

## Strategic Board Meeting

Friday 11<sup>th</sup> March 2016, 10:00am–13:00pm

High House Production Park, Purfleet, Essex, RM19 1RJ



<i>Part I: SELEP Board members only (supporting officers accommodated in Mezzanine with refreshments)</i>			
10.00	<b>1</b>	<b>Welcome</b> and introductions	George Kieffer
10.05	<b>2</b>	<b>Minutes</b> and actions from 11 <sup>th</sup> December 2015 meeting <a href="#">page 2</a> <b>Matters arising</b>	George Kieffer
10.10	<b>3</b>	Recruitment of <b>Managing Director</b> <a href="#">page 10</a> - Including <u>decision</u> on process	Kim Mayo, Accountable Body
10.15	<b>4</b>	Presentations and questions with final candidates for the <b>Chairman</b> position <b>*Paper to follow*</b> - Including <u>decision</u> on preferred applicant and next steps	Kim Mayo
<i>Part II: Open to the Public</i>			
11.15	<b>5</b>	<b>Lower Thames Crossing</b> – Route Consultation 2016 <a href="#">page 13</a> - Highways England to introduce the consultation to the board, and engage in open dialogue - To subsequently discuss SELEP’s approach, the emergent response, website and engagement events - Including <u>decision</u> on next steps and the approach to achieving sign-off of the SELEP response	Mike Brown Peter Fry  Shared Intelligence
12.15	<b>6</b>	<b>SELEP Team Plan 2016/17</b> <a href="#">page 15</a> - Including <u>decision</u> on resourcing options for 16/17	Adam Bryan
12.35	<b>7</b>	<b>SEFUND</b> - Options report from Accountable Body <b>*Paper to follow*</b>	Kim Mayo
12.45	<b>8</b>	<b>Assurance Framework</b> <a href="#">page 26</a> - Including <u>decision</u> on proposed changes	Adam Bryan
12.50	<b>9</b>	AOB	George Kieffer
13:00	<b>10</b>	Close & Lunch	

### Attached for information only:

- a. Material from 12<sup>th</sup> February [Accountability Board](#) (see link)
- b. **Devolution** updates
- c. **EU** update briefing
- d. **Housing** actions summary, including update on HFI programme
- e. Update on **Local Growth Fund** 15/16 spend and 16/17 scheme profiling post Accountability Board
- f. Update from **North Kent Innovation Zone**
- g. Next steps on taking forward the **rural strategy**

### Future Meeting Dates

1. 24th June 2016
2. July AGM to be confirmed
3. 23rd September 2016
4. 9th December 2016

## SE LEP Strategic Board Meeting Minutes

Friday 11<sup>th</sup> December 2015, 10:00am – 12:00pm  
High House Production Park, Purfleet, Essex RM19 1RJ



### Full Board members & alternates present

George Kieffer	<b>Interim Chair</b>
Andrew Metcalf (Alternate for Kent Businesses)	Kent Businesses
Cllr David Finch	Essex County Council
Cllr Gill Mattock (Alternate for David Tutt)	Eastbourne Borough Council
Cllr John Kent	Thurrock Council
Cllr Keith Glazier	East Sussex County Council
Cllr Paul Carter	Kent County Council
Cllr Paul Watkins	Dover District Council
Cllr Peter Chowney	Hastings BC
Cllr Peter Fleming	Sevenoaks District Council
Cllr Rodney Chambers	Medway Council
Cllr Ron Woodley	Southend BC
Cllr Tom Cunningham (Alternate for Graham Butland)	Braintree District Council & Essex District/ Borough Authorities
David Rayner	Greater Essex Businesses
Derek Godfrey	Ellis Building Contractors
Douglas Horner (Alternate for Jo James)	Trenport Investments Ltd & Kent Businesses
Geoff Miles	Maidstone Studios
Graham Peters	East Sussex SME Commission & East Sussex Rural Partnership
Graham Razey	East Kent College
Julian Drury	C2C and South Essex Businesses
Martin Searle	FSB
Paul Thomas (Alternate for Graham Brown)	Orbit Homes & Kent Developers Group
Perry Glading	Forth Ports & Thurrock Businesses
Stephen Waite	Writtle College

### Also in attendance:

Graham Pendlebury, DfT & SELEP Senior Whitehall Sponsor  
Cath Goodall, BIS

### Apologies

Apologies had been received from Cllr Graham Butland, Graham Brown, Cllr David Tutt, Jo James, Nick Sandford and David Burch.

## 1. Welcome

- 1.1. George Kieffer welcomed the group including our LEP Whitehall Sponsor Graham Pendlebury, Cath Goodall from BIS and new Board Member for HE, Stephen Waite of Writtle College
- 1.2. Presenters for the Essex Devolution Deal, Nicola Beach of Braintree District Council, and for the new Chairman and Director Recruitment, Gatenby Sanderson were also welcomed

## 2. Minutes and matters arising from September 2015 Board Meeting

- 2.1. The minutes of the meeting held on Friday 25 September 2016 were agreed to be a correct record of proceedings with exception of item 2.1 – accordingly there is not an Assisted Areas Group so the word 'group' should be deleted from the records
- 2.2. All actions had been completed or were covered elsewhere in the agenda.

### Matters Arising

- 2.3. Adam Bryan reflected on the key outcomes of the Spending Review, including:

- The re-commitment for LEPs of £12bn LGF, £4b still to be allocated but identified.
- One Enterprise Zone approved – North Kent Innovation Zone
- £250m for new lorry parks for Operation Stack
- Confirmation of LEP Core Funding (details still to follow)
- Confirmation of £24m nationally for Growth Hubs over the next two years (SELEP allocation TBC)
- Coastal Communities Fund to be extended to £90m with bidding round in new year
- £400m Science Hub at Harlow, following move of Public Health Lab
- National Creative and Cultural Industries College to be based at High House Production Park (invite comment from Thurrock?)
- Route development funding to enable flights from Southend Airport to Carlisle which is a crucial underpinning of the CONNECT project

- 2.4. Graham Peters commented that the precise process and timescales for future bidding rounds of LGF are still to be confirmed but unlike previously Government now know the balance of LGF. It is important for SELEP to consider how funding will be spread to cover wider issues such as skills and housing and not solely focus on transport. Cath Goodall suggested that Government are looking at as few conditions and ring fencing as possible and George Kieffer confirmed that he would raise this in the annual conversation.

## 3. Skills – Defining SE LEP's Strategic Role

- 3.1. Graham Razey was welcomed to present the item which was intended to:

- Raise the profile of skills within SELEP's strategic agenda
- Inform the Board on the work of the Skills Advisory Group (SAG)
- Define the LEP's role in skills
- Introduce the concept of utilising LGF to address skills issues

- 3.2. Currently the skills deal offers SELEP a £22m capital fund, a proportion of EU Funding and very limited influence on skills revenue funding. SELEP should be ambitious in its quest to support the skills agenda and encourage use of future Growth Deal allocations to fund skills as determined by local priorities, support Area Reviews and extend its influence over wider skills funding.
- 3.3. Graham provided an overview of the SAG which had been set up to deliver upon SE LEP's skills priorities, which have been aggregated from local Employment & Skills Boards and built up into a SE LEP strategy with the aim of adding value, scale, impact and influence for local areas.
- 3.4. Graham explained the progress of the SAG to date which includes:
- Overseeing a well-regarded process for capital funding bids
  - The development of the data cube to manage skills data across the SELEP area
  - The creation of the skills portal to provide training information across the SE LEP area for businesses, enabling them to identify the appropriate courses they require, connecting them directly with skills providers and, for specialist needs, enabling them to group with other businesses to provide the critical mass required for providers to establish bespoke training courses. The portal is developed and in its testing phases due to be rolled out shortly and has received positive feedback from businesses.
- 3.5. The Government identifies a key role for LEPs in Area Based Skills Reviews, which are reviewing post-16 education and training institutions, in order to aim for fewer and more financially resilient organisations. The process is already underway in East Sussex and due to be rolled out later across the rest of SELEP's geography. The SAG has been supporting this process and will continue to ensure that businesses are engaged.
- 3.6. Linked to Area Based Reviews, Devolution Deals also present a key opportunity for LEPs to influence local skills provision and the SELEP must take the opportunity to shape local skills systems.
- 3.7. Stephen Waite highlighted the need to express how these developments / aims links with university provision, to ensure the HE / FE offers are aligned.
- 3.8. The LEP needs to be mindful of the impact of Area Reviews.
- 3.9. Graham Peters viewed Area Reviews more as an issue for northern England where there are many more FE colleges.
- 3.10. David Finch commented that the process seemed bureaucratic. Short term aims need to dovetail in the long term economic plans and the outcomes as to where this generates greater productivity. Graham Razez assured that the model sits in the federated areas and will feedback to employment the question on productivity to the Skills Board.
- 3.11. Full details can be found in the slides attached to these minutes - Appendix 1
- 3.12. The Board **NOTED** the presentation and **AGREED** all recommendations as listed in the covering report

#### 4. Item 4 – SEFUND

- 4.1. Graham Peters noted apologies from Graham Brown who was unable to attend the meeting but who has been instrumental in championing the case for SEFUND and the recent fact-finding mission to the Evergreen projects in the North West.
- 4.2. Graham Peters went on to introduce the paper, which implements much of the agreements made at the March 2015 Board meeting that had been placed on hold. Graham took the opportunity to remind Board members of the SEFUND structure and principles and commented that SEFUND would offer a valuable tool in the SE LEP investment armoury and the initial allocation from Growing Places Fund (£50m) would offer great potential for a rolling scheme to make a real impact.
- 4.3. David Rayner advised that the SEFUND Shadow Board has been in place for around a year and that the time had come to decide how this could be moved forward. He and fellow Shadow Board members have been suitably impressed with CBRE's investment strategy for SEFUND and of their experience with similar schemes elsewhere. He confirmed that examples of Evergreen funding, seen on the fact-finding mission to Manchester, were a tremendous success with every £1 of funds producing £2 of private investment. Here developers referred to a recognisable and established brand that stood independently from perceptions of public sector borrowing.
- 4.4. David Godfrey reiterated the importance of brand in this visit and that the products offered had become a mainstream investment option. It should be recognised that the SEFUND model offers to fill a funding gap due to market restraints, not a viability gap, and that the investment strategy incorporates a flexible structure which would allow the SEFUND Board to prioritise funds. Further, GPF repayments are now beginning come forward and SELEP should demonstrate added value to Government. It is not an option for funds to be repaid and held.
- 4.5. Douglas Horner pointed out that there may be some challenges in terms of scale as GPF is being repaid over a period of time and initially the pot would be limited. He sought assurance that the fund would be de-risked, and in response David Godfrey advised that whilst it is a new fund, it is managed by independent fund managers, CBRE, and the investment model has designed to be significantly limit risk.
- 4.6. David Finch and Paul Carter both agreed that GPF returns would be a slow burner, and that initial payback would only fund a first tranche. Paul suggested that Government should be approached for a further £50m and George Kieffer agreed to pitch this at the annual conversation as part of future LGF. David Godfrey supported this and suggested that Government would be likely to want to see a working model in place before supporting further investment.
- 4.7. Keith Glazier confirmed unanimous support from Team East Sussex for SEFUND and while he has concerns with speed of delivery, it does present another tool to accelerate development.
- 4.8. George summarised and reflected on the discussion and noted the opportunity to pitch SEFUND as part of future LGF allocations.
- 4.9. The Board **AGREED:**

- Subject to resource availability, to instruct the SE LEP team to procure interim (6 months) fund management support for SEFUND
- Subject to the satisfactory assessment by the Accountable Body of wider investment fund structure and management options:
  - Procure long-term (2 year) fund management support through the OJEU process
  - Agree to establish SEFUND as a separate legal entity as appropriate, possibly in the form of a Limited Liability Partnership
- To appoint George Kieffer to replace Peter Jones as Chair of the SEFUND Board

## 5. Housing: Progress & Next Steps

- 5.1. George Kieffer introduced the paper on the background and recent progress in SELEP's work to support housing activity, which has the following (summarised) objectives:
- To bring together all parties (HCA, councils, developers, finance, utilities) involved to drive development forward
  - To encourage and support councils to bring forward their local plans
  - To review the performance and involvement of utility companies
  - To promote best practice
  - To look across LEP boundaries
- 5.2. In delivering these objectives, through the leadership of Board member Graham Brown, the SELEP has recently delivered a range of activities, including recently holding 4 Duty to Cooperate Workshops, where all Districts and Boroughs across the full SELEP area were invited to help the LEP determine how it can support Local Authorities' planning role and maximise chances of drawing down further growth deal funding.
- 5.3. David Godfrey explained that the team is now looking at how SELEP's commitments to the housing agenda can be further progressed and he set out the proposals for a pilot with the Housing Finance Institute, to undertake a series sponsored of Housing Business Ready Programmes to take place in selected Local Authorities, with feedback presented to the next Strategic Board.
- 5.4. The group discussed the need for a need to simplify access to utilities to unlock development and avoid delays in housebuilding.
- 5.5. Paul Carter pointed out that limitations in infrastructure funding present a real restriction and issue around viability for development, particularly in deprived areas. The LEP's role must be to uncover blockages and to encourage Government to support funding the shortfall
- 5.6. In agreement, Ron Woodley commented that the Government has focused on the North and that there are challenges here in the South East. This message needs to be relayed to government
- 5.7. George Kieffer also raised the issue of challenges in ensuring that utilities and regulators can support timely housing growth and that he is prioritising these discussions. This was broadly supported.
- 5.8. The group discussed the drivers for housing including inward investment, such as Paramount Studios, which will require significant numbers of homes. As well as numbers, quality of place is

essential, requiring cultural provision and place-making. In supporting economic growth SELEP must encourage the quality desired.

