

Strategic Board Meeting Agenda

Friday 23rd September 2016 10:00–11:30; AGM 12:00-13:00

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

10.00	1	Welcome and introductions	Chris Brodie
10.05	2	Minutes and actions from 24 th June 2016 meeting page 2 Matters arising	Chris Brodie
10.10	3	General update page 9 <ul style="list-style-type: none"> - Growth Deal Round Three submission and follow up - Government’s Industrial Strategy - SEP refresh and supporting work - Growing Places Fund – process and approach - SELEP team update 	Adam Bryan
10.20	4	Refreshing our working arrangements page 12 <ul style="list-style-type: none"> - Including <u>decision</u> on scope and timetable 	Chris Brodie
10.50	5	EU funded projects page 17 <ul style="list-style-type: none"> - Delivery to date - Forward look - Impact of Brexit 	Lorraine George Jo Simmons
11.20	6	North Kent Enterprise Zone: MOU & progress page 26	Adam Bryan
11.25	7	AOB	Chris Brodie
11.30	8	Early Lunch	
12.00	1	Annual General Meeting <ul style="list-style-type: none"> - Annual Report (to be provided on the day) - Chairman’s 6, 12 and 24 month plan 	George Kieffer Chris Brodie
13.00	2	Close & Thanks	Chris Brodie

For information only:

- a. Material from [16th September Accountability Board](#)

Future Meeting Dates (10am start)

1. 9th December 2016
2. Further dates to be finalised subsequent to this meeting:
 - a. 31st March 2017
 - b. 9th June 2017
 - c. 22nd September 2017
 - d. 8th December 2017
 - e. 16th March 2018

Strategic Board Meeting Agenda

Friday 24th June 2016 10:00–12:30

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

Strategic Board members & alternates present

Chris Brodie	Chairman
Angela O'Donoghue	South Essex College
Catriona Wood (Alternate)	Writtle College
Christina Ewbank	ACES
Clive Soper	FSB
Cllr Bob Standley	Wealden District Council
Cllr David Tutt	Eastbourne Borough Council
Cllr John Lamb	Southend Borough Council
Cllr Kevin Bentley	Essex County Council
Cllr Paul Carter	Kent County Council
Cllr Paul Watkins	Dover District Council
Cllr Peter Chowney	Hastings Borough Council
Cllr Peter Fleming	Sevenoaks District Council
Cllr Rob Gledhill	Thurrock Council
Cllr Rodney Chambers	Medway Council
David Burch	Essex Chambers
David Tutt	Eastbourne Borough Council
Geoff Miles	Kent Vice Chair , Maidstone Studios
George Kieffer	Haven Gateway Businesses, Essex Vice Chair
Graham Peters	East Sussex Vice Chair , East Sussex Rural Partnership
Jo James	Kent Invicta Chambers
Lucy-Emma Harris (Alternate)	Pixelwork
Nick Sandford	Godinton House & Estate
Paul Thomas	Orbit Homes
Perry Glading	Forth Ports

Also in attendance:

Cath Goodall, BIS

Apologies

Apologies were received from Graham Pendlebury, Julian Drury, Graham Razey, David Rayner, Stephen Waite, Cllr Chris Whitbread, Cllr Graham Butland.

1. Welcome

- 1.1. George Kieffer welcomed the group including BIS colleague Cath Goodall. Presenters from the Housing Finance Institute, Enterprise Zones and BT were also welcomed.
- 1.2. George initiated a welcome to Chris Brodie as the new Chairman and the group formally appointed him. Adam Bryan was also welcomed as SELEP's as Managing Director.
- 1.3. Geoff Miles paid tribute to George and Graham, his fellow Vice Chairs and they were all thanked for their input in the interim period.
- 1.4. Chris then took the Chair and proceeded with the meeting.

2. Introductory statement from our new Chairman

- 2.1. Chris reinforced his personal thanks to the Vice Chairs for their support in his first few months as Chairman and noted the great deal of support from wider partners and the willingness to take the LEP forward.
- 2.2. Reflecting on the events of the EU referendum, Chris highlighted that the work of SELEP and of business led growth is of even greater importance. SELEP will be faced with interesting challenges during uncertain times, but we should remain proactive and take the opportunities of local decision making.
- 2.3. Chris referred to some of his recent introductory meetings and was very impressed by the enthusiasm and opportunities presented by partners. His plan and vision as Chair of SELEP going forward will be presented at the next Annual Assembly, however in reference to some of his recent introductory meetings, he noted enthusiasm and opportunities presented by partners. Areas of interest include: projects with pan LEP focus, such as Coastal Communities; opportunities to reinvigorate the network of SELEP's 9 universities and forging links between them and our three Enterprise Zones; building on big ticket items such as the Thames Gateway Commission; and support and develop employment and skills boards.
- 2.4. Chris commented that now is an opportune time to consider SELEP's branding, which is currently geographic, but has serious scope to reflect the ambitions and scale of the South East's economy. He plans to work with the secretariat in the coming months to work up some proposals.
- 2.5. He also informed Board members that a review of governance would be presented to the September Board and that a new Strategic Economic Plan, due to be launched in 2017, would be drafted this calendar year for consideration.
- 2.6. Chris mentioned that his initial positive impressions of the South East LEP had been reinforced in his initial time as Chair and thanked colleagues once again for their warm welcome.

3. Minutes and actions from 11th March 2016 meeting and Matters arising

- 3.1. The minutes of the previous meeting were agreed to be a correct record of proceedings.
- 3.2. With regards to LEP Core Funding there had been discussion for SELEP to approach Greg Clark MP and make the case for SELEP as the largest LEP to access a fairer offer. Adam confirmed that the next round of LEP core funding, due to be allocated in the Autumn will be competitively bid for. Board members were in support of SELEP making a pre-emptive written case for more revenue funding.
- 3.3. All actions had been completed or were covered elsewhere in the agenda.

4. Growth Deal Round Three

- 4.1. Chris introduced the paper and confirmed its purpose of making the Board aware of the LGF3 process as laid out by Government; to sign off the 'snapshot' submission for immediate onward transmission; and to agree the steps to be taken up until the SELEP response is submitted to Government. Chris invited Adam to take Board Members through the paper and 'snapshot' presentation.
- 4.2. Adam provided background re SELEP's strategic focus and highlighted that the submission will

be stylised thematically covering the following five themes (this has been supported by BIS):

