



## ACCOUNTABILITY BOARD

<b>10:00</b>	<b>Friday, 11 September 2015</b>	<b>High House Production Park, Vellacott Close, Purfleet, RM19 1RJ,</b>
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### Membership

Mr Geoff Miles  
Cllr Kevin Bentley  
Cllr Paul Carter  
Cllr Rodney Chambers  
Cllr Keith Glazier  
Cllr John Kent  
Cllr Ron Woodley

Chairman  
Essex County Council  
Kent County Council  
Medway Council  
East Sussex Council  
Thurrock Council  
Southend Borough Council

**For information about the meeting please ask for:**

**Ian Myers**

**(Secretary to the Board)**

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**Tel: 03330134575**

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<b>1</b>	<b>Welcome and Apologies for Absence</b>	
<b>2</b>	<b>Minutes and actions from previous meeting</b> To approve as a correct record the minutes of the meeting held on 17 July 2015	<b>3 - 10</b>
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<b>8</b>	<b>Date of Next Meeting</b> To note that the next meeting will be held on Friday 13 November 2015. 2016 meetings to be scheduled.	

**MINUTES OF A MEETING OF THE SOUTH EAST LOCAL ENTERPRISE  
PARTNERSHIP ACCOUNTABILITY BOARD HELD AT HIGH HOUSE  
PRODUCTION PARK, PURFLEET, AT 9.00AM ON 17 JULY 2015**

Present:

Geoff Miles	Chairman
Kevin Bentley	Essex County Council
Paul Carter	Kent County Council
Rodney Chambers	Medway Council
Keith Glazier	East Sussex Council
John Kent	Thurrock Council
Ron Woodley	Southend Borough Council
Steve Bishop	Steer Davies Gleave (Independent technical Advisers, "SDG")

Also in attendance:

Advisers: Terry Osborne, Kim Mayo, Denise Murray, David Godfrey,  
Suzanne Bennett

## **1. Welcome and Introductions**

The Chairman welcomed everyone to the meeting explaining his role was that of a non-voting Chairman.

## **2. Ways of Working**

The purpose of the report was to establish a light touch, but effective way of working for the new Accountability Board.

The Chairman opened the item by inviting David Godfrey, Director of the LEP, to explain the planned approach to future ways of working.

David Godfrey drew the Board's attention to paragraph 3.15 of the report which set out the framework for reporting under the Monitoring Cycle. The plan includes federal area reporting which will be signed off by the nominated S151 Officers.

Councillor Paul Carter, KCC, enquired about the level of detail being presented to each federal area. David Godfrey supported this and responded that he thought this was essential so that only exception reporting would need to come to this Board.

Paul Carter enquired about schemes under the Local Growth Scheme being approved and subsequently varied without the knowledge or approval of the Federal Board. It was confirmed this should not happen without Federal Board approval within the agreed federal model but that this Accountability Board would have final endorsement and decision-making responsibility through its reporting to Government. It was acknowledged the need for some level of permitted variation.

Kevin Bentley, ECC, acknowledged the concerns raised but wanted to ensure there was a pipeline of projects to utilise unspent funds.

Kevin Bentley enquired if the Accountability Board can veto decisions made by the federal bodies to vary schemes. David Godfrey confirmed that the Accountability Board does have the right to consider and advise although, ultimately, it will be for the Government to decide.

Ron Woodley, SBC, endorsed earlier comments that variations must come through the federal boards and then onto the Accountability Board and not agreed and implemented only at district levels.

David Godfrey advised that there will be a tolerance of 10% of the value of the scheme for local variations but these low level variations would still need to be reported to the Board.

The following recommendations were **AGREED**:

- To endorse the approach outlined in the report
- To note £100,000 funding allocation in the SE LEP budget for 2015/16 to support the establishment of federal area structures and rigorous local monitoring processes.
- To endorse a request from the Secretariat that each county/unitary authority nominate a responsible officer for their programmes or projects
- To note the later papers providing further detail on reporting and operation.

### 3. Membership and Terms of Reference

The purpose of the report was to:

- Set out the membership for the Joint Committee, known as the Accountability Board.
- Set out the Terms of Reference under which the Accountable Board will operate

The report was presented by Kim Mayo who briefly explained the formal structure for the Accountability Board as follows:

- The Establishment of the Joint Committee enables the SE LEP to continue to strengthen its governance arrangements in accordance with the promises made to Government in the Assurance Framework.
- The full details of the framework under which the Accountability Board will operate is set out in the attached Joint Committee Agreement (the 'Agreement'), and this report highlight some of the key points.
- The Joint Committee will manage the distribution of funding from Government managed by the LEP (by way of grants and loan funding) in accordance with the provisions contained in sections 101 and 102 of the Act, the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation.