- 5.9. Peter Chowney raised that while planning is a key issue for Local Authorities, there are a significant number of sites approved but not built out. This reflects the issues around viability but also the need to encourage developers to proceed.
- 5.10. David Godfrey provided further details on the recent Duty to Cooperate Workshops, including the challenges identified by Local Authorities across the area. It was agreed to circulate the final report to Strategic Board Members for information and noted that this information would also be summarised within a covering report on housing to the next meeting in March 2016
- 5.11. Board members discussed the opportunity to work collaboratively with the Housing Finance Institute (HFI) to deliver a SELEP sponsored pilot Housing Business Ready Programme and then consider a report of the outcomes at the next meeting. Given the profile of the HFI and Government's support of the organisation, the Board were very keen to support this activity, which would not only demonstrate SELEP'S commitment to housing, but also would further develop support and relationships with District and Borough Authorities.
- 5.12. The Board **NOTED** progress to date. Findings from recent Duty to Cooperate workshops would be incorporated in to the covering Housing report for the March Board
- 5.13. The Board **AGREED:** For SELEP to sponsor a pilot of the Housing Business Ready Programme in 6 Local Authorities and for a full programme of support to be worked up by the HFI and presented to at the March Board meeting by Natalie Elphicke.

## 6. Lower Thames Crossing

- 6.1. Geoff Miles introduced the paper and reiterated the potentially impactful role that the LEP could play in brokering as much local business engagement as possible in the forthcoming consultation.
- 6.2. In encouraging business engagement, SELEP is creating a mechanism for businesses to consider the facts as presented, rather than directing them to a specific solution. It was suggested that a standalone website should be created, to drive consultation and encourage businesses and others to comment on the consultation that SELEP would then analyse and assess
- 6.3. The Board **AGREED: to create the on-line mechanism to encourage businesses and others to comment on the consultation that SELEP would then analyse and assess**
- 6.4. David Finch commented that also SELEP needs a wider communications strategy around the Lower Thames Crossing, not just a website. The group were assured that Zoe Gordon would be back from maternity leave in the New Year and would be taking this forward.
- 6.5. A full discussion took place whereby the strategic importance of the Lower Thames Crossing was discussed. It was agreed that this is a top strategic priority for SELEP and the Board must come to a majority position on preferred route.

6.6. It was also widely agreed that more evidence of economic impact assessments is needed to ensure that decisions positively impact long term growth. Building our own evidence base is crucial to strengthen our case and ensure that we can ask the right questions of Government. The Board **AGREED: To instruct the SELEP team to take this work forward in a way commensurate with the nature of Highways England's consultation.**

## 7. ESIF/ EU update

7.1. George Kieffer and Lorraine George updated the Board on the progress made and despite delays linked to the sign-off of national programmes, some very good local progress has been made regarding the delivery of the SE LEP ESIF strategy since the last Board meeting.

7.2. The ESIF Committee held in November reviewed the three EU Funding programmes – European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Agricultural Fund for Rural Development (EAFRD) in the SELEP area, including Community Led Local Development (CLLD). As a result of recent calls:

- ERDF: 9 ERDF submissions were invited to full application
- CLLD: 5 Community Led Local Development (CLLD) applications have been received and are being reviewed
- The Youth Employment Initiative (YEI) project led by Thurrock council is now progressing to full application
- ESF: The call for applications for Social Inclusion projects matched by the Big Lottery Fund and worth £16 million has closed with some 40 applications expected.
- EAFRD: 2<sup>nd</sup> Call for applications that was expected in November has been delayed until March 2016 with Defra requiring time until February 2016 to clarify the extent of the impact on EAFRD.

7.3. In response to Government's requirement for LEPs to update and finalise their ESIF strategies in line with the final Operational Programmes agreed with the European Commission, SELEP undertook this refresh which was agreed by the ESIF Committee in November.

7.4. The Board agreed to **NOTE** this update.

## 8 Recruitment of Chairman & Director (commercially sensitive report circulated separately)

8.1 The Chairman welcomed SELEP's appointed Executive Search Consultants, Gatenby Sanderson, who presented a series of slides to the Board concerning the process of recruitment and selection

8.2 It was **AGREED** that their contact details would be circulated to members of the Board

8.3 Noting the approach which was endorsed by the Board in September, the Board discussed the need for the process for appointing a Chairman to remain business led.



## **9 Devolution Deals: Greater Essex**

- 9.1 The Chairman welcomed Nicola Beach, Chief Executive of Braintree Borough Council and Chair of the Essex Chief Executives' Group.
- 9.2 Nicola provided an update on progress to date for the Essex Devolution Deal, which has had particularly strong engagement with business from the start and has great synergy with discussions taken place today, such as the strategic approach to skills.
- 9.3 As part of devolution it is necessary to recognise diversity and scale of greater Essex, incorporating local delegation and local need of local boards
- 9.4 Greater Essex has identified housing, skills and training, and infrastructure as the key themes which will underpin its ambition. To develop these areas, work streams have been set up, each led by a separate Council leader.
- 9.5 The core purpose of this is about devolving centralised powers, to increase productivity and growth; and in place-shaping, to support communities and improve quality of life.
- 9.6 A fiscal work-stream has been established to assess how the treasury get financial return and what is the gain shared back from Essex's viability. A public sector reform work-stream has also been set up to assess how the sector can work more effectively in collaboration.
- 9.7 Nicola confirmed that a Greater Essex Devolution website would soon be launched to communicate the message widely. She highlighted that this is a very ambitious bid that requires a high level of debate and welcomed the LEP as part of these discussions.
- 9.8 Paul Carter questioned the lack of information regarding this in the Spending Review. Nicola advised that due to resources they had not received as much time from Civil Servants as they had originally hoped for.
- 9.9 Keith Glazier commented that the 3 Southern Counties are still working up their case and will be meeting in January to further define.
- 9.10 George thanked Nicola for her time and spoke of SELEP's future support for devolution as it develops

## **10 Information**

- 10.1 The annual conversation is taking place on 14<sup>th</sup> December and the Interim and Vice Chairs will feed back discussions raised at this meeting

## **11. Close & Lunch**

- 11.1. The Chairman thanked all Board members, presenters and guests for their attendance and contribution

## Strategic Board Meeting

Friday 11 March 2016

Agenda Item: 3

Pages: 3

For decision	X
For endorsement	
For information	
<i>mark with 'x'</i>	



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## Recruitment of Managing Director

### 1. Purpose

1.1. The purpose of this paper is to:

- Update the Board on the recruitment of the Managing Director;
- and to seek approval for the formation of the interview panel, and the process to be undertaken up to a formal offer being made to the successful candidate.

### 2. Recommendations

2.1. The Board is asked:

- To **NOTE** that the initial applications have been longlisted by the Vice Chairmen, Accountable Body and officer representatives from each Authority.
- To **NOTE** that those longlisted will now undergo interviews conducted by Gatenby Sanderson.
- To **APPROVE** the recommendation report by Gatenby Sanderson shall be reviewed by the Accountable Body and the Interview Panel, who will agree which candidates proceed to a panel interview
- To **APPROVE** the Interview Panel to be formed of:
  - a representative from each of the four business boards;
  - a representative from HE or FE;
  - the newly appointed SELEP Chairman; and
  - a representative from the Senior Officers' Group.
- To **ENDORSE** that the chairman of each of the four Business Boards shall nominate their representative to the Interview Panel, and inform the Secretariat of the name of the respective individual, who may be either an elected member of a Local Authority or business representative.
- To **ENDORSE** that the Secretariat will work with the HE/FE and Senior Officer Group to secure their nomination.
- To **APPROVE** the process for final appointment of the Managing Director, from the options set out below:

## **2.2. Option one:**

- The Board shall delegate the power to formally determine the successful candidate for appointment of the Managing Director to the Interview Panel, and to allow the Accountable Body to formally offer the position accordingly based on that final determination; and
- The Interview panel shall circulate to all Board Members a report setting out their findings from the interviews and their final decision on the appointment of the Managing Director, within 5 days of the interviews taking place.

## **2.3. Option two:**

- The Interview Panel to prepare a report following the interviews, setting out their findings and their recommendation of the candidate for appointment to the Managing Director; and
- Through the use of electronic procedure, the Interview Panel's report to be circulated and recommendations endorsed; and
- Where a unanimous decision is reached, the Accountable Body will formally offer the Managing Director position to the successful candidate, and will seek to finalise the employment terms and conditions; or
- Where the Board has failed to reach a unanimous decision, a conference call will be held within 7 days of the vote being taken to discuss the issues and to take a re-vote.

## **3. Background:**

- 3.1. Following the advertisement of the Managing Director position in the Times, Sunday Times, MJ publication, Guardian and Institute of Economic Development, 26 applications were received before the closing date of 29 January 2016.
- 3.2. The Executive Recruitment Consultants, Gatenby Sanderson, have reviewed each of those applications, and have provided a report which sets out their initial recommendations for 8 candidates to proceed to a preliminary interview with themselves.
- 3.3. As the closing date was some weeks ago, in consultation with Gatenby Sanderson, it was considered necessary to allow the process to move forward. This was seen as essential in ensuring that the SE LEP retained the candidates' interest in the position. As a result it was agreed with the Interim Chairman and Vice Chairmen that an interim panel should be convened to review the initial report, and agree the longlist of candidates. Accordingly Gatenby Sanderson's report was considered by the Accountable Body, the Interim Chairman, Vice Chairmen, and an officer representative from each upper tier Local Authority on 26 February 2016.
- 3.4. Having regard to those candidates recommended by Gatenby Sanderson, the interim panel brought 7 candidates forward for preliminary interviews. Those interviews were conducted by Gatenby

Sanderson during the week commencing 29 February 2016, and their preliminary findings are expected the week commencing 14<sup>th</sup> March 2016.

- 3.5. At which point the Interview Panel, will be asked to consider that report and confirm those candidates they wish to formally invite to a panel interview. It is considered that these interviews will take place late March/early April and the Secretariat will work with each of the nominated Interview Panel Members to secure a convenient date.
- 3.6. As the Board is not due to reconvene until June 2016, it is essential that there is a process in place that will provide for the appointment of the Managing Director, and that Candidates are not left waiting until June before they are formally informed as to whether they have been successful. Many Candidates will have notice periods to give in their current roles, and therefore a delay in formally offering the position could result in lengthy delays in the arrival of the individual to the SE LEP.
- 3.7. Accordingly in order to manage this intervening period the Board is to consider the two options set out in the recommendations section, both of which will seek to secure the appointment of the Managing Director ahead of the next Board Meeting and ensure that the candidate has an opportunity to be brought in as quickly as possible following the appointment of the Chairman.

