

The Accountability Board

Joint Committee Agreement 2015

South East
Local Enterprise Partnership



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Appendix A: Assurance Framework

Appendix B: Standard Loan Agreement

Appendix C: Strategic Economic Plan

THIS AGREEMENT is made on the day of 2015.

Between:

- (1) **East Sussex County Council** of County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE; and
- (2) **Essex County Council**, of PO Box 11 County Hall, Chelmsford, Essex ("the Accountable Body"); and
- (3) **Kent County Council** of County Hall, Maidstone, ME14 1XQ; and
- (4) **Medway Council** of Gun Wharf, Dock Road, Chatham, Kent, ME4 4TR; and
- (5) **Southend Borough Council** of Victoria Avenue, Southend on Sea, Essex, SS2 6ER; and
- (6) **Thurrock Council** of Civic Officers, New Road, Grays, Essex, RM17 6SC.

Together known as 'the Partner Authorities'.

BACKGROUND

- (A) South East Local Enterprise Partnership (SELEP) was established in 2010 as one of 39 LEPs across the county to provide '*clear vision and strategic leadership to drive sustainable private sector-led growth and job creation*'.
- (B) In February 2014, the Partnerships terms of reference were amended to streamline the operation of the SELEP Board structure and embed an innovative federal model of operation.
- (C) The Partner Authorities seek to delegate responsibility to a Joint Committee for the local implementation of SELEP's accountability and assurance framework and all local processes within it by which bids are formally assessed and agreed, risks considered, approvals made and performance managed.
- (D) The vision and aim of the Joint Committee will be to support the distribution of funding from Government and project delivery and will assist in securing the outcomes set out in the same.

1. Definitions and Interpretation

1.1 In this Agreement:

"the Accountable Body"	means Essex County Council;
"the Act"	means the Local Government Act 1972;
"Assurance Framework"	means the SELEP Assurance Framework approved on 20 March 2015 at Appendix A, and any subsequent report approved annually thereafter;
"the Annual Report"	means the report(s) which sets out the Joint Committee's activities, finance and

	performance for the preceding year, as required by paragraph 21.3;
“the Clerk”	means the person appointed in accordance with paragraph 17;
“Commencement Date”	means the date of this Agreement;
“the Committee Members”	means those members appointed to the Joint Committee in accordance with paragraph 5.2 and 5.3 as appropriate;
“Co-opted Members”	means those individuals appointed in accordance with paragraph 5.3;
“Executive”, “Executive Member” and “Executive Leader”	have the same meaning as in the Local Government Act 2000;
“Further Education Sector”	means those educational institutions or facilities providing education and training beyond compulsory education, but not falling within the definition of Higher Education Sector;
“Higher Education Sector”	means those education institutions providing education and training at degree level and above;
“Joint Committee”	means the Accountability Board, or such other name as determined in accordance with paragraph 2.3;
“ Partner Authorities”	means <ol style="list-style-type: none"> 1. East Sussex County Council; 2. Essex County Council; 3. Kent County Council; 4. Medway Council; 5. Southend on Sea Borough Council; and 6. Thurrock Council, and ‘Partner Authority’ shall be interpreted as any one of them (as appropriate).
“Partner Authority Members”	means those individuals appointed in accordance with paragraph 5.2;
“Secretariat”	means those appointed to manage the efficient administration of the Joint Committee;
“SELEP”	means the South East Local Enterprise

	Partnership;
“SELEP Strategic Board”	means the board within SELEP with responsibility for setting the strategic direction and priorities;
“Service Level Agreement”	means the agreements in place between the Accountable Body and Partner Authorities for the transfer of grant funding received from central Government;
“Standard Loan Agreement”	means the Agreement at Appendix B;
“Strategic Economic Plan”	means the plan approved by the SELEP Strategic Board in March 2014 and submitted to Central Government, at Appendix C;
“Vice Chairman”	means the person appointed in accordance with paragraph 9.2;

1.2 In this Agreement, except where the context otherwise requires;

- 1.2.1 the masculine includes the feminine and vice-versa and the singular includes the plural and vice-versa;
- 1.2.2 a reference in this Agreement to any Clause, Sub-Clause, Paragraph, Schedule, Appendix or Annex is, except where it is expressly stated to the contrary, a reference to such Clause, Sub-Clause, Paragraph, Schedule, Appendix or Annex of this Agreement;
- 1.2.3 save where stated to the contrary, any reference to this Agreement or to any other document shall include any permitted variation, amendment, or supplement to such document;
- 1.2.4 any reference to any enactment, order, regulation or other similar instrument shall be construed as a reference to the enactment, order, regulation or instrument including any EU instrument) as amended, replaced, consolidated or re-enacted;
- 1.2.5 headings are for convenience of reference only.

2. The Joint Committee

- 2.1 The Partner Authorities have agreed to form a Joint Committee to manage the distribution of funding from Government managed by the LEP (by way of grants and loan funding) in accordance with the provisions contained in sections 101 and 102 of the Act, the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation.

2.2 The Partner Authorities shall delegate to the Joint Committee the responsibility for the Assurance Framework, decision making for the approval of bids against funding from Government and distribution of that funding by way of grant or loan arrangements, which will enable the Joint Committee to carry out the functions set out in paragraph 10.

2.3 The Joint Committee shall operate under the name "Accountability Board" or such other name as may from time to time be decided by the Joint Committee.

3. The Term

3.1 The Joint Committee shall commence on the date of this Agreement and shall be operational until such time as it is dissolved in accordance with paragraph 30.

4. Service Level

4.1 The vision and aim of the Joint Committee will be to support the distribution of funding from Government and will assist in securing the delivery of outcomes set out in the same. Each distribution of funding will have in place a Service Level Agreement between the Accountable Body and the receiving Partner Authority.

5. Membership of the Joint Committee

5.1 The Joint Committee shall consist of nine members.

5.2 Each Partner Authority shall appoint one Executive Member to be a member of the Joint Committee.

5.3 There shall be three Co-opted Members, appointed as follows;

5.3.1 One member appointed by the Joint Committee on the nomination of the Higher Education Sector;

5.3.2 One member appointed by the Joint Committee on the nomination of the Further Education Sector; and

5.3.3 The Vice Chairman of the SELEP Strategic Board appointed by the Chairman of the SELEP Strategic Board.

5.4 A person who is disqualified under Part 5 of the Act from being a Member of a relevant authority shall be disqualified from membership of the Joint Committee.

5.5 Each Partner Authority may change its appointed Committee Member at any time provided that written notice of any such change is given to the Secretariat, taking effect upon receipt. Such written notice may be given by electronic mail.

5.6 Subject to paragraph 11.3 officers and Members of Partner Authorities may attend meetings of the Joint Committee (or any sub-committee) to support their Committee Member in attendance at that meeting, but the numbers may be limited at the discretion of the Chairman.

6. Tenure of office and casual vacancies

- 6.1 A Partner Authority Member will hold office until one of the following occurs;
- 6.1.1 they resign in writing and deliver such resignation to the Chairman of the Joint Committee, who shall forthwith notify such resignation to the Chief Executive of the relevant Partner Authority and Secretariat;
 - 6.1.2 they are removed or replaced by the Partner Authority that appointed them;
 - 6.1.3 they are disqualified from membership of the Joint Committee as they have failed to attend any meeting of the Joint Committee, or any meeting of a sub-committee, for a continuing six month period, unless approved by their Partner Authority and communicated to the Secretariat;
 - 6.1.4 they cease to be eligible for appointment to the Joint Committee in the capacity in which they were appointed; or
 - 6.1.5 the Partner Authority withdraws from the Joint Committee in accordance with the provisions set out in paragraph 29.
- 6.2. Such vacancies occurring under paragraphs 6.1.1 – 6.1.4, shall be filled as soon as possible by the relevant Partner Authority.

7. Voting

- 7.1 Each Partner Authority shall have one vote at meetings of the Joint Committee or any sub-committee. Each Partner Authority Member, if present, or the substitute member at the meeting will cast the Partner Authority's vote.
- 7.2 Any question coming before the Joint Committee shall be decided by a simple majority of those present and voting. All voting shall be by a show of hands, unless recorded votes have been requested by any Partner Authority Member, and any member shall have the right to have the way they voted (or abstained) recorded in the minutes.
- 7.3 For the avoidance of doubt, Co-opted Members shall not be allowed to vote.

8. Substitute Members

- 8.1 A Partner Authority may appoint another Executive Member (subject to paragraph 5.4) of the same Partner Authority to be a substitute member and attend a meeting of the Joint Committee in the absence of the Member appointed under paragraph 5.2.
- 8.2 In such circumstances the substitute member shall give the Secretariat written notice not later than thirty minutes before the start of the meeting on the day advising that they are unable to attend and that the substitute member named in the notice will attend in their place.

9. Chairman and Vice Chairman of the Joint Committee

- 9.1 The Vice Chairman of the SELEP Strategic Board appointed to the Joint Committee shall be the Chairman of the Joint Committee and shall remain in office until their successor is appointed.
- 9.2 At its annual meeting the Joint Committee shall appoint a Vice Chairman, who shall be the person appointed under either paragraph 5.3.1 or paragraph 5.3.2, and who shall remain in office until their successor is appointed.

10. Functions to be exercised by the Joint Committee

- 10.1 The Joint Committee shall exercise and be responsible for;
- 10.1.1 the implementation of the Partnership's Accountability and Assurance framework and all processes by which bids are assessed, risks considered, approvals made and performance managed;
 - 10.1.2 appraisals and approvals of grants and loans, in accordance with SELEP Strategic Board recommendations;
 - 10.1.3 monitoring project assessment and delivery;
 - 10.1.4 ensuring accountability from each of the federated areas relating to expenditure and programme delivery;
 - 10.1.5 approving variations to schemes;
 - 10.1.6 quarterly performance reporting on an exceptions basis to the SELEP Strategic Board;
 - 10.1.7 reporting on progress to central government;
 - 10.1.8 any other accountability or assurance function required by central government or recommended by the Accountable Body's auditors or the S.151 Officer of the Accountable Body;
 - 10.1.9 approving an Annual Report to be made available to the Partner Authorities; and
 - 10.1.10 Agreeing all new, or revised processes, including the Assurance Framework.
- 10.2 The functions set out in paragraph 10.1 shall only be exercised by the Joint Committee.
- 10.3 The Joint Committee will not have responsibility for staffing decisions.

- 10.4 Operational details will be delegated by the Joint Committee to the Secretariat as set out in this Agreement as a framework within which operational implementation and decisions will be taken as appropriate by the Secretariat or their representatives.
- 10.5 The Joint Committee may perform such other functions as the Partner Authorities may from time to time delegate to the Joint Committee with the written agreement of the Joint Committee.
- 10.6 This Agreement is without prejudice to each Partner Authority's other powers and responsibilities for their respective areas and each Partner Authority agrees that it will not exercise its functions in relation to the function of the Joint Committee except;
 - 10.6.1 via the Joint Committee;
 - 10.6.2 via powers delegated to an officer by the Joint Committee; or
 - 10.6.3 after consultation with the other Partner Authorities.

11. The Section 151 Officer

- 11.1 The Section 151 Officer from the Accountable Body, or their representative, will attend the Joint Committee meetings in an advisory capacity.
- 11.2 All Joint Committee papers must be sent to the Section 151 officer at least five clear working days before they are due to be published; any exceptions to this must be agreed by the S.151 Officer in advance.
- 11.3 The S151 Officers, or their representatives, from the other Partner Authorities will be invited to observe the Joint Committee meetings.

12. The Partner Authorities

- 12.1 The Partner Authorities agree;
 - 12.1.1 Any intellectual property created by or on behalf of the Joint Committee shall be permitted to be used by the Secretariat for the management and running of the Joint Committee, but for the avoidance of doubt, shall remain with the respective Partner Authority;
 - 12.1.2 Each will handle and respond to Freedom of Information Act and Environmental Information Regulations requests for information relating to SELEP for their respective Authorities, in consultation with the Secretariat;
 - 12.1.3 Upon receipt of a request under the Freedom of Information Act and Environmental Information Regulations which relate to the functions of the Joint Committee, the relevant Partner Authority shall notify and cooperate with the Accountable Body as soon as possible; and
 - 12.1.4 To provide reasonable facilities within their respective areas (if so required by the Secretariat on behalf of the Joint Committee) for the essential use by staff working

with SELEP or the Joint Committee to enable them to perform their duties (including welfare and IT facilities) without any charge over and above the annual contribution which will be reviewed as part of the annual review process.

13. The Accountable Body

13.1 The Accountable Body agrees to;

- 13.1.1 Ensure decisions and activities of SELEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc;
 - 13.1.2 Ensure that the funds are used appropriately, and in a manner that is consistent with the contents of the offer letter from government, where appropriate;
 - 13.1.3 Ensure that the SELEP Assurance Framework is adhered to;
 - 13.1.4 Maintain the official record of SELEP proceedings and hold copies of all relevant SELEP documents relating to funding allocated to the SELEP;
 - 13.1.5 Ensure that there are arrangements in place for local audit of funding allocated by SELEP at least equivalent to those in place for local authority spend;
 - 13.1.6 Review all complaints received from members of the public relating to the Joint Committee;
 - 13.1.7 Handle and respond to all Freedom of Information Act and Environmental Information Regulations requests relating to the terms and conditions of this Agreement.
- 13.2 Any issues may be raised, from time to time, by the Accountable Body, in its assurance role at meetings of the Joint Committee.

14. Meetings of the Joint Committee

- 14.1 The first meeting of the Joint Committee shall be the annual meeting for the year and thereafter the first meeting held after 1 April in any year shall be the annual meeting.
- 14.2 The Joint Committee shall meet at least four times in each year save and except that;
 - 14.2.1 The Chairman may cancel any meeting if there is insufficient business to be transacted; or
 - 14.2.2 A meeting may be convened at any time on the requisition of either the Chairman or not fewer than three Partner Authority Members delivered in writing to the Accountable Body.
- 14.3 The dates for the meetings in any year shall be agreed at the annual meeting of the Joint Committee.

- 14.4 Meetings of the Joint Committee shall take place at High House, Production Park, Purfleet, RM19 1RJ; or at such alternate venues as notified to the Partner Authorities by the Secretariat.
- 14.5 The Secretariat shall ensure that a printed copy of the agenda for each meeting, any relevant reports and the minutes of the previous meeting shall be despatched by the Clerk, at least five clear days before such meeting to each Committee Member, excepting that other items of urgent business may be considered with the agreement of the Chairman, at the end of business at any meetings.
- 14.6 At the same time, such papers will also be despatched to all relevant parties as notified to the Clerk from time to time.
- 14.7 The agenda shall contain notice of all business, except urgent business, which is required to be brought before the Joint Committee either in the ordinary course of business, or which is brought by the Chairman.
- 14.8 Meetings of the Joint Committee will be open to the public and press except where the Joint Committee resolves that the press and public be excluded (which may only be during consideration of items containing confidential or exempt information within the meaning of Schedule 12A of the Act). Each meeting will have a public question time not exceeding fifteen minutes during which members of the public may ask questions or make statements on a matter within the remit of the Joint Committee.
- 14.9 Any Partner Authority may request the agreement of the Chairman to invite any person to attend a meeting of the Joint Committee for the purpose of making a presentation, or participating in discussion, on any item relevant to the Joint Committee's functions where that person is able to provide a professional or commercial viewpoint, which the Chairman or the Partner Authority considers would be of assistance to the Joint Committee.

15. Quorum

- 15.1 The Quorum for meetings of the Joint Committee is one third of the Committee Members, including at least two voting members.

16. Minutes

- 16.1 The minutes of the meeting shall be recorded as an accurate account of the meeting and circulated to all Committee Members of the Joint Committee in accordance with paragraph 17.1.2, and shall be reviewed at the next available meeting, signed by the Chairman or by the person presiding over the meeting in their absence, confirming that they are an accurate account of that meeting.
- 16.2 Minutes of the Joint Committee shall (subject to the provisions of paragraph 14.8) be available;
- 16.2.1 To the public and press as though they were minutes of a meeting of a Partner Authority; and

- 16.2.2 Shall be published on the SELEP website as soon as possible following confirmation of their accuracy set out in paragraph 16.1.

17. Support

- 17.1 The Clerk shall be appointed by the SELEP annually and shall exercise the functions and responsibilities set out in the Contract for Services, which shall include;
- 17.1.1 Organisation and advertising dates of forthcoming meetings in conjunction with the Secretariat;
- 17.1.2 Production, publication and distribution of agendas, reports and minutes of meetings following receipt of the final version from the Secretariat;
- 17.1.3 Preparation in advance of, and attendance, at all meetings;
- 17.1.4 Providing advice and guidance on the application of this Agreement; and
- 17.1.5 Providing guidance to, and recording of members declarations of interest in accordance with the SELEP's code of conduct and Assurance Framework.
- 17.2 The SELEP shall be responsible for the reasonable costs incurred as a result of providing the Clerk's support.

18. Sub-Committees

- 18.1 The Joint Committee may appoint such sub-committees as it considers appropriate to exercise such functions as may be delegated to it by the Joint Committee and to advise the Joint Committee in the discharge of its functions, save and except that the Joint Committee may not delegate to any sub-committee the approval of the Joint Committee's budget or Annual Business Plan or the fixing of the annual contributions payable by the Partner Authorities.
- 18.2 The Joint Committee will determine the membership and terms of reference of any sub-committee, and the quorum for its meetings.

19. Finance Arrangements

- 19.1 The Accountable Body will be responsible for accounting for all monies received by and all expenditure incurred by the SELEP, in line with the agreed Assurance Framework.
- 19.2 All investment decisions in relation to use of monies received by the SELEP must be made in line with the Assurance Framework and approved by the Joint Committee, including the use of grants, awarding of loans and establishing a budget for the SELEP.
- 19.3 All grants awarded to the SELEP that are agreed to be passed through to the Partner Authorities will be subject to a Service Level Agreement with the Accountable Body

in line with the Assurance Framework

- 19.4 All loans made using monies awarded to the SELEP will be subject to the Standard Loan Agreement with the Accountable Body.
- 19.5 All investment decisions made under 19.2 will be subject to review by the Accountable Body to ensure that:
 - 19.5.1 The decision complies with the Financial Regulations of the Accountable Body, as approved from time to time; and
 - 19.5.2 The decision does not contradict any requirements laid out in any agreements, (including any Service Level Agreements) for which the Accountable Body is responsible; and
 - 19.5.3 The decision is lawful; and
 - 19.5.4 The decision complies with the Assurance Framework for the SELEP.
- 19.6 The Accountable Body shall produce a financial report for the Joint Committee to consider at each meeting.
- 19.7 All expenditure and income for the SELEP will be managed by the Accountable Body in line with the Financial Regulations of the Accountable Body.
- 19.8 The Joint Committee shall be responsible for approving the budget for the financial year for the SELEP, taking into account contributions agreed from Partner Authorities for the provision of Secretariat and Clerking services, staffing, consultancy, and meeting provisions and will include contingency planning.

20 Audit

- 20.1 The Accountable Body, (through its Section 151 Officer), is responsible for ensuring that grant income received, payments out and any applicable repayments are accounted for and administered correctly (which will fall under the Accountable Body's normal audit arrangements).

21. Monitoring and Assessment

- 21.1 The Joint Committee will be responsible for monitoring and assessing in terms of:
 - 21.1.1 Delivery of the Growth Deal and any similar funding agreements made with the Government;
 - 21.1.2 Reporting, of the implementation of projects funded by the SELEP that are subject to monitoring under the Assurance Framework, and/or a Service Level Agreement or Standard Loan Agreement in place with the Accountable Body
 - 21.1.3 The implementation of the Assurance Framework; and

21.1.4 Progress in fulfilling the Strategic Economic Plan.

21.2 The Joint Committee will receive presentations and progress reports on key issues and notable projects.

21.3 The Joint Committee will issue an Annual Report of its activities, finances and performance to the Partner Authorities and Co-opted Members.

22 Scrutiny Arrangements

22.1 The decisions made by (and, for the avoidance of doubt, not mere recommendations of) the Joint Committee may be subject to the individual scrutiny arrangements of each Partner Authority.

22.2 Committee Members and their officer advisers shall co-operate with the relevant Scrutiny Committee of any of the Partner Authorities and shall, where requested, use their best endeavours to attend any meeting of any relevant Scrutiny Committee. The expectation would be that the Committee Members and their officer advisers attending any meeting of any relevant Scrutiny Committee will be those relevant to the decision to be discussed.

23. Call in

23.1 The provisions set out in paragraphs 23.4 – 23.12 shall apply to all Partner Authorities with executive responsibility for the function to which the decision or action relates.

23.2 Those functions delegated to the Joint Committee under paragraph 2.2 remain part of the Partner Authorities executive function.

23.3 Call in should only be used in exceptional circumstances, day to day management decisions or routine operational decisions should not be subject to Call in.

23.4 Any decision or other action taken of the Joint Committee may be called in for scrutiny by Members of any Partner Authority. A decision is called in by Members of a Partner Authority in the same way in which they would call in a decision of each Partner Authority's Executive or Committee except that;

23.4.1 A decision or other action taken may not be called-in after 5pm on the third working day after the date upon which the decision is published; and

23.4.2 A call in of such a decision or other action taken may only be made if the decision or other action taken affects that Partner Authority area whose membership wishes to call in the decision or action.

23.5 Once a decision or other action taken has been called in it may not be implemented until the scrutiny arrangements of the relevant Partner Authority whose membership has called in the decision or action have been completed. Where a relevant Scrutiny Committee (or full Council) makes recommendations to the Joint Committee, the Joint Committee shall arrange for the decision or action to be reconsidered in the light

of those recommendations and the final decision or action of the Joint Committee shall not be subject to call in.

- 23.6 The call-in procedure set out above shall not apply where the decision or action being taken by the Joint Committee is certified by the Joint Committee as urgent. A decision will be deemed to be urgent if any delay likely to be caused by the call in procedure would prejudice the Joint Committee, the public's or a third party's interests or the decision relates to the commencement of a statutory consultation process.
- 23.7 Where any Partner Authority Member or officer is required to attend a Scrutiny Committee, the Chairman of that Scrutiny Committee will inform the Monitoring Officer (or Chief Executive as appropriate) of their own authority.
- 23.8 That Monitoring Officer (or Chief Executive as appropriate) of the relevant Partner Authority shall inform the Partner Authority Member or officer in writing giving at least ten working days' notice of the meeting at which they are required to attend, such notice to state the nature of the item on which they are required to attend to give account and whether any papers are required to be produced for the Scrutiny Committee.
- 23.9 Where the account to be given to the Scrutiny Committee will require the production of a report, the Partner Authority Member or officer concerned will be given sufficient notice to allow for preparation of that documentation.
- 23.10 Where in exceptional circumstances, the Partner Authority Member or officer is unable to attend on the required date, the Scrutiny Committee shall in consultation with the Partner Authority Member or officer arrange an alternative date for attendance which shall be as soon as practicable in relation to the original date specified.
- 23.11 If, having considered the decision or action, then the Scrutiny Committee may refer it back to the Joint Committee for reconsideration, setting out in writing the nature of its concerns, if referred back to the Joint Committee for reconsideration the Joint Committee will have a further seven working days to consider whether to amend the original decision or revise the original action taken before reaching a final decision or taking final action.
- 23.12 The operation of the provisions relating to call-in and urgency shall be monitored annually by the Clerk to the Joint Committee, and a report to the Joint Committee with proposals for review if necessary.

24. Conduct and expenses of members

- 24.1 All Committee Members shall observe at all times the provisions of the Code of Conduct adopted by their respective authorities.
- 24.2 Each Partner Authority shall be responsible for meeting any expenses to which any Committee Member or officer appointed by them, as its representative, is entitled as a result of their attendance at meetings of the Joint Committee.

25 Liability of Joint Committee Members

- 25.1 Committee Members appointed by each of the Partner Authorities shall have the same responsibilities and liabilities as those which apply when sitting on other committees and bodies as appointed representative on behalf of their respective authorities.
- 25.2 Indemnification for any liabilities which arise shall be resolved as a matter between the Committee Member and their respective authority.

26. Expenses of the Joint Committee

- 26.1 The expenses of the Joint Committee incurred in the discharge of the Joint Committee functions shall be paid by the SELEP.

27. Insurance

- 27.1 The costs of Public Liability Insurance and employee insurance for the SELEP will be covered by appropriate corporate insurance arrangements where that liability arises due to the actions of the SELEP. Where a liability arises due to the actions of an individual Partner Authority, that Partner Authority shall remain responsible for the liability.
- 27.2 All costs including claims administration and legal costs associated with this insurance will be paid by the SELEP
- 27.3 All insurance claims made against or on behalf of the SELEP or the Joint Committee will be managed by the Accountable Body.
- 27.4 All Partner Authorities will cooperate with insurance claims investigations and notify the Accountable Body of any potential claims as soon as is reasonably practicable and take all reasonable action to prevent and minimise any loss.
- 27.5 It is the responsibility of the individual Partner Authorities separately to ensure that the appropriate insurance in relation to insurance for buildings & contents and other assets are in place. Consequently the insurance cost for buildings and assets shall not be charged to the Joint Committee.
- 27.6 The Accountable Body shall consider any reasonable request made by the Partner Authorities for the purpose of facilitating the procurement, administration and maintenance of any insurance relating to the SELEP.

28. Variation

- 28.1 Any future amendments to this Agreement will be put before a meeting of the appropriate decision making person or body of each of the Partner Authorities and will be adopted by each Partner Authority committing that authority to membership of the Joint Committee and to the terms and conditions of this Agreement once documented in writing.

29. Withdrawal from the Joint Committee

- 29.1 A Partner Authority may serve notice in writing to the Accountable Body at least three months before the date on which it is to take effect, that they will be withdrawing from the Joint Committee.

