encourage new starts, to support existing businesses to grow and to promote collaboration between micro businesses in the sector. Grants of up to £20k available.

- LoCASE (Low Carbon Across the South East) – An £18m ERDF programme providing support for businesses to improve energy efficiency and to bring new low carbon goods and services to market. Grants of up to £10k available.
- SEBB (South East Business Boost) - £16m Support for small and medium-sized enterprises and start-ups in the South East to grow and increase employment through support, guidance and grants. Grants of up to £10k available.

More info on all available projects <http://southeastlep.com/european-funding/erdf-projects>

Report Author: Ian Lewis, Principal Economic Development & Regeneration Officer, Essex County Council

Item 6

Opportunity South Essex operational update

Purpose

1. The purpose of this report is to:
 - Confirm the appointment of Chris Brookhouse as a member of the OSE Board;
 - Update the Board on the appointment of the OSE Programme Manager;
 - Appoint two business representatives to the SELEP Strategic Board; and
 - Confirm the appointment of Caroline Betts, Employment and Skills Board, as an observer on the OSE Board.

Appointment of OSE Board member

2. At the last meeting of the Board it was reported that Chris Brookhouse, Greenergy, had been invited to join the board as a representative of the Environmental Technology and Energy sector. Since the last meeting Chris has accepted the invitation and the Board is asked to confirm his appointment.

Appointment of OSE Programme Manager

3. The recruitment of the Opportunity South Essex Programme Manager is now underway. Following the last meeting of the Board the job description and person specification were reviewed to reflect the views expressed. The role is now pitched at a level that will enable the post holder to work closely with the Chair, the Economic Development Managers Group and business representatives. Following job evaluation the salary has been determined as £52,172 to £56,090. These costs have been reflected in the finance report included elsewhere on the agenda. Advertising of the post has commenced with a closing date of 12th March 2018. A timeframe for shortlisting and interviews will be confirmed shortly.

SELEP Strategic Board appointment of OSE business representatives

4. Opportunity South Essex is one of four federal boards which make up the South East Local Enterprise Partnership and as such it is allocated four seats on the Strategic Board. For reasons of financial accountability two of these seats are allocated to the upper tier or unitary local authorities (Southend and Thurrock). The other two seats are allocated to business representatives to help ensure that SELEP remains business led. For a number of reasons, mainly business representatives moving to new roles, OSE finds itself in a position where both the business seats are currently vacant. The Board has previously discussed the need to ensure diversity in its representation and indeed SELEP were encouraged to promote a more diverse membership during their annual conversation with Government.
5. Board members have been invited to make nominations to these two positions by Friday 16 February 2018. The nominations made will be reported to the Board meeting with a view to appointments being made.
6. Once the two representatives are appointed the Board will be invited to appoint a named substitute for each so that OSE representation at SELEP meetings is consistent and that we comply with the SELEP Assurance framework.

Employment and Skills Board

7. The Employment and Skills Board (ESB) was established to give employers a platform to help shape skills provision across the federated areas covered by OSE and the Essex Business Board. By working with large employers, academic institutions, SMEs and local government, the ESB aims to create solutions to the skills challenges that industries face and help provide opportunities for people to build long-term careers. To keep the Board up to date with the work of ESB and to provide the opportunity to shape future initiatives it has been suggested that Caroline Betts from the ESB Secretariat should be appointed as an observer to the Board.

Recommendations

8. The OSE Board is recommended to:
 - Confirm the appointment of Chris Brookhouse as a member of the OSE Board;
 - Note the latest position with regard to recruitment of the OSE Programme Manager;
 - Appoint two representatives to the SELEP Strategic Board; and
 - Confirm Caroline Betts as an observer to the Board.

Report author: Tim Rignall – Economic Development Manager, Thurrock Council

Item 7

A127 Corridor for Growth

Current position on strategies and improvement schemes

February 2018

The A127 corridor forms a major part of the strategic highway network for South Essex. The route is the east/west link between Southend and M25, and serves the communities and businesses of six Boroughs / Districts and Unitary Authorities of South Essex plus London Borough of Havering in the west.