- Thames Gateway
- Skills
- Enterprise Zones
- Housing
- Strategic Connectivity

- 4.2 Adam took the group through the snapshot document, where some sample schemes coming forward from federal areas were highlighted. This was due to be submitted to Government by 12noon in order to inform the Ministerial Challenge session taking place the following week.
- 4.3 Adam confirmed that independent advice from the ITE (Steer Davies Gleave) would support the process. Steve Bishop was introduced and discussed their approach as impartial advisors, and assured Board members that the huge scale of work undertaken by federal boards would be included in the final submission's appendix as supporting material.
- 4.4 He advised that as Government have required a single list, SELEP should show maturity as a partnership in achieving this. He confirmed that their approach would be a light touch strategic case economic impact assessment, to take in to account leverage of private sector investment. While deliverability is important, the time scales for some schemes may reach beyond 3 years, so there would be some flexibility. He also confirmed that LGF Capital Funds would not fund a loan capacity scheme.
- 4.5 Chris thanked Adam and Steve and opened the floor for questions and comments.
- 4.6 Paul Carter commented on the need to articulate the level of growth that is being thrust upon the South East, and the necessary infrastructure to support that growth. He suggested that this should be expressed clearly in the narrative and flagged at the Ministerial Challenge Session. This was agreed to be taken forward.
- 4.7 Jo James advised that final submission should be seen competitively and that language should be carefully considered to demonstrate excellence of project proposals and should be linked at every opportunity to key Government priorities, such as the Lower Thames Crossing.
- 4.8 Kevin Bentley expressed his concern that Greg Clark's letter suggested that areas with elected Mayors would receive a preference in allocations and asked if this was the case. Chris Brodie confirmed that he has put this very question to James Wharton MP and had been encouraged that areas without elected Mayors would not be penalised, but also agreed to raise this again at the Ministerial Challenge Session.
- 4.9 A discussion took place re the role of Highways and the need for them to contribute funding to improve existing infrastructure and develop our areas. LGF3 should enhance and not replace what should be covered by Highways England.
- 4.10 With regards to the presentation of the final document, Perry Glading suggested that the most powerful and impactful projects should be listed first and John Lamb suggested that links between schemes should be articulated within opening statements.
- 4.11 The Board **AGREED** for the Snapshot Document to be submitted to Government in light of the discussions.
- 4.12 The Board **AGREED** the working structure of the submission
- 4.13 The Board **AGREED** the recommended schedule for completing the submission
- 4.14 Chris Brodie took the opportunity to remind partners that it is critical to engage MPs with local bids as their support will be an important factor in receiving approval for the LGF3 submission.

5. Thames Estuary Commission

- 5.1. Chris Brodie welcomed Steve Cox of Thurrock Council to present the paper which had the purpose of updating the Strategic Board on progress in establishing the Thames Estuary 2050 Growth Commission.

- 5.2. The paper provides background on the establishment of the Commission, led by Lord Heseltine to develop a long-term vision and delivery plan for the Thames Estuary area. This high profile commission presents a key opportunity for the SELEP to support its Strategic Economic Plan and it is very important for the partnership to have close links as soon as the scope for the commission is set.
- 5.3. It is expected that on 14th July the Thames Estuary 2050 Growth Commission will be officially launched, and Strategic Board members will be invited to attend. Prior to this, on the 4th July a meeting between the commission and local MPs will take place.
- 5.4. Cath Goodall advised that Lord Heseltine is keen to hear about the aspirations of Local Authorities as laid out in their Local Plans and will be engaging with local planning authority Leaders.
- 5.5. Kevin Bentley informed Board members that the South Essex Growth Partnership are currently working up an invitation for Lord Heseltine to visit the area and are in the process of drawing together a visit programme.
- 5.6. Regarding MPs, there were identified differences in engagement across the SELEP area and George Kieffer suggested that the SELEP may assist in supporting their engagement. Kevin Bentley suggested that MPs must be supported to view the collective Thames Estuary region as well as their local areas. Both points were agreed and the secretariat would look to support.
- 6. SEFUND**
- 6.1. Chris Brodie introduced the paper which recommended a course of action in respect of SEFUND, in order for Board Members to make a final decision on the fund and future arrangements for a clear Investment Strategy, and in order for SELEP to maximise capital returns for ultimate benefit and enable budgetary flexibility to support pan-LEP activities.
- 6.2. Adam then took Board members through the paper and outlined the CBRE investment model and the review undertaken by legal firm Pinsent Mason.
- 6.3. The CBRE SEFUND model had raised concerns in relation to affordability within SELEP's operating budget as well as a focus on Grade A Office Space, which was found not to be as great a priority as initially thought. Furthermore, the return of funding from Growing Places Fund in a short period did not lend itself well to the model originally proposed and there were concerns re payback in the timescales provided. The devolution agenda may also present more localised approaches to investment funds which could present competition.
- 6.4. The recommendation was presented to not continue with the proposed SEFUND model and instead review the status of the Investment Strategy both in the light of this and SELEP's plans for a refresh of the SEP in later 2016. Keith Glazier pointed out that in supporting SELEP should not lose the rigour of returning funds as this presents more opportunities for greater investment and growth.
- 6.5. Agreement of this recommendation affords considerable opportunities for core SELEP budget to be utilised in support of particular sectors/working groups. It also will enable discussions to begin with support of the Accountable Body, to enable proposals for a more simple investment strategy to be worked up that would allow swifter investment of capital returns.
- 6.6. Chris raised David Rayner's views on SEFUND, which were very much in favour, and these were noted by the board.
- 6.7. In summary, the Board:
- **AGREED** to the recommendation from the Chairman and Vice Chairmen to cease work on SEFUND and to review the status of the Investment Strategy both in the light of this and SELEP's plans for a refresh of the SEP later this year;
 - **NOTED** the flexibility provided to the SELEP team around sector support and how this will be deployed for pan-LEP benefit; and

- **ENDORSED** plans for the SELEP team to come back to the Strategic Board at the September meeting and agree a process, aligned with a new investment strategy, for utilising Growing Places Fund capital returns to best effect as soon as practicable

7. Update on SELEP's Strategic Housing Work

- 7.1. Chris welcomed Brian Horton, who provides SELEP's Housing lead role and Natalie Elphicke, of the Housing Finance Institute (HFI).
- 7.2. In outlining the paper, Brian provided Board Members with context of the SELEP's housing ambition as laid out within the SEP, to deliver 100,000 additional new homes in the South East by 2021. He informed the Board of the activities and progress undertaken to date to support this ambition, which requires SELEP to influence and support partners in delivering their planning responsibilities.
- 7.3. Brian took the opportunity to thank colleagues for their support to date, who, within a fairly informally managed working group, had offered leadership and enabled a shared focus and series of activity across the SELEP area to be achieved. Thanks were made to Graham Brown, Tracey Kerley of Ashford Borough Council, Paul Thomas, George Kieffer, Graham Peters and Geoff Miles. Building on the achievements as outlined in the paper, the working group will be reviewed and formalised as part of SELEP's impending governance review, which is expected to be presented at the September 2016 Strategic Board.
- 7.4. A key element of SELEP's housing activity within recent months has been its collaboration with the HFI, whereby 6 Local Authorities participated in their Housing Business Ready (HBR) Programme, which helps them to articulate and review their strategy to deliver homes. Brian welcomed Natalie who undertook a presentation to outline the context to HFI and its role in addressing the issue of house building and the HBR model, incorporating a metrical overview, assessment criteria and overall findings.
- 7.5. The pilot had proven very positive and Natalie presented a summary by drawing examples of achievements from each area, with all six Local Authorities demonstrating elements of excellence.
- 7.6. As referenced in the paper, Natalie discussed the work on capacity mapping of infrastructure dependencies for housing, which, with SELEP support (along with other investors), would look to pilot the South East region and identify dependencies including utilities and transport infrastructure, with the aim to help address and remove these barriers.
- 7.7. Chris thanked Natalie and Brian for their input and welcomed comments and questions.
- 7.8. Kevin Bentley raised independent living, which although well known as an issue of national importance, still requires market solutions to be developed. Natalie confirmed that she would be very keen to address this issue in upcoming work and Brian confirmed this consistent issue presents an opportunity for collaborative work between County and District Authorities. He advised that there is work underway by leading financial institutions to move this issue forwards and in his role supporting the SELEP he will look to ensure linkages and communication.
- 7.9. John Lamb pointed out that this positive work presents an additional lever in LGF applications and should be reflected.
- 7.10. Paul Carter expressed concern regarding the quality of town planning and issues of viability for house building in the more disadvantaged areas. In recognition of this challenge, Brian referred to Coastal Communities, which share similar viability, housing tenure and supply issues. Using the example of her work in regenerating a much deprived area of Cardiff, Natalie suggested that creativity and ambition to help overcome such challenges can lead to improvements even in the most challenging of areas. The recommendation within the paper, if supported, to deliver HBR to four coastal communities, will enable the HFI with SELEP to support Local Authorities to address this issue.
- 7.11. The issues around viability and transport linkages were highlighted as a concern alongside cost, quality of transport investments and housing developments, which must be carefully managed.