- Each of the Upper Tier Authorities have delegated to the Joint Committee the responsibility for the Assurance Framework, decision making for the approval of bids against funding from Government and distribution of that funding by way of grant or loan arrangements, which will enable the Joint Committee to carry out the functions.

The following recommendations were **AGREED**:

- To note the membership of the Accountability Board
- To note the contents of the Joint Committee Agreement

#### 4. Business Case Sign-off and Payment Profile

The purpose of the report was to:

- Agree business cases for any schemes brought forward through the Independent Technical Evaluator (ITE) process for funding to be devolved to federal areas
- Receive an updated payment profile.

The Chairman invited Suzanne Bennett, the finance officer supporting the LEP, to comment on the Business Case sign off report. Mrs Bennett confirmed that £59.6m had been devolved to the areas. £1.5m is being held for those schemes waiting to go through the ITE process. Otherwise all money is now with the local areas.

Kevin Bentley asked why funding which had been allocated to Colchester Borough Council had to be approved at a County level. Terry Osborne advised that all agreements were made with upper tier authorities as the SELEP itself is not a legal entity and this was part of the agreed federal model.

The following recommendations were **AGREED**:

- To note if the Sittingbourne Town Centre Regeneration scheme had met the conditions set by the SELEP Board for release of funding through the ITE process
- To note the final 2015/16 schemes to be agreed for funding to be devolved to federal areas
- To note the the updated Growth Deal payment profile received for 2015/16

#### 5. Quarterly Monitoring Reports

The Chairman invited Steve Bishop, the Independent Technical Adviser from Steer Davies Gleave, to present the report on this item.

The following recommendations were **AGREED**:

- To endorse the attached Quarterly Monitoring framework as developed with federal areas.

## 6. Growth Deal Progress

The Chairman invited each Member to provide a verbal update on local growth fund projects.

### Southend-on-Sea

A brief update was provided by Councillor Ron Woodley who also agreed to submit a report to the secretariat.

### Essex

An update was provided by Councillor Kevin Bentley as follows:

- Colchester Park & Ride is open.
- Road improvement work in Harlow has commenced.
- The Maldon to Chelmsford section of the A414 has had funding released.
- Railway work is underway in Chelmsford
- Work at Beaulieu Park, Chelmsford, particularly around the station, is being progressed under a MOU between parties.

### Kent

A brief update was provided by Councillor Paul Carter who also agreed to submit a report to the secretariat.

### East Sussex

An update was provided by Keith Glazier as follows:

- Queens Gateway
- New Haven flood defences have planning and spades ready. Agreements in place and will commence Sept 2015.
- Cycling package approved and have reallocated funding, to enable this deliverable to move forward.

### Thurrock

An update was provided by John Kent on the following:

- A13 road widening
- Stanford-le-Hope rail scheme
- Cycling infrastructure

### Medway

An update was provided by Rodney Chambers on the following:

- A290 Four Elms Roundabout to Medway tunnel scheme.
- The Medway City Estate
- Chatham Town Centre Place Making.
- The Stroud Town Centre
- Medway's Cycling Action Plan

## 7. Monitoring and Evaluation Framework

The purpose of the report to agree the Growth Deal Monitoring & Evaluation Framework as required by Government, building directly on the quarterly monitoring arrangements.

The Chairman invited David Godfrey to introduce the report.

Steve Bishop (SDG) was then invited to address the issues raised in the report and to explain the background and overall approach to the Monitoring and Evaluation framework for the Growth deal Schemes as required by Government. He explained:

- The SE LEP Monitoring & Evaluation Framework is a requirement of Government and has been developed to meet national guidelines. It provides the ability to assess the effectiveness and efficiency of selected schemes over time and, by inference, the impact of the Growth Deal and Strategic Economic Plan.
- The framework builds directly on the Quarterly Monitoring and metrics reporting and will support local decision-making by adding further local understanding of what can best drive local economic growth.
- As indicated in the report commissioned by SDG, the framework has been developed around a series of evaluation questions and key schemes for which specific evaluation plans have been developed.

The following recommendations were **AGREED**:

- To endorse the proposed Monitoring and Evaluation Framework
- To note that further feedback from BIS may be incorporated into the final framework

## 8. Finance Update – Budget Outturn

The purpose of the report was to give Board Members an update on the financial position of the South East Local Enterprise Partnership (SELEP) and covers all funds held by the Accountable Body (Essex County Council) on behalf of SELEP.