The strategic route joins the A13 at the A127/A130 Fairglen Interchange via the A130 at Sadlers Farm interchange.

A127 Corridor

A127 Corridor for Growth route strategy

The route strategy has been reviewed and updated with an Options Assessment Report which divides the route into sections from the M25 to Victoria Avenue, Southend. It not only looks at the individual junction options, but also sets out overall principals for treatment of common problems along the route such as side roads, private accesses and lay-bys. The review was initiated through a workshop in August 2016 involving representatives from the South Essex authorities along the corridor, London Borough of Havering, Essex Police and various disciplines within ECC/Essex Highways.

The review takes account of the emerging draft local plans across South Essex and the level of growth in homes and jobs as detailed in the South Essex SHMA at the time. (NB the SHMA has been updated since and the housing and job numbers have increased). It also acknowledges the impact the Lower Thames Crossing may have on the route. Further work is need on this and is being taken account of in the development of the various schemes.

The Route Strategy and the Options Appraisal documents are informing the development of a promotional document and associated activities for which support from the private sector will be sought through OSE along with South Essex authorities.

Discussions have also been had with Highways England, TfL and London Borough of Havering seeking their support of the route strategy and promotional document and possible inclusion of the western section of the A127 from M25 to A12 at Gallows Corner. Following these discussions a Statement of Common Ground is in the process of been signed agreeing to work collaboratively in the development of local plans taking into account the impact on the A127 and the wider transport network.

The final draft of the Options Appraisal document and assessment of the various options/solutions has now been finalised and is about to be circulated to participants of the Workshop and partners for comment and inclusion of the western end of the route. Once finalised the document will be subject of report to Members.

Growth 2014 to 2037

- 92,000 new homes across South Essex plus LB Havering
- 62,675 new jobs
- Local Plan status
 - Basildon programmed for reg 19 submission May 2018
 - Brentwood Local Plan preferred site allocations consultation stage
 - Castle Point – draft plan withdrawn. Government announcement that the Borough may be subject to special measures.
 - Rochford – Reviewing current plan; at issues and options stage
 - Thurrock – Issues and options stage
 - Southend – core strategy in place, commencing new local plan process
- Dunton Hills Latest position
 - Impact on A127 and surrounding network not yet assessed
 - Brentwood held a workshop on 28 November 2017 to look at
 - the wider growth context and strategies;
 - landscape, heritage and identity;
 - Green Belt and long-term planning;
 - strategic green infrastructure;
 - highways and forward strategies;
 - active travel, public transport and connectivity;
 - employment creation and connections, and
 - recreation and leisure.
 - Proposed Brentwood Enterprise Park – located at the junction of A127/M25
 - London Southend Airport – planning permission to expand to 2m passengers per year
 - London Gateway Port – 20,000 jobs
 - Tilbury 2 port expansion
 - Lower Thames Crossing

Status of Schemes

LGF Funded schemes

A127/A130 Fairglen Interchange - £27m

Major junction upgrade in two phases (short and long term). Short term funded scheme programmed to start on site 2020/21 for completion summer / autumn 2022/23. The short term scheme will support growth to 2036 depending on rate of growth.

- Options assessment report completed January 2017.
- Short term option undergoing further detailed modelling during 2017 / 2018 using the Lower Thames Crossing model data.
- Public information sessions held February 2017

- **Public consultation February / March 2018 web based – www.essex.gov.uk/fairglen**
- Planning application 2019
- Construction start late 2020
- Works complete 2022/23

A127 Route Based Strategy Schemes - £9.15m (ECC/LGF)

A127/A132 Nevendon Interchange

Widening of the circulatory under the A127 to reduce queueing on the slip roads and blocking of the nearside lane on the main A127 carriageway. Upgrade and linking of the signals on both sides of the junction along with a link to Traffic Control Centre for remote control; Widening of A132 entries to provide 3 lane entry north / south

- Works substantially completed March 2017

A127/A129 Rayleigh Weir

Signals upgrade and linking of Rayleigh Weir signals with nearby Stadium Way addition of MOVA and SCOOT; CCTV for monitoring of junction by Traffic Control Centre to enable remote control signals as required reducing queueing on slip roads.