Perry Glading suggested that discussions with businesses are vital to ensure they can manage potential pinch points and delays in building due to such transport investment.

- 7.12. Nick Sandford commented on the particular needs of the rural sector, which faces challenges re infrastructure and in particular, water supply and local growth. Brian recognised that while there are successful examples of rural housing coming forward, such as a number of schemes in Ashford, a compelling case for rural communities needs to be developed to enable them to buy in to and access the benefits of growth. This is a priority that would be picked up by the Housing Working Group as it is reformed and reviewed in coming months.
- 7.13. Paul Thomas spoke of his support for the Housing Working Group and suggested that all points and challenges raised, as well as the issue of private sector leverage to encourage investment, could be addressed. He expressed an interest in remaining involved moving forward. David Tutt also expressed his interest.
- 7.14. The Board discussed skills requirements within the construction industry, at all levels, and it was agreed that linkages would be made between the Housing Working Group and SELEP's Skills Action Group.
- 7.15. A discussion took place regarding utilities, which has remained a key priority for SELEP for a number of years. Graham Peters commented that SELEP needs to use its position to lobby Government on the challenges faced and this was widely supported by the Board Members. Natalie and Brian suggested that this issue would be considered as part of the proposed utilities mapping study.
- 7.16. Chris Brodie thanked Natalie and Brian and Board Members for their input in to the discussion.
- 7.17. In moving forward towards future collaboration with HFI, Chris highlighted that the paper recommended option 4, for SELEP to fund future collaboration with the HFI to build on best practice and sponsor HBR in 4 Coastal Local Authorities and part fund capacity mapping of infrastructure dependencies for housing. Board Members **AGREED** this recommendation.
- 7.18. Board members **NOTED** progress on activity to date and also **NOTED** that the arrangements for the future of the Housing Working Group would be presented as part of the wider discussion on SELEP governance at the September 2016 Strategic Board.

8. Enterprise Zones

- 8.1. Adam Bryan advised that the purpose of this item was to update the Board on progress of the Harlow Enterprise Zone (HEZ) and the North Kent Innovation Zone (NKIZ). Adam welcomed Andrew Bramidge of HEZ and Richard Longman of NKIZ to undertake presentations.
- 8.2. Andrew Bramidge provided the Board with background and context of the HEZ and spoke of the progress made in recent years. HEZ is a significant economic accelerator for the SELEP area but it needs investment in infrastructure to ensure this delivery. Harlow Council will undertake the borrowing required to deliver this investment but needs to ensure that this is backed by the uplift in business rates to repay this borrowing.
- 8.3. The Board Members discussed the scheme. Kevin Bentley expressed the support of the Greater Essex Business Board for the HEZ as a key priority and encouraged fellow Board members to visit the site to see the scale of progress.
- 8.4. George commented that the arrival of Public Health England to the site would be a catalyst for businesses in the sector to co-locate and Richard confirmed that this was being encouraged.
- 8.5. The Board **AGREED** to the first option, i.e., to agree the proposal from Harlow and notionally allocate up to £73.15m of business rate uplift to the activities listed in the supporting documents.
- 8.6. This was **AGREED** subject to the proposal for a monitoring process to be established between SELEP and Harlow Council to ensure that the ongoing apportionment of business rate uplift is consistent with the rate of development activity.
- 8.7. Richard Longman updated the Board on the progress of the NKIZ, which was awarded following Government's most recent call for Enterprise Zone applications.

- 8.8. Richard outlined the geographical make-up of the NKIZ, including links with the Thames Gateway Kent Partnership. Covering 3 sites, it seeks to strengthen the Kent Innovation Corridor and deliver up to 9,000 jobs by 2025.
- 8.9. Richard went on to discuss the governance and future reporting arrangements for the NKIZ and these were **ENDORSED** by Board Members.
- 8.10. The Board also **ENDORSED** his request for revenue funding from the SELEP Activity Budget to enable the commissioning of appropriate marketing and communications work to get underway. Following queries on what this budget was, Adam referred to the SEFUND paper and confirmed that this would be affordable within the SELEP working budget, now that the Board had agreed to not proceed with the SEFUND model, but that this would need to be in the region of £5-10k, as the budget is limited.
- 8.11. Richard advised Board Members that NKIZ would be meeting with DCLG before the end of September to conclude their MOU. This was **NOTED**. Chris Brodie informed Richard that he had recently met James Wharton MP (Minister for Enterprise Zones & Local Enterprise Partnerships) and suggested that James would be very keen to be involved in signing the MOU.
9. **BT**
- 9.1. Chris Brodie welcomed Andrew Campling, General Manager for Southern Eastern England and London in BT Group to present a progress update in the SELEP area on fibre broadband.
- 9.2. Andrew took Board Members through his presentation and discussed the significant GVA added to the area, the rising take up rates for superfast broadband and BT's investment in testing new technologies.
- 9.3. Andrew highlighted that SELEP can support businesses to access the improved services on offer by supporting the county councils in driving fibre broadband awareness and take-up by businesses, creating links with business parks and enterprise zones and encouraging developers to engage early with Openreach for new sites.
- 9.4. Chris thanked Andrew for his presentation and opened the floor to questions and comments.
- 9.5. Jo James commented that it was positive to hear that take up of superfast services was increasing, and questioned what the percentage of take up was between businesses and residents. Andrew confirmed that these stats were not immediately available but could be sought.
- 9.6. Jo also reiterated the point made in the presentation regarding knowledge of services available and suggested that there is a key role around communicating the offer with businesses.
- 9.7. Graham Peters spoke of the opportunities for new developments to ensure compulsory connections and it was confirmed that some Local Authorities had taken the opportunity to tie this in to local planning or building regulation requirements.
- 9.8. Nick Sandford advised that research presented by the National Farmers' Union shows that there is a real issue with coverage in rural areas and can result in the loss of tenants. Andrew suggested that there may be some variances in data and suggested he and Nick have a conversation.
10. **Any Other Business**
- 10.1. Chris Brodie left the room in order for the Chairman's hospitality and subsistence policy to be reviewed. Board Members **APPROVED** the policy and Chris re-joined the meeting.
- 10.2. Adam updated the Board on changes to the Secretariat. He welcomed Jo Simmons, the new ERDF Facilitator, Rhiannon Mort, the new Capital Programme Manager, and Lorraine George who is re-joining the team after a recent break. Thanks were made to Mike Rayner, Skills Funding Lead, whose secondment is coming to an end and Lucy Spencer-Lawrence, who is shortly going on maternity leave. Lucy's maternity cover is Amy Beckett.
11. **Close & Lunch**
- 11.1. Chris thanked all Board members, presenters and guests for their attendance and contribution.

Strategic Board Meeting

Friday 23rd September

Agenda Item: 3

Pages: 3

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

General Update

1. Purpose:

1.1 To bring board members up to speed on some key areas of work for SELEP.

2. Recommendations

2.1 The Board is asked to note the report.

3. Details

3.1 This paper is written to provide board members with an update on key areas of SELEP’s work over the past few months, and to share plans for the forthcoming period up until March 2017.