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Author: Kim Mayo

Position: Principal Solicitor, Essex County Council

Contact details: [kim.mayo@essex.gov.uk](mailto:kim.mayo@essex.gov.uk)

Date: 3<sup>rd</sup> March 2016

For decision	X
For endorsement	
For information	
<i>mark with 'x'</i>	

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## LOWER THAMES CROSSING – ROUTE CONSULTATION 2016

### 1. Purpose:

1.1 The purpose of this paper is to outline the process for developing the SELEP response to the Highways England Lower Thames Crossing (LTC) Consultation and for the Board to agree the process for signing off the final version of the SELEP response, to be submitted by 24<sup>th</sup> March 2016.

### 2. Recommendations

2.1 The Board is asked:

- to **APPROVE** the process for signing off the final version of the SELEP submission to the LTC consultation; and
- to **ENDORSE** the proposed approach to bringing together a SELEP response.

### 3. Background:

3.1 Highways England is leading a conversation with Board members on the detail of the consultation on the Lower Thames Crossing at today's meeting. The consultation was launched on 26th January 2016 and is open for 8 weeks until 24th March 2016. There are 3 route options north of the river and two south of the river; the crossing will take the form of a bored tunnel and responses are sought on preferred routes.

3.2 It is important for SELEP to submit its own response to the consultation. We have secured the services of Shared Intelligence to assist in developing the response and they are in touch with all partners to ensure that we reflect everyone's views as much as possible. They will offer a short presentation of early findings to the Board meeting after the discussion with Highways England has concluded.

3.3 The SELEP team has been working hard to engage the business community on this issue and have been working with Maxim PR to ensure maximum impact of the communications approach across the area. Included in this approach are two SELEP hosted business events in conjunction with the Essex Chambers of Commerce and the Kent Invicta Chamber of Commerce, taking place on 16<sup>th</sup> March in Essex and 18<sup>th</sup> March in Kent, which will inform the SELEP response.

3.4 The website which we launched to engage the consultation with local businesses, [www.new-thamescrossing.co.uk](http://www.new-thamescrossing.co.uk) is still active and provides a further opportunity to connect SELEP with the direct views of our local businesses.

3.5 Following the Kent business meeting on Friday 18<sup>th</sup> March 2016, the following process is proposed for the finalisation of the written response:

Shared Intelligence to share draft response with Strategic Board	Noon, 21 <sup>st</sup> March
Board members to offer comments to Shared Intelligence	By 5pm 22 <sup>nd</sup> March
Final version shared with Strategic Board	5pm, 23 <sup>rd</sup> March
SELEP team to submit response to the consultation website	5pm, 24 <sup>th</sup> March

3.6 It is important to note that SELEP’s response to the consultation will be accompanied by a press notice and a letter to the appropriate Government departments, reiterating our position; our interest in working with them on the growth opportunities provided by the investment; and indicating the impact that it will have on our own prioritisations and scheme pipeline development.

3.7 We recognise that the SELEP as a whole is unlikely to be able to form one unanimous position supported by all partners. In the past we have set out a position recognising local differences but have been able to demonstrate either majority or unanimous views from the business community. The debate on the Lower Thames Crossing is of great significance for partners across the SELEP area and it is vital that we are active participants, even if this means continuing to recognise divergent views amongst partners.

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Position: Interim Director  
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Date: 11<sup>th</sup> March 2016

**Strategic Board Meeting**Friday 11<sup>th</sup> March 2016

Agenda Item: 6

Pages: 10

For decision	x
For endorsement	
For information	
<i>mark with 'x'</i>	



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**SELEP Team Plan 2016/17****Purpose:**

The purpose of this paper is to:

- make the Strategic Board aware of the SELEP team's financial position for 2016/17;
- consider options for its financing; and
- invite a conversation around the planned activities for the year.

This document provides the current activity framework for the SELEP team and is not intended to represent a strategy for SELEP at large.

**Recommendations:**

The Board is asked to consider the plan at *Appendix 1*, recommend changes as appropriate and agree a new approach to the movement of Local Growth Fund monies which is referenced in section 7.8.

A final version of the Team Plan will be shared for information at the June board meeting following its route through the 8<sup>th</sup> April Accountability Board and subject to it receiving the full endorsement of the incoming Chairman. The Assurance Framework will be further updated to reflect any material change.

**Background:**

The plan is included as *Appendix 1*, below.

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Author: Adam Bryan  
Position: Interim Director  
Contact details: [adam.bryan@essex.gov.uk](mailto:adam.bryan@essex.gov.uk), 07884 475191  
Date: 11<sup>th</sup> March 2016

## 1. Introduction

- 1.1 This document describes the planned activities and associated costs for the central SELEP team from 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017.
- 1.2 It is deliberately called a 'Team Plan' rather than a 'Business Plan' as its focus is that of the central operation of the LEP and *not* those activities which are undertaken by the sub-groups, formal committees or federal areas. Similarly, it makes no attempt to recast the Strategic Economic Plan or the broader strategic agenda of SELEP.
- 1.3 It seeks a decision around the movement of Local Growth Fund monies which is referenced in 7.8, below.
- 1.4 It is planned that a draft version of this document for 17/18 will be produced in time for the December 2016 meeting, and will take account of the impacts of the devolution agenda, the most recent Local Government settlements and any announcements in the Autumn Statement.

## 2. Mission

- 2.1 The SELEP Team supports the LEP's operation as the primary public-private vehicle to direct funding and other support to schemes and projects which enable economic growth across East Sussex, Essex, Kent, Medway, Southend and Thurrock. It contributes to those areas where (i) it has a unique role or strategic opportunity and (ii) it can operate in support of federal boards and their own agendas around supporting economic growth.
- 2.2 By working in the close partnership of its federal model, in 16/17, the SELEP team will:
  - extend its influence and partner base by increasing its work with London and neighbouring LEPs where it befits our shared strategic agenda;
  - simplify its agenda and start to disengage from activities which are not consistent with its central mission;
  - quantify its impact in absolute terms and make the strongest possible case to Government for increased investment in the South East LEP area;
  - over-deliver on planned Growth Deal outcomes.
- 2.3 The overall mission of SELEP at large remain unchanged. Up to this point, it still operates to the ambitious vision of 'creating the most enterprising economy in England' though this perhaps needs a refresh during 2016. Fundamentally we are there to support the central tenets of creating a more skilled economy; supporting dynamic businesses to grow; and securing housing growth through accelerated infrastructure delivery. This ambition is shared across the area.



### 3. SELEP Team

#### *Roles and Recruitment*

3.1 At the time of writing, the SELEP team consists of the following roles with the associated broad functions:

Role	Function	FTE Count
Director	Overall responsibility for delivery of SELEP programme of work	1
Deputy Director	Team management; lead on delivery of LGF and strategic priorities; stakeholder engagement	Currently vacant (1)
Capital Programme Manager	Responsible Officer for LGF programme and liaison; dialogue with Government; Accountability Board	Not yet appointed (1)
Programme Manager	Coordination of the whole SELEP programme; office management; housing lead	1
Business Engagement and Communications Manager	Relationship management with businesses and business groups; all written and digital communications	0.8
EU Funding Lead	Strategic lead of all EU funding programmes; close liaison with DCLG	1
Skills Lead	ESF; SFA; liaison with SAG; Skills Capital Programme; skills groups; colleges	0.8
<b>Total in post</b>		<b>4.6</b>

3.2 For reasons detailed in section 7, below, it is anticipated that the team roster for 16/17 onwards will be as follows:

Role	Function	FTE Count
Managing Director	Overall responsibility for delivery of SELEP programme of work	1
<del>Deputy Director</del>	<del>Post deleted</del>	
Capital Programme Manager	Responsible Officer for LGF programme and liaison; dialogue with Government; Accountability Board	1
Programme Manager	Coordination of the whole SELEP programme; office management; housing lead	1
Business Engagement and Communications Manager	Relationship management with businesses and business groups; all written and digital communications	0.8
EU Funding Lead	Strategic lead of all EU funding programmes; close liaison with DCLG	0.8
Skills Lead	ESF; SFA; liaison with SAG; Skills Capital Programme; skills groups; colleges	0.8 (to June)
<b>Total</b>		<b>5.4 up to June, tbc thereafter</b>

3.3 The significant changes here are:

- Following previous approvals, the appointment of the Capital Programme Manager to manage the LGF Programme, including support to local programme management, overseeing the work of the Independent Technical Evaluator and coordinating the Accountability Board. This is the role advised by Irene Lucas in her 2014 review of SELEP governance.
- The deletion of the Deputy Director role, which was originally brought in to provide additional support to the Director when the appointed roles in the team were few. While there is more than enough work of this level to justify the post, projected budget constraints will not allow for it. Certainly, its responsibilities around LGF management, Growth Hub and stakeholder management can be shared between the incoming Capital Programme Manager and the existing Business Engagement and Communications Manager.
- The existing Skills Lead role will be occupied through secondment up until the end of June. Beyond that, any skills role paid for by the LEP will have a focus aligned with the strategic skills agenda described at the board in December 2015. The establishment of and recruitment to this role is subject to Board-level resourcing discussions and ongoing conversations between the Chairman, Director and the Chair of the Skills Advisory Group.

### *Next steps for the team*

3.4 In mid-January, the SELEP Team had an Away Day to reflect on progress to date and what changes should be made in the future as the group strives to improve. The day looked at the shape of individual roles and considered what we need to do more of, and less of as a team. It considered protocols around the way we work and how little tweaks could make a big impact on the work of the LEP. At the end, two hours were spent validating the conclusions with members of the Senior Officer Group and the Interim Chairman in what was a very positive conversation.

3.5 Some of the items to follow up were as follows:

- Push a renewed focus on business engagement through closer working with business intermediary groups;
- Clarify everything around governance and decision making and use the appointment of the new Chairman to ensure a clarity and a clean way forward;
- Improve our forward planning and publish a calendar inclusive of all paper deadlines for Strategic Board, Accountability Board and for the ITE's Gate Process where applicable;
- Do what we can to improve the cascade of information from federal level to district and community level;
- Improve the resilience of the team by appointing a 'second in command' for each key work area;
- Be braver and challenge partners and other members of the LEP where possible. Set clear asks and accountabilities;
- Set a generic MOU which describes the SELEP team role as distinct from the local/federal area role and thus provides a guide as to what we do and don't do and what we do collaboratively; and
- Shout louder about our successes.

3.6 The team undertook a quick exercise to reiterate SELEP's top ten priorities for focus. They are listed below, for information.