- Scheme completed May 2017

A127/B186 Warley junction

Widening of slip lanes from A127; installation of signal control at junctions with B186 to give priority to clearing of slip lane queues which can block the near side lane of the main A127 carriageway

- Scheme currently in design
- Programmed for works to start on site late 2018/19

Signing / CCTV / Variable Message Signs

Ongoing programme as funding allows for signing improvements; installation of CCTV at various locations linked to the Traffic Control Centre; installation of Variable Message Signs (VMS) at various locations.

LED lighting upgrade

Upgrade of the lighting along the ECC section of the A127 complete

A127/A130 Fairglen Interchange – signals upgrade

The signals on the Fairglen roundabout were upgraded March 2017.

Southend Borough Council Schemes

A127 The Bell junction (Southend)

Item Upgrade of signal junction and local improvements and construction date to be advised.

A127 Kent Elms (Southend)

Upgrading of signals and local widening.

- Scheme substantially complete summer 2017; new footbridge being installed early 2018.

Pipeline Schemes

The following schemes are in the early stages of the development pipeline. Construction works are unfunded but option development and appraisal is underway as part of the County Council's Advanced Scheme Design Programme

A127/A128 Halfway House

A127 Fortune of War

A127/A130 Fairglens Interchange – long term scheme

The options identified for the longer term scheme to 2045 are currently not funded. A bid was made to DfT Large Local Majors Fund in June 2016 for development funding but the bid was not successful.

Maintenance Package

A bid was made to DfT Challenge fund in 2015 for maintenance funding for the whole length of the ECC section of the A127, but this was not successful. ECC has funded some surfacing works.

Further funding bids will be made for A127 Corridor Schemes as and when opportunities arise. This will be an ongoing activity alongside the lobbying and publicity package to draw Central Governments attention to the need for major investment in the A127 to support growth across South Essex.