3.2 Growth Deal Round Three

- We submitted a [£229m bid](#) to the third round of the Local Growth Fund in late July. Advocacy efforts are currently underway, coordinated in the federal areas, and conversations between the Cities and Local Growth Unit and the SELEP team are beginning – which reflects the analysis which has now started in Government.
- We expect an announcement at the time of the Autumn Statement.
- We have had positive early soundings around the bid document, largely due to the fact that we were successful in submitting a single prioritised list, as asked, and that we grouped our submission around themes which have currency in Government.
- During the next few months leading up to the Autumn Statement we recommend Board members engage with local MPs and encourage them to voice their support for our Growth Deal submission.

3.3 Influencing Government’s Industrial Strategy

- Senior Ministers and Civil Servants are doing early work to develop the new Industrial Strategy, for which Greg Clark MP is the most senior political advocate.
- LEPs across the country consider that we are the essential actors in helping Government devise and deliver the strategy. It is not yet known whether it will be place-based or be more sectorally-based, but it is well understood that it needs to be built from the local foundations that LEPs can provide.
- Led by the LEP network, an urgent piece of work is being put together to inform Greg Clark’s pitch on the Industrial Strategy at the Conservative Party Conference. In addition to this, LEPs are being encouraged to make direct individual representations through their CLoG Relationship Managers, and we will be doing exactly that.

3.4 Strategic Economic Plan refresh, Skills Strategy & Infrastructure and Investment Strategy

- Aligning our activities to the Industrial Strategy is one of many significant reasons why we will be refreshing the Strategic Economic Plan over the period from now until the end of the financial year. It is clear that we need to move to a more useable single, succinct, document, unified by common themes. Importantly it needs to be a document which takes account of investments to date and of

changes to the economy in the past two years; and is one which is cognisant of macro-economic changes such as the impact of Brexit. We also need to align with real ambitions which are gathering pace, such as the likelihood of a Lower Thames Crossing; decisions around aviation affecting Gatwick; the proposed extension to HS1; and developments around the Thames Gateway area pursuant to the TEGC 2050.

- We also need to position our focus clearly enough to inform organisational change, whether that is providing a strong steer for an economic plan such as that for 3SC devolution, or informing conversations around Sub-National Transport Bodies.
- We will be seeking external support to help us develop a refreshed SEP. The level of resource required is not available in the SELEP team or in our partner organisations. We would also benefit from an independent and technical analysis of the SELEP economy and a separate look at the impact that an improved SEP could have.
- The outline timetable for undertaking the SEP refresh is as follows:
 - o Develop consultants brief – September
 - o Appoint consultants – October
 - o Undertake research/engagement – November to February
 - o First cut available – January
 - o Final version agreed – early March
 - o Westminster launch event/engagement of MPs – late March/early April
- Supporting a refreshed SEP will be the refreshed – and long overdue – Skills Strategy, which will crystallise much of Graham Razey’s input to the board over the past two years and build on fantastic progress made by the local Employment and Skills Boards.
- We will also be developing an Infrastructure and Investment Strategy (IIS) to a similar timescale. This document will have a stronger geographic focus than the SEP, and will feature a Project Pipeline strongly. This will importantly do four things:
 - o Prepare us for a post-EU funding world by having all investible projects pipelined in one place (whether they are notionally seeking LGF, GPF, EU funding or other);
 - o Prepare us strongly for future funding calls – the hard work around pipelining and prioritising already having been done;
 - o While maintaining a federated approach to programme management, it will enable us to adopt a more flexible approach to managing the overall LGF programme – projects in the pipeline would be in a more legitimate position to supplant any existing LGF projects which are looking unlikely to deliver; and
 - o Provide us with the information we need to reinvest and recycle Growing Places Fund.

3.5 Growing Places Fund – process and approach

- The Infrastructure and Investment Strategy’s timescale is partly driven by our wish to start the process of recycling the Growing Places Fund (GPF) monies which have already come back into the pot. It is not the case that we could make reinvestment decisions in lieu of this. As with the redeveloped SEP, the development of the IIS will be a fully consultative process with its foundations in the federated boards.
- The approach to launching a bid for GPF will align with our improved process for developing and assessing business cases, which will be covered elsewhere during this meeting. The experience of developing the priority list for LGF3 helped make it clear that we need to improve our shared approach to allocating funding. The reinvestment process for Growing Places Fund will be our first opportunity to complete a consistent process from start to finish.

- As part of our improved approach to the management of our capital programme, we will be looking closely at allocated but unspent GPF, as well as ensuring that funding which is due to return to the pot does so in a timely fashion, enabling a critical mass and a healthy perpetuation of the recycled fund.
- It should remain our ambition to start reinvesting GPF as soon as possible and within this calendar year.

3.6 Consultation responses

- We responded to the TEGC 2050 Call for Ideas with a letter to the commissioners which pointed them to the local responses which have been developed over the past few weeks. In a letter from Christian, our single point of focus was our suggestion that the Lower Thames Crossing should be a multi-modal river crossing, with some consideration given to linking a rail connection with the proposed extensions to Crossrail both north and south of the river.
- SELEP is involved in a meeting of the commission on 26th October and we are currently working with local partners to make best possible use of the two hour slot we have been given.
- We are preparing a response to the Government consultation on the local retention of business rates, and have derived the common messages from the responses we've seen so far, with some emphasis on the complementary points that our local businesses would like us to raise. Hard copies will be made available to Board members for comment.

3.7 SELEP resourcing update

- The secretariat team continues to be lightly resourced, but with a couple of departures and one long-planned additional role we have been able to strengthen significantly over the middle part of the year.
 - o Lorraine George is back in the team as EU funding lead after a couple of months out, and she is supported by Jo Simmons who is the ERDF Technical Assistance Facilitator – a role match-funded by ERDF;
 - o Amy Beckett has joined us from the BEST Growth Hub team on a 12 month fixed term contract as cover for Lucy Spencer-Lawrence as she enjoys her maternity leave;
 - o Rhiannon Mort has joined the team from Kent County Council as our permanent Capital Programme Manager; and
 - o Louise Aitken, most recently responsible for the success of the Essex Employment and Skills Board, has joined us as Skills Lead on an 18 month secondment after Mike Rayner's secondment came to an end.
- We are not in a position to replace the previously filled Deputy Director position to the same senior level, but we will be pursuing the appointment of a Strategy Manager role, most likely on an 18 month fixed term contract. This role would operate across the agenda and, in doing so, coordinate the refresh of the SEP and the enhanced role of SELEP's sector and working groups. It will also have the responsibility of picking up SELEP's work around innovation (Smart Cities, Science and Innovation Audits, Smart Specialisation) and supporting the Director in ensuring manifest and meaningful links between the SEP and the Industrial Strategy emerging from Government. The job will be put to advert as soon as it has completed the job evaluation process.

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 Date: 14th September 2016

Strategic Board Meeting
Friday 23rd September 2016
Agenda Item: 4
Pages: 5

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

Refreshing our working arrangements

1. Purpose:

1.1 To agree the scope of the refresh of SELEP's operational working arrangements with a view to making an incremental improvement to the way that we work.

2. Recommendations

2.1 The Board is asked to

2.1.1 **Agree** the areas broadly in scope for the review of our working structure

2.1.2 **Agree** the approach to engaging board members

2.1.3 **Agree** the timetable around agreeing amended versions of the following documents at the 9th December Strategic Board meeting:

- SELEP Terms of Reference
- SELEP Assurance Framework
- SELEP Governance Handbook (which summarises the above and has not previously been submitted to the Board)

3. Background

3.1 The positive steps that SELEP has made over the past year in respect of its working arrangements are broadly recognised and it is generally felt that the federal model is working well. There are, however, a few areas where we need to modify our approach or think differently around how we could work smarter, more efficiently, and eliminate any misunderstandings or 'grey areas'. We should emphasise that arrangements are really quite tidy for a partnership of this size and this exercise is therefore intended to enhance, not redesign the LEP. It is not a repeat of the Irene Lucas work.