SEFUND	Lower Thames	Growth Hub	EU Funding	Strategic Skills
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	Crossing			agenda
LGF pipeline	LGF monitoring and delivery	Enterprise Zones	Devolution	Business engagement/voice

#### 4. Activities and responsibilities

4.1 Below is a table which, at a strategic level, summarises the core activities of the SELEP team. It should provide some insight as to the breadth of the team's work over the coming year. It is largely reflective of activity grids that have been shared at previous meetings

Activity	Details	Lead
Accountability Board	Management, clerking and coordination	Accountable Body
Business engagement and outreach	Developing relationships, distributing articles, supporting Vice Chairs and Chairman	Business Engagement & Communications Manager
Chairman and Vice Chairman	Briefing; engagement	Director
Coastal	Support to the pan SELEP group and oversight of the SELEP £2m Coastal Housing Renewal scheme	Programme Manager
Communications	All outgoing media; PNs; website; twitter account; weekly briefings; brand management	Business Engagement & Communications Manager
Creative	Work with sector leads on interventions in the creative sector	Director
Cross LEP engagement	Taking forward projects and initiatives with other LEPs	Director
Devolution	Supporting the proposals for local government Devolution in each part of SELEP	Director
Ebbsfleet	Continued joint working around development	(Housing consultant)
Enterprise Zones	Engagement with EZ boards and associated work	Director
ESF	DWP/SFA liaison	Skills Lead
ESIF Strategy and Programme of activity	Strategic lead, relationships with Government departments, reporting to ESIF committee and delivery of performance framework targets. Management of ERDF Technical Facilitator	EU Funding Lead
ESIF Strategy and Programme of activity	Communication and collaborative activities, including reporting to federal boards, links to universities, sector groups. Leading cross LEP engagement.	EU Funding Lead
European Regional Development Fund (ERDF)	Producing call templates and managing/encouraging the development of bids.	EU Funding Lead
Financial administration	Grant processing; Government liaison; procurement; advice; budget management	Accountable Body
General office management	Central POC role; relationship with business support; management of inbox; database oversight; enquiries; dealing with ad hoc requests	Programme Manager
Governance	Ensuring that SELEP's governance evolves, is proportionate and fit for purpose	Director
Growing Places Fund	Management of agreements, reporting, returns	Accountable Body

Growth Deal	Oversee the delivery of the £488m programme and lead the planning for future rounds of funding	Director
Growth Deal	Manage the ITE and the ongoing business case approvals	Capital Programme Manager
Growth Hub	Overall responsibility for the delivery of the South East Business Hub	Business Engagement & Communications Manager
Housing	Supporting councils, promoting best practice, working with HCA	(Housing consultant)
ITE Management	Ensuring that the ITE is acting according to the requirements of the Assurance Framework and ensuring timely reporting to the Accountability Board	Capital Programme Manager
Lower Thames Crossing	Coordinate SELEP activity and response	Business Engagement & Communications Manager
Lower Thames Crossing	Lead ongoing conversations with Government, local authorities and key businesses	Director
Ports	Establishment of Ports Forum and continued work around the sector	Director
Rural	Working with the Rural Group to take forward the Rural Strategy and link to the £14m EAFRD programme	EU Funding Lead
SEFUND	Establishment of SEFUND	Director
Skills	Developing relationships with local Employment and Skills Boards and taking forward key areas of work	Skills Lead
Skills	Oversight of skills agenda, management of skills capital programme and support to Skills Advisory Group	Skills Lead
Social Enterprise	Promoting local delivery arrangements, identifying investment and promoting social finance	EU Funding Lead
Strategic Board	Overall responsibility for its convening and its smooth running	Director
Whitehall and Westminster engagement	Ensuring that SELEP's work and overall profile is maintained centrally. This includes ongoing dialogue with BIS and CLG officers	Director

## 5. Strategic forward look

5.1 SELEP is already engaged in activities which will continue to see it operate in its rightful place at the vanguard of Government policy on economic growth with LEPs. Clearly, it needs to continue in this vein, and ensure a focus which is much more than the programme management of the Growth Deal and our ESIF-related commitments. In 2016/17 we will be approaching the following areas of largely new work:

- Deepening our engagement with London and neighbouring LEPs
  - o *This has already started. We have scheduled a joint SELEP-London LEP business engagement meeting on the West Anglia Task Force for early April.*
  - o *Beyond this, we expect further work around the London plan and an expanded role around housing, particularly around the impact of London*
  - o *We will also be entering informal conversations with other LEPs in the south of England to determine how we can better position ourselves collectively in influencing the direction of investment from Government.*
- Pursuing the Smart Cities agenda

- *We are already engaged with Anglia Ruskin University and others on grappling with the Smart Cities agenda and how SELEP can positively engage and use LGF investments as a catalyst.*
- Being brave and producing a new SEP which has a real set of priorities
  - *We understand the changing landscape, the impact of previous investment and what Devolution might mean for SELEP. Some LEPs, including SELEP officers, believe that the time is right to revisit SEPs. This would have to be proportionate and impactful. A conversation on this should be planned for later in 2016.*
- Ensure that LGF allocations are committed and spent efficiently and effectively
  - *Quite simply our raison d'être. We have £82.5m to spend on our projects in 16/17 and should stop at nothing to ensure that it is spent according to the plan.*
- Pay attention to the challenge of building the NNDR tax base
  - *We need to understand and discharge our responsibilities around the business tax base. What can we do to support local authorities now and into the future?*
- Undertake a refreshed approach to communications which extols the strength of the united LEP, but also features its federal structure strongly.
  - *This will include a new SELEP logo/brand approach*

## 6. Working together

- 6.1 We are all SELEP. All partners who are represented on the Board should associate with SELEP's achievements and with its work programme, which goes far beyond that which is achievable by a team of five people. The federal model reflects this entirely, as does the close working relationship and shared package of work between the SELEP Team and the federated boards and their supporting officers.
- 6.2 It should be assumed that the SELEP team will continue to work with the business and officer structures which already exist to support the shared agenda – this includes the federated boards; the spatial groups (Coastal, Rural); the sector groups (U8, Creative); sub-committees (ESIF, SEFUND working group); and the important working groups vital to the agenda (CORE, Skills Advisory Group, Housing Group, Growth Hub Working Group and the Senior Officer Group).
- 6.3 Given the light touch resourcing challenge, it must be the case that the SELEP team seeks simplification rather than proliferation, so any moves to rationalise the working groups to better reflect shared resource and expected impact will always be considered first. However, after consultation with colleagues, this plan advises that two additional groups will be formed, to (i) strengthen the working relationship with federal areas and (ii) strengthen the delivery of the Growth Deal:

	<b>Group</b>	<b>Rationale</b>	<b>Membership</b>	<b>Meeting Frequency</b>
i	<b>Director Group</b>	To ensure as close a working relationship as possible between SELEP and the federal areas, that the SELEP team is doing what is required by the local area and vice	SELEP Director (chair) with Directors or equiv. from each federal area.	Fortnightly by telephone

		versa.		
ii	<b>Transport Officers Group (TOG)</b>	To ensure that SELEP is performing strongly on strategic transport matters, including discussion on: LGF delivery; NR control period 6; RIS2; Lower Thames Crossing; Airport Debate; TfL; London Plan; Thames Gateway transport; Sub-national transport bodies.	SELEP Capital Programme Manager (Chair) with SELEP Director and transport officers from each local authority area, DfT, Highways England and Network Rail.	Bi-monthly and scheduled on the same day as the now bi-monthly SOG meetings (London)  Link to businesses through the federal model and reporting to those boards.

6.4 These groups will be established as soon as possible, and, owing to an important ongoing agenda around transport, it is planned that the first TOG meeting will be as early as late March.

## 7. Resourcing options

7.1 The SELEP Team is and will continue to be under-resourced. With the biggest working agenda, the biggest non-metropolitan Growth Deal settlement and the largest business population to serve, it operates with a core staff of 4.8 FTE. This is some way below the national average of 8 FTE, as established by the National Audit Office during their recent work on reviewing the impact of LEPs. The federal model exists very much in support of the core team, and some of the recommendations above are provided fully in that knowledge and are all in full appreciation of the incomparable strength that the model provides.

7.2 The Accountability Board on 12<sup>th</sup> February discussed the contributions requested for 16/17 (£200k shared across the upper tier authorities on a per capita basis which provides the necessary match for the core grant from BIS) and in agreeing the contributions for 16/17, noted the following:

- Discussion was had around the need to push back to Government about the size of funding given to the SELEP. It was not proportionate given that the SELEP as one of the largest LEP's receive the same amount as the smallest LEP. SB confirmed she would take this up with BIS
- Members discussed future commitments and in light of recent Settlement announcements the SELEP would need to justify the level of funding needed in future years, as partners were in difficulties in committing the current levels provided.
- Members also discussed the level of reserves and cautioned against creating a larger SELEP structure than was necessary.

7.3 On the instruction of the Accountability Board, the SELEP team is writing to Government requesting that we are provided with a level of core funding support which is consistent with the size of our geography. It is suggested that this should be jointly sent in the names of the new permanent Director and new Chairman to enable maximum impact and be accompanied by meetings between Government representatives and the new SELEP leadership team.

7.4 SELEP will enter 2016/17, effectively, with nil expendable reserves. Having spent £217k of reserves in 15/16, the remainder (£145k) is exactly comparable to a prudent measure of severance costs for permanent staff in the event of any future dissolution of the LEP in current form. The recommendation from the Accountable Body is therefore, that that balance is retained and that we plan for 16/17 with no expenditure allocated to reserves.

7.5 What follows are three budget scenarios for 16/17, demonstrating a requirement for the Board to consider, and subsequently for the Accountability Board to sign off, approaches to streamlining the budget. There is no rise in the cost base from 15/16-16/17 – the difference as it stands is that:

- (i) there are no reserves available; and
- (ii) there is *now* limited opportunity to utilise interest on cash balances anywhere given that the current plan is for GPF to be allocated to SEFUND.

7.6 With no change to this arrangement, and no ability to utilise interest on cash balances, SELEP’s projected general income for 16/17 is as follows:

<b>Contributions</b>	<b>Value - £000s</b>
East Sussex County Council	26
Essex County Council	72
Kent County Council	73
Medway Council	13
Southend-on-Sea Borough Council	8
Thurrock Council	8
Core Grant	250
Capacity Grant	250
External interest received	0
Withdrawal from reserves	0
<b>Total</b>	<b>700</b>

*Budget Scenarios 16/17*

7.7 Below are three exemplifications of the SELEP team budget with some commentary as to what the different figures represent. Board members should take the opportunity to review the material below, advise on a preference and hold the figures in mind when considering future calls for SELEP revenue funding.

*Budget exemplification #1 – according to current direction of travel*

<b>Spend Type</b>	<b>Value - £000s</b>
Staff costs (including travel)	569
Accountable Body recharges	107
Meeting and admin costs	46
Chairman's allowance	20
ITE Contract	100
Skills	30
EU Programme Support	46
Communications	45
Transport sector support	10
Housing - HFI scheme	50
Sector support	150
<b>Total expenditure</b>	<b>1,173</b>
<b>Divergence from £700k funding</b>	<b>473</b>

This includes retaining the Deputy Director role, having a skills resource throughout the year and retaining the housing support. It retains Accountable Body support at the current levels and provides for consultant support around EU funding. It also allocates £150k for sector support.

*Budget exemplification #2 – minimal*

<b>Spend Type</b>	<b>Value - £000s</b>
Staff costs (including travel)	374
Accountable Body recharges	82
Meeting and admin costs	34
Chairman's allowance	20
ITE Contract	100
Skills	30
EU Programme Support	30
Communications	20
Transport sector support	10
<b>Total expenditure</b>	<b>700</b>
<b>Divergence from £700k funding</b>	<b>0</b>
<p>This excludes Deputy Director, Housing support and a skills resource beyond the end of June. It assumes no additional income from GPF interest (owing to SEFUND) and no availability of reserves. It indicates zero cash support for sector activity. Current levels of Accountable Body support are significantly reduced.</p>	

*Budget exemplification #3 – balanced*

<b>Spend Type</b>	<b>Value - £000s</b>
Staff costs (including travel)	481
Accountable Body recharges	107
Meeting and admin costs	40
Chairman's allowance	20
ITE Contract	100
Skills	30
EU Programme Support	38
Communications	30
Transport sector support	10
Housing - HFI scheme	
Sector support	50
<b>Total expenditure</b>	<b>906</b>
<b>Divergence from £700k funding</b>	<b>206</b>
<p>This excludes Deputy Director and looks at some reductions of consultant spend (around EU and PR work). The £206k difference could be made up through charging some AB costs to SEFUND, continuing deploying interest receipts from GPF or approaching LGF differently and accruing interest there.</p>	

7.8 It is recommended that the Board agree the principle of SELEP emulating other LEPs nationally and using **the interest generated on unspent LGF capital** to support its revenue activities, and almost eliminating £206k projected divergence. We have not been in a position to do this previously as LGF funding is devolved straight away, irrespective of the start date of the LGF scheme. If we held the money until it was needed by the scheme (e.g. triggered by the first substantive invoice), this could generate around between £150-200k in interest for the LEP – depending on the overall profiling of the programme. This would perhaps be preferable to the existing arrangement where that opportunity is dispersed and therefore lost to the economic growth agenda. This scenario would



only apply to money allocated to projects starting in 16/17 and beyond. This is to say that projects already in-flight would still be in receipt of LGF monies as soon as it became available to the LEP. This accounts for some £34m of the £82.5m available through LGF in 2016/17.