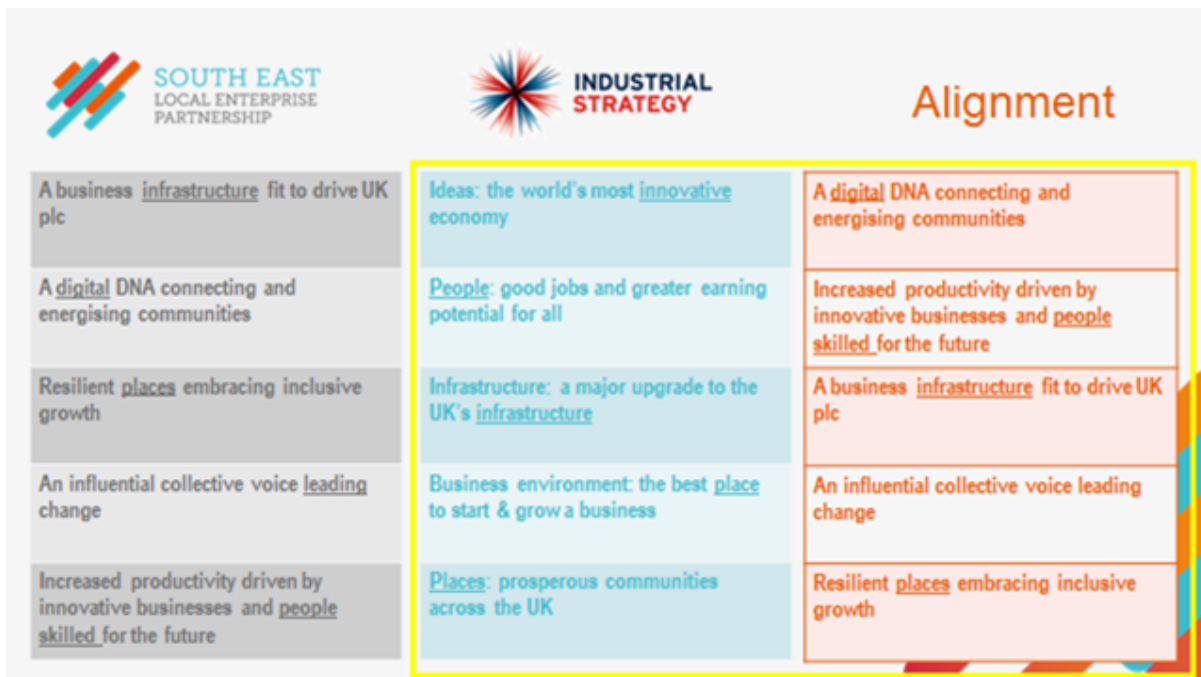
Item 8

SE LEP Update

Strategic Economic Plan

Progress to date

In November 2017, SELEP’s Strategy Manager and Managing Director drafted five strategic ambitions and aligned them to the Five Foundations of Productivity set out in the Industrial Strategy which published shortly after. These were shared at the December SELEP Board meeting.



SELEP has since instructed Thinking Place. They are known across parts of the South East LEP area for their ability to shape place visions and for helping places to maximise their potential. Using engaging and fairly simple methods Thinking Place help to uncover what makes a place unique; linking people and organisations to it. A two-day session facilitated by Thinking Place is going ahead on the 26th & 27th February to accelerate work on the SEP.

A presentation will share back the results from the two days at the March SELEP Board. The aim is to write the remaining content from March onwards and to present a version for sign off to the Board in June.

LEP Governance & Transparency: Mary Ney Review / LEP Review

Mary Ney, Non-Executive Director at MHCLG and previous Chief Executive of Greenwich, was asked to carry out a review of Local Enterprise Partnership Governance and Transparency after concerns had been raised about the performance of some LEPs in these areas. Ms Ney reported back to Government in October of last year with a number of recommendations to improve the robustness of accountability and transparency and Government agreed to implement all the recommendations. Since that time the Cities and Local Growth team have been working on providing more information and templates for

LEPs which have now been issued, along with their requirement that all LEPs adopt all recommendations by 28th February 2018.

The impact on SELEP has been minimal as the governance structures already in place went much of the way to meet the recommendations but some small changes and adoption of standardised policies has been necessary. These changes and new policies have been sent to all SELEP Strategic Board members for approval and currently SELEP is online for having their adoption signed off by the S151 Officer of the Accountable Body by the 28th February. Government expect similar levels of robust governance to be in place for associated Boards of LEPs and SELEP will be working with its Federated Boards on this over the coming weeks.

Government has also commissioned a wider review of LEPs following the publication of the National Industrial Strategy. The review is continuing its work and the recent reshuffle means that there has been change in two of the three ministers sponsoring the review. It's currently understood that the review is unlikely to be completed before the purdah period coming into play for Local Government elections in May and therefore, the outcomes of the review won't be shared until after the elections.

SEP Engagement

SELEP ran a positive business engagement event in Rainham at CEME alongside the Lower Thames Crossing (HE) team on the 21st November to communicate messages relating to both the Strategic Economic Plan and the Lower Thames Crossing Development; helping business prepare for the potential benefits and setting out the proposed plans. It was made clear at the event that Thurrock Council were not in support of the event.

The various SELEP working groups have provided input into the SEP work so far. They have been asked to identify which priorities the LEP can either lobby, act on or potentially use SELEP Sector Support Funding to commission issues papers.

SEP business engagement activities will also take place through business boards and Chambers of Commerce leads from March onwards.

SELEP will plan a launch event/s and campaigns to energise and promote the five strategic ambitions once approval has been given by the SELEP Board.