30. Dissolution of the Joint Committee

- 30.1 Dissolution of the Joint Committee will take place upon;

30.1.1 termination of the SELEP; or

30.1.2 cessation of the funding from Government or EU; or

30.1.3 all remaining funding managed by the Joint Committee having been allocated;

- 30.2 In the event that one of the events listed above occurs, the SELEP Strategic Board in agreement with Government shall determine the exit provisions to be put in place, and how any remaining public funds will be managed.

- 30.3 The Secretary of State may decide to terminate the arrangements in place for the SELEP, which shall result in the dissolution of the Joint Committee at a date determined by the same.

31. Third party rights

- 31.1 No provision or clause of this Agreement is intended to give any entitlement as against any of the parties hereto.

- 31.2 No provision or clause of this Agreement may be enforced by any person other than a party to this Agreement under the Contracts (Rights of Third Parties) Act 1999.

32. Dispute Resolution

- 31.1 Any dispute between the Accountable Body and the Joint Committee shall;

31.1.1 first be escalated to the Chairman of the SELEP Strategic Board and the Section 151 Officer of the Accountable Body within ten working days of the dispute arising. The Chairman of the SELEP Strategic Board and the Section 151 Officer agree to discuss and, in good faith, attempt to resolve any such dispute and try and reach agreement on the action required to resolve the decision.

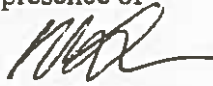
- 31.12 In the event that the Chairman and Section 151 Officer are unable to resolve the dispute, then the matter shall be referred to the Government (or grant awarding body of not the Government) for consideration.

The Common Seal of)
East Sussex County Council)

90317



The Common Seal of)
East Sussex County Council)
was hereunto affixed)
in the presence of)


Authorised Signatory

By David Finch, Leader of)
Essex County Council)

The Common Seal of)
The Kent County Council)
was hereunto affixed)
in the presence of)

Attesting Officer


The Common Seal of)
Medway Council)
was hereunto affixed)
in the presence of)

Attesting Officer

Common Seal of)
Southend Borough Council)
was hereunto affixed)
in the presence of)

Attesting Officer

I certify this to be a true copy
of the original seen by me.

Signed:  Kim Mang,
Educator, Essex County Council

The Common Seal of)
Thurrock Council)
was hereunto affixed)
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in the presence of)

Attesting Officer

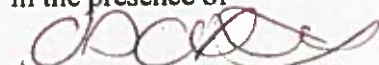
I certify this to be a
true copy of the original
seen by me.

Signed: , Kim Maupe
Secretary, Essex County
18 Council

Attesting Officer

By David Finch, Leader of)
Essex County Council)

The Common Seal of)
The Kent County Council)
was hereunto affixed)
in the presence of)


AUTHORISED SIGNATORY
Attesting Officer

Victoria Clothier



1146 / 2015

The Common Seal of)
Medway Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Southend Borough Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Thurrock Council)
was hereunto affixed)
in the presence of)

Attesting Officer

EXECUTION PAGES

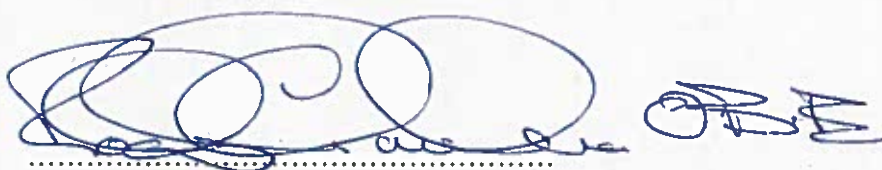
IN WITNESS WHEREOF this Agreement has been duly executed as a deed on the date stated at the beginning of it.

The Accountable Body


The COMMON SEAL of ESSEX)
COUNTY COUNCIL)
)
was hereunto affixed in the presence)
of)

Attesting Officer

The COMMON SEAL of the ~~INSERT~~ Medway Council
was hereunto affixed in the presence of



Authorised Signatory

I certify this to be a true copy
of the original seen by me.
signed: , Councillor
Mayor, Essex County Council

Attesting Officer

By David Finch, Leader of)
Essex County Council)

The Common Seal of)
The Kent County Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Medway Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Southend Borough Council)
was hereunto affixed)
in the presence of)

P. O. Overmeyer

Attesting Officer *Proper Officer of
the Council*

The Common Seal of)
Thurrock Council)
was hereunto affixed)
in the presence of)

Attesting Officer



22/1/15

*I certify this to be a true copy
of the original seen by me.
Signed: *[Signature]*, Kim Mauo
Collector, Essex County Council*

was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Essex County Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
The Kent County Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Medway Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Southend Borough Council)
was hereunto affixed)
in the presence of)

Attesting Officer

The Common Seal of)
Thurrock Council)
was hereunto affixed)
in the presence of)

Lindsay Mella
Attesting Officer



[Signature]
22/10/2015

APPENDIX A

Assurance Framework

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP

ASSURANCE FRAMEWORK

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Date Approved: TBA

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1. Overview

- 1.1. The South East Local Enterprise Partnership is one of 39 LEPs established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area” [Local Growth: Realising every place’s potential, HMG, October 2010]. It encompasses the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.
- 1.2. The **SE LEP Assurance Framework** sets out how local growth schemes funded through the LEP will be selected and delivered to ensure maximum impact and best value for money. It achieves this by applying the federal model of operation of SE LEP to support local management and the proven track records of member councils for transport, economic development and wider programme delivery.
- 1.3. The **SE LEP Strategic Board** sets the strategic direction of the LEP, providing clear strategic leadership and championing shared SE LEP priorities. It is the main SE LEP interface with Government, bringing together both private and public sectors to drive local growth and job creation and to oversee all SE LEP activity to deliver this aim.
- 1.4. Formal democratic decision-making is through the **SE LEP Accountability Board** which approves all major funding decisions and monitors and manages SE LEP’s capital programme for greatest impact, informed by local area management information. The Joint Committee structure of the Accountability Board roots decision-making firmly in the democratic process and enables it to be subject to democratic scrutiny.
- 1.5. **Local Area Delivery Boards/Partnerships** manage funding devolved by the Accountability Board, taking all local decisions on this investment within defined thresholds (based on the quantum and percentage of local investment programme). Local Area Partnerships/Boards may either be established as Joint Committees in their own right or operate by advising their responsible County/Unitary authority (S151) Finance Director.
- 1.6. Local Area Delivery Boards/Partnerships are responsible for local delivery and managing their local programme within these local tolerance levels for both spending and delivery as agreed by the SE LEP Accountability Board. They will submit quarterly reports to the SE LEP Accountability Board for formal approval as part of SE LEP’s reporting process to Government.
- 1.7. An **Independent Technical Evaluator** will work with scheme sponsors to assess and support business case and project development, advising on project readiness and delivery and overall programme management. The Independent Technical Evaluator will make recommendations on the release of funding to the SE LEP Accountability Board.
- 1.8. As **Accountable Body**, Essex County Council, retains overall legal accountability for the SE LEP investment programme, supported by Essex’s Chief Finance Officer, the S151 officer.
- 1.9. Local Area Delivery Boards/Partnerships, local councils and project sponsors will adhere to the SE LEP Assurance Framework as a requirement for funding and to ensure consistency of prioritisation, programme management and investment, cost control and approval and programme/risk management.
- 1.10. Our SE LEP Assurance Framework draws heavily on both the SE LEP Local Transport Board Assurance Framework agreed with Government in 2012 and the SE LEP Governance and Terms of Reference Statement agreed by the SE LEP Board in December 2014 and published on the SE LEP website.
- 1.11. The SE LEP Assurance Framework will be agreed annually.

2. Governance and Decision Taking

2.1. SE LEP Strategic Board

2.1.1. The SE LEP Strategic Board remains the primary private/public partnership board with the SE structure. It is responsible for setting the LEP's strategic direction and providing clear strategic leadership.

2.1.2. Working collectively, Board members are responsible for:

- Setting the strategic direction and priorities of the LEP;
- Satisfying themselves that the SE LEP business plan is in accordance with the strategic direction and that the milestones are sufficiently ambitious;
- Considering and agreeing a position on major items of strategic importance;
- Monitoring performance of the operations and activities of the LEP;
- Ensuring that funds delegated or assigned to the LEP for investment, where the Board has determined a method of allocation, are being implemented to best effect on behalf of government; and
- Deciding how the activities of the LEP should be delegated.

2.1.3. In particular, the SE LEP Strategic Board will take a leading role in:

- Providing strategic leadership in agreeing SE LEP's overarching strategic vision and priorities (ie Strategic Economic Plan)
- Championing the SE LEP area as a whole where appropriate for growth and jobs
- Supporting pan-LEP activity on SEFUND, Rural and Coastal regeneration, U9 Universities activity, Centre for Offshore Renewable Engineering (CORE), priority sectors as appropriate (eg Creative) and the Growth Deal.

2.1.4. The SE LEP Strategic Board is constituted as follows:

The Chair of the LEP Board (in addition to the representatives below);
5 business representatives from Essex, Southend & Thurrock;
4 business representatives from Kent and Medway;
3 business representatives from East Sussex;
5 local government representatives from Essex, Southend & Thurrock, of which 3 must be from the local authorities that formed the Thames Gateway South Essex Partnership;
4 local government representatives from Kent and Medway;
3 local government representatives from East Sussex;
1 representative of the higher education sector;
1 representative of the further education and skills sector.

2.1.5. Members are selected by their local private/public sector partnerships or their representative bodies.

2.1.6. The diagram in Appendix A summarises the relationship between the Strategic Board and the group structure of the SE LEP.

2.2. SE LEP Accountability Board

- 2.2.1. The SE LEP Accountability Board is the main performance management structure within the LEP. Working through local area accountability arrangements, the SE LEP Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Board. By doing so, SE LEP satisfies the accountability processes for the Accountable Body and the national LEP Assurance Framework.
- 2.2.2. Within the Partnership's Growth Deal and Strategic Economic Plan and such other plans as may be approved by the Strategic Board, the Accountability Board will be responsible for the implementation of the Partnership's Accountability and Assurance framework and will agree all processes by which bids are assessed, risks considered, approvals made and performance managed. As agreed by the SE LEP Board, this will include:
- Appraisals and approvals (eg of business cases and investment) in accordance with SE LEP Board recommendations
 - Monitoring project assessment/implementation and delivery
 - Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible S151 officer)
 - Approving variations to schemes
 - Quarterly performance reporting on an exceptions (to tolerance levels) basis to the Strategic Board
 - Reporting on progress to central government
 - Any other accountability or assurance function required by central government or recommended by the Partnership's auditors or the Chief Finance Officer of the Partnership's accountable body,
- 2.2.3. The Accountability Board will be advised by the Accountable Body's chief finance officer.
- 2.2.4. The SE LEP Accountability Board is constituted of 9 members appointed as follows:
- Voting Members
- 1 member appointed by each of the 6 member councils (6)
- One member appointed by the Accountability Board on the nomination of the higher education sector (1)
- One member appointed by the Accountability Board on the nomination of the further education sector (1)
- Non-voting Co-opted members
- A Vice Chairman of the SELEP Strategic Board appointed by the Strategic Board (1)
- 2.2.5. Any funding which may be allocated for pan-LEP projects may be managed through the SE LEP Secretariat, SEFUND (once established) or alternative arrangements in agreement with the SE LEP Board and will also report regularly to the SE LEP Accountability Board.

3. Local Area Delivery Boards/Partnerships and SE LEP Sub Groups

- 3.1. SE LEP is a clear partnership between business and public sector at SE LEP and at local partnership levels. At the heart of this partnership is the devolution of local accountability and funding to ensure decision-making at the most local level appropriate.

3.2. Local Management and Accountability Arrangements

- 3.2.1. In such a large LEP area, local management of schemes and project spending is not only desirable but is imperative if full value and impact is to be obtained.
- 3.2.2. As such, local accountability arrangements are established in each local area through existing private/public partnerships to oversee local programme management supported by their nominated section 151 officer. The form and structure of these arrangements will be a matter for local determination.
- 3.2.3. The SE LEP Accountability Board, through Essex County Council as Accountable Body, will enter into a Service Level Agreement (SLA) with each local area through the county/unitary S151 officer(s) supporting it. This SLA would include financial responsibilities, information requirements, terms of operation and scheme communications.
- 3.2.4. Nominated S151 officers provide regular quarterly monitoring reports to an agreed format to the SE LEP Accountability Board as agreed within its SLA.

3.3. Devolution of Funding

- 3.3.1. By agreement of the SE LEP Accountability Board, the SE LEP Accountable Body will pass funding directly to the relevant county/unitary local authority or other legal entity which will assume legal responsibility for delivery. The Section 151 officer of this local body will carry out the normal stewardship role in terms of monitoring and accounting. They will be responsible for providing regular reports to the Accountable body and the SE LEP secretariat to enable quarterly reporting to the main Accountability Board as specified in the SLA.
- 3.3.2. Financial “tolerance levels” for local programme management are set for local areas expressed as an absolute or as a percentage of the local programme. It is anticipated most financial variances would be absorbed or retained locally with space for local prioritisation in programme management within these agreed tolerance levels.
- 3.3.3. For all devolved funding, Essex County Council as Accountable Body will issue an SLA with the following minimum requirements in relation to grant allocations to each county and unitary council to:
- Provide grant funding to the relevant council for all schemes within its area approved by the Accountability Board following technical appraisal
 - Devolve responsibility for all relevant requirements, including clawback provisions if applicable, as may be specified or intended by the grant awarding body
 - Any monitoring or reporting requirements that may assist decision making and prioritisation by the Accountability Board or the Strategic Board.
 - Commit the Accountable Body to making payment to the council within a maximum number of days following receipt of the grant from the Government, for the purpose of delivering the schemes for which the grant has been allocated, provided that the following conditions are met:
 - The business cases for which the funding has been allocated, have been ratified by the SE LEP Strategic Board for payments in April 2015; for all subsequent payments, the business case must have been approved by the Accountability Board and ratified by the SE LEP Strategic Board.
 - A copy of the SLA signed by the respective Council’s section 151 officer has been sent to the Accountable Body’s section 151 officer.
 - The Accountable Body is in receipt of the grant from the Government.

- Commit the Council to be responsible for any project overspend
- Enable the Council to retain the proceeds of project underspends for use on other local growth fund schemes or to offset overspend, provided that this is within the tolerance levels of up to 10% variance on any individual local growth fund project and has been approved by the Government, where this is required. As part of the on-going reporting process, the Accountability board will be informed of such amendments to support its check and challenge role.
- Enable the Council to request approval from the Accountability Board (and if necessary, the Government) for underspends that are in excess of 10% variance on any individual project to be reallocated to a new or another Local Growth Deal project. In requesting approval for re-allocating underspends, the impact on outputs and outcomes for all projects affected by the re-alignment of funding must be reported to the Accountability Board and the replacement scheme must be the next agreed local priority.
- Require the Council to return to the Accountable Body any unspent grant where re-allocation to other projects has not been approved. In such instances, the Accountable Body will require the Accountability Board to agree how the funding will be utilized; The Accountable Body is not permitted to utilize the funding for its own purposes without the permission of the Accountability Board.

3.3.4. The process for managing underspends as set out in 3.3.3 will be reviewed by the Accountable body in conjunction with the Accountability Board nine months after the implementation of this Assurance Framework to ensure that the arrangements are operating effectively.

3.3.5. All devolution of funding will be made in accordance with Government grant conditions.

3.4. Local Area Delivery Boards/Partnerships

3.4.1. Local Area Delivery Boards/Partnerships are the local private/private partnerships for East Sussex, Essex, Kent, Medway, Southend and Thurrock. The form and structure of Local Area Delivery Boards/Partnerships is for local determination.

3.4.2. Local Area Delivery Boards/Partnerships present their local priorities to the SE LEP Board in the Growth Deal and Strategic Economic Plan (or as appropriate in response to other funding opportunities), agreeing a prioritised list of growth schemes that will deliver on SE LEP objectives.

3.4.3. Local Area Delivery Boards/Partnerships engage local business and utilise public and private sector knowledge and expertise to ensure prioritisation and delivery to provide greatest benefit to the SE LEP area in terms of achieving economic growth through the delivery of development, infrastructure and regeneration projects. They are responsible for prioritising, monitoring delivery and management of the SE LEP programme within local tolerance levels for spending and delivery agreed by the SE LEP Accountability Board.

3.4.4. Local areas shall determine their own processes for the selection and term of office of their Local Area Delivery Board/Partnership representatives.

3.5. Independent Technical Evaluator

3.5.1. To support local project development and SE LEP Business case approval, an Independent Technical Evaluator (or an independent technical evaluation capacity) is appointed by SE LEP on the advice of the Transport and Economic Development officers through an open engagement process.

3.5.2. Independent Technical Evaluation is put place to:

- Provide technical advice to the SE LEP Strategic Board and SE LEP Accountability Board and local project sponsors on the basis of which funding should be released.
- Support project sponsors in ongoing management and prioritisation of local programmes and projects where required
- Support project sponsors in applying a consistent and proportionate project appraisal methodology in scheme prioritisation
- Support project sponsors in complying with the agreed proportionate business case development process
- Support project sponsors in assessing each project business case in relation to compliance with process, and delivery of desired outcomes including value for money and cost benefit.
- Make recommendations to SE LEP Board and Local Area Delivery Boards/Partnerships on projects that perform well against assessment process (eg on agreed weightings) and where projects may be reconsidered due to poor or delayed performance.
- Support local partners in the preparation of submissions for further rounds of Local Growth Fund bids

3.6. Accountable Body

3.6.1. By agreement of the SE LEP Board including all county and unitary authorities, Essex County Council is the Accountable Body for SE LEP and through its S151 Chief Finance Officer or their representative will support the SE LEP Accountability Board.

3.6.2. In this role, the Accountable Body has responsibility to:

- Support SE LEP in accounting to Government on programme delivery and financial management
- Make payments for local programme management and delivery as appropriate
- Through Local Area Delivery Boards/Partnerships, keep full accounts and provide financial statements, in consultation with local county/unitary authorities
- Account for all spend allocated to the SE LEP
- With the responsible local S151 officer, ensure that the decisions and activities of the SE LEP conform to legal requirements with regard to equalities, environment, EU issues etc
- Take responsibility for the decisions of the SE LEP in approving schemes or programmes (for example if subjected to legal challenge)
- Ensure appropriate response to FOI requests with regard to the responsibilities of the Accountable body
- Ensure the appropriate use of Government funds
- Set up and manage necessary legal agreements such as:
 - Agreements between the LEP and Local Area Delivery Boards/Partnerships and individual county/unitary authorities
 - Grant agreements and conditions
- The Accountable Body shall also be responsible for ensuring that the SE LEP adheres to the agreed assurance framework and meets all appropriate procedural, financial and legal requirements; these are set out further in section 5.9 below.

3.7. SE LEP Group Structure

- 3.7.1. With a devolved structure, there is no requirement for additional assurance sub groups. Local performance management rightly takes place at local level. Equally, it is vital that additional layers are not placed between the SE LEP Accountability Board and local accountability arrangements.
- 3.7.2. Within the structure, therefore, only a limited number of working and advisory groups are recognised. All clearly link to the agreed SE LEP Terms of Reference for the SE LEP Board or to specific Board decisions.
- 3.7.3. The groups range from agreed sub-committees to informal groupings supporting a lead Board Member. All report to the SE LEP Strategic Board.
- 3.7.4. As agreed by the SE LEP Board in December 2014, there are four types of group as set-out below:

3.7.5. Sub-Committees

- 3.7.5.1. These are formal sub-committees of the SE Strategic Board with a remit from the Board to undertake clear functions on behalf of the LEP as a whole. They are the European Structural Investment Framework (ESIF), the Centre for Offshore Renewable Engineering (CORE) and SEFUND groups.

3.7.6. Spatial Groups

- 3.7.6.1. These are working groups recognised by the LEP representing clear geographical areas of interests. They are the Coastal Communities and Rural groups. In addition, the Thames Gateway Strategic Group is a partnership with the Greater London Authority.

3.7.7. Sector Groups

- 1.1.1.1. These are specific sector representational groups, linked to an industry sector or group identified as a priority in the Strategic Economic Plan. They are the U9 (universities) and Creative groups.

3.7.8. Working Groups

- 3.7.8.1. These are specific, non-decision-making advisory groups to the SE LEP Strategic Board and SE LEP Accountability Board providing specialist knowledge or technical expertise in shaping strategy or delivering agreed pan-LEP priorities. They are the Transport, Skills, Housing, Growth Hub and Senior Officers Group (SOG) groups.
- 3.7.8.2. Working groups will range from a formal advisory group to an informal, ad hoc support mechanism for a lead Board member.

- 3.7.9. Terms of reference and membership of all groups are detailed in Appendix B.

4. Transparent decision making

- 4.1. Clear arrangements have been put in place to support effective and meaningful engagement of local partners and the public. The SE LEP Strategic and Accountability Boards operate on the basis of transparency, openness and good communications, and has processes in place to ensure that these principles are replicated as part of the decision making processes. SE LEP has implemented the following in support of this approach:
- 4.2. Meetings of the Board are open to the press and public as observers, with the exception of any items that should be treated confidentially for commercial or other reasons. Filming or recording of proceedings can take place provided that they are agreed in advance with the Secretariat.
- 4.3. Final papers for Board discussion shall be made available on the LEP website (see below) as soon as they are disseminated to the Board, except for papers which are not suitable for release into the public domain as they would be exempt from publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.
- 4.4. Minutes shall be made publicly available on the LEP website no more than five working days following approval by the Board, except for minutes which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data. Any minutes which are not released into the public domain will be stored confidentially by the secretariat.
- 4.5. Through the Chairman, the Board shall be responsible for the LEP's communications strategy. This shall include communications to Board members, participating organisations and the wider public and shall include the maintenance of an up-to-date, relevant and accessible website. The Secretariat shall be responsible for implementation of the communications strategy.

4.6. SE LEP Website

- 4.6.1. A dedicated website for the SE LEP is available for local partners and the public to keep in touch with progress on implementing the Growth Deal, access key documents, including agenda's, minutes and decisions of the SE LEP board.
- 4.6.2. The website can be accessed at <http://www.southeastlep.com/>

4.7. Arrangements for making and recording decisions

- 4.7.1. The arrangements for making and recording decisions and for ensuring that papers, decisions, minutes, agendas etc are published are set out in the SE LEP Governance and Terms of Reference document, a copy of which can be accessed on the website at [SE LEP Governance and Terms of Reference](#).

4.8. Information requests and complaints

- 4.8.1. Contact arrangements for all freedom of information and environmental information requests are made available on the SE LEP website; The Accountable Body will ensure that all such requests are dealt with in line with the relevant legislation

4.8.2. The LEP will deal with any complaints in line with a complaints policy that will be published on the SE LEP website.

4.9. Conflicts of Interest

4.9.1. The conflicts of interest policy is published as part of the SE LEP Governance and Terms of Reference document, a copy of which can be accessed on the website at [SE LEP Governance and Terms of Reference](#).

4.9.2. A register of declared interests is maintained and published on the SE LEP website.

4.10. Local Engagement

4.10.1. Local Area Delivery Boards/Partnerships are the primary forum for engagement with local businesses and councils. Local Boards/Partnerships engage local business and utilise public and private sector knowledge and expertise to develop projects and ensure prioritisation and delivery to provide greatest benefit to the SE LEP area.

4.10.2. In addition, the LEP Secretariat will support the SE LEP Strategic Board in wider engagement on pan-LEP and national priorities as necessary. All SE LEP Board meetings are open to the press and public and SE LEP will hold an Annual Review in July each year. The SE LEP website will be regularly updated.

4.11. Involving delivery partners in decision making

4.11.1. With the exception of any pan-LEP projects or those for which national or alternative decision-making is prescribed, Local Area Delivery Boards/Partnerships are responsible for prioritising, monitoring delivery and management of their local SE LEP programme within local tolerance levels for spending and delivery agreed by the SE LEP Accountability Board.

4.11.2. Local Area Delivery Boards/Partnerships select their representatives on the SE LEP Strategic Board and will be involved in all decision-making.

4.12. Maximising Social Value

4.12.1. SE LEP and local partners will at all times consider how added economic, social or environmental benefits can be maximised and secured and through our commissioning, procurement and delivery. All partners in the SE LEP support the principles of the Social Value Act 2012.

The SE LEP will endeavour to ensure a level playing field for small businesses and voluntary, charity and social enterprise (VCSE) organisations in bidding for SE LEP or local delivery contracts as appropriate in the delivery of SE LEP objectives.

5. Accountable Decision Making

5.1. Grants, such as the Local Growth Fund, allocated to the SE LEP from Central Government will be paid via a Section 31 grant determination to the Accountable body, Essex County Council. The Accountable body will

be responsible for the proper use and administration of the funding, in line with any requirements set out in the grant funding letter / agreement. The Accountable body is not able to use this funding for its own purpose without a clear mandate from the SE LEP Accountability Board.