7.9 It is also recommended that the Board reflect on the following pragmatic future approaches:

- to consider any future pay-backs to local areas to support work such as bid development and project pipeline development carefully – and in the context of the budget position. For example, SELEP paid back half of the local area contributions (£100k) to local areas in 15/16 for LGF project development and is not currently in a position to repeat that in 2016/17.
- to consider starting with a clean slate in respect of sector support and invite all proposals for funding to come forward to each Strategic Board in a systematic and formalised fashion with the Board fully sighted as to the status of available funding.

7.10 The Board is also asked to consider alternative approaches to helping SELEP move towards sustainability in future years. This may include adopting a more streamlined approach to the fund management of SEFUND, and one which will draw less heavily initially on Growing Places Fund; charging mechanisms around services such as the ITE (adopted elsewhere); or meaningful subscription based membership schemes for SMEs. Given that LEPs are being encouraged to explore all such areas for revenue generation, it should be the case that all of these ideas are considered by the new Director and team during 16/17 to ensure that all possible avenues have been explored as we approach future financial years.

The ideas above will be presented in more detail at the Strategic Board meeting and the budget exemplifications will be talked through in more detail to enable Board members to fully understand the current revenue position.

## **8. Next steps**

8.1 This document is up for discussion at the 11<sup>th</sup> March Strategic Board meeting and, in light of those discussions and decisions, a further version of the Team Plan will be shared subsequently through electronic procedure.

For decision	x
For endorsement	
For information	
mark with 'x'	

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## SELEP Assurance Framework Refresh

### 1. Purpose:

1.1. The Assurance Framework is submitted to the Strategic Board for agreement as part of the planned annual refresh of what is a 'living document'

### 2. Recommendations:

2.1. The Strategic Board is asked to **agree** the revised Assurance Framework as separately attached which reflects the way SELEP currently operates. Material changes have been highlighted in yellow; these include:

- Inclusion of the options for mitigating in-year underspends in LGF approved spend as agreed by the Accountability Board in November 2015 (3.3.3)
- Inclusion of the conflict of interest policy agreed in the Joint Committee Agreement of the Accountability Board (5.7.1);
- Increasing clarity on the approval process for funding of skills schemes (6.3.1.4); and
- An update to the ITE business case assessment process to recognise the different approach required for business cases where the Government undertake the main assessment (6.3.1.9) and where the business case is to seek funding for the development of a business case (6.3.1.10).

2.2. In addition to the above amendments, various typographical corrections and minor tweaks have been made, but do not reflect a significant change to the framework.

### 3. Background:

3.1. The revised Assurance Framework is provided separately.

### 4. Next steps:

4.1. It may be the case that discussions around the SELEP Team Plan at today's meeting affect the Assurance Framework. With that and the impending appointment of a permanent Managing Director and Chairman in mind, it is proposed that the board subsequently agrees a full suite of governance documents at the September board meeting. This is proposed to include: the Assurance Framework, Terms of Reference and the overarching Guide to Governance. All said documents are either active or exist in draft form, but it seems prudent to allow the new SELEP leadership team the opportunity to establish themselves in post first.

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Date: 3<sup>rd</sup> March 2016



## **Papers for information**

For decision	
For endorsement	
For information	<b>x</b>
<i>mark with 'x'</i>	

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## Three Southern Counties (3SC) Devolution Deal

### 1. Purpose:

- 1.1. The purpose of this paper is to provide board members with a brief update on progress to agree a Three Southern Counties Devolution Deal with Government.

### 2. Recommendations:

- 2.1. The Board is asked to note the report.

### 3. Background

- 3.1. The 3SC (East Sussex, West Sussex and Surrey) are pursuing a devolution deal with government to improve outcomes for local residents and businesses through economic growth, enhanced productivity and a transformation in public service delivery. The 3SC are taking advantage of the government's commitment to devolving powers and resources to a local level, allowing authorities to make collective decisions about key services affecting the whole area.
- 3.2. The economy of the 3SC has a combined GVA of £74 billion, bigger than Wales or Greater Manchester, making a significant contribution to the national exchequer. However, the area's future economic performance, and the quality of life of local residents, is at risk because of creaking infrastructure and the challenges that businesses face in recruiting and retaining staff.

### 4. 3SC Prospectus

- 4.1. On 4 September 2015, 3SC submitted a prospectus to Government outlining a case for devolution of specific functions and budgets to the three counties. This document sets out their aims and initial asks to government.
- 4.2. A copy of the prospectus can be found via the following link:

[http://www.surreycc.gov.uk/data/assets/pdf\\_file/0005/66911/WS31256-Three-Counties-DEVOLUTION-Prospectus-v2.pdf](http://www.surreycc.gov.uk/data/assets/pdf_file/0005/66911/WS31256-Three-Counties-DEVOLUTION-Prospectus-v2.pdf).

### 5. Workstreams

- 5.1. Since the submission, further work has been undertaken to add detail to the asks to inform the devolution agreement with Government. The proposition is focusing on six work streams of activity:
  - Fiscal devolution
  - Housing and Planning
  - Infrastructure (including transport and digital)

- Skills
- Governance
- Public service transformation

## **6. Ministerial Challenge session**

6.1. Leaders from the councils in the 3SC area and our LEP partners met Baroness Williams, Parliamentary Under Secretary of State for Communities and Local Government, on 14 January 2016 to discuss our devolution proposals. The outcome of the meeting was very positive and work continues now to develop the asks further to negotiate a devolution agreement with Government.

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Date: 25 February 2016

For decision	
For endorsement	
For information	X
mark with 'x'	

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## SE LEP EU Structural Investment Fund Strategy (ESIF) Update

### 1. Purpose:

1.1. The purpose of this paper is to update board members on:

- Key ESIF Strategy developments since the December 2015 Board meeting
- The progress of the three EU Funding programmes – European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD) in the SELEP area, including Community Led Local Development (CLLD)
- The ESIF Sub-Committee meeting on the 15 March 2016, including future calls for applications.

### 2. Recommendations:

2.1. The Board is asked to **NOTE**:

- The latest ESIF developments
- The progress being made with regard to the three funding programmes
- The next SELEP ESIF Sub-Committee meeting, chaired by George Keiffer, will take place on 15 March 2016

### 3. Background

3.1. The Operational Programmes for ERDF, ESF and EAFRD are now in their full operating phase with some progress being made after a slow start. There are a number of developments of note since the December Board meeting.

3.2. The Operational Programmes are national contracts between the Government Departments (or Managing Authorities) and Directorates of the European Commission. Each of the Operational Programmes has a set of Performance Framework targets that are expected to be delivered against spend by the end of the programme period (2020). Each LEP has been apportioned a set of Performance Framework Targets for ERDF and ESF and these will be reviewed at the mid-term review in 2018. Linked to this is a 6% performance retention that will be applied at a national level but will affect each LEP indicative allocation. SELEP has now had two calls under the ERDF programme and the good news is that under ERDF, SELEP is on target to meet its targets, subject to all the approved projects performing according to their own projected activity and spend.

3.3. The Sterling/Euro exchange rate fluctuations affect the amount of money to spend on projects. LEPs will receive revised figures twice yearly. These are based on the Treasury exchange rate. The latest figures are below:

LEP area	Notional Allocation €m			Notional Allocation £m (based on Exchange rate of 0.78)		
	ESF	ERDF	Total	ESF	ERDF	Total
South East	90	95.1	185.1	70.2	74.2	144.4

**3.4.** There will be a period of purdah which will start at the end of March in advance of the EU Referendum. There is no further information available regarding possible consequences of a Brexit vote in relation to the Structural Funds programmes. A further update will be provided to the June 2016 Board meeting.

**3.5.** The ESIF strategy refresh is taking longer than anticipated due to additional Government requirements with the latest submission date due on the 15 April 2016. It will then go through a formal Government process of approval.

#### 4. ERDF, ESF and EAFRD Updates

##### 4.1 ERDF

There have been two calls for applications in the ERDF programme. These are organised nationally with local DCLG input regarding individual LEP requirements. They are assessed by the Local Growth Delivery team and presented to the ESIF Sub-Committee for endorsement according to strategic fit. The table shows approved projects to date, all pending contracts before formally beginning work.

Project title	£ Grant committed	Full application	Lead partner
PA 1 Keep+	3,310,000.00	Y	ARU
PA 1 Innovate	500,000.00	Y	Greenwich
PA 1 PITCH	773,747.00		NIAB
PA1 Score	510,000.00		Orbis energy
PA3 SEBB	5,977,784.00		Southend Council
PA3 I I Kent	1,840,000.00	Y	KCC
PA3 Essex Growth Programme	1,569,802	Y	NWES
PA3 Better off in Business	211,798.00		The Princes Trust
PA 4 Locase	9,162,789.00	Y	KCC
TA Facilitator	135,000.00	Y	East Sussex
<b>TOTAL</b>	<b>23,990,920.00</b>		

The third Call for applications will be announced at the beginning of April. The details will be presented to the ESIF Committee for endorsement. The focus will be on Priority Axis 3, Support for SME Competitiveness where most funding has been allocated.

##### 4.2 CLLD

The Call for Applications for Community Led Local Development (CLLD) resulted in 3 areas being invited to submit full strategies by September 2016. These are Hastings, Thurrock and Shepway. Each area has applied for £20,000 funding to support this work. CLLD is targeted at the most deprived areas of the country and the fund is a blend of ERDF and ESF and very much focussed on small scale interventions that are community driven.

### **4.3 ESF**

The Youth Employment Initiative (YEI) project in Thurrock, worth £1.3 million ESF has made excellent progress with the full application being circulated to the ESIF-Sub-Committee for endorsement. In addition, work with the Opt-in agencies Big Lottery, DWP Job Centre+ and the Skills Funding Agency has continued to be the main focus since the December Board meeting.

There were 71 applications submitted under the call for applications for Social Inclusion projects matched by the Big Lottery Fund and worth £16 million. SELEP secretariat staff assisted with the project assessments but the final recommendations by the Big Lottery will not be known until early May. The recommendations will be presented to the SELEP ESIF-Sub-Committee for endorsement. These are likely to be the first projects to contract under ESF (apart from YEI). In addition, further calls for applications for social inclusion projects match-funded by the Big Lottery are now under discussion nationally.

The DWP Job Centre + ESF contract worth £10 million to support people into work has been put out to tender and will close in early March.

The Skills Funding Agency Opt-in contracts, worth approximately £27 million, are about to put out to tender. The tenders will be for East Sussex, Kent and Essex apprenticeships, higher level skills and improving numeracy. It is now decided that the 5 contracts will now have to be completed by March 2018 due to the changing situation with the SFA.

Once the Opt-in contracts are settled, the DWP is expected to make an overall stock take of the work that needs to be done to deliver the outputs and spend of the programme for the mid-term review in 2018.

### **4.4 EAFRD**

#### **Update on the First Call**

Of the 10 EAFRD project invited to go to full application at the ESIF Sub-Committee meeting in July 2015, just three projects endorsed by the ESIF Sub-Committee are working towards full application. Each applicant was assigned a Defra advisor to act as mentor to support development of the application. It is expected that these three projects will be presented by Defra to the ESIF Sub-Committee on the 15 March 2016. They will then move to contracting stage. Until then, Defra will not disclose information about the projects on the basis that they are confidential.

Capital Grants were available from £50,000 up to £155,000 and applicants could apply for grants to cover 40% of the project's total eligible costs. This meant the minimum total eligible cost of a project for this call would be £125,000.

The high rate of fall-out, although unwelcome, is not uncommon in the early stages of a grant scheme and LEP secretariat staff have been working with Defra and other colleagues nationally to improve the approach for future Calls for Applications starting with the next Call.

The programme has been making very slow progress as it has been effectively suspended by DEFRA in the light of the Comprehensive Spending Review which has potential impact on the match funding for the programme. For this reason the 2<sup>nd</sup> Call for applications that was expected in November 2015 has been delayed until late summer 2016 with Defra requiring time to clarify the extent of the impact on EAFRD.