The Chairman invited Suzanne Bennett, financial officer supporting the LEP, to introduce the report. Ms Bennett explained that a financial report will be brought to every future meeting of the Accountability Board.

Members were referred to the tables set out in the report which detailed the provisional outturn position for the financial year 2014/15.

Ms Bennett also summarised the position in relation to the Local Growth Funds as set out in the report.

Paul Carter restated his view that Steve Bishop (SDG) should attend Federal Boards in order to provide them with advice and support schemes with their federal areas. Paul Carter enquired if a budget was available to support this advice if required. It was confirmed that initial advice would be provided through the ITE contract.

The Board **NOTED** the report.

## 9. Any Other Business

Terry Osborne, Monitoring Officer for the Accountable Body, indicated that an urgent item should be considered concerning the possible extension of the contract of the current Chairman of the Strategic Board, Mr Peter Jones.

Miss Osborne circulated a paper the purpose of which was to advise board members of the timetable for consideration of a possible extension of the term of office of the Chairman of the Board and to seek agreement to the establishment of a Panel to consider the issue.

Miss Osborne explained that on 17 July 2013, following the resignation of the then chairman, John Spence, who had recently been elected as a councillor to ECC, a Panel of board members met to consider the appointment of a new chairman of the board. The Panel agreed to appoint the current chairman, Mr. Peter Jones, to the role for a period of 2 years with effect from 1st August, expiring on 31st July 2015.

Miss Osborne advised that there are currently discussions taking place on the future shape and direction of the LEP but there is no indication as yet when any changes will be submitted to the government for approval, nor how long that approval process may take although it could be as soon as October 2015. Accordingly, it was now necessary to consider whether to extend the Chairman's tenure or let his contract expire on the due date, namely 31<sup>st</sup> July 2015.

Although the appointment of the current chairman was carried out by a Panel convened especially for that purpose, the Terms of Reference for the main strategic Board have since changed (in February 2014) and they now require the Board itself to appoint the Chairman. It is, however, possible for the Board to appoint a Panel to deal with the issue on its behalf.

In order to take this forward as quickly as possible, and before the expiry of the term of office of the current Chairman, it is proposed that a Panel similar to that which was created to appoint the Chairman originally be established to consider whether to extend the Chairman's contract and that it should have power delegated to it by the Board to decide the matter.

If the Board agrees this proposed approach then it will subsequently be recommended to the Panel that they consider the following options:



1. To allow the contract to expire at its end date of 31st July and to commence a process for the appointment of a new chairman (in which case a temporary chairman should also be appointed from the existing board members for the interim period);
2. To extend the term of office of the current chairman for a further 3 months, or until such time as the SELEP is wound up or reconfigured.
3. To extend the terms of office of the current chairman for a further 6 months, or until such time as the SELEP is wound up or reconfigured.
4. To extend the terms of office of the current chairman for a further 8 months (i.e. until the end of the financial year), or until such time as the SELEP is wound up or reconfigured.

The following recommendations were **AGREED**:

- To note the timetable for appointment of the Chairman of the Board
- To agree to recommend to the main Board that a Panel be established to consider whether to extend the term of office of the Chairman of the Board and to delegate to that Panel power to determine the length of any extension so agreed
- To agree to recommend to the board that the following representatives of the upper tier authorities and business sector be appointed to the Panel, namely:
  - George Kieffer – chairman of panel
  - Geoff Miles
  - Graham Peters
  - Essex CC (Cllr Kevin Bentley)
  - Kent CC (Cllr Paul Carter)
  - East Sussex CC (Cllr Keith Glazier)



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**FOR INFORMATION ONLY TO ACCOUNTABILITY BOARD**

**Review of arrangements for recruiting a Chairman for the LEP**

**1. Purpose**

- 1.1 This reports sets out the background and chronology to the recent decision not to extend the Chairman's contract. It also sets out the interim arrangements put in place to ensure there is appropriate leadership and governance of the SELEP in the interim and provides a suggestion for how a new chairman might be recruited in the future, once the future shape and direction of the LEP going forward is known.