- 5.2. The Accountable body, (through its Responsible Financial Officer - the Section 151 Officer), is responsible for ensuring that grant income received, payments out and any applicable repayments are accounted for and administered correctly (which will fall under the Council's normal audit arrangements). The Accountable body is also responsible for ensuring that all decisions are made in accordance with any requirements stipulated by the grant awarding body. The Accountable Body will ensure that this requirement is met by transferring grant to partner bodies under a service level agreement which reflects the grant requirements of the awarding body.
- 5.3. The SE LEP has a vital leadership role to play; it is responsible for developing and maintaining the Strategic Economic Plan and determining the key funding priorities to which Local Growth Fund and other resources should be directed, and ensuring that there is adequate capacity to deliver against those.
- 5.4. Democratic accountability for the decisions made by the SE LEP are provided through local authority leader representation, with accountability to the business community flowing through the business leaders.
- 5.5. The complementary roles of both parties – the financial responsibilities of the lead section 151 officer and the leadership role and accountabilities of the SE LEP – will be supported by a set of agreed systems and practices and managed through the Accountability Board. These practices/ systems are set out in the terms of reference of the Accountability Board and a Joint Committee Agreement, will support both the Section 151 officer role in ensuring proper, transparent decisions which deliver value for money but also support timely, informed decision making by the SE LEP.
- 5.6. **The circumstances under which the Accountable body would not comply with a SE LEP Accountability Board decision are:**
- The decision does not comply with the Financial Regulations of the Accountable body
 - The decision would be contra to any requirements laid out in all agreements, including the SLA and the Joint Committee Agreement, for which the accountable body is responsible
 - The decision is unlawful
 - The decision does not comply with the requirements of this assurance framework
- 5.7. **The process for resolving any conflict in decision between the Accountable body and the SE LEP Accountability Board is as follows:**
- 5.7.1. Where there is conflict of decision between the Accountable body and the Accountability Board, the following process should be followed:
- i) In the first instance, any dispute would be escalated to the Chairman of the Board and the Section 151 Officer of the Accountable Body within 10 working days of the dispute arising. The Chairman of the Board and the Section 151 Officer will meet to try and reach agreement on the action required to resolve the decision. If agreement cannot be reached, the following action should be taken:
 - ii) If the meeting between the Chairman of the Board and the Section 151 officer of the Accountable

Body fails to resolve the issue, the matter will be referred to the Government (or grant awarding body of not the Government) for consideration.

iii) The Accountability board will be informed of the outcome of the discussions to resolve the conflict.

5.8. Scrutiny arrangements for the LEP

5.8.1. The SE LEP is a multi-authority partnership which presents the challenge of different scrutiny arrangements in place in each of the respective local authorities; the over-arching scrutiny arrangements put in place for the LEP need to take this into account.

5.8.2. The details of the scrutiny arrangements are set out in the Joint Committee Agreement, signed up to by each authority with representatives on the board. They give each authority the ability to challenge a decision made by the Accountability Board providing checks and balances to the operation of the LEP.

5.8.3. The arrangements will ensure that scrutiny is managed in a way that gives equal footing for all partners in the SE LEP.

5.9. This Assurance Framework confirms that:

- Essex County Council will be the accountable body for the Single Local Growth Fund and other funding sources received from Government
- use of resources will be managed in accordance with the Accountable body's established processes including financial regulations and contract regulations
- annual accounts for the SE LEP will be published
- The Accountable body's responsibilities with regard to the SE LEP assurance framework are:
 - ensuring decisions and activities of SE LEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.
 - ensuring that the funds are used appropriately, and in a manner that is consistent with the contents of the offer letter from government, where appropriate.
 - ensuring that the SE LEP assurance framework is adhered to.
 - maintaining the official record of SE LEP proceedings and holding copies of all relevant LEP documents relating to LGF and other funding allocated to the LEP.
 - ensuring that there are arrangements in place for local audit of funding allocated by LEPs at least equivalent to those in place for local authority spend.
 - SE LEP and the Accountable body have agreed timescales and operating practices to support the effective implementation of decisions. These are reflected in the Service Level Agreements between the Accountable body and the delivery agent and include:
 - ensuring arrangements are in place for monitoring delivery
 - ensuring that there are clear expectations in relation to the information required from scheme partners and delivery agents;

- ensuring that when the SE LEP awards funding for a project, that there are written agreements in place between the Accountable body and the delivery agent, clearly setting out the split of responsibilities and makes adequate provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement).

6. Ensuring Value For money: Prioritisations, Appraisal, Business Case Development and Risk Management

6.1. The SE LEP recognises the importance of having robust arrangements in place to ensure value for money and effective delivery, through strong project development, project options and appraisal, prioritisation and business case development. This section of the assurance framework sets out the arrangements in place for ensuring that effective processes are in place for addressing each aspect as follows:

6.2. Options Appraisal and Prioritisation

6.2.1. As the SE LEP covers such a wide geographical area encompassing a number of local authorities facing competing challenges, prioritisation of projects is most effectively managed within local areas through the federal model, with the exception of any pan-LEP priority projects which will be prioritised by the SE LEP Strategic Board. This will ensure that the priorities of the strategic economic plan within functional economic areas can be delivered. The SE LEP Accountability Board will oversee the delivery of the overall programme of investment and seek to ensure value for money across each of the projects.

6.2.2. Prioritisation will be undertaken by Local Area Delivery Boards/Partnerships through their submission to the Growth Deal and Strategic Economic Plan or to other funding opportunities.

6.2.3. They will implement scheme prioritisation in liaison with an Independent Technical Evaluator.

6.2.4. Working with the Independent Technical Evaluator, local areas will consider:

- Purpose
- Strategic Impact
- Scheme Type
- Contribution to policy objectives (economic growth and job creation)
- Value for Money / Benefit Cost Ratio
- Deliverability, including public support, affordable (taking account of any funding contribution) and deliverable within a clearly defined timescale.

6.2.5. Partners will give further consideration to eligible schemes following a sifting process based on the Department for Transport's EAST tool, any SE LEP Prioritisation Framework, Health Assessment and Highways Agency's Project Appraisal Report or other appropriate appraisal tools. Checklists for this work will be provided to partners by the Independent Technical Evaluator to ensure a consistent approach.

6.2.6. Assessment criteria shall include:

- Value for Money – based on Benefit Cost Ratio and wider Economic Benefits.
- Environmental and Community Impact – Potential benefits and adverse impacts.
- Contribution to Objectives – SE LEP Strategic Economic Plan, Local Transport Plan Objectives.
- Deliverability – affordability. Practicality, key risks, stakeholder and public support

- 6.2.7. Any Business partner of a scheme, having first gained local partnership support shall develop that scheme in consultation and agreement with the local partnership at every stage of the project and no scheme or programme can be implemented without the support of the LEP and local partnerships under the Assurance Framework.

6.3. Programme Management and Investment Decisions

6.3.1. Business Cases

- 6.3.1.1. Scheme Partners will develop business cases, including a Value for Money (VfM) statement in accordance with the SE LEP agreed proportionate business case assessment process which is outlined in the SE LEP Growth Deal and Strategic Economic Plan. Through the SE LEP Capital Programme Manager, the Independent Technical Evaluator will provide advice to partners on applying the assessment process on a scheme by scheme basis.
- 6.3.1.2. Business cases will follow the Department for Transport Business Case Guidance and WebTAG or similar non-transport national guidance appropriate to their scheme with appropriate proportionality as set out. Schemes will be expected to pass the equivalent of a Programme Entry and Final approval stages.
- 6.3.1.3. For transport schemes, central case assessments shall be based on forecasts consistent with the latest version of National Trip End Model (NTEM) and the appraisal results included in the business case to be considered by the SE LEP.
- 6.3.1.4. Each business case shall set out a statement of objectives and the specific outcomes that the scheme is intended to achieve. The business cases will include sign-off by the promoting local authority and its S151 Officer before being submitted.
- 6.3.1.5. The Independent Technical Evaluator will independently assess the business cases and will in the first instance, make recommendations to the local authority partner.
- 6.3.1.6. The Independent Technical Evaluator will ensure that the approach taken by partners is technically robust, consistent with technical guidance and able to withstand scrutiny. In so doing, the Independent Technical Evaluator will collaborate with partners to minimise the time and cost associated with preparing business cases by adopting practices which are proportionate to the specifics of each scheme.
- 6.3.1.7. The ITE will work with scheme partners to evaluate business cases on a staged basis as follows:

Assurance Level	Gate
<ul style="list-style-type: none"> Agreeing the scope of work for an outline business case 	<ul style="list-style-type: none"> Gate 0
<ul style="list-style-type: none"> Giving assurance for an outline business case 	<ul style="list-style-type: none"> Gate 1
<ul style="list-style-type: none"> Giving assurance and approval for a final business case for projects under £8M 	<ul style="list-style-type: none"> Gate 2
<ul style="list-style-type: none"> Giving assurance for submission to DfT for larger projects over £8M 	<ul style="list-style-type: none"> Gate 3 + Gateway review co-ordination.

6.3.2. Value for Money

- 6.3.2.1. The Independent Technical Evaluator shall assess that all evidence provided by the partner, including VfM, is robust and relevant, and report back to partners on any inconsistencies that need to be addressed if the scheme is to go forward for consideration for funding. Value for money is assessed on the basis of the methodology outlined in The Green Book published by the Treasury; this assessment includes the calculation of the benefit cost ratio, used as an indicator of VfM.
- 6.3.2.2. To receive a recommendation for approval, schemes should have a benefit cost ratio of at least 2:1. Schemes with less than high VfM but with a benefit cost ratio of at least 1.5:1 may still be recommended for funding if they meet two or more of the following criteria:
- where there is an overwhelming strategic case (with minimal risk in the other cases);
 - where scheme benefits are notoriously difficult to appraise in monetary terms and there are qualitative benefits which if monetised would most likely increase the BCR above two-to-one; and
 - where schemes are less than £1.0m and to conduct further quantified and monetised economic appraisal would be disproportionate.
- 6.3.2.3. Prior to approval, the SE LEP Accountability Board will review the VfM statement when schemes are presented for approval to ensure that they meet the criteria set out in 6.3.2.2 above.
- 6.3.2.4. The Accountable body will ensure that all projects send for approval to the Accountability board include a VfM statement that has been prepared in line with the requirements set out in this Assurance Framework.
- 6.3.2.5. The business cases and VfM statements, following scrutiny by the Independent Technical Evaluator, shall be reported and published at each stage of approval.
- 6.3.2.6. The Secretariat will ensure the business cases are published on the SE LEP web site to enable input from the public, businesses, environmental groups and other interested parties.
- 6.3.2.7. As necessary, the economic cases shall be reviewed and updated to reflect changes in scheme scope, cost, and WebTAG/NTEM or relevant guidance (if this could be material in decision making).
- 6.3.2.8. On completion of a business case, the ITE will make recommendations to SE LEP Board on projects that perform well against assessment process and therefore should be funded, and where projects should be reconsidered due to poor performance.
- 6.3.2.9. Successful schemes will progress to delivery via the Partner.
- 6.3.2.10. Unsuccessful schemes will be considered by the local area for deletion, revision or adding to a reserve list.

6.3.3. Release of Funding, Cost Control and Approval Conditions

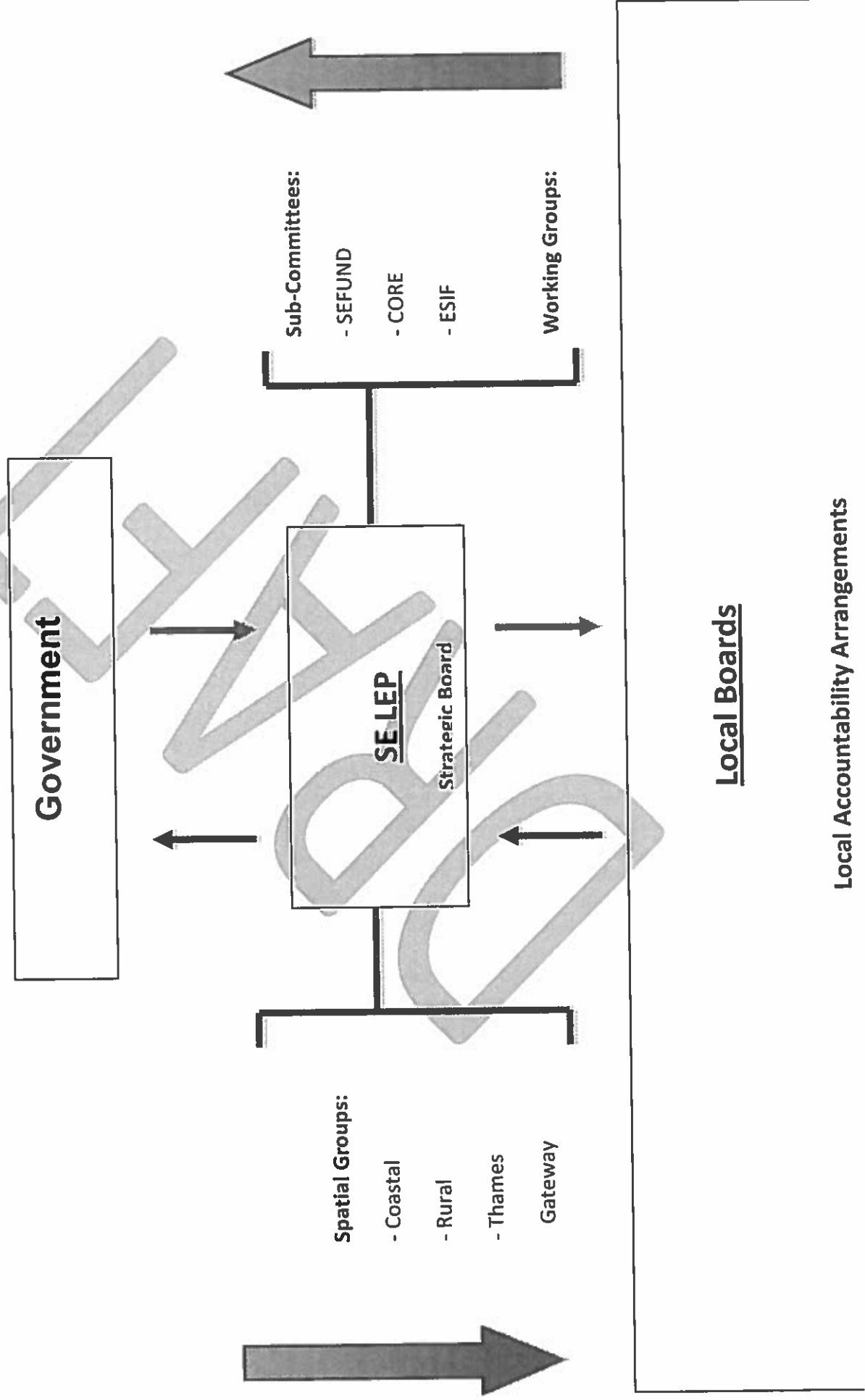
- 6.3.3.1. A capped contribution from the SE LEP via the Accountable Body will be made to the scheme cost where agreed and the promoting Authority will be responsible for all cost increases that may occur through the delivery period.
- 6.3.3.2. Essex County Council's S151 Officer will sign off all funding payments and these will be subject to a completed SLA between Essex County Council and the promoting local authority.

- 6.3.3.3. Funding will only be released when construction or relevant actions are approved by the Accountability Board and only in quarterly instalments, unless greater flexibility is provided in our Growth Deal arrangements.
- 6.3.3.4. Through the nominated S151 Officer, SE LEP will undertake an audit of the Partner's project to ensure the correct use of funding and may, if necessary, arrange for the recovery of any funds.
- 6.3.3.5. Any under-spend of capital must be identified at an early stage so it can be potentially used on other schemes. Within agreed thresholds as outlined in section 3.3.3 this will be dealt with by the Local Area Delivery Board/Partnership, outside those thresholds this will be addressed by the SE LEP Board.

6.3.4. Programme and Risk Management

- 6.3.4.1. Working with the ITE, for each scheme that is included in the programme the partner will be required to provide an initial project programme including:
 - Outline/detailed design
 - Statutory requirements
 - Consultations
 - Procurement
 - Construction
- 6.3.4.2. In addition a statement of risk will be provided by the partner for each scheme. The project programme and risk statement shall be kept up to date by the partner and shall be included in project reports.
- 6.3.4.3. The SE LEP Accountability Board through the Local Area Delivery Board/Partnership and nominated S151 Officer shall require the partners to submit regular detailed project monitoring reports in accordance at quarterly intervals. This process will be managed by the SE LEP Capital Programme Manager and will enable on-going monitoring and evaluation of individual schemes and the programme generally.
- 6.3.4.4. Local Area Delivery Boards/Partnerships will manage programmes within agreed local tolerances reporting to the SE LEP Accountability Board, with exceptions such as significant modifications during development or even construction clearly reported for decision.
- 6.3.4.5. For transport schemes, partners shall provide an initial report, in accordance with the DfT's Monitoring and Evaluation Guidance, to the SE LEP Accountability Board on data collected on both one year post scheme opening and approximately five years post scheme opening. The Accountability Board through the Secretariat shall ensure this is published on the SE LEP's website.

SE LEP Board and Group Structure



Groups and Sub Committees supporting the SE LEP

Only a limited number of working and advisory groups are recognised within the SE LEP Structure, all clearly linked to the agreed SE LEP Terms of Reference for the SE LEP Board or to specific Board decisions.

As agreed by the SE LEP Board in December 2014, there are four types of group ranging from sub-committees to informal groupings supporting a lead Board Member. All report to the SE LEP Strategic Board.

1. Sub Committees

1.1 European Structural Investment Framework (ESIF)

1.1.1 The ESIF Committee is one of 39 LEP EU Sub-committees reporting to the National Growth Board. Through its Chairman, it provides regular updates to the SE LEP Strategic Board.

1.1.2 Terms of reference are prescribed by the Department for Communities & Local Government (DCLG) and include:

- Overseeing and monitoring the progress of the SE LEP European Structural Investment Framework (ESIF) towards achieving its objectives and the delivery of EU SIF funding
- Considering Calls and advising on their fit with LEP priorities
- Monitoring the extent to which EU resources are being used to deliver the Growth Deal/SEP priorities and advising the SE LEP Strategic Board on a regular basis
- Providing expert advice to the LEP Board on EU SIF implementation and wider EU matters

1.1.3 Membership of the ESIF Committee is prescribed by DCLG.

1.1.4 The EU Delivery Group is supported by the Government's Local Growth Delivery team.

1.2 Centre for Offshore Renewable Engineering (CORE)

1.2.1 The SE LEP CORE Group is a partnership between Central and Local Government and LEPs established to ensure businesses looking to invest in manufacturing for the offshore renewables industry receive the most comprehensive support possible.

1.2.2 Full terms of reference and membership for the SE LEP Group are to be published.

1.3 SEFUND

1.3.1 SEFUND is the real estate investment fund for the SE LEP area, seeded by the Growing Places Fund.

1.3.2 Full terms of reference, membership and structure are to be published on establishment of the fund.

2. Spatial Groups

2.1 Coastal Communities Group

- 2.1.1 The Coastal Communities Group is an interest group of the LEP open to councils whose areas include coastal communities.
- 2.1.2 The group provides expert advice to the SE LEP Strategic Board in relation to coastal issues and opportunities.
- 2.1.3 Full terms of reference and membership are to be published.

2.2 Rural Group

- 2.2.1 The Rural Group is an ad hoc group supporting the lead SE LEP Board member for rural growth.
- 2.2.2 Full terms of reference and membership are to be published.

2.3 Thames Gateway Strategic Partnership

- 2.2.3 The Thames Gateway Strategic Group is an ad hoc partnership with the Greater London Authority
- 2.2.4 Full terms of reference and membership are to be published.

3. Sector Groups

3.1 U9 (Universities)

- 3.1.1 The U9 Group is an interest group of the Higher Education Sector.
- 3.1.2 All universities located in the SE LEP area are represented.
- 3.1.3 Full terms of reference and membership are to be published.

3.2 Creative

- 3.2.1 The Creative Industries Group is an interest group of the creative and cultural sector formed to unleash the potential of the creative and cultural industries in the SELEP area
- 3.2.2 Terms of reference for the Group are to work together to:
 - Establish Creative Industries Innovation Hubs in SE LEP local areas
 - Build incubation space for new talent alongside workspace for innovative SMEs
 - Forge stronger industry led partnerships with Higher Education
 - Devise innovative skills solutions to create new jobs
 - Grow a creative industries supply chain with London
 - Increase innovation in placemaking and tourism
 - Use the creative sector to enhance the quality of places across SELEP and attract investment
 - Use the River Thames, the coast and other natural assets as creative catalysts
 - Connect creative industries to local communities through a cultural entitlement
- 3.2.3 Membership is to be published.

4. Working Groups – Advisory to SE LEP Strategic Board

4.1. Transport Working Group

- 4.1.1 The Transport Working Group replaces the Strategic Infrastructure Group (STIG) to advise the SE LEP Strategic Board on strategic infrastructure issues within the SE LEP area.
- 4.1.2 The Transport Working Group is advisory only providing administrative and technical support to manage the SE LEP transport programme to ensure compliance with Government. It reinforces the primacy of SE LEP and the Local Area Delivery Boards/Partnerships.
- 4.1.3 In undertaking this role, the Transport Working Group will make recommendations to the SE LEP Board to:
 - Support the SE LEP Board in championing and supporting the implementation of the SE LEP Growth Deal and Strategic Economic Plan
 - Make recommendations to the Accountable Body on the appointment of an Independent Technical Evaluator to support programme management and to assess and support business case development
 - Develop and agree and update as necessary a proportionate process for business case development for Board approval
 - In liaison with the Programme Manager and SE LEP Accountability Board monitor delivery against agreed tolerance levels quarterly reporting to the SE LEP Board and working in close liaison with Local Area Deliver Boards/Partnerships
 - Investigate and pursue where possible other sources of funding for transport infrastructure
 - Identify and investigate longer term strategic transport topics that support growth in the South East
 - Develop responses to national transport consultations and issues for consideration by SE LEP Board
 - Work with the Highways Agency and Network Rail on SE LEP area priorities
 - Consider cross-boundary and cross-modal strategic transport issues undertaking appropriate consultations and collaboration with other LEPs as appropriate
 - Support the SE LEP Board and Accountable Body in ensuring that all Department for Transport/Treasury reporting requirements are met via the Programme Manager
- 4.1.3 Membership of the Transport Working Group is
 - TWG Chairman (appointed by SE LEP Board, but not necessarily a SE LEP Board member) (1)
 - 1 technical representative from each Local Transport Authority (6)
 - 1 private sector representative from each Local Area Delivery Board (4)
 - Programme Manager and other members of the SE LEP Secretariat as appropriate
- 4.1.3 A Vice Chairman from the LTA technical representatives shall also be appointed by the SE LEP Board and will lead on technical issues.
- 4.1.4 Invitations will be extended to Network Rail, Highways Agency, Ports Authority and Department for Transport to attend each meeting as appropriate.
- 4.1.5 The meetings will be open at all times to all SE LEP Board members, Council Cabinet Member and LTA officers.
- 4.1.6 The Transport Working Group will normally meet one month before SE LEP Board meetings. Additional meetings will be held as necessary.
- 4.1.7 A quorum of at least 6 Full Members (or their authorised representatives) must be present for any business to be transacted at any meeting, of which at least three should be from Local Authorities.

- 4.1.8 Alternates may be appointed by their relevant organisations and will have voting rights. Other than this, only representatives agreed by a majority of the full members of the Transport Working Group may, by prior invitation, take part in the proceedings.
- 4.1.9 It is anticipated that the majority of issues considered by the Transport Working Group will be agreed by consensus – it is not a decision-making body. Where this is not possible, a simple majority vote will determine issues. Every Full Member (or their authorised representative) present has one vote on each issue.

4.2 Skills Advisory Group

- 4.2.1 The Skills Advisory Group will monitor and oversee the Skills Capital funding allocation to SE LEP and to pursue new freedoms and flexibilities as defined in the Growth Deal/Strategic Economic Plan.
- 4.2.2 The Skills Advisory Group will oversee the skills capital process and system and will ensure that a pan-LEP approach to skills is managed. It replaces existing Skills Groups, but recognises the continuing desire for greater cross-LEP working by skills providers within a wider skills strategy.
- 4.2.3 As agreed at the SE LEP Board in December 2014, terms of reference are to:
- Develop technical specifications and timetables with the Skills Funding Agency to administer the competitive bidding rounds for SE LEP Skills Capital competition
 - Manage the relationship with the SFA, particularly relating to Skills Capital and EU programmes, advising the Board as appropriate on SE LEP (not local) arrangements and providing a direct link to local areas
 - Provide specialist governance of existing ESF funding and other funding streams under LEP influence (eg EU Skills Support for Workforce)
 - Provide specialist advice to the SE LEP Board and ESIF Committee on EU SIF opt-in arrangements
 - Provide expert advice to the Board on new projects as appropriate
 - Provide a direct link with officers supporting local Employment and Skills Board
 - Reflect the priorities, views and recommendations of local Employment & Skills Board, ensuring federated priorities are central to pan-LEP initiatives/funding opportunities
 - Provide expert skills advice to the LEP Board in ensuring that skills remains a high priority within the LEP
- 4.2.4 Membership includes representatives from each county and unitary authority nominated by the Employment and Skills Boards, together with representatives from HE, FE, Schools and private providers.
- 4.2.5 Full terms of reference and membership are to be published.

4.3 Housing

- 4.3.1 The Housing Group is an ad hoc group supporting the lead SE LEP Board member for housing.
- 4.3.2 As agreed following consultation, its terms of reference are:
- Supporting delivery of the SE LEP Growth Deal
 - Bringing together all parties (HCA, councils, developers, finance, utilities) involved to drive development forward
 - Encouraging and supporting councils to bring forward their local plans
 - Reviewing the performance of utility companies

- Promoting best practice
 - Looking across LEP boundaries
- 4.3.3 Full terms of reference and membership are to be published.

4.4 Growth Hubs

- 4.4.1 The Growth Hub Steering Group is a pan-LEP steering group to co-ordinate and the SE LEP Growth Hub programme.
- 4.4.2 Membership includes officers from each county and unitary authority
- 4.4.3 Full terms of reference and membership are to be published.

4.5 SOG

- 4.5.1 The Senior Officer Group supports the SE LEP Secretariat as defined in the SE LEP Terms of Reference.
- 4.5.2 SOG's role is to prepare papers as required, undertake specific pieces of work as mandated by the Board and to provide technical assistance to the Secretariat and SE LEP Strategic Board.
- 4.5.3 Full terms of reference and membership are to be published.