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Date: 4 March 2016



For decision	
For endorsement	
For information	<b>x</b>
<i>mark with 'x'</i>	

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## HOUSING UPDATE: PROGRESS ON HFI PILOTS & DUTY TO COOPERATE WORKSHOPS

### 1. Purpose:

1.1. The purpose of this paper is to: Update Board members on SE LEP housing activity, including:

- Progress to date on the SELEP's collaboration with the Housing & Finance Institute (HFI) to pilot a joint delivery of the Housing Business Ready Programme for six councils in the SE LEP region.
- Next steps following "Duty to Co-operate" workshops with local planning authorities held across our federal areas

### 2. Recommendations:

2.1. The Board is asked to:

- **NOTE** progress and headline achievements identified via the pilot Housing Business Ready Programme
- **NOTE** that a detailed presentation will be worked up for the June 2016 Strategic Board Meeting, incorporating a full review of the Housing Business Ready Pilot, alongside a paper proposing a series of options as to how a wider programme could be rolled out
- **NOTE** the report following the four "Duty to Cooperate" workshops with local planning authorities, attached as an appendix
- **NOTE** that further progress on recommendations detailed in the report will be included within a Board paper for the June 2016 Strategic Board Meeting

### 3. Supporting Detail:

3.1. The HFI: <http://www.thehfi.com/>

3.1.1. Housing Business Ready Programme:

[http://www.thehfi.com/housing\\_business\\_ready\\_programmes](http://www.thehfi.com/housing_business_ready_programmes)

3.2. Appendix: Duty to Cooperate Workshops: Final Report - Local Authority Workshops: Improving cooperation on strategic planning and investment priorities

3.3. Appendix: Inside Housing Article

#### 4. Background:

- 4.1. In December 2015, the Strategic Board were presented with a paper outlining SELEP's housing activity and progress against identified priorities to deliver our Growth Deal responsibilities.
- 4.2. Within this report the Board were updated on key activities, including a series of "Duty to Cooperate" workshops that had been recently held, alongside a proposal to progress joint activity with the HFI to run a pilot programme of "Housing Business Ready" sessions for up to six Local Authorities in early 2016.
- 4.3. The Board agreed to receive a further update on these workshops and agreed to proceed with the collaborative HFI pilot.
- 4.4. This paper provides the Board with achievements to date and a full report will be presented to the Strategic Board in June 2016 following completion of the pilot and further development on delivering against the recommendations identified within the workshops.

#### 5. "Duty to Cooperate Workshops"

- 5.1. The appendix provides a full overview of the workshops and incorporates a series of priorities as identified by local planning authorities, to enable SELEP to support partners in delivering their planning responsibilities and sets a series of recommendations.
- 5.2. Following these workshops, the Housing Working Group is developing an action plan as to how these recommendations will be addressed moving forward.
- 5.3. These recommendations have enabled the SELEP to define a clear role in how it can support Local Authorities in housing activities and it is intended that a report detailing this action plan and further progress will be presented for information to the June 2016 Strategic Board.

#### 6. Progress Update: The HFI & SELEP– Housing Business Ready Programme.

- 6.1. Following agreement in December, this pilot was formally launched with the HFI in January 2016.
- 6.2. The Housing Business Ready Programme has been tailored for this specific pilot to support SELEP's housing programme and ambition to deliver 100,000 additional new homes in the South East by 2021.
- 6.3. Six Local Authorities were selected to participate in the programme.
- 6.4. Brian Horton and Lucy Spencer-Lawrence have provided officer support and coordination in securing these sessions, with strong Board Member from engagement from George Kieffer, Geoff Miles, Graham Brown, Graham Peters and Paul Thomas.
- 6.5. To date, two Local Authorities have completed their programme and a third has completed an initial advance meeting.

Council	Date	Status
Ashford Borough Council	09-Feb	Completed
Eastbourne Borough Council	29-Feb	Completed

<b>Maidstone Borough Council</b>	TBC	Pre-meet completed, confirming d
<b>Colchester Borough Council</b>	05-Apr	Confirmed
<b>Thurrock Council</b>	14-Apr	Confirmed
<b>Braintree District Council</b>	TBC	Outstanding

## 7. Highlights of the Programme reported by the HFI so far:

- 7.1. **Ashford Borough Council:** HFI scored Ashford extremely highly in its political commitment and leadership to the local housing agenda demonstrated by Leader Gerry Clarkson CBE. They noted evidence of a fierce ambition and appetite to do business across a range of housing. They felt this ambition was supported by the experience and strength of Chief Executive Tracey Kerly and her Officer team who exhibited the practical thinking and drive necessary to take Ashford's housing delivery to the next accelerated stage.
- 7.2. **Eastbourne Borough Council:** HFI observed the Council's proactivity in direct delivery and targeted interventions as well as their housing and investment companies East Housing Investment Company, Eastbourne Homes Ltd and the Housing Economic Development Partnership. There is a strong senior team in Leader David Tutt, Chief Executive, Robert Cottrill and Ian Fitzpatrick which the HFI notes will be a valuable asset to their ambitions going forward.

## 8. Recognition

- 8.1. **HFI Celebrate: The Housing & Finance Institute hosted a special business breakfast event on 23 February at Guildhall, City of London**, which brought together around 100 senior business leaders and representatives from local councils and business services, including The Housing and Planning Minister, Brandon Lewis MP, made particular note of this HFI-SE LEP collaboration during his speech:

*I am pleased to announce another first – for Ashford Borough Council. Ashford are the first council to complete a tailored Housing Business Ready programme delivered through an innovative tie up with the Housing and Finance Institute and the South East Local Enterprise Partnership.*

*I understand that Ashford have been delivering housing across all tenures: new council homes, low cost home ownership and HAPPI homes for older people. Ashford have expressed a fierce ambition to do more in housing and for business growth - working with the Housing Finance Institute and supported by the LEP.*

### 8.2. Kent Housing Group Seminar, 20th April Maidstone

- 8.2.1. The Housing & Finance Institute will be leading two workshop sessions for members of the Kent Housing Group at their Annual Seminar event in April. The workshops will explore what it means for local councils to be a 'housing delivery enabler' and drive housing supply in their local areas.

### 8.3. Financial Consideration

- 8.3.1. The Housing Business Ready programmes are each priced at £5,000 (plus VAT). This has been fully included in the budget.

## 9. Next Steps

9.1. Natalie Elphicke, Chief Executive of the HFI has accepted an invitation to attend the June 2016 Strategic Board and provide a presentation. A full review incorporating highlights from all six pilot sessions, together with a series of options for future roll out of the programme will form a Board Paper for Board Members to consider.

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Date: 2 March 2016



**South East Local Enterprise Partnership  
Local Authority Workshops: Improving cooperation on strategic  
planning and investment priorities**

**December 2015**

## Local Authority Workshops:

### Improving cooperation on strategic planning and investment priorities

#### 1. Background

1.1 The South East Local Enterprise Partnership's (SELEP) first Strategic Economic Plan (SEP) has been endorsed by the Government and a number of its proposals will have the benefit of funding as part of a Growth Deal. Key to the success of this will be building on the relationship between the economic and infrastructure priorities agreed through the SEP, and the strategic spatial priorities of the local authority partners, particularly those in the local plans. As such, SELEP and its local authority partners have agreed the following planning specific commitments as part of the Growth Deal:

The LEP and local authority partners will

- Ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their local plans in accordance with the timetable submitted as part of the LEP monitoring, given the position on local plan-making in the area and the challenges relating to effective strategic cross-boundary working, supporting the 32 local planning authorities in its area.
- Identify large and priority sites, including the blockages associated with them, to be brought forward for development across the LEP area.
- Review local planning processes to simplify them for commercial and housing development.

1.2 Whilst it is important that the LEP supports its local authority partners to deliver their planning responsibilities and to help them meet the Duty to Cooperate, the Board is very clear that this must be focused on where the LEP can add value, not duplicate or confuse work already being managed and delivered effectively. With this in mind, SELEP's aims can be summarised as follows:

- **Bring together all parties (HCA, councils, developers, finance, utilities) involved to drive development forward**  
*Working together with local councils, the HCA and developers on large and priority sites, assembling evidence, identifying obstacles and finding solutions.*
- **Encourage and support councils to bring forward their local plans**  
*Embarking on a series of meetings with planning authorities to support and review the local planning process, promoting development where it is wanted - and protecting from unwanted development where it is not.*
- **Review the performance of utility companies**  
*Gathering evidence of performance and taking action to ensure utility companies help - not hinder - local growth.*
- **Promote best practice**  
*Supporting events and meetings to share best practice and information sharing to support all to the standard of the best (eg use of HRA debt cap, establishment of local development companies).*
- **Look across LEP boundaries**

*Looking at the plans and proposals of neighbouring LEPs and their impact in preparing for accelerated growth.*

## **2. Local Authority Workshops**

2.1 To help the LEP determine what its role should be in supporting the local authorities' planning role and therefore help to secure funding agreed as part of the current Deal (and future rounds of funding), a series of four workshops were held in November and December 2015. The workshop objectives were:

- To provide an opportunity for senior representatives of all the Local Authorities and SELEP to consider progress of local plans across the LEP area and some of the key strategic planning challenges and opportunities being experienced.
- To explore how SELEP can support delivery of local plan objectives in order to maximise the chances of successfully securing further Growth Deal support (Round 2 and beyond) for the whole area and to inform future reviews of the SEP.

2.2 The workshops were held across the LEP area on the following dates:

- Workshop 1 – 30<sup>th</sup> November in Purfleet, ESSEX (Chaired by George Kieffer)
- Workshop 2 – 2<sup>nd</sup> December in Lewes, EAST SUSSEX (Chaired by Graham Peters)
- Workshop 3 – 3<sup>rd</sup> December in Maidstone, KENT (Chaired by Geoff Miles)
- Workshop 4 – 7<sup>th</sup> December in Chelmsford, ESSEX (Chaired by George Kieffer)

2.3 This note sets out the key issues that were discussed and the priorities identified by the participants where support from the LEP would add most value to the local authorities' planning role. These will then inform the LEP's action plan which will set out the priorities and how they will be delivered.

2.4 A copy of the agenda and a list of attendees is included in Annex 1.

## **3. NOTE OF KEY ISSUES FROM WORKSHOPS**

### **Workshop 1: 30<sup>th</sup> November, Purfleet, ESSEX**

#### General points

- Action plan arising out of workshops needs to show how SELEP can support both public and private sector partners to deliver priorities.
- Devolution agenda could have significant implications for some areas therefore SELEP needs to have a flexible action plan to respond to changing role and circumstances.
- Better co-ordination on work of SELEP and LAs needed to avoid duplication and ensure efficient use of expertise/resources.
- SELEP to be clearer what its USP is e.g. to shine a light through LA to LA issues, act as interface with the market, lobby on behalf of all partners on common agendas/priorities.

#### Lower Thames Crossing

- SELEP can be instrumental in lobbying for preferred option for LTC.

- The crossing is considered to be the most important strategic infrastructure both in relation to its impact on transport movement but also in relation to the transformational impact (including on land values) it will have on the wider area.
- Timescale of decision is critical for local plans being reviewed in the area as not just crossing but impact on wider area - Government therefore needs to make a decision 'soon'.
- Priority for SELEP is to help the LAs take work forward on this, including an assessment of the wider infrastructure implications and establish a shared understanding of potential housing and jobs consequences of the new crossing on both Kent and Essex sides.

### Infrastructure

- Need to work strategically with SELEP to identify potential development opportunities arising from other infrastructure provision, including extension of Crossrail 1.
- More certainty around infrastructure priorities and their 'gamechanging potential' is needed therefore SELEP needs to plan on a much longer time horizon i.e. 20-30 years rather than 10 (especially where London's growth has an impact – London Infrastructure Plan looks to 2050).
- Potential opportunity to bring Heseltine and Adonis (in his role as Chairman of National Infrastructure Commission) on board with wider vision for area as a result of 'gamechanging' infrastructure e.g. LTC and Crossrail 1 extension.