3.2 Now that the Chairman and Managing Director have been in post for five months, it is appropriate that we follow up on the Chairman's early promise to review those working arrangements, with a view to presenting an updated suite of governance documents to the Strategic Board in December.

3.3 The areas of focus below have emerged primarily from conversations undertaken by the Chairman as part of his SELEP induction. We are grateful for the honest and constructive inputs that we have had from partners across the entire LEP area and we are confident that with a cooperative and united

approach we will continue our steep ascent in terms of the positive perception of Government and other interested parties. The suggestions for next steps listed below are not comprehensive; we are very keen to push this forward in a way which works for everyone.

Scope

Area for review	Rationale	A suggested way forward
<p>Increase the influence of universities on the LEP agenda</p>	<ul style="list-style-type: none"> - A combination of historical factors has diminished the impact of our universities on the SELEP agenda. - Moving forward, the new Chairman of SELEP is committed to turning this around and to making SELEP ‘the most university friendly LEP in the country’. 	<ol style="list-style-type: none"> 1. Establish a new Chairman of the U9 group and ensure that they assume position on the Strategic Board. 2. Re-establish the group with senior (VC level where possible) representation initially. SELEP Chairman to be present at the first meeting. 3. Reassert a terms of reference for the group which articulates the specific role of the university group and clarifies the areas where we can work together to maximum advantage (i.e. around the innovation agenda) 4. Nominate two university officers to take part in the Skills Advisory Group discussions. 5. Nominate one university officer to sit on the existing Senior Officer Group of the LEP.
<p>Establishing a clearer relationship with the sector / working groups</p> <p>Currently</p> <ul style="list-style-type: none"> - Coastal/CORE - Rural group - Creative Economy Network - Skills Advisory Group - Housing - Growth Hub 	<ul style="list-style-type: none"> - It is quite evident that a more systematic way of working with the current sector groups is required. - With the likelihood that a refreshed SEP will bring additional working groups to the fore (Social Enterprise? Tourism?), we need to ensure that we operate with consistency across the LEP. - Work has been undertaken in the past which has not been sighted by the Strategic Board, nor reported on in terms of outcomes. This has to change. - We have best practice across all of the current sector groups in one way or another, but at a time where money has become available to support projects of pan-LEP relevance; there is not a consistent way of managing or coordinating the work. 	<ol style="list-style-type: none"> 1. Ensure that each group is represented on the Strategic Board by either a shared member on each group, or a champion at Strategic Board level 2. Re-establish the simple one page Terms of Reference for each group – recognising that in some cases this will be a simplification of what already exists. 3. Ensure that each group is firmly focused on issues of pan-LEP importance 4. Ensure that each group is fully representative of all geographic areas and specialist interest areas (e.g. developer forum reps on the housing group). 5. Ensure a standing item on each Strategic Board agenda where delivery against objectives during the last quarter needs to be briefly reported upon.

		<p>6. Seek to provide consistency in name of each group – i.e. using the suffix ‘Working Group’ wherever possible.</p> <p>7. Provide visibility to the groups through the SELEP website as a minimum.</p>
<p>Agree an approach to responding to future calls for funding</p>	<ul style="list-style-type: none"> - We made a significant step forward in the summer when we provided Government with a single priority list of projects for LGF3. While the approach was clear and transparent, the gulf between the independent assessment of projects on technical merit vs. the outcomes of local prioritisation was problematic. - A shared approach to project development and assessment from the beginning would lessen this difficulty. We have not been able to agree this before now. We have to put this right. - Accepting that the distribution of SELEP funding should be balanced over time, we also have to be clearer on how, on a case-by-case basis, we strike a balance between achieving an acceptable split across the area and doing what Government require around prioritising projects on merit. 	<ol style="list-style-type: none"> 1. Develop a SELEP-wide project development and assessment process, aligned with the Infrastructure and Investment Strategy. 2. The existing SELEP business case template will provide the guide but the assessments should be undertaken by an independent body. 3. We should aim for a single prioritisation exercise inclusive of federated boards and of SELEP strategic board and informed by the Infrastructure & Investment Strategy.
<p>Review officer structures to ensure that they are fit for purpose and fully inclusive</p>	<ul style="list-style-type: none"> - The Senior Officer Group (SOG) exists as the only pan-agenda, pan-LEP officer grouping. - It has endured since the establishment of SELEP and works well. At different points in the LEP’s history it has been appended by university reps and by members of business representative organisations and, again, this served a solid purpose. - We should consider how to more effectively play district officers into these conversations, and demonstrate a direct and consistent link to the LEP where this is sought. - A recent positive has been the establishment of the Transport Officer Group which has a clear remit around strategic transport and advisory around LGF schemes. 	<ol style="list-style-type: none"> 1. Taking into account the difficulties of information cascade, it would be sensible to extend the SOG membership. 2. In extending the SOG group, it may be opportune to instigate the Director group (of federated board leads) suggested in the March board paper. 3. Refresh the terms of reference for both Senior Officer Group and finalise the same for the Transport Officer Group
<p>Achieve greater penetration of the SME community as SELEP</p>	<ul style="list-style-type: none"> - We could always do more to engage directly with SMEs across the area. While this is a function of local partners 	<ol style="list-style-type: none"> 1. A more considered way of connecting through Chambers of Commerce, FSB, IoD and other

	<p>and federated boards, there is always an expectation from businesses that they should be able to properly talk to the LEP. We should consider ways of making the LEP more accessible to those interested businesses.</p>	<p>representative bodies</p> <ol style="list-style-type: none"> Greater investment in vehicles such as the website and in social media.
<p>Ensuring complete transparency</p>	<ul style="list-style-type: none"> - There are a number of gaps in the Assurance Framework which we should address through this review. Implementing these will ensure that the new ToR and Assurance Framework hopefully agreed in December will be fully signed off by Government also. - Many of these issues are covered elsewhere in this document. 	<ol style="list-style-type: none"> We must develop a conflicts of interest policy and a register of declared interests needs to be maintained and published on the website Establish a published complaints policy Ensure the application of the Social Value Act Ensure the publication of papers on local authority meeting and agenda sites.
<p>Clarifying representation on the Strategic Board and the two way responsibilities between the Strategic Board and the local federal boards.</p>	<ul style="list-style-type: none"> - On reviewing the Assurance Framework, Government also requested that we ensure a business majority on the LEP board. Given that businesses account for 48% of members, we need to explore options to slightly increase this percentage. - Secondly, it is correct that we check that the membership of the LEP is up to date. Some federal areas are undertaking reviews of their own and we should ensure that there is a clear match between federal area membership and SELEP board appointees. - Thirdly, it is also apparent that SELEP is sometimes absent from federal board conversations and we need to ensure that this is not the case. 	<ol style="list-style-type: none"> Recheck the Strategic Board member lists and make minor amendments if needed to meet Government's requirements around a business majority. SELEP team to work with nominated federal board leads to ensure that SELEP Board membership is fully populated (members and alternates), that the database holds all details and that federated areas are sufficiently represented across all sector groups. The Chairmen of the federated boards should be represented on the SELEP board (not currently always the case) Establish simple (one page) and consistent MOUs between SELEP and the federated boards to clarify scope, reporting arrangements, representation and decision making arrangements. Where local conversations require it, we need to eliminate any areas of debate around working arrangements and representation in respect of federal boards. The Chairman and Vice Chairmen will work to drive a consensus view should this be necessary.