**2. Recommendations**

- 2.1 It is recommended that:
- 2.1.1 A Vice Chairmen is appointed as acting Chairman until such time as a new chairman has been formally recruited;
  - 2.1.2 The Vice Chairman, acting as Chairman, shall not receive an allowance during the interim chairmanship (but expenses will continue to be recoverable in accordance with the appropriate ECC policy);
  - 2.1.3 Recruitment of a new Chairman be undertaken as soon as possible;
  - 2.1.4 A review of the current Chairman role profile and personal specification is carried out by the Accountable Body;
  - 2.1.5 That a review of the arrangements for assessing the performance of the new Chairman in accordance with the Terms of Reference be undertaken.
  - 2.1.6 A working protocol is agreed between the 3 vice chairmen to ensure an appropriate consultation during the interim chairmanship

**3. Background**

- 3.1 In September 2012, the Strategic Board (the Board), then known as the 'Executive Board', had in place Terms of Reference (see Appendix 1) which provided that:
- 3.1.2. The LEP Board shall have a private sector Chair.
  - 3.1.3. The chair shall be appointed by the Board, with their performance subject to annual review.

- 3.1.4. Excepting the provisions in Section 2.3 below, the Board may initiate task and finish groups to undertake work to further the Board's objectives. Such groups shall be fully accountable to the Board and shall cease operation when their work is complete.
- 3.2 At the Board meeting on 15<sup>th</sup> March 2013, the Board considered options for appointing a successor to the then chairman, John Spence, as he was standing for election to Essex County Council at the local elections on 2nd May 2013. A long stop date of September 2013 was thought to provide for a managed transition and would coincide with the conclusion of John Spence's term of office. The Board established a sub-group of Vice Chairs and Leaders to appoint a new Chairman, who would be sought from local networks in the first instance. The services of a professional agency would be sourced if that proved unsuccessful.
- 3.3 On 28<sup>th</sup> June 2013 the Board noted that an appointment panel had been identified to progress the appointment of a new SE LEP Chair. That panel would consist of the three Vice Chairs and three Leaders of the County Councils.
- 3.4 On 17<sup>th</sup> July 2013 the Panel met to consider the appointment of the new Chairman. The Panel consisted of:
- a. George Kieffer – chair of panel;
  - b. Geoff Miles;
  - c. Derek Godfrey;
  - d. Cllr David Finch;
  - e. Cllr Paul Carter; and
  - f. Cllr Keith Glazier.
  - g. Susan Priest – note taker (Managing Director).
- 3.5 The panel unanimously determined that Peter Jones should be offered the position of Chairman and that the role would take effect from 1<sup>st</sup> August 2013 for a period of 2 years.
- 3.6 On 13 December 2013, the Board agreed to update their terms of reference, which were placed before the Board on 14 February 2014. A copy of the amended terms of reference were attached to the agenda pack and circulated to all Board members. The provisions set out above in respect of the appointment of the chairman and the ability to delegate tasks to sub groups remained unchanged, but now appeared at paragraph 2.2.5, 2.2.6 and 2.2.30. The amended terms of reference were approved, with minor alterations by the Board, none of which effected the provisions for which this report are concerned.

### **The Chairman's contract**

- 3.7 As the Chairman's contract was due to expire on 31<sup>st</sup> July 2015, the Accountable Body indicated that a decision was needed on whether to extend

the contract or whether to allow it to expire at its natural end. A report was prepared for the Board to consider at its next meeting in July (which happened to be its AGM) but the report was also taken to the Accountability Board that was meeting earlier the same day before considering the issue formally at the subsequent Board meeting.

- 3.8 Accordingly, on 17<sup>th</sup> July 2015, the Accountability Board met and considered a report from the Monitoring Officer for the Accountable Body under AOB. Members present for the meeting were:

Geoff Miles	Chairman
Kevin Bentley	Essex County Council
Paul Carter	Kent County Council
Rodney Chambers	Medway Council
Keith Glazier	East Sussex Council
John Kent	Thurrock Council
Ron Woodley	Southend Borough Council

- 3.9 The report suggested that a Panel be established, with the same or similar membership to the panel that appointed Peter Jones originally, to consider whether to extend his contract. The report provided four possible options available to the panel:

1. To allow the contract to expire at its end date of 31<sup>st</sup> July and to commence a process for the appointment of a new chairman (in which case a temporary chairman should also be appointed from the existing board members for the interim period);
2. To extend the term of office of the current chairman for a further 3 months, or until such time as the SELEP is wound up or reconfigured.
3. To extend the terms of office of the current chairman for a further 6 months, or until such time as the SELEP is wound up or reconfigured.
4. To extend the terms of office of the current chairman for a further 8 months (i.e. until the end of the financial year), or until such time as the SELEP is wound up or reconfigured.