### Supporting local plans

- Better support needed from SELEP on developing a robust economic evidence base for LPs e.g. what are the infrastructure priorities needed to deliver the strategic economic plan and addressing the mismatch between identifying and delivering economic provision. Needs to include an up-to-date employment land review with clear market input.
- LAs should co-ordinate strategic evidence with SELEP to avoid duplication and avoid duplication.
- Support LAs to develop more joined-up approach to growth which looks at critical relationship between houses, jobs and infrastructure – it's not all about housing numbers! Need to look at issues on a 'place' basis.
- Help to maintain a good supply of quality and versatile employment land which is proving very challenging due to government approach to housing delivery. Government need to recognise that the depleting stock of employment land/business premises is having an impact on ability to deliver jobs needed to support growth.
- Commitments (both in growth deal and LPs) need to be better aligned which will help focus evidence and result in more efficient use of resources.

### Working with Government, developers and others

- Work with Government (and local MPs) to change some of the language used e.g. many LAs may well have to release greenfield land to meet long term needs in next round of LP reviews and some of this is likely to be Green Belt, especially if having to meet needs arising from London's growth. Government needs to stop saying that needs will be met on brownfield sites when this is not the reality for many LAs.
- Lobby Government to address the short-term focus on growth, particularly in relation to strategic infrastructure priorities, LEP funding streams and utility companies' business planning.



- Need to work with Government to ensure civil servant silos are broken down and there is a more coordinated approach to development from government agencies e.g. Highways England, HCA (which has a new role re Starter Homes) and Network Rail (re rail capacity).
- SELEP could facilitate a closer working relationship with developers to improve the quality of development and support LA's place-shaping role.
- Facilitate cross-boundary relationships between LEPs (e.g. GCGPLEP and NALEP) and with London (i.e. how can SELEP area help support London's growth and what do we want from this, especially in relation to infrastructure).

### **Top three priorities:**

1. Lobby Government to make a decision on the Lower Thames Crossing as soon as possible and work with LAs to look at wider infrastructure implications of LTC and impact on both Kent and Essex sides.
2. Facilitate discussions with government to improve better coordination between departments & agencies and to change the language used/ approach which could have a detrimental impact on long term sustainable growth in the area.
3. Facilitate discussion with Lord Adonis about strategic infrastructure priorities in the wider South East to support London's growth as part of the National Infrastructure Commission's role.

### **Workshop 2: 1 December, Lewes, EAST SUSSEX**

#### Infrastructure priorities and delivery

- Facilitate discussion between Government and utility companies (via regulators?) to improve long term planning and coordination of investment priorities, and to shorten time it takes to get utilities agreed on major sites, recognising that this may be a national issue and something LEP Network can support.
- Work with LEP(s) to develop a better understanding of infrastructure needs across East Sussex – ES now doing an strategic infrastructure study similar to the West Sussex one.
- Infrastructure a key issue to be addressed through Three Counties (East Sussex, West Sussex & Surrey) devolution proposal, particularly in relation to funding - where will the money come from and will it be new money?
- Infrastructure funding the key issue as everyone operating in a increasingly complex funding world and competing for limited (and reducing) pool of resources.
- 4/5 East Sussex LAs now have CIL in place which helps developers know exactly what they need to contribute and helps expose the funding gap.
- Revolving funds for infrastructure (SEFUND?) won't address viability issues.
- Broadband/mobile coverage is a key infrastructure issue – it's not just about hard infrastructure/transport. Superspeed broadband needed to attract right type of 'high value' companies to area and to encourage high value jobs for local residents which will increase competitive value of the area against other parts of South East and London.
- Two strategic infrastructure priorities to improve attractiveness of area from business perspective (game-changers) are improving E-W movement, particularly A27/ A259 which need significant improvement, and Brighton main rail line to London.
- More focus on infrastructure as next round of LPs likely to be infrastructure led – put the housing where the jobs and infrastructure are.

- Start thinking about opportunities from existing/ planned infrastructure as next round of local plans likely to be infrastructure led, particularly in the South East given significant challenges around infrastructure delivery.

### Housing delivery

- SELEP could facilitate better relationship with developers to address delivery issues e.g. how do you force builders to deliver once they have planning permission? Consider establishing a developer forum similar to the one in Kent & Medway.
- It's not all about housing numbers – need the right type of housing. SELEP to help LAs work with housebuilders to deliver what's needed as well as what the market can deliver and to help them think wider than their own sites (especially in masterplans) and appreciate the impact housing has on LA place-shaping role.
- Small number of housebuilders operating in the area and can control delivery to get greatest profit. SELEP can help LAs to understand better if delivery is managed in this way to support business models or if capacity issues are a factor. i.e. builders don't want to accelerate delivery as it impacts on profit or don't want to build out/ reluctant to progress small sites if big strategic sites are being delivered in same area at the same time.
- Need to recognise the particular challenges in areas of high constraint such as SDNP (e.g. 55% of Lewes District is in National Park) which raise significant challenges in meeting full housing needs. SELEP should work more closely with SDNP.

### Local plan evidence/economic strategy

- SELEP needs to help LAs develop an evidence base/plan that can support existing businesses, especially those that want to grow.
- Support for more robust approach to economic strategy in LPs – what jobs are needed, how will these be delivered, what will be the impact on land use
- Need to ensure that development is sustainable and that LAs are supported in their proper place-shaping role –it's not just about housing!

### **Top three priorities**

- SELEP to work with C2CLEP to highlight importance of A27/A259 and lobby Government.
- SELEP to work with LAs (and others) to look at different models and opportunities for infrastructure funding.
- Establish a developer forum for East Sussex to build up a more collaborative relationship with developers.

### **Workshop 3: 3 December, Maidstone, KENT**

#### Local plan evidence/economic strategy

- Work with SELEP to ensure better consistency, availability and coordination of data used across the area to support LEP and LA evidence base.
- Need to have more robust economic strategies in LPs e.g. need to have better understanding of what businesses want and how to keep the jobs that are being attracted to the area.

- Support a better understanding of what's needed in terms of employment land and highlight investment opportunities i.e. good quality sites in the right locations – learn from the few LAs already doing this.
- Ensure that economic strategies are future proofed e.g. skills needed are changing all the time. Also need to match skills needed with educational offer and facilitate learning from across SELEP area.
- Rural businesses – need better telecommunications (mobile and broadband) to support expansion of rural businesses (farm diversification) in constrained areas. SELEP could help highlight poor broadband areas– good at supporting start up (e.g. food EZ) but not so good at supporting getting product to market.

### Infrastructure priorities and delivery

- Key role of SELEP is to facilitating infrastructure investment
- SELEP and LAs should have shared set of infrastructure priorities e.g. g Lower Thames Crossing, Operation Stack lorry parks to enable more effective lobbying around investment priorities.
- Engage with Government to look at how utility companies deliver/align long term plans. LAs to provide SELEP with case studies to illustrate the difficulties experienced in planning.
- Support investment in more challenging areas i.e. to improve viability.

### Housing delivery

- Need to rethink housing needs to ensure delivering what is needed from economic perspective e.g. Sevenoaks have 'whole life' approach to housing/jobs (work life journey) so look at (amongst other things) homes that support self employment.

### Working with Government, developers and others

- Deliver public sector sites in a more coordinated way – SELEP facilitate discussion with Government to break down departmental silos.
- Raise concerns about loss of employment land due to emphasis on housing delivery and long term impact on sustainability and potentially funding (e.g. business rates will be critical source of funding in future). land under severe competition the closer you get to London.
- Relationship with MPs can cause problems – saying different things to the LA, even when from same party.

### **Top three priorities**

1. Support a better understanding of the Skills agenda and how it impacts on planning i.e. matching education with sector/business needs and ensuring the right land/premises are available to support them
2. Facilitate a more coordinated approach to Infrastructure planning and delivery – better approach to investment priorities, regulation of utilities/ broadband and mobile coverage
3. Develop a better understanding of what is needed to support the rural economy in terms of planning, taking into account government expectations around its changing role (Government's Rural Productivity Plan).

### **Workshop 4: 7th December, Chelmsford, ESSEX**

#### General points

- Address feeling of remoteness between LEP and LAs – poor communications and reluctance to get involved in planning. Need to build more trust and have a more transparent relationship
- Concern about lack of continuity around ‘asks’ which seem to be constantly changing – too much noise/turmoil being created by devo discussions.
- Need a coherent business sector perspective – clearly articulated voice of business

#### Infrastructure priorities and delivery

- LEP too focused on bigger projects which are not necessarily the most important in terms of what the LA needs – some of the critical projects are local infrastructure delivery
- General lack of an integrated approach from the ECC to infrastructure
- Need an overview of infrastructure needs like the Kent & Medway GIF which looks at needs at LEP, county, unitary and district level.
- Infrastructure planning should be based on a much longer timeframe – LEP’s business plan too short focused and reacts to short-term funding streams.
- CIL analysis – how do we use this more effectively?

#### Local plan evidence/economic strategy

- LEP needs to support local plan preparation – Essex Planning Officers’ Groups should help identify where and what support is needed.
- Although LAs becoming more commercially aware, need to make sure ‘market signals’ are taken into decisions around plans (i.e. Ebbsfleet considered to be a market failure).
- Help with LP evidence-base – cross benefit is that LEP business plan influenced by what’s being planned locally/ avoid duplication of evidence and ensure efficiency savings – share technical work programming.
- Look for joint training opportunities (e.g. the training relationship between LAs and Anglia Ruskin Uni).

#### Working with Government, developers and others

- Help work more effectively with government agencies which are all different – some better than others!

#### **Top three priorities**

1. SELEP to support work to develop an overview of infrastructure needs (like the Kent & Medway GIF) which looks at needs at LEP, county, unitary and district level.
2. More co-ordinated approach to evidence base to support both LPs and LEP work.
3. SELEP to build a better and more transparent relationship with LAs, particularly those involved in planning (both Members and officers).

#### 4. SUMMARY OF PRIORITIES AND NEXT STEPS

- 4.1 The following list is a summary of the priorities that emerged from the four workshops, distilled to avoid any duplication:
- Facilitate a more coordinated approach to Infrastructure planning and delivery – better approach to investment priorities, regulation of utilities, broadband and mobile coverage, and develop an overview of infrastructure needs at LEP, county, unitary and district level.
  - SELEP to work with LAs (and others) to look at different models and opportunities for infrastructure funding.
  - Facilitate discussions with government to improve better coordination between departments & agencies and to change the language used/ approach which could have a detrimental impact on long term sustainable growth in the area.
  - Facilitate discussion with Lord Adonis about strategic infrastructure priorities in the wider South East to support London's growth as part of the National Infrastructure Commission's role.
  - Support a better understanding of the Skills agenda and how it impacts on planning i.e. matching education with sector/business needs and ensuring the right land/premises are available to support them.
  - More co-ordinated approach to evidence base to support both LAs and LEP work.
  - SELEP to build a better and more transparent relationship with LAs, particularly those involved in planning (both Members and officers).
  - Develop a better understanding of what is needed to support the rural economy in terms of planning, taking into account government expectations around its changing role (Government's Rural Productivity Plan).
  - Lobby Government to make a decision on the Lower Thames Crossing as soon as possible and work with LAs to look at wider infrastructure implications of LTC and impact on both Kent and Essex sides.
  - SELEP to work with C2CLEP to highlight importance of A27/A259 and lobby Government.
  - Establish a developer forum for East Sussex to build up a more collaborative relationship with developers.
- 4.2 SELEP will be rolling out a series of engagement meetings with individual authorities in partnership with the Housing Finance Institute (HFi) and will also take the opportunity to follow up on the priorities that have been identified through the workshops.
- 4.3 The workshops and the follow-up discussions will then be used to inform an action plan to be agreed by the SELEP Board in March 2016 alongside an update by Natalie Elphicke on the roll out of the HFi Housing Business Ready programme. In the meantime, this report will be circulated to those that attended the workshops.

# INSIDE HOUSING

news, views and jobs in social housing

## Inspiring stories

26/02/2016 | By [Martin Hilditch](#)

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The impact of the government's decision to force councils and housing associations to cut rents by 1% a year for the next four years has been much debated in the sector since it was announced last year.

This week, we reveal that a number of councils have responded by scaling back on their development programmes.