Engaging board members

3.4 Pursuant to the above, we propose three simple routes of engaging board members on the governance review, in this order of preference:

Meeting type	Scheduling
a) Through any <u>local group meetings</u> where board member organisations are directly involved and a SELEP officer can be in attendance to record and participate in the conversation. This should include federated boards, sector groups, other sub-regional groupings or place specific forums such as Enterprise Zone boards. Some conversations have already been scheduled.	October
b) Through <u>face to face meetings</u> with individual board members where these can be arranged. SELEP will support these with a senior member of staff and/or Chairman and appropriate Vice Chairman	From October and up to 18 th November
c) Through <u>telephone calls</u> with either SELEP Chairman or SELEP Managing Director where either individual or collective meetings cannot be arranged.	As and when required up to 18 th November

3.5 It is incumbent upon board members to ensure that they engage in these conversations. The SELEP team is contactable via the generic address lep@essex.gov.uk – this is monitored daily.

3.6 Certain topics may require a special meeting of senior board members and the SELEP Chairman and Vice Chairmen. The SELEP team is on hand to help coordinate this according to local requirements.

3.7 To ensure that all these conversations are coordinated at the local level, two meetings of the Senior Officer Group will be convened – one in early October and one in early November.

Timetable

3.8 It is proposed that a board paper with appendices listed as: revised Terms of Reference; revised Assurance Framework (which would require s151 confirmation that we are compliant with Government’s minimum requirements); and Governance Handbook are all provided to the December board meeting according to normal timescales. We will therefore provide the suite of papers on or before Friday 2nd December.

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Strategic Board Meeting
Friday 23rd September 2016
Agenda Item: 5
Pages: 4

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

SE LEP EU Structural Investment Fund Strategy (ESIF) Update

1. Purpose:

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

- Information received to date from Government Departments regarding the potential impact of the Brexit decision on the SELEP European Structural and Investment Fund (ESIF) Strategy.
- 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)

2. Recommendations:

The Board is asked to NOTE:

- a) The latest developments and information regarding the potential impact of Brexit on the ESIF Funding
- b) The progress made to date with regard to the delivery of three funding programmes and future opportunities.
- c) The next SELEP ESIF Sub-Committee meeting, chaired by SELEP Board member, George Kieffer, will take place on 8 November 2016

Background

3. Introduction

The Operational Programmes for ERDF, ESF and EAFRD are now in their full operating phase with some progress being made despite a slow start. Comparison with other neighbouring LEP areas is favourable in terms of project approval, particularly under ERDF and ESF. The SELEP ESIF Sub-Committee, comprising representatives of stakeholder groups from across the SELEP area decides the strategic fit of project applications and calls for applications. It reports to the National Growth Board and is chaired by George Kieffer who is a member of the Strategic Board

The EU referendum, held on the 23 June 2016 and decision to leave the European Union will clearly impact on future access to this funding, which in the SELEP area is circa € 200 million and was to be committed/spent 2014-2020 with delivery through to 2023. While the UK continues to be a Member State paying into the EU budget, it is expected that we will continue to be able to draw down via the Structural Funds but it seems that short, medium and long term scenarios are emerging.

In the short term, based on the Treasury announcement on the 13th August 2016, Structural Funds projects which have been contracted by the time of the Autumn Statement will be allowed to continue, even beyond the date the UK leaves the EU. The practical impact of this decision can be seen below.

In the medium term, guidance regarding project applications in the pipeline is expected around the time of the Autumn Statement on 23 November. There is some uncertainty around this but it is expected that these project applications will need to clearly demonstrate fit with UK national priorities currently emerging. We are preparing Calls for applications under ESF and EAFRD in anticipation of the emerging opportunities and expect to be able to do so under ERDF.

In the longer term, LEPs will be consulted about the kinds of replacement funding needed but this is the start of a long process and information from Government is slow in forthcoming at this time. This process will likely be informed by our project pipelines, refreshed SEP and new Infrastructure and Investment Strategy.

4. European Regional Development Fund Update (ERDF)

The SELEP secretariat has appointed an ERDF facilitator to encourage and support applications for funding under this programme. This post is part funded from the ERDF Technical Assistance budget. Good progress towards spending targets and outputs has been made in the SELEP area. See appendix 1 for further details on the project pipeline, which can be summarised as follows:

- SELEP has to date committed £13.28 million to 8 projects (including initial development funding to 3 CLLD areas) across Priority Axes 1, 3 and 4, equalling 18% of the £74.1 million funding available.
- A further 5 projects worth £ 14.25 million, equalling a further 19% are working hard to be in a position to have signed contracts before the autumn statement.
- 2 projects have been given outline approval and have been invited to full application stage but it will be a challenge to meet this before the autumn statement. The projects are South East Creative, Cultural and Digital (SECCADS) and South East Invest (SEI), which are worth £5.6 or 8% of the allocation and are considered to be very important to the SELEP area as a whole.
- There are currently 5 projects in the early stage of development. These cover areas of logistics, advanced engineering, health and social care SMEs and renewable energy.

The latest development under the ERDF Programme is that the Department for Communities and Local Government (DCLG) will soon be asking each LEP area to respond to an information request from Government. This request will be seeking information, at a project and thematic level, on the types of projects that will wish to apply for funding in 2017-18, to help define the ESIF landscape post Autumn Statement. It is expected that the information submitted must demonstrate linkages to national priorities and initiatives, including for example Local Growth Deals and the emerging Industrial Strategy.

This gives us the opportunity to access the uncommitted funds shown in appendix 1 from our indicative ERDF allocation. We can also support those projects that might not make it to contracting stage by the time of the autumn statement as well as those projects in the early stage of development listed above. This exercise is likely to steer the content of national Calls for Applications under ERDF and the list will be sent to the SELEP ESIF Sub-Committee by written procedure to check for strategic fit.

5. Community Led Local Development (CLLD)

The Call for Applications for CLLD resulted in 3 areas being invited to submit full strategies by the 31 August 2016. These are Hastings, Tilbury and Folkestone. Each area was given a grant of £20,000 funding to support this development work. CLLD is targeted at the most deprived areas of the country and the fund is a blend of ERDF and ESF very much focussed on small scale interventions that are community driven over a 5 year period of sustained activity. The three strategies were submitted on the 31 August 2016. There are

potentially 13 CLLD areas in England competing for the funding. The outcome of the assessment of the strategies will be announced in mid-October and those which are successful will have 6-8 weeks to submit full applications.

CLLD is supported by SELEP but this is an example area where funding faces an uncertain future following the Brexit decision. Once again we are waiting for the promised pre- Autumn statement guidance.

6. European Social Fund (ESF) update

Positively, over half the original €80.5million ESF allocation for 2014-2020 has already been committed against local priorities (Appendix 2). A range of delivery will soon commence, addressing skills and employment issues as set out by the LEP and federated areas and enabling inclusive economic growth and skills attainment.

Committed expenditure includes:

- £10 million for a Department for Work and Pensions (DWP) ESF contract to support people into work. Calls for tender closed in March 2016 and a contract is being finalised with DWP and the preferred bidder, with local meetings to take place from the end of September 2016 and delivery starting in the autumn.
- £24 million (approximately) for Skills Funding Agency (SFA) ESF contracts covering East Sussex, Kent and Essex apprenticeships, higher level skills and improving numeracy. It was confirmed by the SFA earlier this year that these would need to be completed by March 2018 due to the changing situation with the SFA's funding. Calls for tender were published in July 2016 with a summer deadline and evaluations imminent.
- £16 million for Big Lottery Social Inclusion (Building Better Opportunities) projects with 71 outline applications having been assessed under round 2 in March. 12 work package projects were asked to go forward to full application and 11 of these will be reviewed in September 2016 by a local officer working group of the ESIF sub-committee. There will be another limited round closing in November to fill the 12th work package which dropped out.
- £1.3 million for the Youth Employment Initiative (YEI) in Thurrock called "On Track" and focuses specifically on NEETS (Appendix 3).