SELEP has engaged with the Cabinet Office to convey the history of the previous SEP and the progress of the current refresh to help assist their plan to make sense of the future production of Local Industrial Strategies and how they align with SEPs.

EU Funding

The ESIF Strategy covers the period 2014 -2020. The SELEP area has been given an allocation of £160 million + to spend on projects funded by the European Regional Development Fund (ERDF), European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD) The Treasury has underwritten these. Following the Brexit vote and a period of uncertainty, the Treasury has now agreed to underwrite the programmes until 2020. In the SELEP area, all three programmes are on target regarding spend and outputs. Once we have committed all the funding to projects, we aim to have a pipeline of projects ready to apply for underspent funding from other areas.

ESF

There are currently approximately £53 million worth of ESF contracts delivering across the SELEP area. A summary of these are available on the SELEP website at http://www.southeastlep.com/images/uploads/resources/ESF_Overview_for_SELEP_Area_May_2017.pdf

There is approximately £17 million ESF remaining which will require 50% match funding. Feedback from the LEP's September 2017 ESF workshop as well as the LEP's draft Skills Strategy is helping to inform the remaining ESF calls. SELEP is awaiting advice from DWP with regard to the timeframes for calls and would like to issue the first of these in the next few months.

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

ERDF

SELEPs notional ERDF allocation is £74.1m, of which £32.5m has already been contracted to 10 projects providing business support across their region. A pipeline of project applications is also being appraised, which could potentially utilise a further £19m. Our three priority themes for this funding are (i) research and Innovation, (ii) business growth and competitiveness and (iii) supporting a shift to a low carbon economy. To ensure optimum uptake of these funds, SELEP is anticipating a further open call for applications to go live in March 2018.

Community Led Local Development (CLLD)

CLLD is a combination of ERDF and ESF which is managed locally by Local Action Groups. Based on a locally produced strategy, its purpose is to assist people living in deprived areas to break the circle of poverty through bespoke training and setting up micro business/social enterprise.

Hastings and Folkestone CLLD Areas have been approved and Tilbury CLLD area is about to be approved. The delay to the Tilbury CLLD fund is due to the Treasury challenge on Value for Money which is apparently standard and DWP is providing further information.

EAFRD

Of the £14.5 million indicative allocation over £12.5 million of project funding has been committed to 26 projects. These projects support rural businesses, food production and tourism infrastructure.

Greater South East Local Energy Hub

SELEP has become an active player in the emerging Local Energy Hub initiative proposed by BEIS this summer. The Greater South East Local Energy Hub is being formed of 11 LEPs in the South and East of England, to enable strategic analysis and project delivery at scale. The Hub will draw upon the findings of the Energy Strategies currently in production across the LEPs, and will receive £1.26m funding from BEIS in 2018/19 and 2019/20. This

will fund additional coordination and technical resource that will focus on the delivery of projects and interventions.

Housing Infrastructure Funding

It has been announced that thirteen projects across the South East Local Enterprise Partnership (SELEP) area are to receive a share of the Government’s Housing Infrastructure Fund (HIF) Marginal Viability Funding. SELEP has actively endorsed bids from the area and will continue to work with Local Authorities and the HCA as a supportive partner. Within South Essex, successful schemes are as below:

| Scheme | Funding Awarded | Homes Unlocked |
|--|-----------------|----------------|
| Basildon: Town Centre - East Square Regeneration | 9,799,500 | 54 |
| Southend: Better Queensway | 15,000,000 | 1,297 |
| Thurrock: Claudian Way, Chadwell St Mary | 538,000 | 50 |
| Total in OSE Area | 25,337,500 | 1401 |

The other element of HIF is Forward Fund for a small number of strategic and high-impact infrastructure projects (up To £250m). This is likely to be announced in Spring.

Marketing & Communication

The SELEP website is currently being refreshed to ensure that it offers a better user experience and is fully compliant with the transparency and governance agenda set by Government.