For a government that has charged itself with delivering one million homes this parliament, the reaction should be a major cause of concern. Given that at least one council has tried to mitigate the reduction by converting void properties to affordable rent levels (up to 80% of market values and typically higher than social rents), its impact on rent levels could also be mixed.

The spectre of the enforced sell-off of high-value council homes is also looming large over the decisions local authorities are making in their 2016/17 business plans.

A government that has charged itself with building one million homes this parliament really needs to think much more clearly about the role that social landlords - be they local authorities or housing associations - are going to play in delivery. Even the major house builders - not typically given to opining about social housing - understand.

At this week's fascinating Northern Housing Summit, held by the Northern Housing Consortium, Sam Stafford, from Barratt Developments, stated: "We need to return to public sector building if we are to get anywhere near 200,000 homes a year."

The Confederation of British Industry has been calling for the government to help housing associations build more homes. In other words, the major house builders get it; business gets it; but the government needs to grasp this key point - ensuring its policies encourage delivery across the board - if it is to fulfil its pledge.

Despite the problems, social landlords are not sitting back and moaning. Inspiring stories abound, not just from housing associations such as L&Q, which is planning to build 5,000 homes a year, but from local authorities too. This week, a meeting of the Housing Finance Institute (HFI) gave councils a chance to shout about the ways in which they are working in partnership to enable delivery in their areas.

Attendees heard inspiring stories, such as about Ashford Council, which has completed the first tailored Housing Business Ready programme with the HFI and the South East Local Enterprise Partnership, and has detailed plans for multi-tenure developments. Social landlords could also benefit from institutional investor Legal & General's "game-changing" push into offsite construction with a factory near Leeds that will be able to produce up to 4,500 homes a year.

The sector continues to push to find new ways to deliver and there are many inspiring stories. With a better thought-through strategy from policymakers, there could be many more.

For decision	
For endorsement	
For information	<b>x</b>
mark with 'x'	

## Update on Local Growth Fund 15/16 spend and 16/17 scheme profiling post Accountability Board

### 1. Purpose:

1.1. To update the Strategic Board on Local Growth Fund 15/16 spend and 16/17 scheme profiling following the Accountability Board held on Friday 12 February 2016.

### 2. Recommendations:

2.1. The Board is asked to NOTE this update for information

### 3. Accountability Board Approvals

3.1. The Local Growth Fund allocation for 2015/16 was £69.45m, which was allocated across skills capital, non-transport and transport schemes as set out in Table 2 below (original allocation). The forecast spend on Round 1 schemes, at Q3, was £52.6m, which means there was a net underspend (prior to mitigation) of £16.8m.

**Table 2: 2015/16 Quarter 3 2015/16 Forecast Position – Summary**

Local Growth Schemes Quarter 3 2015/16 Forecast Position - Summary			
	Original allocation	Forecast spend	Forecast variance
	2015/16	2015/16	2015/16
	£	£	£
<b>Round 1 Schemes - 2015/16 Starts</b>			
Skills Capital Programme	11,000,000	10,414,313	(585,687)
Non Transport Schemes	2,050,000	1,684,000	(366,000)
Transport Schemes	56,400,000	40,500,000	(15,900,000)
<b>Position as at end of Quarter 3</b>	<b>69,450,000</b>	<b>52,598,313</b>	<b>(16,851,687)</b>
Future year projects with spend to be brought forward	-	10,470,000	10,470,000
<b>Revised position at end of Quarter 3</b>	<b>69,450,000</b>	<b>63,068,313</b>	<b>(6,381,687)</b>

3.2. Excluding skills capital the net underspend is £16.2m. The February Accountability Board approved the following measures to mitigate this underspend:

- To bring forward £10.4m of additional spend on 2016/17 or later starts. The expenditure brought forward to 15/16 would be offset with a reduction in spend in future years (so the total spend on any given LGF scheme remained the same, and only the profiling between years changes).
- The Board also approved £2.3m additional spend on 15/16 starts, which is captured within the £16.2m.

3.3. These changes left a residual variance of £6.3m, or £5.8m excluding skills capital. There is no expenditure that can be brought forward on LGF schemes in 15/16, so the Board approved a £5.8m swap from LGF to capital programme in 15/16, with the equivalent sum being swapped back to LGF in 16/17 (i.e. so the total LGF allocation remains unchanged over the period).

3.4. Recognising that there may be further risk of slippage in Q4, and also that there is no realistic prospect of additional schemes being brought by March 2016, the Board gave approval for all additional underspends arising to be treated as slippage through swaps between LGF and capital programme in 15/16, with spend reverting back to LGF in 16/17.

#### **4. Post Accountability Board Position – 2015/16**

4.1. An updated position will be provided to Accountability Board at its April meeting, based on further discussions between SELEP and Federal Areas. It is likely that there will be some further slippage identified on LGF schemes, but that this will be mitigated through a swap to capital programme expenditure in 15/16, swapping back in 16/17.

#### **5. 16/17 scheme profiling post Accountability Board**

5.1. As part of the current round of programme monitoring and Promoter discussions we are developing a more detailed spend profile for 16/17 LGF schemes (i.e. quarterly spend), including when Promoters are looking to submit business cases and the Accountability Board at which they will, subject to ITE assessment, seek Board approval. We are also updating the spend profile for future years (2017/18 onwards) based on discussions with Promoters.

5.2. At the request of the Accountability Board, the SELEP interim capital programme management team are going to undertake a high-level deliverability and risk assessment for all schemes in the programme, to inform the Board of the scale, nature and potential timing of future risks within the overall programme. This will be used to inform the overall programme management process, and ensure that potential deliverability risks are identified and understood at an early stage, so suitable mitigations can be put in place. The deliverability assessment will be presented to the April Accountability Board.

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Date: 11<sup>th</sup> March 2016



For decision	
For endorsement	
For information	X
<i>mark with 'x'</i>	

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## NORTH KENT INNOVATION ZONE

### 1. Purpose:

- 1.1. The purpose of this paper is to update the Strategic Board on progress in developing the South East's new Enterprise Zone, the North Kent Innovation Zone (NKIZ).

### 2. Recommendations:

- 2.1. The Board is asked to **NOTE** this report.

### 3. Background:

- 3.1. The Board will recall that of the four first-choice bids submitted by SELEP on behalf of the federal areas, the NKIZ was selected by Government as an Enterprise Zone (EZ) and announced in the Chancellor's Autumn Statement last November.

### 4. Progress to date:

- 4.1. A project group has been established, facilitated by Thames Gateway Kent Partnership, to plan the implementation of the EZ. The group currently comprises representatives from the five local authorities involved, KCC, Locate in Kent, SELEP and the Ebbsfleet Development Corporation as well as TGKP. The implementation plan will cover a range of issues including the commercial propositions and marketing strategy, site preparation and infrastructure requirements, planning arrangements, investment strategy, and arrangements for operations, support, delivery and governance.
- 4.2. The NKIZ is part of the cohort of EZs, about one-third of the programme of new and extended schemes, that will commence from April 2017 (the earliest date that incentives will be available to occupiers). The Government wishes to conclude a Memorandum of Understanding (MOU) with each LEP with a new EZ setting out the commitments and undertakings on both sides to help support delivery. A draft template for the MOU was sent to LEP contacts on 10<sup>th</sup> February. Government are keen to conclude MOUs during the Spring/early Summer. This will therefore be a substantive agenda item for the Accountability Board and Strategic Board meetings in June (and for consideration by the Kent & Medway Economic Partnership).
- 4.3. The NKIZ hosted a visit from DCLG and BIS officials on 22<sup>nd</sup> February to inspect the three site clusters and to discuss a range of policy and technical matters relating to the proposals at NKIZ and the Government's expectations for the EZ programme. Members of the NKIZ Project Group also held a useful meeting with counterparts at Discovery Park and Dover District Council on 29<sup>th</sup> February, including the scope for collaboration and knowledge exchange to help in developing the NKIZ and strengthening the Kent Innovation Corridor.

## 5. State of play:

5.1. The headlines on the current state of play on the NKIZ are as follows:

- Kent Medical Campus (Maidstone). There is an outline planning permission for the whole site, with detailed applications under consideration for the internal access road and a Cygnet secure mental health facility on the south-east corner of the campus. Discussions are continuing on the funding of off-site infrastructure improvements. JLL are carrying out proactive marketing on behalf of the site owners. Subject to approval, development should get underway on the access road and Cygnet facility later in 2016.
- Rochester Airport Technology Park. A revised planning application is expected to be brought to Medway Council's planning committee in the near future. Appraisal work is underway on the business case for the LGF-funded enabling works, with the intention of reporting to the Accountability Board on 10 June.
- Ebbsfleet Garden City. Discussions are ongoing with landowners to firm up ambitions and footprints for each of the sites, linking into the emerging masterplan/implementation framework being prepared for the Ebbsfleet Development Corporation. Some further joint feasibility work may be required on the Northfleet Rise/Ebbsfleet Valley North East site, looking at the EZ in conjunction with other objectives, and this will need to be reflected in the EZ delivery timetable.

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Date: 1<sup>st</sup> March 2016

For decision	
For endorsement	
For information	X
mark with 'x'	

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## SELEP Rural Strategy Group Update

### 1. Purpose:

1.1. The purpose of this paper is to update board members on the work of the Rural Strategy Group.

### 2. Recommendations:

2.1. The Board is asked to NOTE:

- The progress of the work of the Rural Strategy Group
- Forthcoming change of Chairmanship

### 3. Background

3.1. The Rural Strategy provides a key framework for our rural agenda by establishing the main strategic objectives encompassing the rural economy, rural communities and rural environment. It was produced in March 2015 following an extensive period of consultation with key partners.

3.2. Key objectives:

- *Rural Economy*

Provide support for rural businesses and businesses in rural areas

Optimise the growth and development of the Agri-tech, Agri-food and Forestry Tech sector

Support the development of sustainable rural tourism

- *Rural Communities*

Support development and provision of enhanced levels of connectivity

Develop the skills of the rural workforce

Build 'community capital' in our dispersed communities, villages and market towns

- *Rural Environment*

Support development of a more efficient low carbon and sustainable rural economy

Safeguard our natural assets, heritage and quality of life

Support sustainable development and planning to provide a sustainable future

3.3. This document has stimulated discussion between key rural partners and raised the profile of the important contribution which rural businesses and communities make to the economic health of the SELEP area.

#### 4. The SELEP Rural Strategy Group

- 4.1.** The group has played a vital role in developing and promoting the strategy along with supporting the focus and delivery of the European Agricultural Fund for Rural Development (EAFRD) Programme and is a vital link with the 9 Leader programme areas within SELEP.

The group has provided advice and support to the rural representative on the ESIF Sub-Committee regarding the EAFRD Calls for applications and the strategic fit with the ESIF strategy of the applications submitted under the First Call for applications. It has also acted as the primary focal point for rural issues across the LEP.

- 4.2.** The group last met on the 16 February when the primary focus was to receive an update from the RPA/Defra regarding the next EAFRD calls, discuss their focus and duration, levels of spend and delivery timetable. The group has been able to influence the focus of future calls and has produced three papers highlighting the SELEP specific information for calls for Rural Tourism, Support for SME's and Agri-tech/Agri-food and Forestry-tech. These are expected to go live late summer.
- 4.3.** To date the group has played a key role in ensuring the rural agenda has been effectively promoted, managed and delivered. The current period of change within the Board and Secretariat (incoming Chairman and Director) provides an opportunity to acknowledge the significant role played by the Rural Strategy Group and, in the light of Nick Sandford's decision to stand down as Chairman once a replacement has been found, enables us to consider and refresh its terms of reference.

This will enable the group to focus on the primary strategic issues in the Rural Strategy and establish required activity to take these forward, whilst at the same time continuing to support delivery of the EAFRD Programme by offering guidance to the ESIF Committee presentative from the NFU.

- 4.4.** SELEP's broader strategic issues will be the main agenda item when the group meet again in May, resulting in a clear programme of activities to be taken forward, over and above and complementary with the EAFRD Programme. There has been a significant level of commitment to the group from our partners who have provided invaluable support and expertise, and who are keen to continue their engagement.

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