Pending confirmation of remaining available funds through the Autumn Statement, DWP indicated potential additional available expenditure includes up to £14 million to be allocated to:

- Access to employment for Job Seekers and Inactive People
- Sustainable integration of young people into the labour market
- Improving labour market relevance of education and training systems
- YEI surplus funds for additional funding and / or a new call for YEI.

Initial scoping of the cohorts which could be assisted through these three areas suggests a good volume of opportunity (i.e. nearly 40,000 adults claiming benefits across the LEP).

7. European Agricultural Fund for Rural Development

Despite being one of only five LEP areas to have an "early adopter" Call for Applications in May 2015, the SELEP EAFRD programme has had a particularly slow start and only £214,000 of £14,468,000 has been committed to date. This is mainly because SELEP was not allowed to hold further calls for application. Nationally, the programme was making very slow progress even before the Brexit decision, as it had been effectively suspended by DEFRA in the light of the Comprehensive Spending Review and also by purdah

prior to the Brexit referendum. For these reasons the 2nd Call for Applications that was expected in November 2015 never took place in the SELEP area.

The latest information is that future calls for applications are expected to take place on a national basis and remain open for 12 months with multiple cut off points for submission. There will be a LEP strategic target statement to accompany the national call to ensure local strategic fit. The Rural Payments Agency has asked us to prepare three calls for applications on Rural Business Development, Rural Tourism and Food Processing. We have been advised to prioritise these areas over skills, broadband and renewable energy due to State Aids and other issues with policy fit. Subject to these calls being sanctioned and endorsement by the ESIF sub-committee, the intention is to try to make £9.5 million available for this call.

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Date: 1st September 2016

Appendix 1 SE LEP EU Structural Investment Fund Strategy (ESIF) Update

The current ERDF project pipeline is very robust, with 45% of SELEP’s total notional allocation either contracted or in the process of being awarded. This proportion neatly reflects the fact that SELEP is 1/3rd way through the current 2014-2020 programme.

The breakdown in the table below shows that of the c.£74m ERDF allocation:

- 18% has been contracted
- 19% is on track to be agreed/ contracted by the Autumn Statement
- two high priority LEP-wide projects are working hard to secure an award (worth 8%) by the Autumn Statement
- five solid, fledgling projects (as yet unvalued) are being positioned to submit an application for a portion of the remaining 55%, following a further announcement expected from the Treasury in late November.

Treasury’s next announcement is likely to be informed by an analysis of proposed projects from across all LEPS, which are in the pipeline but unlikely to receive an award by the time of the Autumn Statement. SELEP’s input to this analysis will be by way of a response to an information request from Government, which is expected in September and which, it would appear, is replacing any new Open Calls that may have been issued during September and October.

The five fledgling projects listed below against remaining unallocated ERDF will be included in this response, together with any other ERDF project scopes that come forward in time. The two high priority projects seeking an award by the Autumn Statement will also be included for consideration, in the event that they are unsuccessful in securing an award before the Autumn Statement.

Summary of anticipated Q3 ERDF allocations and associated projects:

ERDF fully committed	£13,276,288	c.£13m	18%	<ul style="list-style-type: none"> - Better off in Business (Princes Trust) - Essex Growth Programme (NWES) - Foreign Inward Investment (KCC) - Hastings, Folkestone and Tilbury CLLD strategies - Low Carbon across the South East (KCC) - Supply Chain innovation for Offshore Renewable Energy (NWES)
ERDF likely to be contracted	£14,253,843	c.£14m	19%	<ul style="list-style-type: none"> - Get Exporting 2 (Exemplas) - High Growth Programme (WMMBF Ltd) - KEEP+ (ARU) - Manufacturing Growth Programme (WMMBF Ltd) - South East Business Boost (Southend BC)
ERDF seeking contract by the	£5,642,698	c.£6m	8%	<ul style="list-style-type: none"> - South East Creative, Cultural and Digital project (Thurrock)

Autumn Statement				- South East Invest (ECC)
ERDF remaining unallocated by the Autumn Statement	£40,957,182	c.£41m	55%	<ul style="list-style-type: none"> - Advanced Engineering sector project (ARU) - Betteshanger Health Enterprise Incubation Complex - Eastern Energy project (Community Works) - Health Care project (KCC) - Logistics sector project (Haven Gateway Partnership)
Total ERDF allocation (0.78 exchange rate)	£74,130,011	c.£74m		

Appendix 2
SE LEP EU Structural Investment Fund Strategy (ESIF) Update

Summary of anticipated ESF allocations and associated projects:

ESF committed	£51,263,580	c£51.3m		<ul style="list-style-type: none"> - DWP to support people into work - SFA for Essex, East Sussex and Kent apprenticeships - SFA for higher level skills - SFA for improving numeracy - Big Lottery Social Inclusion (Building Better Opportunities) - Youth Employment Initiative 'On Track' (NEETs)
ESF new contracts to be tendered subject to Autumn Statement	Exact amount TBC	c.£14m		<ul style="list-style-type: none"> - DWP Access to employment for job seekers and inactive people - Sustainable integration of young people into the labour market - Improving labour market relevance of education and training systems
ESF to be allocated (CLLD) subject to guidance	£5,487,465	c£5.5m		<ul style="list-style-type: none"> - Community Led Local Development
Uncommitted ESF		c£1m		
Total ESF allocation (0.78 exchange rate)	£71,615,301	c.£72m		

Appendix 3

SE LEP EU Structural Investment Fund Strategy (ESIF) Update

On Track Thurrock project summary

OnTrack Thurrock will engage 1,310 young people aged 15-29 years who are NEET. A unique partnership between Thurrock Council and TCHC will use innovative/targeted approaches to engage participants into intensive and personalised 1-2-1 mentoring and support, helping them navigate existing funded services and new tailored elements including: work placements; Information Advice & Guidance; and personal budgets.

OnTrack will achieve:

- **1,310** NEET young people engaged/supported;
- **768** young people entering employment, education and training (EET);
- **261** young people in EET for 6 months;
- **346** gaining a qualification (additional to those in EET);
- Increased engagement of young people in priority sectors.

OnTrack is an employment project that will engage and support **1,310** young people aged 15-29 in Thurrock who are not in Employment, Education or Training (NEET). It will reduce youth unemployment in the authority and support the South East LEP (SELEP) ESIF strategy.

OnTrack will be delivered in partnership by Thurrock Council and TCHC, combining the expertise and performance of an established local training provider with the local understanding and connection to local services of a local authority.

OnTrack represents the best use of ESF and YEI funding.

- **A uniquely placed provider** – The Council are uniquely able to ensure that OnTrack is *additional* to other services already delivered. ESF/YEI will fund additional services from an existing team who will be able to implement and deliver outcomes quickly.
- **Proven delivery expertise** – The Council's Careers Service has the lowest number of 'unknown' NEETs in the country (0.1%). Delivery partner TCHC is the best Youth Contract provider in the country for engagement, advice and outcomes, supporting over 4,500 young people, successfully re-engaging 84% in people into EET.
- **Best practice and innovation** – OnTrack is designed according to the latest best practice (e.g. using social media and peer-to-peer marketing) to tackle youth unemployment.