APPENDIX B

Standard Loan Agreement

DATED

2015

(1) ESSEX COUNTY COUNCIL (ACCOUNTABLE BODY)

- and -

(2) [INSERT] COUNCIL (APPLICANT)

LOAN AGREEMENT

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THIS AGREEMENT is made on

2015

BETWEEN

- (1) **ESSEX COUNTY COUNCIL** of County Hall, Duke Street, Chelmsford, Essex CM1 0LX (the "Accountable Body")
- (2) **[INSERT] COUNCIL** of **[INSERT]** (the "Applicant");

WHEREAS

- A. The Growing Places Fund (the "GPF") is a Government capital grant awarded to the South East Local Enterprise Partnership (the "LEP").
- B. The LEP is a strategic body acting on behalf of its members and does not have its own legal identity.
- C. Essex County Council has therefore agreed to act as the Accountable Body for the Growing Places Fund and to facilitate the use of the funds by the LEP.
- D. The Grant to the LEP is to be used as a revolving fund. The fund will be self-financing so that fund resources can be used repeatedly over many years for the benefit of the LEP area to promote economic growth.
- E. The LEP has determined that it will allocate the GPF through loans with upper tier local authorities who will in turn secure repayment through lower tier local authorities and/or landowners/developers via loan agreements.
- F. On the **[INSERT]** the LEP Partnership Board approved in principle funding for the Project in the sum of **[INSERT]**.
- G. On the '-----' 2014 the LEP Executive Group agreed to delegate to Essex County Council as Accountable Body the final sign off.
- H. On the **[INSERT]** the **[INSERT]** Council gave authority for the Applicant to enter into this Loan Agreement.

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following terms and expressions shall bear the following meanings:

“Accountable Body” means Essex County Council being the Agency having responsibility for the legal and financial project management of the GPF on behalf of the South East Local Enterprise Partnership;

“Auditors” means Auditors appointed by the Accountable Body or any other firm of accountants appointed by the Applicant and acceptable to the Accountable Body provided that the Accountable Body shall not unreasonably withhold its acceptance;

“Authorised Signatory” means, in relation to any Person and any communication to be made, or any document to be executed or certified, by that Person, any individual that has been duly authorised by that Person to make such communication or to execute or certify any documents on behalf of that Person;

“Applicant” means The [INSERT] Council;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

“Conditions Precedent” means the pre-conditions to the drawdown as set out in Schedule 2;

“Drawdown Request” means a request for drawdown of the Loan Facility prepared in accordance with the form of drawdown request set out in Schedule 1.

“Drawdown Schedule” means the Drawdown Schedule in respect of the Funding Facility set out in Schedule 4 (*Drawdown Schedule*) or any replacement or substitute delivered or notified to the Applicant by the Accountable Body from time to time in accordance with the terms hereof;

“End Date” means2015;

“Event of Default” means any event or circumstance specified as such in clause 12 (*Events of Default*);

“Facility” means the Loan Facility;

“Final Repayment Date” means the final repayment date shown on the Repayment Schedule;

“Financial Year” means the period commencing on 1 April and ending on 31 March in each year (or such other period selected from time to time by the Applicant with

the consent of the Accountable Body (such consent not to be unreasonably withheld));

“First Repayment Date” means the first repayment date shown on the Repayment Schedule;

“Loan Facility” means the amount of the funding to be offered to the Applicant;

“Insurances” means the insurances required by the Project Documents;

“Intellectual Property” means intellectual property of every description (including, without limitation, patents, copyrights, design registrations, trademarks, service marks and know-how);

“Licences” means all other licences necessary for the lawful operation of the Project or any part of it in the manner, or in any manner reasonably incidental to the manner, required or contemplated in the Project Agreement;

“Local Partner/s” means the third party/ies with whom the Applicant enters into Subordinate Loan Agreements;

“Long-Stop Date” is the date by which the Conditions Precedent should be satisfied;

“Material Entity” means:

- (a) the Accountable Body;
- (b) the Applicant;
- (c) the Parties to Subordinate Loan Agreements;

“Month” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

“Outputs” means the schedule of economic, social and financial Outputs within each individual Subordinate Loan Agreement submitted to and approved by the Accountable Body such approval not to be unreasonably withheld as referred to in Schedule 8;

“Party” means a party to this Agreement;

“Projects” means [the individual projects for the development of Expansion Plan] as more fully described in each Subordinate Loan Agreement;

“Project Agreement” means all matters relating to the Projects as defined in the Project Documents and any other agreements relating to the implementation of the Project;

“Project Documents” means

(a) Each Subordinate Loan Agreement incorporating the following documents as schedules:

- Works Specification;
- Drawdown and Repayment Profiles;
- Project Financial Plan;
- Outputs;
- Project Programme
- Project Risk Register.

“Project Financial Plan” means the financial model in the Agreed Form detailing the Loan Facility income and expenditure prepared on a cash flow basis and including a project risk register delivered to the Accountable Body hereunder pursuant to clause 4 (*Conditions of Utilisation*) as the same may be amended from time to time;

“Project Programme” means a outline programme for the Projects including key milestones to be submitted by the Applicant quarterly and approved by the Accountable Body such approval not to be unreasonably withheld;

“Repayment Date” means the dates given in the Repayment Schedule;

“Repayment Schedule” means the Repayment Schedule in respect of the Funding Facility set out in Schedule 3 (*Repayment Schedule*) or any replacement or substitute delivered or notified to the Applicant by the Accountable Body from time to time in accordance with the terms hereof;

“Representations” means the representations contained in clause 10 of this Agreement;

“Subordinate Loan Agreements” means any agreements entered into between the Applicant and Local Partners necessary to secure implementation of the Projects;

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

“Works Specification” has the meaning ascribed to such term in the Project Agreement.

1.2 In this Agreement, save where the context requires otherwise, the following words, terms and expressions shall have the meanings given to them below:-

- 1.2.1 any reference to **“this Agreement”** includes any subsequent variations and any supplemental agreement made from time to time by agreement between the parties;
- 1.2.2 any reference to the **“Accountable Body”** includes reference to any statutory successors;
- 1.2.3 any reference to **“Party”** or **“Parties”** means a party or the parties to this Agreement;
- 1.2.4 words importing any gender include any other gender. Words in the singular include the plural and words in the plural include the singular;
- 1.2.5 the headings and index are inserted for convenience only and shall have no legal effect;
- 1.2.6 references in this Agreement to any clause, sub-clause or Schedule without further designation shall be construed as a reference to the relevant clause or sub-clause of or Schedule to this Agreement;
- 1.2.7 references to any statute or statutory provision in this Agreement shall be deemed to refer to those provisions as replaced, amended, extended or re-enacted from time to time whether by instruments, orders, bye-laws, statute or by directive or regulation (which is, in the case of a directive or regulation, intended to have direct application within the United Kingdom and has been adopted by the Council of the European Communities) and all statutory instruments or orders made pursuant to it;
- 1.2.8 where consent or approval of any party to this Agreement is required for any purpose under or in connection with the terms of this Agreement it shall be given in writing and within a reasonable time following receipt of a request in writing for such consent or approval;
- 1.2.9 any decision, act or thing which a party to this Agreement is required or authorised to take or do under the Agreement may be taken or done by any person authorised either generally or specially by that party to take or do that decision, act or thing, provided that each party shall provide the other parties with the name of any person so authorised upon receipt from the other of a written request for the same;
- 1.2.10 the term **“person”** includes any individual partnership, firm, trust, body corporate, government, governmental body, authority, agency or unincorporated body of persons or association;
- 1.2.11 the Schedules to this Agreement are an integral part of this Agreement and reference to this Agreement includes reference to the Schedules;
- 1.2.12 the words **“including”** and **“in particular”** shall be construed so as not to limit the generality of any words or expressions in connection with which they are used;
- 1.2.13 in the event of a conflict between any of the terms of this Agreement and the Schedules thereto, the terms shall take priority over the Schedules.

SECTION 2

THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

- 2.1.1 Subject to the terms of this Agreement, the Accountable Body for the LEP makes available to the Applicant the Loan Facility in the amount of **[INSERT]** pounds sterling (the “**Loan Facility**”);
- 2.1.2 Interest will not be charged on the Loan Facility but the Applicant shall account to the LEP for interest only if it has been requested and recovered by the Applicant when loaning the funding to facilitate the Projects as a consequence of default by the Local Partner. For the avoidance of doubt and only in the event that Loan Facility interest is being applied by the Local Partner for state aid purposes and it becomes subject to State Aid Regulations the rate of interest charged on it will be 0.5% lower than the Public Works Loans Board (PWLb) five year rates.

3. PURPOSE

3.1 Purpose

- 3.1.1 The Applicant shall apply all amounts awarded under the Loan Facility to the Projects as defined in the Project Documents. The application of the Loan Facility award by the Applicant shall be by way of Subordinate Loan Agreements which shall comply with the Subordinate Loan Security Requirements set out in Schedule 7 and upon recovery of the funds loaned these shall be paid back into the GPF.

4. CONDITIONS OF UTILISATION

4.1 Duration

- 4.1.1 The Loan Facility will be made available to the Applicant for the period and on the terms agreed between the Applicant and the Local Partners (Parties) to the Subordinate Loan Agreements and must be paid back in accordance with those terms unless:-
- Extended by agreement between the Parties which will vary from project to project.
 - Repaid earlier.
 - Written Off.

4.2. Due Diligence and Recovery of Funding

- 4.2.1 The Growing Places Fund Prospectus (set out in Schedule 5) requires that capital funding is spent on capital projects and the Accountable Body has to ensure that this happens and that funds are allocated and spent in line with

local government accounting procedures including taking into account any state aid issues.

- 4.2.2 The LEP requires under its Terms of Reference (set out in Schedule 6) that decisions should be taken at the practical level closest to the communities and businesses affected by those decisions. The LEP therefore devolves responsibility for funding and delivery to the local partner which in the context of these Projects is the Applicant.
- 4.2.3 The Applicant therefore will be responsible for the funding when delivering this to other Local Partners and shall carry out all necessary due diligence and supervision to ensure that the funding is applied as required in clause 4.2.1.
- 4.2.4 The Applicant agrees to indemnify the Accountable Body against any recall of funding from Central Government together with associated costs if it allows the funding to be used outside of the obligations placed upon the Accountable Body in clause 4.2.1. and such funds are unable to be recovered and have to be repaid.
- 4.2.5 The Applicant is not required to underwrite the Loan Facility as the liability to repay any Loan Facility shall fall on the relevant Local Partner as party to the Subordinate Loan Agreement.
- 4.2.6 If the Project fails and the funding cannot be repaid by the Local Partners), then the sums awarded shall be written off by the LEP.
- 4.2.7 The exercise of the write off ability for the Loan Facility under clause 4.2.5 by the LEP shall be solely subject to the Applicant having carried out all reasonable steps to recover the debt and enter into a Subordinate Loan Agreement which complies with the Subordinate Loan Security Requirements set out in Schedule 7.

4.3 Project Monitoring

4.3.1 The Applicant shall:-

Provide to the Accountable Body, on a six monthly basis from the date of this Agreement until the recovery of the funding or such other decision as the LEP may make to write off the funds, a progress report, such report to include:-

- (a) a statement on the progress of the Projects as against the Project Programme and any likely deviation from the Project Programmes;
- (b) a revised Project Financial Plan with full supporting details;
- (c) an updated schedule of Indicative Outputs clearly indicating outputs which have been achieved and forecast outputs;
- (d) any other changes to the Project Documents together with an explanation of the reasons for any changes;

- (e) other information as may be reasonably requested by the Accountable Body from time to time.
- 4.3.2 procure that the Applicant and/or any other officers of the Applicant as may reasonably be requested by the Accountable Body shall attend such meetings as the Accountable Body may reasonably request to review progress in relation to the Projects;
- 4.3.3 The Applicant shall notify the Accountable Body within 21 days of:-
 - (a) the commencement of the Works; and
 - (b) the Date of Practical Completion of the Works.
- 4.3.4 The Applicant will retain a right to view all accounts and records of the Projects when loaning funds through the Subordinate Loan Agreements) and shall provide to the Accountable Body such accounts and records if so requested.
- 4.3.5 The Applicant as part of its lending terms shall require that all contracts entered into with the Projects are competitively procured in accordance with EU and UK procurement guidelines and regulations (where applicable) and all other relevant local authority regulations (where applicable) and shall pass down to the Projects in the Subordinate Loan Agreements terms able to fulfil the “Subordinate Loan Security Requirements” set out in Schedule 8.
- 4.3.6 The Applicant will notify the Accountable Body and the LEP of any proposed changes to the Project Plan or Project Financial Plan prior to the Applicant making the Drawdown Request.
- 4.3.7 The Applicant will provide at the request of the Accountable Body such information to enable the Accountable Body to comply with the monitoring arrangements required by the LEP and the Department for Communities and Local Government.

SECTION 3

REPAYMENT AND PREPAYMENT

5. REPAYMENT

5.1 Repayment of the Funding Facility

Interest and principal under the Subordinate Loan Agreements will be repaid on each Repayment Date, in accordance with Schedule 3, commencing on the First Repayment Date relating thereto and ending on the Final Repayment Date relating thereto. Such repayments to be made upon receipt of cleared funds. In the event that the Local Partner is in default of the agreed loan repayments then the Applicant shall not be required to make up the deficit but shall be required to use all reasonable endeavours to collect the amounts outstanding. All amounts outstanding under or in respect of the Funding Facility shall be repaid in full by the Final Repayment Date unless the LEP have made a decision to write off the balance owing.

5.2 No Borrowing

Unless otherwise agreed by both parties, no part of the Loan Facility which is repaid may be reborrowed under the Subordinate Loan Agreements.

5.3 Voluntary prepayment

5.3.1 The Applicant may, if it gives the Accountable Body not less than 7 days (or such shorter period as may be agreed) prior written notice prepay the whole or any part of the Funding Facility provided that (i) such prepayment is in a minimum amount of £50,000 and (2) the Applicant has demonstrated to the satisfaction of the Accountable Body that no Funding Shortfall would result therefrom.

5.3.2 Any prepayment under this clause shall satisfy the obligations under clause 0 pro rata. Following any prepayment the Accountable Body shall make appropriate adjustments to the Repayment Schedule and notify the Applicant in writing of the same.

SECTION 4

6. DRAWDOWN OF THE FACILITY

6.1 Delivery of Drawdown Request

- 6.1.1 Once the Conditions Precedent as set out in Schedule 2 are satisfied, the Applicant may utilise the Facility by delivering to the Accountable Body, not later than ten working days the proposed drawdown date for the Funding Facility as set out in the Drawdown Schedule, together with a duly completed Drawdown Request.
- 6.1.2 The Drawdown Request should be substantially in the form set out in Part 1 (*Form of Drawdown Request*) of Schedule 1 (*Requests and Notices*) and shall be delivered to the Accountable Body which shall oblige the Applicant to apply for the requested amount on the terms and conditions stated in this Agreement.

6.2 Completion of Drawdown Request

Each Drawdown Request delivered to the Accountable Body shall specify:

- 6.2.1 The Project the proposed drawdown relates to and the proposed Drawdown Date;
- 6.2.2 The requested amount, which shall be an amount:
 - 6.2.2.1 which is less than, or equal to, the amount shown in the Draw Down Schedule; and
 - 6.2.2.2 is which has been certified by the Section 151 Officer or his authorised representative and is supported by evidence that the Project is proceeding in accordance with the Project Programme and the Project Finance Plan.
- 6.2.3 The Accountable Body agrees with the Applicant that the Applicant may apply with the Accountable Body's consent such consent not to be unreasonably withheld for a later or deferred draw down of the Loan Facility as set out in Schedule 4 provided the Applicant gives to the Accountable Body 30 days' notice of such a request.

Unless the Parties agree the Accountable Body will not permit the Applicant to apply for an earlier drawdown of the Loan Facility.

SECTION 5
COSTS OF UTILISATION

7. INTEREST

7.1 Calculation and payment of interest in the Subordinate Loan Agreements

The rate of interest for the Subordinate Loan Agreements shall be the Interest Rate paid in accordance with the timescales set out in the Repayment Schedule.

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

8. TAX GROSS UP AND INDEMNITIES

8.1 Tax gross-up

- 8.1.1 The Applicant shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- 8.1.2 The Applicant shall promptly upon becoming aware that the Applicant must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Accountable Body accordingly. Similarly, the Accountable Body shall notify the Applicant on becoming so aware in respect of a payment payable to the Accountable Body.
- 8.1.3 If a Tax Deduction is required by law to be made by the Applicant, the amount of the payment due from the Applicant shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

8.2 Stamp taxes

The Accountable Body shall send details of any stamp taxes under this clause to the Applicant immediately they are known and the Applicant shall pay and, within three Business Days of demand, indemnify the Accountable Body against any cost, loss or liability that the Accountable Body incurs in relation to all stamp duty, stamp duty land tax, registration and other similar Taxes payable in respect of this Agreement.

9. COSTS AND EXPENSES

9.1 Transaction expenses

Each Party shall pay its own costs and expenses (including legal fees and all other fees) incurred by any of them in connection with the negotiation, preparation, printing, execution of this Agreement and any other documents referred to in this Agreement in the agreed amount.

9.2 Enforcement costs

The Applicant shall, within three Business Days of demand, pay to the Accountable Body the amount of all costs and expenses (including legal fees) incurred by the Accountable Body in connection with the enforcement of, or the preservation of any rights under this Agreement.

SECTION 7

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

10. REPRESENTATIONS

The Applicant represents and warrants on the date of this Agreement that:

10.1 Status, Power and Authority:

- 10.1.1 it is a Local Authority and validly existing under the laws of England and Wales;
- 10.1.2 it has the power to enter into the Project Documents to which it is to be a party and to exercise its rights and perform its obligations thereunder; and
- 10.1.3 all corporate and other action required to authorise its execution of the Project Documents to which it is expressed to be a party and its performance of its obligations thereunder has been duly taken.

10.2 Binding Obligations:

- 10.2.1 the obligations expressed to be assumed by it in each Project Document to which it is expressed to be a party are legal, valid, binding and enforceable obligations;

10.3 Non-conflict with other obligations:

- 10.3.1 the entry into and performance by it of, and the transactions contemplated by the Project Documents to which it is to be a party do not and will not conflict with:
 - 10.3.1.1 any law or regulation applicable to it;
 - 10.3.1.2 its constitutional documents; or
 - 10.3.1.3 any agreement or instrument to which it is expressed to be a party which is binding upon it or any of its assets.

10.4 Power and Authority:

- 10.4.1 it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Project Documents to which it is a party and the transactions contemplated by those Documents;

10.5 Validity and admissibility in evidence, all authorisations required or desirable:

- 10.5.1 all Authorisations required or desirable:
 - 10.5.1.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Project Documents to which it is a party;

10.5.1.2 to ensure that the obligations expressed to be assumed by it in the Project Documents to which it is expressed to be a party are legal, valid, binding and enforceable; and

10.5.1.3 to make the Project Documents to which it is party admissible in evidence in England and Wales,

have been obtained or effected and are in full force and effect.

10.6 Compliance with Laws and Documents:

10.6.1 to the best of the knowledge, information and belief having made all due and careful inquiry, it is in full compliance with (a) each law, statute, decree, rule or regulation and (b) each Authorisation and Licence required to be in effect which (in each such case) is applicable to the Applicant;

10.6.2 to the best of the knowledge, information and belief having made all due and careful inquiry, the Applicant is not in default of its obligations under the Project Documents.

10.7 Filings:

10.7.1 it is not necessary that any of the Project Documents be filed, recorded or enrolled with any court or other authority in England and Wales or that any stamp, registration or similar Tax be paid on, or in relation to, the Project Documents or the transactions contemplated by the Project Documents (subject to all necessary registrations of the Security Documents with the Companies Registry of England and Wales and the Land Registry.

10.8 No Default:

10.8.1. No Default or Event of Default has occurred and/or is continuing or might be expected to result from the making of any Loan;

10.8.2 No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject.

10.9 Intellectual Property:

10.9.1 the Applicant is or will be entitled to the use of any such Intellectual Property rights as are necessary for the implementation of the Projects and which are or might be expected to be material in the reasonable opinion of the Accountable Body and is not aware of any challenge or objection by any third party to the use of any such Intellectual Property rights.

10.10 State Aid:

10.10.1 the Applicant having carried out the necessary investigations is satisfied that the Projects do not contravene the State Aid provisions.

10.11 Financial Representations

No winding-up:

- 10.11.1 it has not taken any corporate action and no proceedings or formal steps (including legal proceedings) have been taken, started or threatened against it for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrative receiver, manager, administrator, trustee, judicial factor or similar officer of it, or any of its material assets;
- 10.11.2 as at the date of this Agreement it has not received notice that any of the action, events or circumstances referred to in clause 00 have occurred in respect of any other Material Entity.

10.12 No litigation:

- 10.12.1 no litigation, arbitration or administrative proceedings or action has been formally started or threatened in relation to it;
- 10.12.2 no notice has been received by the Applicant that:
 - (a) any litigation, arbitration or administrative proceedings or action has been formally started or threatened in relation to any other Material Entity which either has a material adverse effect or if such proceeding action or dispute were adversely determined, could have a material adverse effect; and
 - (b) no notice has been received of any dispute under the Project Documents.

10.13 Documents:

- 10.13.1 the Applicant has provided to the Accountable Body originals or true copies of all Project Documents and every material agreement and document relating to the Projects to which it is (or will be) expressed to be a party or under which it has or is likely to have any material liability. There are no agreements or other documents in existence which replace any such Project Documents which would affect its interpretation or application and the Applicant has not entered into any other material contract other than the Project Documents to which it is expressed to be a party;
- 10.13.2 all of the representations and warranties of it under the Project Documents to which it is a party (other than this Agreement) were true and correct when made and, if applicable under the Project Documents (other than this Agreement), when repeated; and
- 10.13.3 the Project Documents (if performed in accordance with their terms) confer on the Applicant rights and entitlements which are sufficient to enable the Local Partners carry out their obligations under the Projects.

10.14 Insurances:

- 10.14.1 all Insurances which are required by the terms of the Project Documents to be maintained or effected by it or any other person, have been duly effected and

remain in full force and effect and there has been no failure to disclose or any other event or circumstance which is likely to entitle any insurer to avoid the same or to reduce its liability thereunder to an amount less than the limit of liability expressly stated in the relevant policy (taking into account any applicable excesses) and (i) the relevant Insurer is appropriately financially sound and rated within the Insurance Industry and (ii) the Applicant undertakes to the Accountable Body to confirm such rating of the Insurer upon each renewal of the Insurances;

10.15 Force Majeure or Relief Event:

10.15.1 no force majeure event or relief event as defined and used within the Subordinate Loan Agreement has occurred and is continuing.

10.16 Subsidiaries/Joint Ventures:

10.16.1 the Applicant has not entered into any joint venture, income sharing or other similar arrangement with any person other than pursuant to and as permitted by, the Project Documents.

10.17 Corrupt gifts:

10.17.1 the Applicant has not offered, given or agreed to give, to any person employed by it or on its behalf (or any other public body) any gift or consideration of any kind as an inducement or reward for doing or having done or not doing any act in relation to the obtaining for execution of any Project Document or for showing or for not showing favour or disfavour to any person in relation to such Project Document; and

10.17.2 the Applicant has not entered into any Project Document in connection with which commission has been paid or agreed to be paid by it or on its behalf to its knowledge;

10.18 Repetition

10.18.1 each of the representations in this clause 10 are deemed to be made by the Applicant by reference to the facts and circumstances then existing on the date of this Agreement and on each Repayment Date.

11. GENERAL INFORMATION UNDERTAKINGS

11.1 Litigation

The Applicant will promptly upon becoming aware of them deliver to the Accountable Body details of any litigation, arbitration or administrative proceedings which, are current, pending or threatened against it and take all reasonably necessary steps for the remedy of any notice of default, adverse claim or adverse demand made by any person against it (as the case may be), where the same has or could reasonably be expected to have a material adverse effect and by way of defence and protection against any such adverse claim or demand, including (but not limited to) the employment of legal advisers for the protection or defence of litigation and the context, release or discharge of any such claim or demand.

11.2 Assignment

11.2.1 The Applicant shall not consent to any assignment of any of its rights to the obligations and interest in any of the Project Documents;

11.2.2 The Applicant shall promptly, as soon as it becomes aware of the same, notify the Accountable Body of any (a) breach of any Project Document and (b) information, fact or event which might reasonably be expected.

12. EVENTS OF DEFAULT

Each of the events or circumstances set out in this clause 12 is an Event of Default.

12.1 The Applicant shall notify the Accountable Body promptly after becoming aware of the same of the occurrence of any Default and of any action taken or proposed to be taken to remedy it or mitigate its effect.

12.2 Non-payment

The

12.2.1 its failure to pay is caused by administrative or technical error; and

12.2.2 payment is made within two Business Days of its due date in relation to any scheduled payment and within five Business Days of the due date therefor in respect of any other payment; or

12.2.3 payment is not made due to non-payment of the Subordinate Loan Agreements.

12.3 Other obligations

12.3.1 Failure by the Applicant to comply with any provision of this Agreement;

12.3.2 Failure of the works to be undertaken by the Local Partner in accordance with the Project Documents;

12.3.3 Breach of Representation Warranty or Undertaking contained in this Agreement.

12.4 Misrepresentation

Any representation or statement made or deemed to be made by any Material Entity in the Project Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Project Document is or proves to have been incorrect or misleading in any material respect when made and is or might be expected to be material in the reasonable opinion of the Accountable Body.

12.5 Insolvency

Any Material Entity is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a

view to rescheduling any of its indebtedness which it would otherwise not be able to pay as it fell due.

12.6 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken against a Material Entity in relation to:

- 12.6.1 the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration (including any person taking any action, or any legal proceedings are started, or any steps are taken for making an administration application or for the appointment of an administrator) or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of a Material Entity;
- 12.6.2 a composition, assignment or arrangement with any creditor;
- 12.6.3 the appointment of a provisional liquidator, liquidator (other than in respect of a solvent liquidation of a Material Entity the terms of which have previously been approved in writing by the Accountable Body), receiver, administrator, administrative receiver, compulsory or interim manager or other similar officer in respect of Material Entity or any of its assets; or
- 12.6.4 a moratorium is declared in respect of any indebtedness;
- 12.6.5 enforcement of any security over a Material Entity,

or any analogous procedure or step is taken in any jurisdiction.