Further work is underway to strengthen our positive media coverage and engage with a wider range of target audiences

Growth Hub

Government has now announced that it will continue to ensure that businesses in every region have access to a Growth Hub and has therefore confirmed funding (at current levels) for a further two years, with a commitment to further funding after this period (details to be confirmed).

Co-design meeting to be held between SELEP, Growth Hub Leads and BEIS on Tuesday 13th February to discuss future plans inc governance, reporting etc, in context of the new principles of funding that have recently been published.

Currently the SELEP Team is working collaboratively with all three Growth Hubs to produce a shared multi-site website in order to demonstrate efficiencies to Government. The site will be designed so that users will seamlessly access local content and branding and a workshop is being held on Tuesday 13th February to shape the piece of work with all partners fully engaged.

Item 9

CITIES AND LOCAL GROWTH UNIT UPDATE

Thames Estuary 2050 Growth Commission

Sir John Armitt's appointment as Chair and Prof Sadie Morgan's as Deputy Chair were announced at Autumn Budget 2017. The Commission had planned to publish a report by Autumn Budget 2017, but this was delayed by the departure of the Commission's previous Chair, Lord Heseltine. Under Sir John's leadership, the Commission will publish its final report by late spring 2018. **We are provisionally aiming for a public launch event on 21 May at Purfleet.**

Sir John was grateful for the note submitted following his visit to London Southend Airport. He has also recently visited Bexley (19 December), Canterbury (9 February) and the Thames Gateway Kent Partnership (20 February).

He has further visits scheduled to London City Airport (22 February), the RSPB at Rainham Marshes (28 February) and Medway (15 March). We are trying to arrange a meeting with the four London Deputy Mayors and a further meeting with Thames Estuary Strategic Group (TGSG) – likely to be shortly after the next meeting of the Commission on 22 March. We intend at the next meeting with the TGSG to share the main features of the draft report.

Housing Infrastructure Fund (HIF)

The outcome of bidding against the Marginal Viability strand of the HIF was announced on 1 February, with three schemes in south Essex being successful:

Basildon Town Centre/East Square regeneration (£9.7995m)

Southend Better Queensway (£15m)

Thurrock Claudian Way, Chadwell St Mary (£0.538m)

There were also successful bids in Chelmsford (Chelmer Waterside, £5.7m) and Colchester (Northern Gateway, £5.5m).

Item 10

South East LEP Skills Strategy update

Overview and background

- A Skills Strategy has been drafted for the South East LEP to update the previous version produced in November 2014. The intention for the strategy is to clearly articulate skills and employment priorities across the LEP area to inform funding, drive activity, influence government and shape future focus.
- The strategy covers a five year time-frame and includes a shared vision and priorities based on evidence and partner input. It will integrate with the LEP's economic plan and take into account government policy including the Industrial Strategy, Careers Strategy, T-Levels and Apprenticeships.
- A consultation to the strategy has been on the SELEP website for nearly a year at <http://www.southeastlep.com/skills/skills-survey>
- All federated boards, skills boards and the LEP Board have received presentations and fed into the draft.

Format

The strategy itself is deliberately short and will be accompanied by a detailed evidence base consisting of:

- *South East LEP Skills Evidence Base* – LEP wide information (complete)
- *District and key sector profiles* (under development)
- *District tables* (complete)
- *The impact of Brexit* – supporting paper (under development)
- *The Digital economy* – supporting paper (under development)
- *Construction report* (Construction and Industrial Training Board) (drafted)
- *Celebrating Skills* – overview of current capital and ESF investments¹ (complete)

Timeframes and next steps

- The draft strategy has been updated further to feedback and will be added to the SELEP website this month for final comments
- The supporting evidence base documents will also be added to the SELEP website this month as they become available
- The aim is for final drafts of all documents to be completed by March, with a view to the LEP Board approving in March
- An Action plan will be developed this month, for sign off and approval by the LEP Skills Advisory Group in March
- Any comments and questions about the strategy can be sent to SELEP's Skills Lead louise.aitken@essex.gov.uk

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