The Project

OnTrack will engage young people in Thurrock through:

- Referrals from local partner organisations;
- Outreach activity by specialist Personal Advisors; and
- Targeted marketing including social media and posters in youth centres and job centres.

Participants will be provided with a Personal Advisor (PA) who will be their named contact with OnTrack for the length of their contact with the project. Participants will have regular one-to-one meetings with their PA at a suitable and approved location convenient for the participant. The participant will receive:

- An Initial Assessment of: their capabilities, needs and goals;
- An Action Plan to move them towards their aspirations and overcome their barriers;
- A tailored package of interventions that will move them towards and into EET, including access to an discretionary personal budget to incentivise them and fund additional support;

- Ongoing support and a structured exit to increase the number of sustained outcomes.

Quality Performance

OnTrack will achieve:

- 1,310 NEET young people engaged and achieving progression;
- 768 young people entering employment, education and training (EET) – 261 of these in EET for 6 months;
- 346 gaining a qualification, in addition to those entering EET;
- Increased engagement of young people in SELEP priority sectors.

As well as moving young people into the SELEP priority sectors, OnTrack will support the SELEP ESIF strategy by:

- **Creating 200 apprenticeships**, 75% amongst 15-19 year participants, to support the increase in apprenticeships and vocational provision across the SELEP area;
- **Helping up-skill the workforce and supporting SME growth** by giving local employers a voice in the strategic direction of the project so support prepares young people for the local jobs market;
- **Engaging with 1,310 young people will achieve a positive outcome** contributing towards SELEP's target of 12,000 mainly unemployed or inactive participants taking part in activity to move them towards or into employment, education and training.

Total project value: £3,767,835

Geographic coverage: Thurrock

Project life: 2.5 years

Status: Full Application submitted (awaiting approval)

Strategic Board Meeting
Friday 23rd September 2016
Agenda Item: 6
Pages: 3 (including Annex)

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

North Kent Enterprise Zone: Memorandum of Understanding

1. Purpose

1.1 The purpose of this paper is to seek the Strategic Board's endorsement of the arrangements for preparing and signing-off a Memorandum of Understanding, with Government and local authority partners, relating to the new North Kent Enterprise Zone.

2. Recommendations

2.1 The Board is asked to

- a. **NOTE** this report and **ENDORSE** the arrangements, agreed by the SELEP Accountability Board, for concluding and signing-off a Memorandum of Understanding (MOU) with DCLG by end-September.

3. Background

3.1 The Board was briefed at its 24 June meeting that the Government expects all LEPs with a new enterprise zone (announced on 25 November 2015) to conclude an MOU, with relevant local authority partners and DCLG. The MOU is the instrument by which Government seeks confirmation of local partners' commitment to delivering the enterprise zone and its outputs, in return for which Government commits to the regulatory measures that give effect to the enterprise zone incentives (for occupiers) and retention of business rates (for local authorities). The mutual commitments are summarised at Annex 1. All MOUs are asked to be concluded by 30 September 2016.

4. Consideration

4.1 Governance arrangements for the North Kent Enterprise Zone are now in place, with the establishment and first meeting on 9th September of a new Strategic Board. That Board, on which SELEP is represented by the Managing Director, agreed a process for finalising the content and local sign-off for the MOU. The EZ Board also agreed that what has hitherto been called the North Kent *Innovation Zone* should be re-named the North Kent *Enterprise Zone*.

4.2 The MOU has to be agreed by each of the local authorities in whose area the enterprise zone sites are located. For the North Kent Enterprise Zone these are:

- a. For Kent Medical Campus – Maidstone Borough Council
- b. For Rochester Airport – Medway Council and Tonbridge & Malling Borough Council
- c. For Ebbsfleet Garden City – Dartford Borough Council and Gravesham Borough Council

4.3 The MOU also needs signature by the Accountable Body for SELEP. The Accountability Board therefore considered a paper on handling arrangements at its meeting on 16th September. The Accountability Board agreed recommendations:

- Noting the requirement for Local Authorities, LEPs and central Government to agree an MOU by the end of September 2016;
- That SELEP, via the Accountable Body, should enter into the North Kent Enterprise Zone MOU;
- Agreeing to delegate to the SELEP Managing Director authority to finalise the terms and conditions of the final MOU for North Kent Enterprise Zone, which will commit SELEP to support and assist development and delivery of the Enterprise Zone; and
- Agreeing to delegate authority to the SELEP Managing Director and Accountable Body authority to sign the MOU once a final MOU has been prepared and agreed by all parties.

4.4 The draft text of the MOU, based on a template provided by DCLG, is being cleared with local partners and has also been shared with DCLG. Subject to any amendments, the final version will be circulated to authorised signatories for (electronic) signature in the week beginning 26th September, and sent to DCLG by the SELEP Managing Director by 30th September.

4.5 The Board is invited to **NOTE** and **ENDORSE** the handling arrangements agreed by the Accountability Board.

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ANNEX 1: Enterprise Zone Memorandum of Understanding: summary of expectations from Local Authorities/LEPs and Government’s committed undertakings

Local Enterprise Partnership/Local Authority will...	DCLG will...
<p>OPERATION</p> <ul style="list-style-type: none"> • Provide maps and confirmation regarding the location, incentives sought and commencement dates for each site. • Submit a 5-year delivery plan setting out how the EZ will be set up and operated. • Secure expertise needed to establish and operate the EZ. • Provide DCLG with a named contact regularly notifying DCLG on progress. 	<ul style="list-style-type: none"> • Permit Local Authorities to retain 100% of business rate growth for 25 years from the commencement date of the EZ on the condition that this is spent on the Local Enterprise Partnership’s growth priorities. The expectation is that this will initially be to fund development required on the EZ. • Reimburse 100% of the discount in business rates (provided by the local authority on which the Enterprise Zone is sited) to businesses that occupy an Enterprise zone site before 31 March 2022 for a period of 5 years up to the maximum state aid <i>de minimise</i> threshold.¹
<p>GOVERNANCE</p> <ul style="list-style-type: none"> • Agree a governance structure. • Enter into agreements with each local authority with Enterprise Zones covering key delivery issues including arrangements for fast-track planning and other approvals, use of business rates retained by the local authority, collection and reporting of monitoring data etc.... • Provide DCLG with copies of board papers and the opportunity to attend meetings. 	<ul style="list-style-type: none"> • Provide a named contact for the Enterprise Zone to advise on establishing the zones and resolving issues arising in relation to Government procedures and support.
<p>COMMUNICATIONS</p> <ul style="list-style-type: none"> • Develop and implement plans for marketing the Enterprise Zone • Use the national EZ logo on marketing materials and signage. 	<ul style="list-style-type: none"> • Promote Enterprise Zone programme and good practice via press releases, website, Twitter account, LinkedIn group etc.... • Provide senior leaders of LEPs/EZs with the opportunity to meet to discuss progress, challenges and good practice with senior government officials and Ministers.
<p>MONITORING:</p> <ul style="list-style-type: none"> • Collect data on employment, business activity etc., and report quarterly to DCLG in an agreed format. 	<ul style="list-style-type: none"> • Advise on data monitoring and arrangements for returning monitoring data. • Publishing summaries of national and regional Enterprise Zone activity, which allows local areas to judge their own performance.

¹ There is also provision (as an alternative) to allow, up until 31st March 2020, employers occupying an Enterprise Zone sites within an Assisted Area to count 100% up to €125 million of their first years’ expenditure on qualifying plant and machinery assets against taxable income as an Enhanced Capital Allowances (ECAs). Part only of Rochester Airport is within an Assisted Area; but in any event the preferred incentive is business rates discounts.