12.7 Acknowledgement of insolvency

The directors of any Material Entity, or any creditor of the Material Entity or any of its members requests, the appointment of a receiver, administrative receiver, manager, administrator, trustee, judicial factor or similar officer in respect of that Material Entity or the whole or any part of its undertaking or assets (other than in connection with a solvent reconstruction, the terms of which have previously been approved in writing by the Accountable Body).

12.8 Creditors' process

Any:

- 12.8.1 security over any asset of a Material Entity becomes enforceable; or
- 12.8.2 any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a Material Entity;
- 12.8.3 having an aggregate value of £100,000.00 (One Hundred Thousand Pounds sterling) is not discharged within 21 days.

12.9 Nationalisation

- 12.9.1 The government of the United Kingdom or any governmental agency of that government takes, or states officially that it proposes to take, any step with a

view to the requisition or acquisition in whole or in part of the Applicant, any of its respective assets or, where the same has a Material Adverse Effect, of any other Party to any Project Document or any of its assets;

12.9.2 All or any part of the Site are requisitioned;

12.9.3 The government of the United Kingdom or any governmental agency takes any step with a view to the material adverse regulation, administration or limitation of, or the assertion of any form of adverse administrative control over, rates applied, prices charged or rates of return achievable by the Applicant in connection with the Project.

12.10 Where an Event of Default occurs, the Accountable Body may by notice in writing to the Applicant;

12.10.1 suspend or alter the timing of any Facility;

12.10.2 vary the Facility;

12.10.3 require the relevant Local Partner to repay the whole or any part of the Facility and the Local Partner agrees that upon receipt of notice from the Accountable Body requiring repayment it will repay the sums required, the Accountable Body's Administration Expenses and interest from the date of the relevant Facility payment until such sum is repaid unless the LEP decide to write off the balance of the Facility owing due to the Local Partner being unable to meet the terms of the Subordinate Loan Agreements;

12.10.4 if first agreed with the Applicant, require the Local Partner to prepare a plan to remediate and/or mitigate the effects of the Event of Default and submit the plan to the Accountable Body within 5 Working Days of the request for a plan; and/or

12.11 Suspension of Funding

12.12 Exercise of rights without prejudice

The exercise by the Accountable Body of its rights under Clause 12 shall be without prejudice to any other right of action or remedy of the Accountable Body in respect of any breach by the Applicant of the provisions of this Agreement.

SECTION 8

ASSIGNMENT

13. ASSIGNMENT

This Agreement is personal to the Applicant who shall not without the prior approval of the Accountable Body (in its absolute discretion) assign, transfer, revoke, charge or deal in any other manner with this Agreement its rights and/or obligations under it or part of it, or purport to do any of the same, or sub-contract any or all of its obligations under this Agreement.

SECTION 9
ADMINISTRATION

14. PAYMENT MECHANICS

14.1 Payments to the Accountable Body

Payment shall be made to such account as the Accountable Body shall specify.

14.2 Partial payments

14.3 No set-off by the Applicant

All payments to be made by the Applicant under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

14.4 Business Days

14.4.1 Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

14.4.2 During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

14.5 Notices

14.5.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

14.5.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

in the case of the Applicant **[INSERT]**; and

in the case of the Accountable Body, **[INSERT]** of County Hall, Duke Street, Chelmsford Essex CM1 1LX

or any substitute address, fax number or department or officer as the Party may notify to the Accountable Body (or the Accountable Body may notify to the other Parties, if a change is made by the Accountable Body) by not less than five Business Days' notice.

Delivery

14.5.3 Any communication or document made or delivered by one person to another under or in connection with the Project Documents will only be effective:

- (i) if by way of email, sent to the address at clause 14.5.2 above; or
- (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under clause 14.5.2 (*Addresses*), if addressed to that department or officer.

14.5.4 Any communication or document to be made or delivered to the Accountable Body will be effective only when actually received by the Accountable Body and then only if it is expressly marked for the attention of the department or officer identified in clause 14.5.2 (or any substitute department or officer as the Accountable Body shall specify for this purpose).

14.5.5 All notices from or to the Applicant shall be sent through the Accountable Body.

14.6 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to clause 14.5.2. (*Addresses*) or changing its own address and fax number, the Accountable Body shall notify the other Parties.

14.7 Electronic communication

Any communication to be made between the Accountable Body and the Applicant may be made by electronic mail or other electronic means, if the Accountable Body and the Applicant:

14.7.1 agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

14.7.2 notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

14.7.3 notify each other of any change to their address or any other such information supplied by them.

14.7.4. Any electronic communication made between the Accountable Body and the Applicant will be effective only when actually received in readable form and in the case of any electronic communication made by the Accountable Body to the Applicant only if it is addressed in such a manner as the Accountable Body shall specify for this purpose.

15. CALCULATIONS AND CERTIFICATES

15.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by a Party are prima facie evidence of the matters to which they relate.

15.2 Certificates and Determinations

Any certification or determination by the Accountable Body of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

15.3 Day count convention

Any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

16. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

17. CONFIDENTIALITY

The Parties agree that they will not make, or permit or procure any other person to make, any announcement or disclosure of any details of the transaction (including any details of the Facility) contemplated hereby without first obtaining the prior written consent of the other, such consent not to be unreasonably withheld or delayed.

18. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Accountable Body, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

19. AMENDMENTS AND WAIVERS

19.1 Required consents

Subject to clause 19.2 (*Exceptions*) any term of this Agreement may be amended or waived only with the consent of the Parties and any such amendment or waiver will be binding on all Parties.

19.2 Exceptions

An amendment or waiver that has the effect of changing or which relates to:

- 19.2.1 an extension to the date of payment of any amount under this Agreement;
- 19.2.2 a reduction in the amount of any payment of principal, interest, fees or commission payable;
- 19.2.3 an increase in or an extension of the Facility;

shall not be made without the prior consent of the Accountable Body.

20. THIRD PARTY RIGHTS

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

21. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

22. GOVERNING LAW

This Agreement is governed by English law.

23. ENFORCEMENT

Jurisdiction of English courts

- 23.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "Dispute").
- 23.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

The Draw Down Request

Amount already drawn down £x

Amount in Draw Down Schedule £x

Amount requested £x

Evidence attached in accordance with clause 6.2.2

Signed Duly Authorised Officer

SCHEDULE 2

Conditions Precedent

Are as follows:

1. A Certified Copy of a resolution of the Applicant approving the terms of this Agreement A certificate of the Applicant (signed by a Member/Authorised Officer) confirming that:
 - 1.1 Entering into the Funding Facility would not cause any borrowing, guaranteeing or similar limit binding on the Applicant to be exceeded;
 - 1.2 in respect of each Project Documents to which it is a party, the Applicant has power to enter into and perform its obligations under such documents and has taken all corporate action to authorise its execution of such documents and its obligations under such documents are legal, valid and binding obligations.

Repayment Schedule

Credit Facility (£)

27

SCHEDULE 4
Drawdown Schedule

[INSERT]

SCHEDULE 5
PROJECT

SCHEDULE 6

The South East Local Enterprise Partnership Terms of Reference

South East LEP (South East Local Enterprise Partnership)

SE LEP Governance and Terms of Reference

DECEMBER 2014

1. PURPOSE, OBJECTS AND PRINCIPLES

1.1. Role of the Local Enterprise Partnership

1.1.1. The South East Local Enterprise Partnership (the LEP) is a strategic body, which brings together the public and private sectors to support economic growth in its constituent areas.

1.1.2. It shall:

- a) Progress priorities of cross-border economic importance where there is real synergy and added value in working together;
- b) Support the conditions through which a more creative, responsive and flexible working relationship can exist between business and government at all levels;
- c) Seek resources, freedoms and flexibilities to progress strategic growth priorities; and
- d) Operate in the spirit of transparency, openness and collaboration to support the public interest.

1.1.3. In pursuit of this role, the LEP may act to bring together intelligence, expertise and community and business support to identify priorities and develop solutions to maximise the LEP area's economic opportunities and address barriers to growth.

1.2. Legal status

1.2.1. The LEP is an informal partnership. It does not have legal status to enter into contracts and will act through one of its county/unitary local authority partners as Accountable body.

1.3. Subsidiarity

1.3.1. The LEP operates on the principle of subsidiarity. This means that decisions should be taken at the practical level closest to the communities and businesses affected by those decisions.

1.3.2. The LEP therefore:

- a) Only considers priorities consistent with 1.1 above; and

- b) Devolves responsibility for local prioritisation, funding and delivery to local partners as appropriate.

1.3.3. The LEP does not seek to establish a uniform sub-structure. Rather it recognises that partners may come together in a variety of forms to address particular issues; that these may change over time; and that this dynamism is part of the LEP's success.

2. GOVERNANCE

2.1. General

2.1.1. The LEP shall be governed by the SE LEP Strategic Board.

2.2. Local Enterprise Partnership Strategic Board

2.2.1. The LEP Board shall be responsible for:

- a) setting the strategic direction and priorities of the LEP;
- b) satisfying themselves that the business plan is in accordance with the strategic direction and that the milestones are sufficiently ambitious;
- c) considering and agreeing a position on major items of strategic importance;
- d) monitoring performance of the operations and activities of the LEP;
- e) ensuring that funds delegated or assigned to the LEP for investment, where the Board has determined a method of allocation, are being implemented to best effect on behalf of government; and
- f) deciding how the activities of the LEP should be delegated.

Additionally, the SE LEP Strategic Board should take a leading role in:

- a) Providing strategic leadership in agreeing SE LEP's overarching strategic vision and priorities (ie Strategic Economic Plan);
- b) Championing the SE LEP area as a whole where appropriate for growth and jobs;
- c) Supporting pan-LEP activity on SEFUND, Rural and Coastal regeneration, U9 Universities activity, CORE, priority sectors as appropriate (eg Creative) and the Growth Deal;
- d) Using the scale and influence of the LEP to promote and communicate shared priorities to Government and those of local importance.

The LEP Strategic Board shall also establish in partnership with the county/unitary authorities a SE LEP Accountability Board to become

the main performance management structure within the LEP. Working closely with local area accountability arrangements, the SE LEP Accountability Board will provide the accountability structure for decision-making and approval funding within the overarching vision of the Board which will satisfy the accountability processes for the Accountable Body.

The membership and terms of reference of the SE LEP Accountability Board shall become an Appendix to this paper.

LEP Board membership

2.2.2. The LEP Board shall be constituted as follows:

- a) The Chair of the LEP Board (in addition to the representatives below);
- b) 5 business representatives from Essex, Southend & Thurrock;
- c) 4 business representatives from Kent and Medway;
- d) 3 business representatives from East Sussex;
- e) 5 local government representatives from Essex, Southend & Thurrock, of which 3 must be from Thames Gateway South Essex;
- f) 4 local government representatives from Kent and Medway;
- g) 3 local government representatives from East Sussex;
- h) 1 representative of the higher education sector;
- i) 1 representative of the further education and skills sector.

2.2.3. Each of the areas shall determine their own processes for the selection and term of office of their representatives.

2.2.4. The process for selecting representatives from business and local government shall be determined within each of the areas. The process for selecting the HE/ FE representatives shall be determined by the HE/FE sectors.

Chair

2.2.5. The LEP Board shall have a private sector Chair.

2.2.6. The chair shall be appointed by the Board, with their performance subject to annual review.

2.2.7. Duties of the Chair will be:

- a) to chair and ensure the smooth and effective operation of the Board;
- b) to lead on the development of strategy;

- c) to participate in the appointment of and directly manage the Director of the LEP bringing any significant performance or staffing issues to the attention of the Board and the accountable body;
- d) to ensure the secretariat is operating effectively and within its mandate, that budgets are appropriately applied and that proper policies and processes are in place and observed;
- e) to ensure effective liaison with all constituents of the LEP and government and to undertake representation / communication / lobbying activity as required according to the business plan or emerging strategies or needs; and
- f) to comply with any reporting requirements of the accountable body.

2.2.8. The Board will have three vice-chairs, one each covering Essex, Southend & Thurrock; Kent & Medway; and East Sussex. The vice-chairs will be drawn from the private sector and will be determined by each of the three areas.

Representation and attendance

2.2.9. It is important that attendance at the LEP Board is at a consistent and senior level. For local authorities, this will normally be at Leader level or equivalent.

2.2.10. Each member of the Board can name one alternate to attend in his / her place who is authorised to take decisions on his / her behalf. Alternates from local authorities shall be elected members or a representative of the Leader mandated to take decisions.

2.2.11. For the Board to be quorate at least 14 members must be present. Of these at least 3 representatives must be from the 6 county/unitary councils. In addition there must also be 1 business representative from each of the areas of: Essex, Southend & Thurrock; Kent & Medway; and East Sussex.

2.2.12. Only members of the Board or their alternates may sit at the meeting table and vote. Others may attend and take part by the invitation of the Chair.

2.2.13. Officers and members of bodies participating in the LEP but not invited to attend and participate may attend as observers. The number of observers may be limited at the discretion of the Chair.

2.2.14. Meetings of the Board are open to the press and public as observers, with the exception of any items that should be treated confidentially for commercial or other reasons. Filming or recording of proceedings need to be agreed in advance with the Secretariat.

Decisions

- 2.2.15. The Board shall operate on the basis of consensus.
- 2.2.16. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 50% of those present. All matters to be considered for decision must have been circulated in writing to all members of the Board at least 2 clear working days before the meeting. No decision can be taken without notice having been given.
- 2.2.17. In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. Such meetings shall be coordinated by the Secretariat, and shall operate according to the provisions of paragraph 2.2.16.
- 2.2.18. Alternatively, the Chair may decide to seek agreement to a proposal via Electronic Procedure. In such cases, the Secretariat shall write to each Board member requesting agreement to a specified course of action. Board Members shall be given no fewer than five working days to respond to the Secretariat. For a decision to be made, the provisions of paragraph 2.2.16 shall apply. For a decision to be taken by Electronic Procedure, the number of members participating and the composition of those members must be as required for a quorate meeting. Over 50% of members responding to the request must indicate agreement to the proposal.
- 2.2.19. All decisions made by Electronic Procedure shall be ratified at the next scheduled meeting of the Board.

Meetings and papers

- 2.2.20. The Board will meet 3-4 times a year. A calendar of future meetings will be set for a year at a time.
- 2.2.21. The agenda and papers for meetings shall be approved by the Chair and issued at least 5 working days in advance of the meeting.
- 2.2.22. The agenda and papers shall be disseminated by the Secretariat, with the agreement of the Chair. Board members wishing to propose items for the agenda should contact the Secretariat. Final papers for Board discussion shall be made available on the LEP website as soon as they are disseminated to the Board, except for papers which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data.
- 2.2.23. Minutes of meetings of the Board shall be approved in draft form by the Chair and disseminated to Board members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Board at the Board's next meeting.
- 2.2.24. Minutes shall be made publicly available on the LEP website no more than five working days following approval by the Board, except for minutes which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data. Any minutes which are not

released into the public domain will be stored confidentially by the secretariat.

Conflicts of interest

2.2.25. The Board shall ensure that all conflicts of interest are fully disclosed.

2.2.26. The Secretariat shall maintain a Register of Board Members' Interests. This shall include all company directorships, trusteeships, elected offices, remunerated posts and other relevant interests. The Register of Board Members' Interests shall be made available to any interested party at any time. Board members shall supply information to the Secretariat for inclusion in the register, or a nil return, on joining the Board, in response to any request for an update and on becoming aware of any new interest. The secretariat will circulate a request for information about interests annually.

2.2.27. Should a Board Member's interests change, s/he shall inform the Secretariat at the earliest opportunity.

2.2.28. Should an issue be discussed by the Board which presents a conflict of interest to a Board member, the Board Member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Board Members' Interests. Such declarations shall be minuted. A Conflict of Interest may pertain to the interest of a partner, family member, close friend or organisation associated with a Board member. For example if a partner, family member or close friend may be affected by a decision (to a greater extent than the majority of Council tax payers in the area will be affected) then the member should declare an interest and abstain from discussion and may be asked to withdraw at the Chairman's discretion. If the member is associated with an organisation (other than a local authority) as employee, director, contractor, trustee, member or shareholder and that organisation may be particularly affected by a decision then that board member should withdraw from any discussion and may not vote on the matter.

2.2.29. Board Members shall not vote or participate in discussions on any issues on which they have registered an interest.

Sub groups

2.2.30. The Board may initiate task and finish groups to undertake work to further the Board's objectives. Such groups must have clear terms of reference agreed with the Chair, shall be fully accountable to the Board and shall cease operation when their work is complete. Each sub group must have both elected council member and business representation or involvement.

2.2.31. Within this framework, the Board may agree sub-committees such as that for an investment fund, establish technical working groups to support activities and recognise linked sector or geographical groupings which support the LEP's ambitions and operation.

3.1. Secretariat

3.1.1. The Board shall appoint a Secretariat. The Secretariat shall consist of one or more named individuals with specific responsibility for:

- a) ensuring the efficient administration of the Board;
- b) ensuring the Board operate within their terms of reference;
- c) providing information and support to the Chair;
- d) monitoring work commissioned by the Board and reporting on progress to the Board;
- e) co-ordinating the production of papers and agenda items, in liaison with the officer Support Group (see Section 3.2);
- f) managing communications activity on behalf of the LEP;
- g) undertaking such tasks as directed by the Board, Chair and Vice Chairs;
- h) ensuring compliance with Financial Regulations of the Accountable Body;
- i) ensuring that an appropriate process is followed for setting of budgets and preparation of accounts within the LEP which are approved by the accountable body; and
- j) Reporting to the Accountable Body as required by it.

The secretariat will be employed by an upper tier local authority and will work within the policies and procedures of the employing body.

3.1.2. The costs of the Secretariat and any financial liabilities of the accountable body resulting from being the accountable body of the LEP shall be borne equitably between the six upper tier authorities using population figures as the basis for calculating their contribution. Financial contribution towards secretariat costs may be used as a contribution to match funding made available from government or other sources and should be agreed annually.

3.2. Senior Officer Group

3.2.1 The Secretariat shall be supported by a Senior Officer Group (SOG). The SOG shall consist of officers employed by LEP Board member organisations (presently usually one from each of the county/unitary authorities but other officers may also participate from time to time), and shall be responsible for preparing papers as required, undertaking specific pieces of work as mandated by the Board or Executive Group.

3.2.2 The SOG shall be convened by the Secretariat according to business need. It shall have no fixed membership, and may expand or contract over time.

- 3.2.3 The SOG shall have no decision-making powers. It exists purely to expedite the business of the LEP and to provide support and advice to the Secretariat.

3.3 Communications

- 3.3.1 The Board shall operate on the basis of transparency, openness and good communications.
- 3.3.2 The Board shall be responsible for the LEP's communications strategy. This shall include communications to Board members, participating organisations and the wider public and shall include the maintenance of an up-to-date, relevant and accessible website. The Secretariat shall be responsible for implementation of the communications strategy.

4. AMENDMENTS TO TERMS OF REFERENCE

- 4.1 The Board may amend these terms of reference at any time, according to the procedure in paragraph 2.2.16.

Amendments were agreed by the Board in December 2014 to establish the SE LEP Accountability Framework. They were previously amended in December 2013 and agreed by the SE LEP Board on 14th February, 2014. (These replace those drafted September 2012 and agreed by SE LEP Full Board on 12th October 2012 and the Governance & Terms of Reference agreed at the Interim SE LEP Board Meeting 14th March 2011).

SCHEDULE 7

The Subordinate Loan Security Requirements

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EXECUTION PAGES

IN WITNESS WHEREOF this Agreement has been duly executed as a deed on the date stated at the beginning of it.

The Accountable Body

The **COMMON SEAL of ESSEX**)
COUNTY COUNCIL)
)
was hereunto affixed in the presence)
of)

Attesting Officer

The COMMON SEAL of the [INSERT]

was hereunto affixed in the presence of

.....

Authorised Signatory

APPENDIX C

Strategic Economic Plan

2

Strategic Economic Plan

Built up from local areas, Chapter 2 outlines the opportunities and challenges across the SE LEP area. It provides the economic context and outlines our approach to creating the conditions for growth and forms our Strategic Economic Plan.

"When Lord Heseltine and I met the LEP earlier this year, we were encouraged by the direction that the proposal set out, particularly in addressing transport bottlenecks and support for small and medium-sized businesses."

Rt Hon. Greg Clark MP

Minister of State
Cabinet Office

Walling St, linking the port of Dover and London was paved by the Romans, became the first turnpike in Britain and is now covered by the A2 trunk road. In the 21st Century, our seaports, airports, rail networks, and motorway and trunk road networks, linking London and the UK with the rest of the world - will continue to be vital national economic assets. These assets are key to the nation's future economic prosperity.

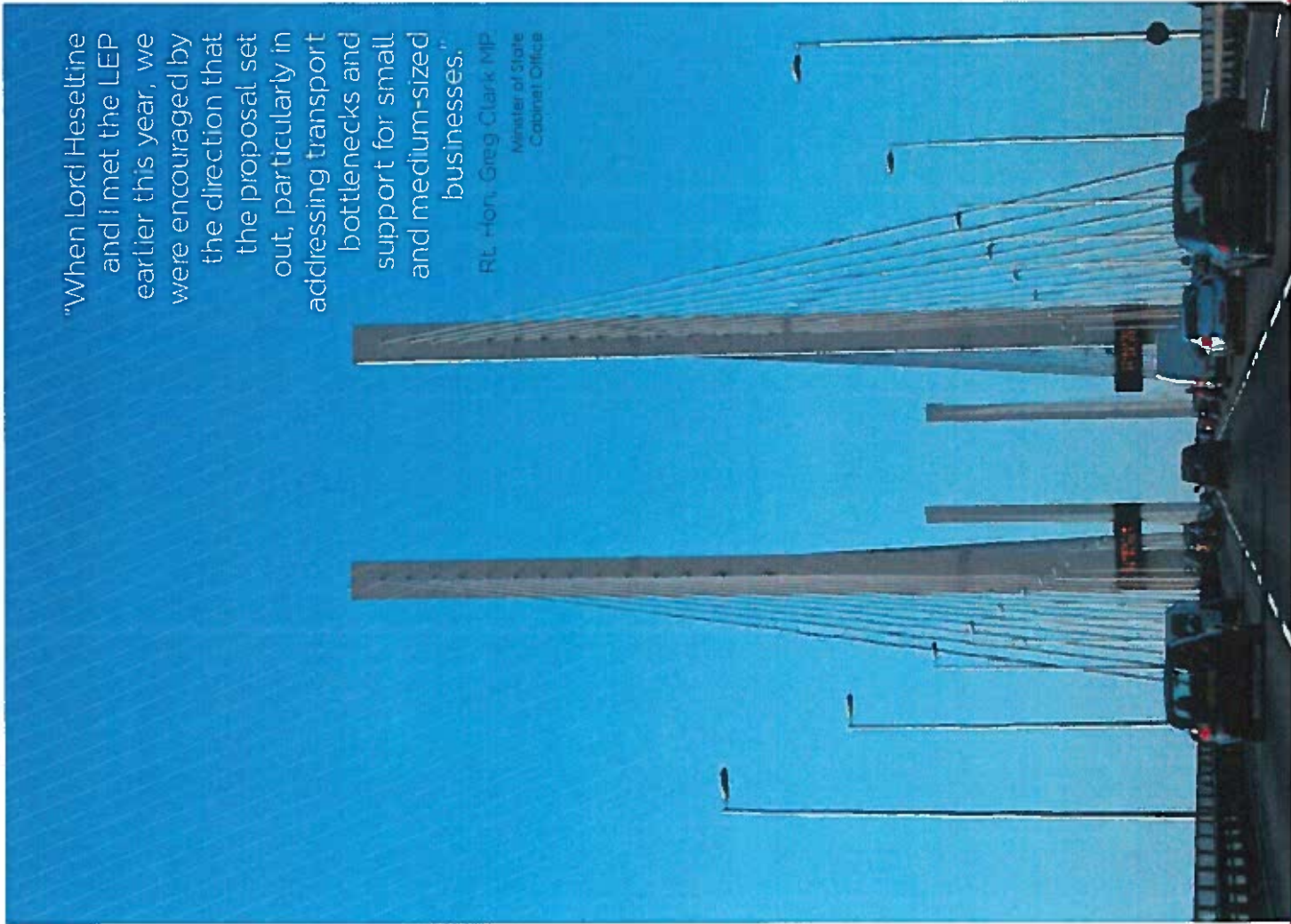
Our relationship with London is a central factor in the SE LEP economy. Over 270,000 people work in London and live in the SE LEP area - some 10.7% of our working age residents - and the proportion is much higher in those SE LEP districts closest to London. Many London companies rely on SE LEP businesses to supply a wide range of goods and services - particularly for logistics, in the creative industries, manufacturing and for a wide range of back office business functions. In the 21st Century, the Thames Gateway and the South East LEP area as a whole, will be London's premier expansion location and the prospects for sectors linked to the London economy are strong.

Now, SE LEP is home to the nation's largest concentrations of ports, transport and logistics firm advanced manufacturing companies (in Basildon) and has strong clusters of companies in life sciences, creative and cultural industries health, and land based industries and tourism. The first of a new generation of garden cities at Ebbsfleet is a further example of SE LEP's strong growth prospects.

In light of our relationship with London, and these diverse economic strengths, the ONS forecasts that SE LEP's population will increase by 6.9% to 4,388,000 in 2021. This will result from both local natural growth and net in-migration from elsewhere in the UK, particularly London.

These prospects for economic and population growth are the foundation for our ambitions

These prospects for economic and population growth are the foundation for our ambitions.



SE LEP's sea ports and the road and rail networks that serve them provide the UK's most important gateway to the rest of the world.



Our Growth Ambitions

2.2 Our ambition is to :

- enable the creation of 200,000 sustainable private sector jobs over the decade to 2021, an increase of 11.4% since 2011;
- complete 100,000 new homes by 2021, which will entail, over the seven years, increasing the annual rate of completions by over 50% by comparison with recent years; and
- lever investment totalling £10 billion, to accelerate growth, jobs and homebuilding.

2.3 Furthermore, we will recognise the need to invest in the Thames Gateway and our Coastal Communities to further contribute to the growth of the London economy and also to address the challenges of our coastal communities.

2.4 Without the implementation of our SEP, a proportion of this growth is likely to take place anyway - depending on the underlying strength of the UK economy. We know, however, that some of this "business as usual" growth depends on planned investment in transport and other infrastructure, given the intensity of congestion on many links in our road network. Achieving the additional growth will depend on the full implementation of our Strategic Economic Plan. Our Growth Deal will create the conditions for this higher rate of growth.

¹Data for 2011 - Department for Transport (2013) Sea passenger statistics: 2012
²Data for 2011 - Department for Transport (2013) Port freight statistics: 2012 final figures
³Data for 2011 - Department for Transport (2013) Sea passenger statistics: 2012
⁴Department for Transport (2012) Channel Tunnel traffic to and from Europe
⁵UK Trade & Investment (2008) The UK Ports Sector

Building on our Economic Strengths

2.5 Kent, Medway, Essex, Thurrock, Southend and East Sussex together comprise the South East Local Enterprise Partnership (SE LEP) area. Stretching along the coast from Harwich to Peacehaven, the SE LEP area is the largest in the country outside London. Today our market towns, small cities, coastal communities, and villages offer an exceptionally diverse choice of places to live and work. Constable Country is in North Essex, part of the South Downs National Park is in East Sussex, and Kent is well known as the "Garden of England."

Gateway to the World

2.6 SE LEP's sea ports - and the road and rail networks that serve the ports - provide the UK's most important gateway to the rest of the world. Each year around 14m passengers¹ and 85m tonnes of freight² goes via our ports - that is over half of England's international sea passenger population and a quarter of England's sea freight. With almost 12m passengers in 2012, the Port of Dover is by far the busiest passenger port in the UK³. The Port of London (mainly in Thurrock and Medway), comprising more than 70 terminals along the Thames, is the second largest UK port by freight traffic. London Gateway is providing new deep-sea container handling facilities and is planned to serve Europe's largest logistic park, reinforcing the LEP's contribution to supporting international trade. 17m passengers and 1.3m tonnes of freight travel to and from the SE LEP area and mainland Europe via the Channel Tunnel⁴. The port of Newhaven in East Sussex caters for both freight and passenger movements and will be the operations and maintenance base for the E.ON Rampion Wind Farm (subject to planning permission). Eurotunnel is seeing a 30% increase in freight traffic per year.

2.7 Nationally, 95% (by volume) of the UK's imports and exports pass through the country's ports, representing 75% of trade by value⁵. This means that on-going investment

in the motorways, national trunk roads and rail networks serving the SE LEP's ports is essential to ensure their efficient operations. Conversely, the congestion arising from the lack of such investment has a material, immediate impact on the productivity of companies throughout the UK and the performance of the UK economy as a whole⁴.

2.8

Now, however, many SE LEP businesses and communities find that the lack of investment in the national road network means that they carry significant additional costs arising from congestion. The QEII Crossing and the Dartford tunnel between Dartford and Thurrock is the only crossing of the Thames east of London, carrying around 50 million vehicles per year. Heavily congested, delays impede the movement of local traffic across the Thames Gateway, and increase pressure on the surrounding road network, particularly the M25, A13, A127 and A2. Access to the Channel Ports is also frequently constrained and planned increases in freight and passenger traffic through the Port of Dover and the Channel Tunnel are likely to place further pressure on the M20/A20 and M2/A2 Corridors. Operation Stack directly costs Kent Police and the Highways Agency around £3 million per year, with a wider economic cost in lost investment and delays to local business⁵.

Our workforce

2.9

In 2012 the SE LEP area had a population of over 4m people. Over the last two decades the population in the SE LEP area increased significantly. The ONS forecasts that SE LEP's population to increase by some 284,600 people by 2021, helping to drive economic growth. Overall rates of economic activity in the SE LEP area are above the national rates, but below those for the wider South East. Employment rates show a similar pattern. Moreover, London's employers rely on 273,000 residents from the LEP area each day and many of them are highly skilled⁶.

⁴ Importantly, successful maritime clusters enhance the port's positive contribution to its surrounding city and region. OECD (2013) *The Competitiveness of Global Port-Cities: Synthesis Report*
⁵ Growth without Gridlock: A transport delivery plan for Kent. KCC 2010, p.28

2.10 However, economic activity is not evenly spread across the SE LEP area. **Unemployment tends to be higher in more peripheral parts of the LEP**, particularly in the coastal communities, and some other areas. Gravesham (9.3%), Medway (10.1%), Tending (9%), Thanet (12.3%), Hastings (10.7%) and Harlow (9.8%) have the highest rates of unemployment⁷ and are in the top fifth of local authorities in England on this measure.

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Entrepreneurial Business Culture

2.11

There are 344,300 businesses in the SE LEP area - 86 firms per 1,000 residents, compared with 82 for England⁸. Self-employment is also above the national average in the SE LEP area (11.0% compared to 9.8% for England)¹¹.

The SE LEP area has an above average proportion of registered micro-enterprises (<10 employees). Some communities, however, benefit from concentrations of larger firms, for example Harlow, Dartford and Canterbury¹².

Universities and Innovation

2.12

The nine universities across the SE LEP represent the powerhouse for new knowledge creation, innovation and, along with business, are a driving force behind major economic growth across the LEP. To help boost growth, the universities have set aside their own funds and plans are at a late stage of development so that if funding is released these projects will start very quickly and have a major impact on growth and speed the recovery. Each university has carefully crafted their individual projects linked to the specific needs of their locality, the wider SE economy and builds on their

⁸ ONS Annual Population Survey 2011
⁹ ONS (2014) Annual Population Survey
¹⁰ TBR (2013) Trends Central Resource
¹¹ ONS (2013) Annual Population Survey
¹² ONS (2013) Business Activity, Size and Location

own research strengths in the priority sectors, including Big Data, Automotive Engineering, Health Technology and new therapeutics, and Product Design. Our commitment is to work with existing businesses, attract inward investment and stimulate university-based enterprise. We will work in partnership with the universities as well as with local councils, businesses and partners across the LEP to achieve our shared goals. This infrastructure development will assist in the delivery of national government programmes as well as acting as a conduit for new EU funding. The above and the individual projects are very practical demonstrations of the type of business-university collaboration envisaged in the Willy Report and recently endorsed by Government.

2.13

SE LEP wide business commitment to innovation (in part through working with universities) is already bringing significant economic benefits. SE LEP companies report that a significant proportion (15%) of their business turnover is generated by products/services which are new to market; this compares with just 6% across England as a

whole. Also, a higher proportion of businesses in the area have applied for a patent (3.2%) than the England average (2.8%)¹³.

Sector Strengths and Prospects: Rebalancing the Economy

2.14

Today, many parts of the SE LEP economy are over-reliant on the public sector for jobs. In 2012, 19.1% of SE LEP employment was in the public sector, compared to 18.6% for England as a whole. Public sector employment is particularly high in Southend (29.8%), Mardstone (25.1%), and Chelmsford (30.9%)¹⁴. The SE LEP area is also relatively more reliant on wholesale, retail and accommodation, and construction jobs. Generally, these sectors do not provide high value employment. A lower proportion of employment is in high value, or 'knowledge economy' sectors.



ONS (2011) Unemployment Survey 2011
 ONS (2013) Business register and Employment Survey

2.15

However, the situation is improving. Across the SE LEP area, knowledge economy employment has increased from 14.6% of employment in 2009, to 17.3% in 2012¹⁵. In Kent, recent growth in knowledge economy employment has been very strong: total knowledge economy employment rose by around 15% between 1998 and 2010, almost double the national rate of growth¹⁶. We see significant opportunities to rebalance the SE LEP economy in favour of high-value added manufacturing and services, and to reduce the reliance on low value sectors.

2.16

According to forecasts published by the UK Commission on Employment and Skills (UKCES), between 2010 and 2020, the largest part of employment growth in the SE LEP area will be in business services. Importantly, employment in non-market services is expected to increase only slightly during this time. Manufacturing employment is expected to continue to decline¹⁷.

2.17

Based on the evidence available we have identified priority sectors for the SE LEP economy which have high growth potential, fit closely with the National Industrial Strategy¹⁸ and through which we can target LEP-wide support for innovation, and therefore boost growth beyond the UKCES forecast level. These are advanced manufacturing; life sciences/medical technologies; transport and logistics; low carbon environmental goods and services; creative, cultural and media and the visitor economy. Within each of these sectors, SE LEP makes an important contribution to national output, employment and businesses¹⁹.

2.18

SE LEP partners are now working with a wide range of advanced manufacturing companies to promote innovation and help strengthen their supply chains. These include Essex Manufacturing Innovation and Growth – in partnership with the Institute for Manufacturing at the University of Cambridge, the Practical and Innovative Solutions for Manufacturing Sustainability (PISMS) programme and with the Centre for Engineering and Manufacturing Excellence in neighbouring East London. East Sussex has 6.3% of its industry involved in production, higher than the SE at 5.6% and equal to the national rate. Work will continue to understand the needs of the larger companies in the SE LEP area, such as BAE systems, e2v, Delphi and Cummins and their supply chains.

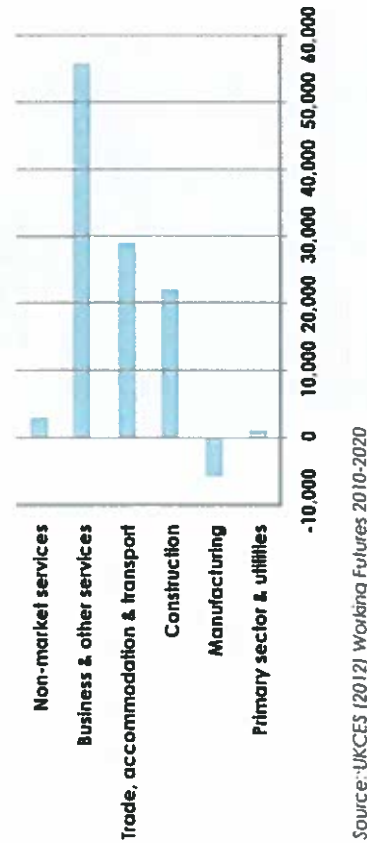
Advanced Manufacturing

Transport and Logistics

2.19

SE LEP's partners see significant opportunity for growth in the transport and logistics sectors. Now open, the London Gateway Port and Logistics Park development will generate 12,000 direct and 20,000 indirect jobs. The expansion of Tilbury port will create up to 1,200 new jobs. London Thamesport and the Port of Sheerness offer significant potential for growth. Harwich will benefit from the expansion of the UK's offshore wind capacity, as well as oil and gas decommissioning. A potential second runway at Gatwick Airport, the busiest single runway airport in the world, will bring significant benefits for East Sussex and Kent with the creation of around 20,000 jobs on and off the airport. Stansted Airport is the fourth busiest in the UK by passenger numbers, and Southend Airport is well continue to expand. Smaller seaports in the area, as well as three smaller airports, also all offer further growth potential.

Figure 21 SE LEP Projected change in employment, 2010-2020



Source: UKCES (2012) Working Futures 2010-2020

¹⁵ONS (2013) Business register and Employment Survey "Kent & Medway Economic Review (2013) - note that there were changes in 2008 to the way in which the data is collected. Long-term growth rates should therefore be seen as approximate."

¹⁶UKCES (2012) Working Futures 2010-2020

¹⁸Department for Business, Innovation & Skills and UK Export Finance (2012) Industrial Strategy: Cable outlines vision for future of British industry

¹⁹ONS, TCR & ICTES Report for 2011/12. Note: GVA is not available for the Low Carbon sector, turnover has been used instead



Life Sciences and Healthcare

2.20

The UK is a world leader in life sciences and this sector features in the government's Industrial Strategy. The SE LEP area is central to the UK life science sector. The ambitious new owners of Discovery Park – a designated Enterprise Zone in Kent – will continue to attract investment from international and domestic life sciences companies. Kent Science Park near Sittingbourne also has a significant cluster of life-science companies and ambitious plans. The three Anglia Ruskin Medical Campus centres and Maidstone Medical Campus will attract companies of all sizes in the medical technology industry now worth £170bn per annum globally. Our other Enterprise Zone in Harlow will house one of the Meditech campuses.

Environmental Technologies and Energy

2.21

The global market for low carbon and environmental goods and services is rising rapidly as higher energy costs and regulation force the need for greater efficiency. The Ford Duntun Technical Centre is a world-leader in green automotive technologies. As a nationally designated Centre for Offshore Renewable Engineering (CORE), North Kent and along the coast to Ramsgate, is well placed to be at the forefront of growth in this sector. This sector could be enhanced further by granting CORE status to Harwich and the possible development of an innovation centre. Although subject to planning permission for the Off Shore Wind farm (OWF) East Quay at Newhaven is a key opportunity site for E.ON operations and maintenance base for the Rampion OWF and potential turbine construction. It also has future potential for other manufacturing and service activities in the OWF sector and the subsequent attraction of supply-chain activity linked to OWF. Thames Enterprise Park, on the site of the former Croydon Oil Refinery, will be a hub for new Environmental Technology and Energy generation companies backed up by Enterprise Zone status and a growing relationship with Northampton University – and international leader in Environmental Sciences.

Kinetika

Location: Puffett HHP
Industry: Creative

Kinetika is an internationally renowned company designing and producing extraordinary outdoor events which invoke the spirit of carnival. Examples of past projects include the FIFA World Cup opening and closing ceremonies (Abu Dhabi, 2009), the Athlete's Parade and Paralympic Closing Ceremony (London, 2012), Beijing Olympic Cultural Festival (2008) and Din Shuru (2003).

Kinetika is relocating its company from London to High House Production Park. The move is to support its ambitions for growth, the Park offers excellent workspace but also the opportunity to join a network creative businesses in an area that is actively encouraging the creative industries sector.



Creative, cultural and media, and the visitor economy

2.22

There are other significant sectors in the SE LEP area. These include the tourism sector, which employs 95,900 people, accounting for about 6.6% of total employment and 2.7% of total economic output²⁰. The visitor economy is particularly important in SE LEP's rural and coastal areas. SE LEP also has specific strengths in the **creative, cultural & media** sectors. A1 High House Production Park in Thurrock an international centre for creative and cultural industries has rapidly grown around major investment from the Royal Opera House, National Skills Academy for Creative and Cultural Skills and Acme Studios. In the SE LEP area creative industries²¹ employ 32,200 people and generate £2.5 billion in GVA. SE LEP makes the largest GVA contribution to this sector of any LEP outside of London²² and is in an excellent position to take advantage of opportunities to build up a supply chain for London, the world's leading creative centre.

2.23

Agri Tech is a feature in the rural areas, well supported by the agricultural colleges and research centres in all three county areas.

Creative & Cultural Skills

Location: Puffett HHP

Industry: Creative

Creative & Cultural Skills is an employer-led Sector Skills Council for the UK's creative and cultural industries. It has recently launched the industry's first National Skills Academy, dedicated to increasing skills levels and productivity.

In March 2013 Creative & Cultural Skills opened the Backstage Centre, the UK's first specialist technical training and rehearsal centre for the backstage workforce, based at High House Production Park in Thurrock. Creative & Cultural Skills was inspired to relocate its headquarters to Thurrock due to the unique opportunity it offered for the construction of a large-scale, world-class training facility within easy reach of London. The opportunity to work alongside one of the world's greatest cultural brands, The Royal Opera House, was also a significant draw. Since relocating to Thurrock, the industry has followed, with the state of the art rehearsal space attracting leading players including Leona Lewis. Creative and Cultural Skills continues to forge opportunities for the next creative generation by working with its extensive network of employers to create industry endorsed training, and over a thousand young people have benefited during its first twelve months in Thurrock. There is demand to scale up its innovative employer-led approach to training and work experience throughout the SE LEP area.



HTB (2013), Trends Central Resource
²⁰The includes the creative, cultural and digital sectors.
²¹Creative & Cultural Skills, Impact and Footprint
2010/11, (2010)

Philip Melling

Location: High House Artist's Studios, Purfleet
Industry: Creative
 Sculpture, Art and Design

"Working here allows me to rent a studio that is large enough, and with the right facilities for my practice as an artist working with metals, whilst still being close enough to London for a quick commute. The proximity to London is important not only because I live there, but also because London is a hub for the arts, as well as most things. The studios also give me an environment where other artists and creative businesses are close at hand, which benefits my practice enormously."



Creating the Conditions for Growth: Challenges and Solutions

2.24

To build on these strengths of the SE LEP area economy, our SEP focuses on four ways of creating the conditions to enable growth.

2.25

First, we are implementing specific projects and programmes focused on stimulating innovation and boosting productivity, often through closer collaboration between businesses, entrepreneurs and universities. The challenge that we face and our broad priorities are set out below.

2.26

Second, we recognise that our residents do not offer all the skills that SE LEP (and London) employers need and this underpins our productivity and skills challenge. Enhancing skills is vital to enable our companies to expand, to encourage new start-up companies, and to attract investment. Moreover, by improving their higher level skills, our residents are better placed to help companies in the South East and London to grow.

2.27

Third, we focus on addressing the major housing challenges facing the SE LEP area: accelerating housing completions and restoring confidence in the housing markets in some of our coastal communities.

2.28

Finally, in addition to the Thames Gateway, we identify growth corridors within each of our devolved areas, in which we are concentrating investment in transport and key projects to create the conditions for more rapid economic development, and supporting investment by existing businesses, new start-ups, and inward investment. These corridors are described below and our proposals are set out in more detail in the Growth Deal in Section 3.

Boosting Our Productivity

The productivity challenge

2.29

The SE LEP area economy is not as strong as the economies elsewhere in Southern England. Historically, the areas to the west, south west and north of London have much stronger economies than areas to the east of London. This has been recognised for many years. The areas around London form a relatively wealthy core, where a strong relationship with a Global City sits alongside centres of economic vitality as strong as any in mainland Europe, delivering much of the South East's 'world class' performance²⁹.

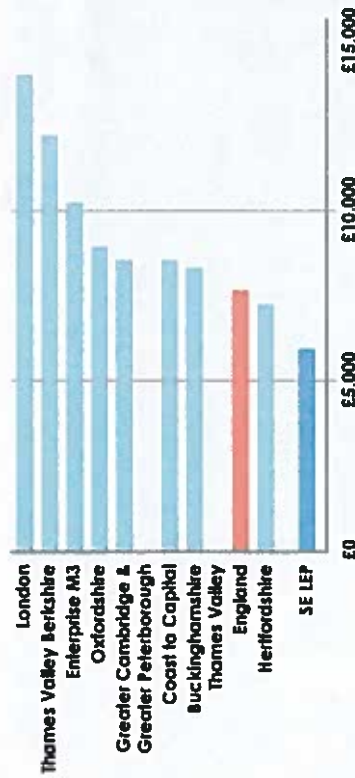
2.30

Output per head within the SE LEP area is £16,900 (2011) - significantly below output in London (£34,800) and in all the other LEPs in the former South East region (e.g. Thames Valley Berkshire £32,800 and Enterprise M3 £26,700) and England wide (£21,300). These differences go back many years, as the economy has struggled to diversify from its focus on traditional industries of coal, paper, aggregates and low value tourism. Moreover, growth in output has lagged behind all these comparable areas - the output gap has widened.

2.31

Productivity is one of the main determinants of economic performance. Labour productivity is lower in the SE LEP area compared to the England average by £4,000 per job³⁰ (2011) and this reflects the industrial structure of the SE LEP economy.

Figure 2.2 LEP Productivity - output per head Change in GVA (resident), 1998-2011



Source: LEP Network (2013) Annual Review of LEP-Area Economies 2013

²⁹As described in the SEEDA Regional Economic Strategy 2006-2016

³⁰ONS (2013) Regional Gross Value Added (Income Approach), ONS (2012) jobs density

2.32

Our ambition is to ensure that in achieving significant jobs growth, we concentrate resources on supporting growth in higher value added sectors and support this growth through raising the skills levels of our residents. This is particularly important as we know that there will be less public funding for non-market services over the coming years, and private sector employment is expected to make up for the reduction in public services employment as well as generate growth. The voluntary and community sector also plays an important part in generating employment; in East Sussex this sector employs more than 10,000 people and generates £476m for the local economy per annum.

2.33

We are pleased to note that the government is proposing to retain Assisted Area status for Dover and Thanet and to extend this benefit to Medway and Swale alongside Hastings and Rother. In addition, we are making the case for the inclusion of Harwich.

2.34

Government's Plan for Growth²³ and Industrial Strategy²⁴ sets out the national policy framework within which SE LEP's partners are preparing our SEP. SE LEP has built on and strengthened partnership arrangements between business, local authority and educational institutions in each of the devolved areas.

Solutions

Enterprise Zones

2.35

The Harlow Enterprise Zone (EZ) in Essex is one of two nationally designated enterprise zones in the SE LEP area. Comprising two sites - London Road and Templefields, it offers the potential for significant economic growth in the key growth sectors of Life Science, Advanced Manufacturing and ICT. The enterprise zone sites offer opportunities to attract major inward investment and deliver an estimated 5,000+ jobs over the next 25 years.

2.36

Key to achieving the successful development of the Harlow Enterprise Zone is the provision of high quality, modern business space that meets the needs of businesses in the key growth sectors and improvements to site access and infrastructure.

2.37

Discovery Park in Kent is already England's most successful Enterprise Zone, with over 1,300 jobs secured on the site since Enterprise Zone status was granted in 2011, a Local Development Order is in place and proposals are being brought forward for residential and commercial development on the site alongside its scientific research and development core.

2.38

However, the area around Discovery Park has been faced with a further challenge following the decision by the owners of Manston Airport to enter into consultation on the future of the facility. Yet the area around Manston and Discovery Park contains extensive land suitable for residential and employment use, and is well connected by new infrastructure. As a consequence we are seeking an extension of the designated Discovery Park Enterprise Zone for Manston. A Manston Airport task force has been established with local MPs.

2.39

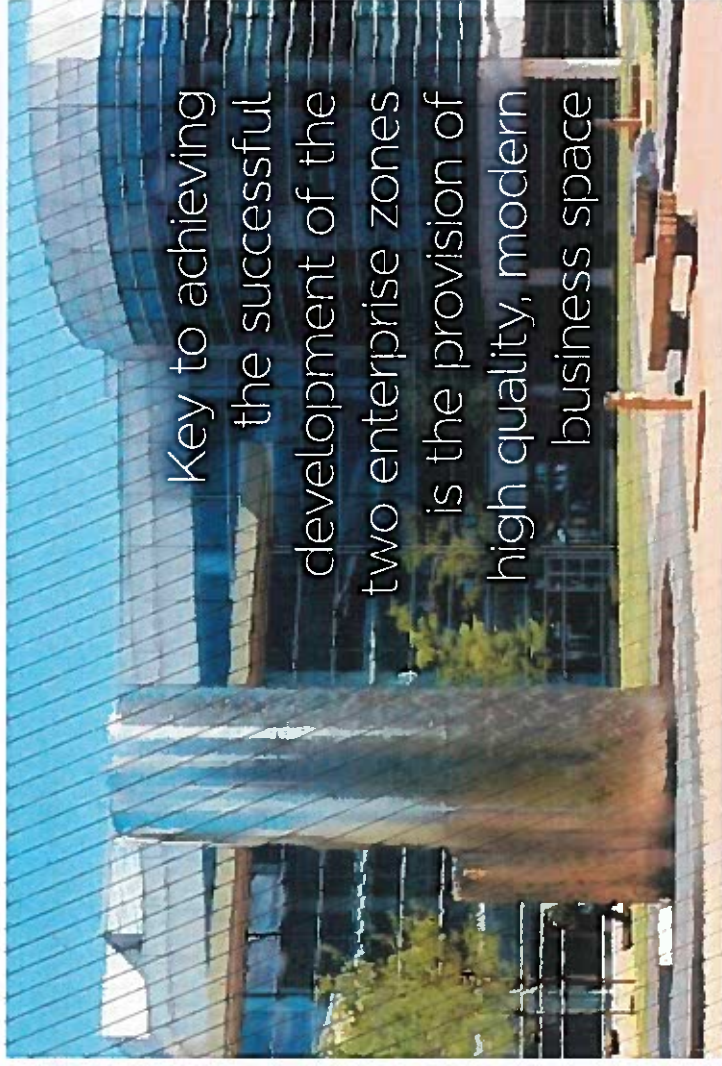
Alongside the two existing Enterprise Zones, we have exciting proposals for the creation of a third Enterprise Zone at the Thames Enterprise Park in Thurrock. The 400 acre site of the former Coryton Refinery will be a nationally important cluster of Green Technology and Energy firms supported by a growing partnership with the University of Northampton and South Essex College.

Increasing access to finance

2.40

In light of the barriers that many businesses face in raising finance for their expansion plans, SE LEP partners recognise the ongoing need to provide access to finance. Our recent experience of supplementing the Funding for Lending scheme with local programmes has proved extremely

Key to achieving the successful development of the two enterprise zones is the provision of high quality, modern business space



²³Plan for Growth, HM Treasury, BS, March 20
²⁴<https://www.gov.uk/government/speeches>

successful and demand has been high. To date, some £66m Regional Growth Fund has been or will be channelled into five schemes, with the individual schemes receiving varying amounts (Expansion East Kent, TIGER, Escalate, East Sussex Invest 3 and 'SUCCESS'). Rather than develop new schemes we wish to continue to promote and extend the existing successful access to finance schemes. In addition, we know that many innovative businesses in, for example, the life sciences and healthcare and low carbon sectors, require equity investment rather than loan funding.

2.41

We anticipate that most access to finance investment will be in the form of loans for business investment, offered either interest-free or at interest rates lower than those commercially available but which may be linked into the EU Reference rate and strongly linked with the objectives outlined in the paragraphs above. Match funding will primarily be sought from businesses accessing finance through the programmes (ie no programme will provide finance to more than 50% of project value). However, additional match may be made available through the Local Growth Fund should local programmes be established through a combination of ERDF and LGF funding.

Accelerating business starts and supporting growth

2.42

The current make-up of the SE LEP business base means creating more businesses, growing existing businesses and boosting exports are key to growing the SE LEP economy as a whole. As a priority, SE LEP partners see the need to ensure complementarity between local and national programmes, and provide more co-ordinated services for business. Where opportunities exist, existing local authority supported provision will be co-located (physically or virtually) with other services through a "Gateways to Growth" type approach which will be different across the SE LEP area aligned to local needs and business demand.

2.43

As locally appropriate, we will join up with other services including the Technology Strategy Board, Design Council (Design

Demand) and the Intellectual Property Office (Growth through Innovation - grant programme for businesses to assess their IP). SE LEP's nine universities are collaborating (as the U9 group) to work with the gateways so that businesses can be referred to the best source of expertise from any of the SE LEP universities or another university elsewhere.

Promoting innovation

2.44

The drive for innovation must come from businesses themselves and reflect their needs. Across the SE LEP area, partners can ensure expertise is accessible, promote business to business collaboration, and facilitate effective university and college partnerships with businesses. SE LEP's partners have embarked on a process of smart specialisation to better focus our efforts on sectors of the economy where SE LEP has, or could have, a strong competitive advantage: Advanced Manufacturing, Transport and Logistics, Life Sciences and Healthcare, Environmental Technologies and Energy, Creative, Cultural and Media and the Visitor Economy. Our universities and colleges are key partners in this work.

Growth in our rural economy

2.45

Some of the most varied, valuable and productive rural areas in the country can be found within the South East LEP. Its land-based industries are of national importance, while new businesses and enterprises based in rural areas create further employment opportunities and help local communities to thrive.

2.46

A substantial proportion of the SE LEP business base is located in rural areas. As well as our traditional and burgeoning new agricultural economy (such as viticulture), new growth and business opportunities now range from agri-tech, forestry and energy through to heritage and tourism, as well as sectors more associated with urban areas, including manufacturing, engineering, construction and business services. Our growth plans and programmes apply to rural areas as much as they do to urban areas, and we will make sure that individuals and businesses are able to access the programmes that will help them learn new skills and grow their businesses wherever they are based.

2.47

All activity will be delivered with our Local Area Delivery Partnerships whose chapters highlight rural priorities including:

- Critical infrastructure including digital and mobile connectivity;
- Access to finance to support business growth;
- Optimising the take-up of new technology and supporting innovation in the horticultural, viticulture and top fruit sectors; and,
- Continued diversification, including the growth of agri-tech, energy production and tourism.

Technology and education in the rural sector

Technology and education in agriculture, horticulture and forestry are key to increasing productivity, the number of jobs and better use of scarce resources. The South East is ideally placed to increase food production and minimise impact upon these scarce environmental commodities.

The combination of a world leading agri-tech research and development facility at East Malling Research, linked with colleges such as Hadlow, Plumpton and Writtle, together with some cutting edge businesses including Thanel Earth and many in fruit horticulture and specialist food production - each willing to use new technology to produce top quality produce for the London and European markets - gives the Southeast a platform and skills base for substantial growth in this sector, while reducing the need for imports.

The landscape of the south-east is rightly praised for its diversity and environment. With two major AONBs, a thriving agri-business sector provides opportunities to improve, enhance and conserve our natural environment. This, in turn, leads to improved tourism and health benefits from recreation, while maintaining an attractive place to live and work of the kind sought after by many leading businesses.

The strengths of our universities

The SE LEP HEBs recognise that, as local anchor organisations with national and international reach, they each make a significant contribution to the region's economy. This is via the graduates they produce, the businesses, services and IP they create, by the expertise and facilities they provide to businesses and conduits to funding they facilitate.

At each of the region's nine HEBs a broad portfolio of activities to support the foundation and development of SMEs is already in place. Each HEB has differing technical expertise and collaboration will ensure that this is made available to SMEs across the entire region.

The contribution our HEBs make to the innovation ecosystem will complement contributions made by other key organisations including Chambers of Commerce, Local Authorities, and Growth Accelerator. The effective delivery of innovation support to businesses in the region will be facilitated by signposting via existing mechanisms and the Gateways to Growth.

2.48

We will use the rural development funding available through the £14.5m EU EAFRD programme to develop support specifically for rural areas, and work with the LEADER Local Action Groups to help better align their funding to support growth to help our varied rural economy to thrive and grow.

Growth in our coastal economies

2.49

The SE LEP recognises that its coastal communities are a defining feature of South East England and require bespoke, co-ordinated programmes of investment to enable them to generate the returns available from the enterprise and employment, culture and heritage that their location provides.

2.50

The SE LEP coast hosts a number of key locations for the offshore renewables industry. It is home to one of the nation's six Centres of Offshore Renewable Engineering (CORE) in Kent and work is in hand in Essex to establish Harwich/Tending as the nation's seventh CORE. Major opportunities for development and manufacturing are available at or in close proximity to the SE LEP's Ports, many of which are already at the leading edge of supplying, installing and servicing the wind farms around our coast.

2.51

Many of our coastal towns have benefited in recent years from regeneration and place-shaping programmes that have started a process of restoring coastal towns to provide attractive and vibrant places to live, work and visit. These have included significant investments in the coast's cultural offer, but further intervention is required if the SE LEP is to unlock key sites for development and to bring empty or under-performing assets back into economic use.

Increasing trade and attracting investment

2.52

Locate in Kent. Locate East Sussex and INVEST Essex will continue to work closely with UKTI to attract inward investment and our Gateways to Growth will play a stronger role in encouraging exporting. Our focus will be on working with our priority sectors and our Enterprise Zones to connect to UKTI overseas networks in a more targeted way. We will also develop our inward investment 'offer' to attract innovative, high value added businesses and improved local case handling and investor development/aftercare services.

2.53

Through Kent International Business and similar initiatives in East Sussex, Essex and in the Thames Gateway, partners are helping businesses to access new markets, and we intend to develop this further through the opt-in arrangement with UKTI. In relation to export, Essex will build further on its longstanding relationship with Jiangsu in Eastern China, and the extensive network of partners in mainland Europe and India.

Improving Our Skills

2.54

To achieve our growth ambitions, we need to deliver a locally responsive system that responds to the needs of employers and learners in order that skills can be a driver for economic growth and not a barrier. Our plans build on the steps we have already taken, the strengths that exist within the SE LEP and the merits of combining a national and local approach.

The skills challenge and priorities for action and solutions

2.55

SE LEP is home to numerous cutting edge companies and has significant opportunities for growth in our priority sectors. Our high value growth industries rely heavily on science, technology, engineering and maths (STEM) based skills and struggle to recruit appropriately skilled adults and work ready young people – the pool of suitably qualified people is simply too small.

2.56

Equally, the wider skills needs of our priority sectors are not being met due, in part, to the lack of employer influence on the offer of provision and supply driven nature of planning. A mismatch exists between training provision and local priority sectors for growth, all of which are underpinned by STEM-related skills.

2.57

Productivity in the SE LEP economy is lower than the national average and a low proportion of residents are employed in skilled occupations. Our greatest challenges lie at both ends of the skills spectrum – **insufficient volume and focus of higher level skills and low levels of basic skills**. The SE LEP labour market underperforms compared with the South East as a whole as shown by lower than average levels of level 4+ skills, low levels of basic literacy and numeracy, and high levels of worklessness, with particular area concentrations.

Improving the talent pool in support of priority sectors, particularly higher level skills - The problem to fix

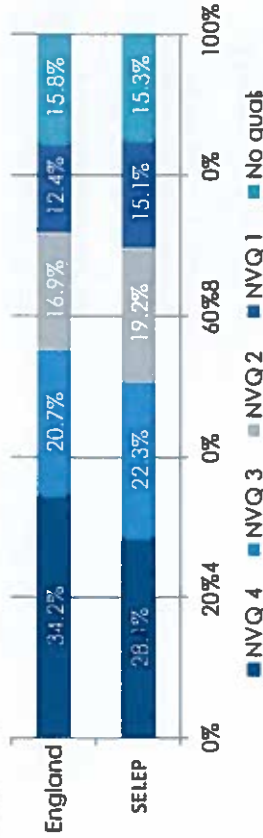
2.58

Over half of the employers with vacancies in the South East are seeking degree level candidates²⁹. The UK Commission for

2.59

As shown in Figure 2 below, the proportion of residents with higher level (4+) qualifications is relatively low despite an increase in recent years³⁰. In the SE LEP area 28.1% of residents aged 16-64 have level 4 or above qualifications compared with 34.2% for England and 36.8% for the South East region³¹.

Figure 2.3 Residents Resilient with NVQ4+ qualifications, % aged 16-64 (2012)



Source: ONS Annual Population Survey

2.60

As a result, and notwithstanding the recession, companies have been finding it hard to recruit due to skills shortages in recent years. The Employer Skills Survey indicates that the proportion of businesses with skill shortage vacancies increased across the UK between 2011 and 2013³². In the SE LEP area more than one in five (21%) establishments reported a skills gap or skills shortage vacancy in 2013³³. 23.7% of vacancies were due to skill-shortages, compared to 22.3% across England³⁴.

2.61

Revenue funding rates are not high enough to enable colleges and providers to make long term investments in their infrastructure to align with skills priorities, particularly in high cost areas such as Advanced Manufacturing. In the absence of higher funding rates, a more focused and locally led investment in skills infrastructure, managed by SE LEP, would support better alignment with priority sectors, including the purchase of specialist equipment to support new programmes.

²⁹Labour Insights, March 2014. From Dec 13-Mar 14 there were 52,000 vacancies across the LEP area, of these, roughly 4,500 companies specified educational requirements and of those the greatest demand was for degree level skills (58%) followed by A levels (20%) and GCSEs (16%).

³⁰Waiting Futures 2012-2022

³¹In 2008 only 23.8% of working age residents were qualified at degree level or above – ONS Annual Population Survey
³²ONS Annual Population Survey/HUKCES (2014) UK Commission's Employer Skills Survey 2013: England Results
³³HUKCES (2014) UK Commission's Employer Skills Survey 2013: England Results
³⁴HUKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

The solutions

2.62

We wish to increase the talent pool, for our priority sectors, particularly to level 4 by:

- increasing apprenticeships across SE LEP through incentivising employers to recruit apprentices, focusing on advanced and higher apprenticeships and internships, and progression routes from traineeships. We also want to use EU funds to support higher skills development through co-investment with employers to address skills gaps.
- developing a far richer picture of career opportunities in growth sectors, working with educational institutions and industry, to promote these opportunities, in order to influence study and pathway choices.
- piloting sector-based tutor training to enable tutors to professionally update and experience the latest technologies, innovations and practice in the industry they teach to raise the quality and relevance of teaching technical subjects this support priority sectors; and.
- investing £128m in facilities to provide capacity and industry standard facilities, with a focus on delivering priority skills and including a specialist equipment fund (which will also support participation).



Employment growth is expected to be above the national rate and will accelerate after 2015. Over three quarters (74.7%) of the increase in employment for the decade will come between 2015 and 2020 – UKCES [2012] Working Futures
 UKCES [2013] Changing the pace - CB/Pearson Education and Skills Survey 2013

- creating stronger HE business partnerships in key high skill sectors including CCI, logistics and environmental technologies.

Increasing participation of young people work, education and in training, with focus on supporting priority sectors and skills gaps - The problem to fix

2.63

The UKCES forecast that there will be an increase of 105,000 jobs in the SE LEP area by 2020²⁸ and our ambition is to almost double that. The majority of jobs growth will be in professional occupations (+45,000); managers, directors & senior officials (+38,000); and associate professional & technical occupations (+33,000)²⁹. When “replacement demand” is included over half (50.3%) of openings will be in high skilled jobs. Across the UK, there is unmet demand for science technology engineering and mathematics qualified workers with nearly two in five firms requiring STEM employees facing difficulties in recruitment³⁰.



2.64

Some of the highest vacancy levels in SE LEP show high demand for programmers, software development professionals (1,517) and IT Business Analysts, Architects and systems designers (1,458), yet we have little provision offered in the area that supports these occupations; or the information, advice and guidance (IAG) to inform and inspire about these career options.

2.65

The 16-18 allocation from the Education Funding Agency and the Adult Skills Budget (ASB) classroom based programmes remain learner-led which means that colleges and providers will naturally respond to this demand as their first priority, rather than employer skills needs – a question of volume and income. For example, there has been a significant increase in the number of shorter classroom based courses, funded under the ASB, delivered to unemployed learners with no evidence of whether these have led to sustainable jobs and careers. There is insufficient direct leverage on funding

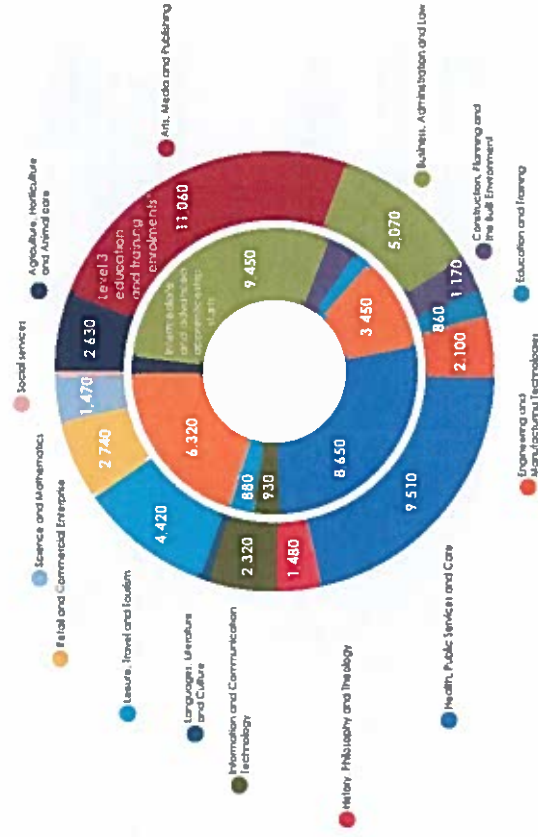
2.66

Data currently shows that for 2012/13, the highest proportion of vocational level 3 publicly funded enrolments were undertaking arts, media and publishing, health, public service and care and business administration and law. Of the 31,750 apprenticeship starts for 2012/13, again business administration and low and health and social care feature highly, with high levels of participation in hairdressing, retail and hospitality & catering. For A levels, Science and Mathematics make up the largest proportion of enrolments however this lacks the technical application of knowledge into the work place and that is sought by employers.

2.67

Apprenticeships more than doubled from 13,823 in 2008/09 to 30,866 in 2012/13 (123% increase), with the biggest increase seen in the 25+ age group (319% increase)

Figure 2.4: Vocational FE and Skills Participation by sector subject area, 2012/13



and the top frameworks were Business and Administration, Health & Social Care, Management, and Retail & Customer Service.

2.68

We believe that apprenticeships are a fantastic way to reduce skills shortages in technical disciplines whilst increasing options and employment opportunities for young people, particularly for those sectors facing an ageing workforce. We therefore wish to see a significant increase in apprenticeship opportunities across the LEP, specifically in priority sectors and skills shortage occupations. We would therefore need to secure quite a shift in the prevalence of apprenticeships towards more technical disciplines.

2.69

Whilst work has been done in some areas of the south east to enhance integrated Advice and Guidance (IAG) provision, it is too institutionally and academically focused, particularly for more able students, and needs to have an increased focus on providing information on technical vocational programmes and the careers opportunities they provide.

2.70

In addition to ensuring that for those who do participate, do so in education and training that will lead them to gainful employment and progression, there are a range of reasons as to why some young people don't participate – geographical, financial, personal – and there is a compelling need to do more to remove the barriers that these young people face. More detail on our planned interventions is provided in our EU SIF Strategy.

The solutions

2.71

We will support full and meaningful participation of our young people by:

- providing industry work experience programmes with training/ traineeships, increase the range of business appropriate apprenticeships;
- providing enhanced information, advice and guidance to improve participation and gainful progression;
- building on success of our ESAs and through them working with providers and Sector Guilds to deliver an offer of provision that reflects the needs of the economy;
- working with schools and school governors to increase industry awareness and engagement, such as industry in schools programmes; and
- providing a package of support for young people who are further away from the labour market; and promote skills training at an early age to encourage uptake of vocational subjects from 14+.

Improving the basic skill levels and employability of our residents to boost productivity and employment - The problem to fix

2.72

The proportion of residents holding a basic literacy and numeracy qualification across the SE LEP is low. 45% of working age adults

do not have level 2 or above in literacy and 77% are below level 2 for numeracy. This problem is perpetuated where young people do not achieve GCSE English and Maths at grade C or above³⁸. In 2013, between 36.4% (Kent) and 40.1% (Durrock) of pupils failed to achieve grades A*-C in English and maths GCSEs at Key Stage 4. Prevention is therefore key; increasing achievement and participation levels will also have a significant impact on the economy in the short to medium term.

2.73

In the SE LEP area, 35% of firms facing skills shortages indicate that numeracy skills are lacking among applicants, while 34% identify challenges around literacy skills³⁹. Soft, employability skills, including customer handling, communication skills, and team working are also identified by local businesses⁴⁰.

2.74

Gravesham, Medway, Thanet, Hastings and Hailow all have unemployment rates in the top quintile of local authorities in England (9.2%+). At the end of 2012, there were 8,480 16 to 18 year olds NEET in the LEP area - a rate of 6.3% overall (compared with 5.6% for England), and there is a high degree of variation between places masked within the average.

The solutions

2.75

We wish to increase the proportion of residents with maths and English qualifications and employability skills by:

- developing occupational based literacy and numeracy teaching to encourage people to obtain basic qualifications;
- investing in further training to bring more people up to the basic level of literacy and numeracy;
- developing an innovative recruitment package to attract and retain English

³⁸Department for Education (2014) School performance Tables
³⁹UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results
⁴⁰UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

and maths tutors, including promotion of the Governments 'golden handshake' incentive; and,

- providing a package of opportunities for young people in particular to increase their employability; and
- supporting people in work to sustain their employment through raising skill levels.

In summary

2.76

Our support for skills development needs to be effectively integrated with our support for business growth. We will achieve this through links between delivery teams at the operational level within the Gateways to Growth and our employer engagement systems for skills development; and at the strategic level, through our Employment and Skills Boards and other partnerships.

2.77

The direction of travel towards a more employer led system is welcome, but needs to be accelerated, whilst at the same time ensuring the provider base is not destabilised. Enabling the skills system to be more employer-led is vital, particularly in relation to qualification design and commissioning. Achieving a relatively stable environment for colleges and providers, whilst providing more influence from employers, will enable the system to be more responsive to meet current and future skills needs.

2.78

SE LEP fully appreciates the vital role that schools play in preparing our workforce of the future and wish to work with the school system in order to support career, information, advice and guidance to young people to ensure they have the right skills for meaningful employment. We also wish to facilitate bringing more schools, young people and employers together to improve employability, confidence and motivation and raise awareness of key local sectors, in order help young people succeed in the world of work and contribute to the economic growth of the area.





Building More Houses And Re-Building Confidence

The Housing Challenge

2.79

In addition to the challenge of boosting productivity, and enhancing the skills of our workforce, we face two central housing challenges in the SE LEP area. First, we must build more houses each year across the SE LEP area. Second, we must rebuild confidence in housing markets in many of our coastal communities. The third element of our SEP focuses on these two housing challenges.

Building more houses

2.80

Today many households find housing affordability is a major problem and have to buy property in cheaper locations, with a resulting impact on the availability of labour for businesses. In the SE LEP area, the ratio of median house prices to median earnings was above the national average in 24 out of 32 SE LEP local authorities in 2012⁴. In most respects this directly results from the demand for housing exceeding supply in local housing markets.

⁴ DCLG (2013) Ratio of median house price to median earnings

2.80

All of our local planning authorities are setting housing targets based on their objectively assessed housing requirements and these targets feature in their approved local plans or in those plans now being prepared. For the SE LEP area as a whole, government's most recent projections (reference 2011-based Interim Household Projections) show that between 2011 and 2021, almost 200,000 more households will live in SE LEP's communities – or an average of 20,000 homes per annum. In 2011/12 and 2012/13 completions averaged just under 10,000 homes per annum and in 2013/14, it is likely that completions will remain at this level. To match forecast household growth a further 170,000 homes need to be completed over the next seven years – an average of 24,000+ per annum.

2.82

It will not be possible to accelerate the rate of completions fast enough to build a total of 200,000 over the decade to 2021. However, it will be possible to accelerate the rate of completions year on year. Our ambition is to complete a further 100,000 homes by the end of March 2021. This would mean increasing completions to, say 11,000 homes in the year beginning April 2015, 15,000 homes in 2017, and then 16,000 homes each year to 2021. This rate is 7% higher than the peak output in the last housing boom 2007/08 and would result in an additional 100,000 homes by March 2021.

Solutions

2.83

To achieve this, we have prepared an action plan to boost housing delivery and the four main elements are as follows. First, we are ensuring that sufficient land for residential development is allocated in local plans. This process is well underway as each of SE LEP's local planning authorities updates their objective assessments of housing requirements and their strategic housing local plan.

2.84

Second, each of the local authorities is considering how best to bring land in public ownership forward for residential development. This includes both land in the ownership of local authorities, as well as other public bodies including the NHS and the Homes and Communities Agency. This process is also well underway. Our three county councils with their district councils and our unitary authorities have mobilised initiatives to do this.

2.85

Third, we see the need to restore or build capacity in the development industry. In 2011, just under 500 companies completed properties in the SE LEP area; in 2013, 20% fewer companies were completing homes. Moreover, many of the larger companies have merged so the number of "volume house builders" in England has reduced; it

appears unlikely that the new combined enterprises will build more homes each year than their individual predecessors. Registered Providers (housing associations) will be part of a strategy to boost development capacity. SE LEP is now working with a range of providers to explore how best to do this. Finally, we believe that new delivery models will be required to provide finance and share the risks and rewards of housing development.

2.86

In Section 3 below, our South East Housing Growth Deal sets out specific offers and asks aimed at enabling SE LEP's partners to work together to complete 100,000 homes by 2021.

Restoring Confidence in Coastal Community Housing Markets

2.87

In parallel with our ambitious building programme, we face the challenge of restoring confidence in the housing markets in many of our coastal communities and other communities where there are concentrations of severely deprived neighbourhoods. These are areas where the dysfunctional private rented housing sector is currently holding back economic regeneration.

The Centre for Regional and Economic Research at Sheffield Hallam University produced a report for the LEP of the end of 2012 on the coastal communities in the South East. This took a statistical review completed earlier that year, and the results of a series of discussions with local authorities and other partners concluded with a series of recommendations. These included recommendations for the LEP to:

- give special recognition of the needs of coastal communities in the allocation of resources;
- to identify transport improvements to parts of the coast (particularly around Eastbourne/Bexhill/Hastings, Harwich and Clacton);
- to treat the seaside tourist industry as a driver of economic growth; and
- to support the operational functionality and development of ports.

The coastal towns in the SE LEP area are diverse, and do not all suffer from the severe levels of unemployment and deprivation characterised in Clacton, Margate, Ramsgate and Hastings. Other categories

included ports with socio-economic difficulties (Harwich, Dover, Folkestone and Newhaven), larger and middling seaside towns with lesser problems (Folkestone, Bexhill, and Eastbourne), and smaller places some prosperous and some with quite acute problems (Jawick and Camber). One of the consequences of the decline of the visitor economy in some of these areas has been the inward migration of low income residents, often dependent on benefits and including some with drug and alcohol problems, and ex-offenders into accommodation previously used by the tourism sector, such as hotels. Other coastal towns have a port focus – Harwich, Dover, Tilbury, Folkestone and Newhaven, although they have similar deprivation levels despite contrasts in the fortunes of their ports. Others are more prosperous and contain high proportions of retirees.

SE LEP recognises that our coastal communities are a defining feature of the South East LEP, and require bespoke, coordinated programmes of investment to enable them to generate the returns on opportunities for enterprise and employment, culture and visitor enjoyment that their location, environment and heritage provide.

The demographic characteristics of the South East's coastal communities reflect many decades of selective migration⁴². Figure 2.5 below captures the vicious circle that has been at work in towns such as Eastbourne, Hastings, Folkestone, Dover, Ramsgate, Margate, Southend-on-Sea and Clacton, over many years. In some neighbourhoods a very high proportion of the homes are rented privately, often as small flats and bedsits predominately let to single people in receipt of housing benefit with complex social needs (but providing very high returns to private landlords).

Our coastal communities all see significant opportunities to replace this vicious circle with a **virtuous circle of investment to attract entrepreneurs and higher income households**. We believe that the transformation of some communities, such as Whitstable and Broadstairs, demonstrates what can be achieved. Successes include, for example, the opening of the Turner Contemporary Gallery in Margate, major investment plans for the Port of Dover and the development of the creative sector. These efforts have started to lift the housing markets in these areas and provide a platform for increasing completions and housing renewal.

In Section 3 opposite, our South East Housing Growth Deal, we set out our approach to rebuilding confidence in coastal communities and others facing similar challenges.

⁴²Wessex Economics (2013) Coastal Towns Private Rented Sector Initiative

Figure 2.5 The Vicious Circle of Historic Patterns of Selective Migration



Source: Wessex Economics (2013) Coastal Towns Private Rented Sector Initiative

Investing In Our Transport Growth Corridors/Areas

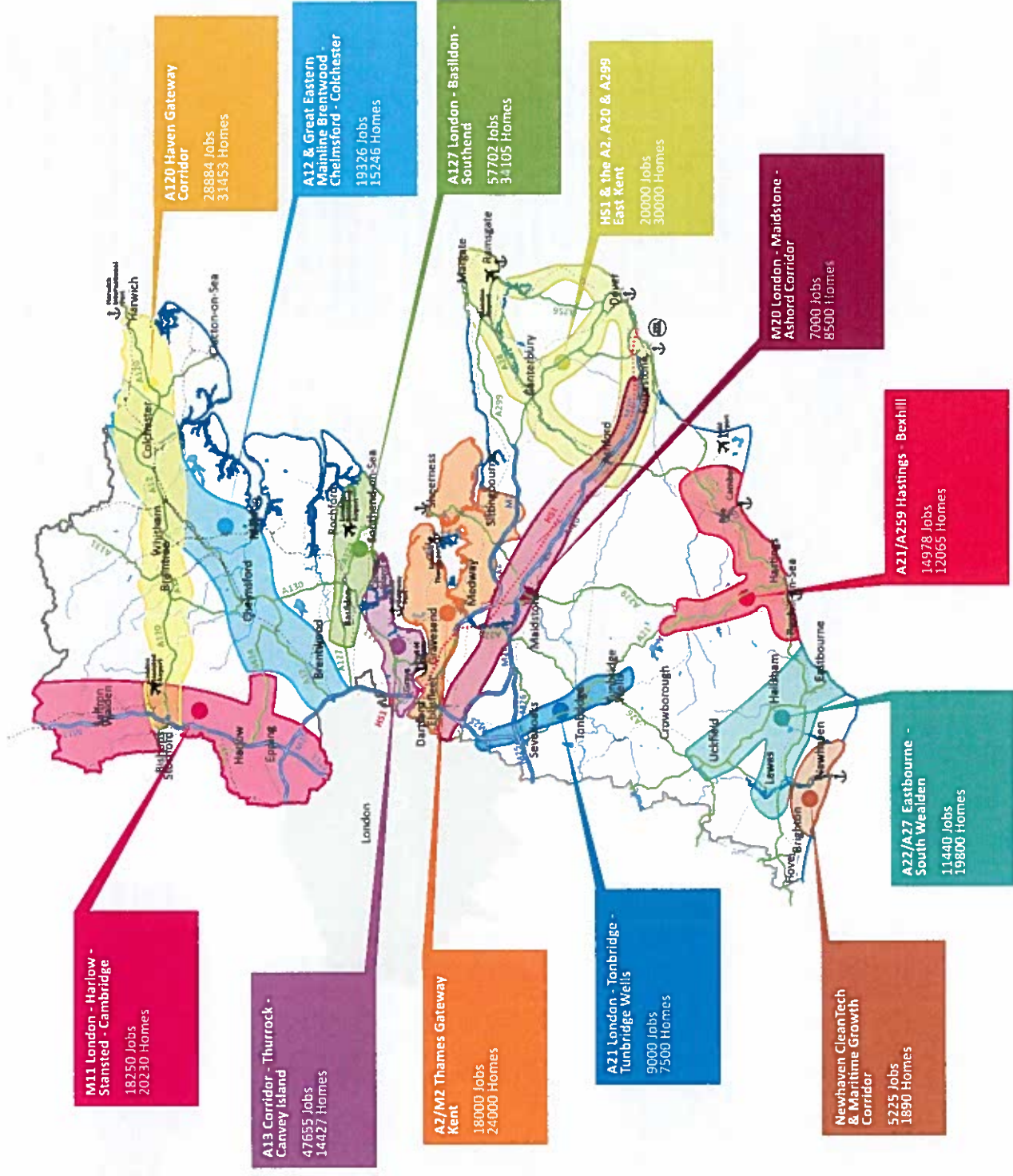
2.94

The final element of our SEP focuses on our 12 growth corridors/areas in the entire SE LEP area. Travelling from north to south, these are:

- A120 Haven Gateway;
- A12 and Great Eastern Mainline;
- M11 West Anglia Mainline: London-Harlow-Stansted-Cambridge;
- A127 London-Basildon-Southend;
- A13 London-Thurrock-Canvey Island;
- A21/M2 Thames Gateway Kent;
- A21/A299 Canterbury-Dover and Thanet;
- M20 London-Maidstone-Asford-Folkestone;
- A21 London-Tonbridge-Tunbridge Wells;
- A21/A259 Hastings Bexhill;
- A22/A27 Eastbourne/South Wealden; and,
- Newhaven Clean Tech and Maritime Growth Area.

"I welcome the focus of the SEP on Corridors of Growth as key drivers of economic prosperity. The need for partners to prioritise schemes that yield early and nationally significant impact is evident and this is shown on the focus of the strategy on the A12 and A120 corridors, all of which connect international gateways to the rest of the UK, recognising the importance of reliable and resilient rail as well as road connections. This ties in with the campaigns that I have been leading with other members from Essex, Suffolk and Norfolk to improve capacity and speed on the Great East Main Line and to upgrade the A120 to support economic growth in the region."

Prili Patel MP
Witham



A120 Haven Gateway

2.95

The growth opportunities astride the A120 are in Braintree, Colchester district and Tendring and are generated both from ready access to Stansted Airport and the ports of Harwich and Felixstowe. We see distinctive investment opportunities in low carbon and renewables sectors, offshore wind energy, manufacturing, and logistics. The University of Essex Knowledge Gateway will provide a world class resource to support the use of data analytics and data science by a range of businesses creating high value jobs. The Harwich Supply Base project and an Energy Skills Centre in Harwich will help support the low carbon and renewables sector. Planned developments, such as Pond Hall Farm, and the major port development at **Bathalde Bay** in the longer term will help to unlock further growth around the Haven Ports to 2021 and beyond.

2.96

Colchester will accommodate significant future growth, with development planned for the town centre and the **Northern Gateway** leveraging £60m of private investment. A **digital incubation centre for the creative industries** in the heart of Colchester will support this priority sector. The development of a STEM training centre will help raise local skills to support priority sectors across the Corridor.

2.97

At present the Corridor's growth potential is limited by capacity on the A120. The designation of the A120 as an Enterprise Corridor backed by a comprehensive range of interventions, particularly dualing key sections of the road, which will dramatically improve access along the Corridor, will unlock growth and enable a number of strategic Enterprise sites along the route between Harwich and Stansted to realise their full economic potential. **As a result, this corridor will be able to support 4,784 jobs and 2,953 new homes by 2021 and a further 24,100 jobs and 28,500 homes through our proposed transport schemes.**

A12 and Great Eastern Mainline Brentwood-Colchester

2.98

This corridor features growth in three Mid-Essex key centres, Chelmsford, Colchester town and Brentwood, with additional growth in Malden, and the A12 and Great Eastern Mainline links London with these centres. These routes provide the main routes to Harwich and Felixstowe. The **Chelmsford Innovation Centre (MedBIC)**, part of the Anglia Ruskin Med Tech infrastructure, is being developed to support the growing life sciences and health care sector. The development of an employer-led **STEM & Enterprise Skills Centre** in Malden will help develop a pipeline of skilled labour to enable the expansion of advanced manufacturing.

2.99

Additional investment in rail and road infrastructure is essential for unlocking the full economic potential of the Corridor. The Corridor has strong links with the London labour market, supporting substantial commuter flows to, and from, the capital. These flows will increase further when **Crossrail** is completed. In North-east Chelmsford investment in **Beaulieu Park station** will stimulate a faster pace of development of both residential and employment areas in the urban extension and help attract higher value occupiers to the business park more quickly, with knock-on effects from this on local job creation, economic output. The station is part of a wider package of journey time, capacity and reliability improvements and is being developed by the "Norwich in 90" Parliamentary Task Force with the assistance of the New Anglia LEP and Network Rail.

A package of investment is proposed to address bottlenecks on the A12 to support growth. **With sufficient investment, there is the potential to create 3,126 jobs and 1,446 new homes by 2021 and facilitate 16,200 jobs and 13,800 homes through our proposed transport schemes.**

M11 London-Harlow-Stansted-Cambridge

2.100

The M11 and West Anglia Main Line link London, Harlow, Stansted and Cambridge and have significant economic assets building on local strengths in life sciences and other high value sectors. Stansted Airport, now owned by the Manchester Airport Group offers very significant potential to attract investment from a wide ranging of global companies seeking a UK base. The delivery of the **Harlow Enterprise Zone (EZ)** is underway with the refurbishment of the Noriel complex. The EZ will attract companies in life sciences, advanced manufacturing and information and communications technologies (ICT) and has capacity for over 5,000 jobs. The EZ will also be the home of one of Anglia Ruskin's new **Med Tech** campuses. The advanced manufacturing sector in Harlow will be supported by development of the **Harlow Manufacturing and Engineering Centre** providing state of the art facilities to meet the skills requirements of existing businesses and those investing in the corridor.

2.101

Several key transport investments are required to unlock full growth potential. In particular, the **M11 Junction 7a** is vital if the EZ is to reach its full capacity and to enable significant housing growth at Harlow. Investments in the **A14** to address existing bottlenecks are also essential. In this Corridor we can accommodate **1,050 jobs and 1,230 new homes by 2021 and facilitate 17,200 jobs and 19,000 homes through our proposed transport schemes.**

A13 London-Thurrock Canvey Island

2.102

From London through Thurrock to Basildon and Canvey Island, the A13 corridor is the largest single growth opportunity in the SE LEP area. With DP World's £1.5bn investment in **London Gateway** - the UK's 21st century container sea port, along with Europe's largest logistics park - the A13 is again an essential link in the nation's trunk road network.

2.103

Investment at the High House Production Park in Purfleet has created a significant hub for the creative and cultural sector. Already the Royal Opera House and the Sector Skills Council, CC Skills are resident on the site alongside work/live space for creative and cultural businesses. Further investment is planned to establish a supportive HE offer alongside vocational learning space and business incubation units.

2.104

The potential to create a new Enterprise Zone at **Thames Enterprise Park**, at 60 hectare site for environmental technology energy sector companies is nationally significant. The comprehensive £800m mixed use redevelopment at **Purfleet** will create 46,000 sq. metres of employment space, including a new international film and entertainment media production centre. Lakeside is already Europe's largest retail complex and further expansion is planned to strengthen this "regional" town centre. A new business park at **Canvey Island** is planned. All of these projects will require enabling investment in transport infrastructure.

2.105

Currently, development is constrained by the limited capacity of the strategic road network, particularly J30/31 of the M25 and the dual carriageway stretch of the A13. Both require a comprehensive solution backed by Government funding. Together planned investments in the A13 Corridor will directly enable the creation of **4,045 jobs and 3,340 new homes by 2021 and facilitate 43,610 jobs and 11,000 homes in this corridor through our proposed transport schemes.**

A127: London-Basildon-Southend

2.106

The A127 links London with Basildon and Southend and Rochford. In Basildon, the A127 corridor is home to one of the largest single concentrations of advanced manufacturing companies in the South of England. It makes substantial contributions to the prosperity of the SE LEP area and offers considerable growth prospects. **London Southend Airport**, now with scheduled air services to Europe and hub airports for onward global

travel, and its neighbouring business park is proving attractive to a wide range of global companies and offers capacity for at least 4,200 additional jobs up to 2021 and a further 3,180 post 2021. Southend and Rochford have prepared a Joint Area Action Plan to unlock these opportunities. One of Anglia Ruskin University's Med Tech campuses is being developed in Southend. Southend Central (including Victoria Avenue) is a major new town centre quarter for new offices, including the City Deal secured Growth Hub, and housing. Comprehensive redevelopment plans for **Basildon Town Centre** are well advanced, including the relocation of South Essex College's Basildon Campus to the Town Centre.

2.107

Realising much of the growth depends upon addressing the significant capacity issues along the A127. At peak periods, the A127 carries traffic volumes which exceed those on many urban motorways elsewhere in the UK. In the A127 corridor there is potential to directly enable the creation of 8,775 jobs and 1,450 new homes by 2021 and a further 48,927 jobs and 32,655 homes through proposed transport schemes.

A2/M2: Thames Gateway Kent

2.108

The A2/M2 runs along the southern bank of the Thames Estuary, linking London with Medway, Sittingbourne and beyond. Just 17 minutes from London by High Speed One, Ebbsfleet offers longer-term scope for 20,000 jobs and 10,000 homes between Ebbsfleet International station and Bluewater. Nearby, the proposed development of a major theme park and visitor destination at **Swanscombe Peninsula** offers the prospect of a further 27,000 jobs, integrated with the development of neighbouring Dartford and Gravesend. The Government's recent announcement that it is to create a new **Garden City** at Ebbsfleet and Swanscombe is very welcome, providing renewed confidence in the area's potential. However, unlocking the potential of Ebbsfleet and Swanscombe will require substantial investment, especially in transport infrastructure on the A2.

2.109

The wider **Medway Estuary**, including the **A249 Corridor** between Sittingbourne and Sheerness, includes a major concentration of manufacturing employment, with strengths in defence-related industries, automotive and environmental technologies. The growth of the renewable energy sector is a particular area of strength, with the North Kent Coast designated as a **Centre for Offshore Renewable Engineering (CORE)**, while Kent **Science Park** near Sittingbourne is a growing centre for life science and environmental research and development. With capacity for an additional 18,000 jobs and 24,000 homes by 2021, Thames Gateway Kent includes some of the UK's most significant locations for residential and commercial growth.

HS1 and the A2, A20 and A299: East Kent

2.110

Linked by the A2, A20 and A299, East Kent contains some of Britain's most iconic landscapes and historic buildings, including Canterbury Cathedral and the White Cliffs of Dover, with leisure and tourism important parts of the East Kent economy.

2.111

The opening of **High Speed One** has dramatically improved access to East Kent, opening up a new corridor for growth – with plans in place for further journey time reductions. **Ashford** is Kent and Medway's fastest growing urban centre outside the Thames Gateway, building on its excellent connections to London and direct international rail services to Paris and Brussels. Planned investment in M20 Junction 10a will help to unlock Ashford's growth potential, helping to deliver around 10,000 jobs and 7,000 homes.

2.112

On the A2, **Canterbury** is an important university city. Over 30,000 students currently study at the University of Kent, Canterbury

Christ Church University and the University for the Creative Arts, with the university sector expanding rapidly. Beyond Canterbury on the A2, the **Port of Dover** is already Europe's largest passenger port and with major plans for expansion. However, significant investment will be required if the area's long term opportunities are to be realised, in particular in improving the A2 to link on expanded Port of Dover with the planned Lower Thames Crossing.

2.113

North of Dover, **Discovery Park** at Sandwich has become England's most successful Enterprise Zone, with over 1,300 scientific research jobs created or safeguarded since Enterprise Zone status was established in 2011. At **Margate** and **Ramsgate**, prospects for growth have been enhanced by investment in transport and cultural infrastructure. **Turner Contemporary** at Margate has attracted over a million visitors since the gallery opened in 2011, underpinning the growth of the creative sector on the East Kent Coast.

2.114

Also on the Channel coast, **Folkestone** is also benefiting from reduced journey times on High Speed One, and is now within an hour of London. This is making a difference to the town's creative and visitor economy, with the development of **Folkestone Creative Quarter** and the revitalisation of **Folkestone Seafarers** underpinned by the successful **Folkestone Triennial**. Combined, East Kent has the capacity for 30,000 homes and 20,000 jobs by 2021.

M20: London-Maidstone-Ashford

2.115

The M20 links London with the Channel Tunnel. Just off the M20 near West Malling, **Kings Hill** is Kent's leading high quality business park, accommodating over 5,000 quality jobs and 10,000 residents. Nearby, **East Malling Research** is one of the country's leading centres for horticultural R&D, building on Kent's agricultural strengths as the Garden of England.

2.116

Maldstone, Kent's county town, has strong economic links with North, East and West Kent, supporting a large economic hinterland, with ambitious plans for growth, including a growing presence in the creative and life science industries. Beyond Maldstone, the M20 corridor continues to Ashford, linking with improved access via High Speed One.

2.117

With some 8,500 homes and 7,000 jobs planned for 2021, the M20 corridor includes some of the South East's most important growth locations at **Maldstone** and **Ashford**.

A21: London-Tonbridge-Tunbridge Wells

2.118

The A21 is the main route from London to Hastings, running south via Sevenoaks, Tonbridge and Tunbridge Wells. With much of the area designated as metropolitan green belt, new locations for growth need to be carefully selected.

2.119

However, West Kent has a strong economy, with a diverse and resilient SME base. In particular, **Royal Tunbridge Wells** has one of the South East's largest concentrations of digital and software businesses, and the area's rural economy will benefit significantly from the rollout of superfast broadband. Further north at **Fort Holstead**, the former DSTL research establishment offers scope for new development as a multi-use R&D facility, with good links to the M25 and to London. West Kent has scope to deliver 7,500 homes and 9,000 jobs by 2021.

A21/A259: Hastings - Bexhill

2.120

This focuses on the urban centres of **Hastings & Bexhill**, extending northward up the A21 towards London, and eastward along the A259 leading towards Rye, Ashford and the Channel Ports. This area includes some of SE LEP's most severely deprived communities along with major investment opportunity

sites, including North East Bexhill, served by the Bexhill to Hastings Link Road currently under construction, and the potential offered via Assisted Area Status. The corridor connects the town centres and seafronts of Bexhill and Hastings, through to Rye. Over recent years there has been significant regeneration some centred around the cultural attractions including the De La Warr Pavilion, the Jerwood Gallery and major investments in the Bexhill seafront. The money being invested in the Hastings Pier restoration will ensure it significantly adds to the local offer.

2.121

There are many investment opportunities on, or close to, the A21, for commercial, leisure and housing uses. In Hastings, these include commercial developments at North Queensway, and the Priority Quarter Business District Phase 4. Rye Harbour in Rother already has a strong manufacturing base and there is opportunity for strategic housing and commercial development in North East Bexhill. To enable new growth, we are seeking investment in the Queensway Gateway Road, and a number of improvements to junctions and capacity improvements in Hastings and Bexhill, including the North Bexhill Access Road. In this corridor we have the opportunity to directly create 5,278 jobs and 745 new homes by 2021 and facilitate 9,700 jobs and 11,300 homes through our proposed transport schemes.

A22/A27 Eastbourne - South Wealden

2.122

This area straddles Wealden District, Lewes District and Eastbourne Borough and features Sovereign Harbour. The A27 corridor is integral to the connectivity of these areas with the A23/M23 corridor and London. However the ongoing lack of investment in the A27 means it is not fit for purpose for carrying long distance strategic traffic, nor for providing journey time reliability which is important for business in terms of the

movement of people and goods and is inhibiting potential growth.

2.123

Business has identified the A27 as a barrier to growth. Our ask of the Highways Agency is for investment in upgrading the A27 between Eastbourne and Lewes to address these constraints is vitally important to improving connectivity to A23/M23, Gatwick Airport and London and supporting business and housing growth plans in the Eastbourne - South Wealden growth corridor.

2.124

The Corridor includes land in Uckfield for business growth and housing and employment sites in Hailsham and Polegate. Sovereign Harbour in Eastbourne contains two key linked sites and the new Innovation Centre (supported by Growing Places Funds) will provide a catalyst for further development. These sites are all served by the A22 (the main road between Eastbourne and the growing market towns of Hailsham and Uckfield) and are being promoted in adapted local plans and are also, importantly, available now for development.

2.125

In order to enable these developments we are seeking improvements to a series of junctions on the A22/A27 corridor around Polegate, and other town centre improvements in Eastbourne, Uckfield and Hailsham, with a sustainable transport corridor from Eastbourne to Hailsham via Polegate. We are already supporting growth in this corridor through Uckfield and Hailsham town centre improvements, the committed developments in Sovereign Harbour, including the retail park, and sites in Eastbourne including the Airndale Centre. We are planning to make SEFUND investments in Polegate Enterprise Park, Sovereign Harbour site 6, and town centre developments. This corridor has the capacity for 5,000 jobs, and 3,000 homes by 2021.

2.126

The A22/A27 Growth Corridor will directly create 1,400 jobs by 2021 and a further 800 by 2025, it will also directly deliver 725 homes by 2021 with a further 575 by 2025. Transport schemes will facilitate 9,240 jobs and 17,800 homes by 2021. Note that (additionally) Polegate Innovation Park will deliver 175 homes 2019/20 - 2021 and 525 homes by 2021/27.

Newhaven Clean Tech and Maritime Growth Corridor

2.127

Newhaven hosts the ferry (mainly freight) service to Dieppe. The town offers substantial potential for growth but is currently dominated by low value added manufacturing, and wholesale and retail trade employment. The area offers potential to become a CleanTech and Maritime Growth Corridor. This will capitalise on proposed investments from E.ON in its operations & maintenance base for Rampion Offshore Wind Farm (Ox-f), Veddo in its Energy Recovery Facility, proposals for a Marine Enterprise & Training Centre, and the decision by Government to approve a new University Technical College (UTC) specialising in marine and environmental engineering. Newhaven Port & Properties (part of port owners Societe d'Economie Mixte Locale) has prepared a masterplan to increase the volume of trade through the port, establish this renewable energy cluster, and support the development of the fishing and marine leisure sectors.

2.128

The Newhaven Port Access Road is an important requirement for re-establishing Newhaven as an important gateway to mainland Europe. The first phase is funded and currently being constructed. East Sussex CC has committed £12m towards the construction of phase 2 which will enable the relocation of existing Port activities closer to the Harbour mouth, unlocking employment space to the north of the Port.

2.129

Newhaven has substantial physical capacity for growth, including on large brownfield sites on six sites in and around the town centre and waterfront which will be more readily developed after the flood defences are in place. Between them they could provide 4500 jobs and 190 homes. The wider transport schemes will facilitate 725 jobs and 1700 homes by 2020/21. In order to enable this growth, we are promoting the port access road, the Newhaven ring road and local capacity improvement works. There is also work planned by the Environment Agency on flood defence work which will help release employment sites. Further works will also be required to the North and East Quay sites. Developments already committed in Newhaven include a housing and employment development at Easideside, and a Coastal Communities funded extension of Dighton Island Enterprise Centre and children's centre.



The Thames Gateway: Accelerating Delivery

Growth potential is focused around four strategic corridors: in South Essex, the A13 Thurrock to Canvey Island, and the A127 Basildon to Southend; and in North Kent, the A2/M2 from Dartford to Sillingbourne, and A249 from the M2 to Sheerness. Maximising the growth in the Thames Gateway depends upon:

- Securing further investment in key road, rail and broadband infrastructure;
- Addressing market failures and low investor confidence;
- Increasing the skills levels to support growth of knowledge intensive industries and the diversification of existing sectors to provide higher value; and
- Supporting business innovation to boost productivity.

The proposals in this Strategic Economic Plan for investment in infrastructure, enterprise, business support and skills development.

Unlocking the full potential of the Outer Thames Gateway is a top priority for the South East LEP. To complement strong leadership by local partnerships in North Kent and South Essex, local authority Leaders, the Chair of the LEP and the Thames Gateway Minister work together through the **Thames Gateway Strategic Group (TGS)** to take a strategic and coordinated approach to the future development of the Gateway. Collectively our proposals are:

Supporting the two transformational developments schemes in the Outer Gateway:

- **Ebbfleet Garden City** SE LEP welcomes the Government's announcement of support for a new 'Garden City' at Ebbfleet, and the establishment of a development corporation to unlock the potential for up to 15,000 homes and 27,000 jobs at the proposed world-class leisure resort at Swanscombe Peninsula. We are asking Government to:
 - Bring forward commitment of funding and delivery timetable for the A2 Ebbfleet and Bean junction

improvements, to tackle existing congestion, de-risk sites and improve investor confidence:

- Ensure effective cross-Whitehall coordination and cooperation to ensure positive and solution focused support for this nationally significant scheme;

- Support Ebbfleet Garden City as an exemplar of sustainable development, high quality future-proofed design and integration of the built environment and green infrastructure.

- **London Gateway (DF World)**. This will be the UK's biggest container port and Europe's largest logistics park providing 12,000 direct and 20,000 indirect jobs.

To support growth at London Gateway and other key sites on the A13 Purfleet to Canvey Island corridor, we are **asking**

Government to:

- Include A13 as part of the strategic (Highways Agency-funded) road network and carry out improvements to alleviate congestion and support growth;

Delivering strategic transport infrastructure investment to unlock development:

- To unlock development and growth opportunities in South Essex and North Kent, we are asking Government to:
 - Implement a comprehensive long-term solution to M25 J30/31 capacity constraints affecting the A13 corridor;
 - grant a policy exception to permit a limited access J5A on the M2, to unlock the potential expansion of Kent Science Park (3,000 new jobs)

Early identification of Thames Gateway projects to access SEFUND:

Our investment strategy for SEFUND will accord particular priority to identifying projects in the Gateway that are close to viability, and where SEFUND can make the difference in securing delivery.

Ministerial support to accelerate delivery on selected development sites.

We welcome the offer from KIS Hopkins, Thames Gateway Minister, to work with partners to accelerate delivery on selected key development sites. Early priorities include: Lodge Hill, Chatham (5,000 homes, 5,000 jobs); Strood Riverside (600 homes); Purfleet, Thurrock (2,500 homes, 1,500 jobs); and Victoria Avenue, Southend-on-Sea (2,000 homes, 6,500 jobs).

Getting more transparency on available public sector land

We ask that the HCA should administer a fully transparent portal detailing all public sector land holdings (whether or not declared surplus), with strong incentives for disposal of surplus land to support growth. Local authorities within the Gateway will lead by publishing full details of their own land holdings.

Accelerating new housing development

We will look for early opportunities to implement the Housing Deal asks in this Plan to bring forward housing sites in the Thames Gateway.

Marketing the Thames Gateway

SE LEP will enhance the profile of the Thames Gateway, and our offer to inward investors. We will continue to work with Government, through UKTI and BIS, and in partnership with Locat in Kent and Invest Essex to encourage foreign direct investment and to attract institutional and sovereign wealth fund investment.



The Thames Gateway