- 3.10 The following recommendations were agreed by the Accountability Board, and recorded in the minutes:

- To note the timetable for appointment of the Chairman of the Board
- To agree to recommend to the main Board that a Panel be established to consider whether to extend the term of office of the Chairman of the Board and to delegate to that Panel power to determine the length of any extension so agreed
- To agree to recommend to the board that the following representatives of the upper tier authorities and business sector be appointed to the Panel, namely:
  - George Kieffer – chairman of panel
  - Geoff Miles
  - Graham Peters

- Essex CC (Cllr Kevin Bentley)
- Kent CC (Cllr Paul Carter)
- East Sussex CC (Cllr Keith Glazier)

- 3.11 The SE LEP Annual Assembly met immediately afterwards and on the agenda for that meeting there was an item on chairmanship. Geoff Miles, Chairman of the Accountability Board, addressed the main Board meeting on the subject and the Board indicated its agreement to the recommended approach. A copy of the report from the Monitoring Officer that had been considered by the Accountability Board earlier that day was circulated to all Board members shortly after the meeting.
- 3.12 In preparation for the panel meeting on 31<sup>st</sup> July, under the direction of panel chairman George Kieffer, SE LEP circulated an appraisal form to all Board Members seeking feedback on the Chairman's performance. George Kieffer, also consulted Graham Pendlebury, Senior Whitehall Sponsor, prior to the panel meeting.
- 3.13 A total of 11 responses were received, 7 from business and 4 from Local Authorities. An appraisal of the feedback received, including written feedback received from Graham Pendlebury, was prepared by Mr. Kieffer and submitted to the Panel to assist in the Panel's determination). It is also understood that Graham Pendlebury and representatives from government were consulted prior to the panel meeting in order to ensure that everyone was fully engaged in the process. The responses were consistent both geographically and across sectors (business and local government) 3 from East Sussex, 3 from Essex and 2 from Kent and Medway and 3 from TGSE. Only one respondent proposed an extension of the Chairman's term for the rest of the financial year, although that was not one of the questions asked.
- 3.14 At the Panel meeting, it was apparent that there was a clear majority in favour of not extending the current contract. The notes of the meeting are attached at Appendix 2. The Accountable Body was duly notified on 12 August 2015.
- 3.15 It became apparent very quickly after the meeting that Peter Jones had himself informed central government that he had been 'sacked'. This happened before any of the vice chairmen had been able to speak to government. Since then the Accountable Body has written to the Secretary of State to reassure him of the appropriateness of the decision taken by the Panel and the plans being made to recruit a new, permanent chairman.

### **Interim arrangements**

- 3.16 In the absence of a Chairman the 3 vice chairmen will all, as one would expect, assume a greater level of responsibility in terms of strategic leadership until such time as a new chairman is appointed. It is recommended that just one of the vice chairmen should act as the lead for the time being so that there is a single point of contact for the government and other stakeholders and to provide clear leadership albeit for an interim period.

- 3.17 The Board are asked to appoint one of the Vice Chairman to act as interim Chairman of the Board.
- 3.18 It is recommended that the new Acting Chairman arranges regular liaison meetings with appropriate ministers and government officials and with the Accountable Body.
- 3.19 It is also recommended that the 3 vice chairmen agree a working protocol between them to ensure the business of the SELEP can continue as smoothly as possible and that, in particular, there is appropriate consultation and liaison between them.
- 3.20 In accordance with the terms of reference the Board are asked to approve these interim arrangements until such time as a new Chairman is appointed.

### **Recruitment**

- 3.21 The Accountable Body will work with the Managing Director for SELEP to undertake a recruitment process for the appointment of a new Chairman as soon as possible.
- 3.22 Preparation work is underway and a review of the role profile, the person specification and terms of that office to ensure the LEP can attract the best candidates.
- 3.23 A timetable for recruitment now needs to be formulated and this will be led by the Managing Director. Consultation will take place with each of the Upper Tier Authorities on the revision of the role profile and specification, and members will be engaged in discussing the membership of the interview panel. At the appropriate time, advertisements will be placed in the national and professional press and on partner websites, which will enable applications to be received from internal and external candidates.
- 3.24 The Accountable Body will also seek to identify and appoint an appropriate recruitment consultant who will assist in obtaining applications at an appropriate level to meet the needs of the SELEP. The process by which the performance of the chairman is assessed will be reviewed in accordance with section 2.2.10 of the Terms of Reference of the Board (Appendix 1).
- 3.25 Currently the proposed process for the recruitment will be as follows:
- Full timetable to be set
  - Role profile and job specification to be revised
  - Job advert to be prepared
  - Recruitment consultant to be identified
  - Advert to be placed in national and professional press and on partner websites
  - Interview panel to be identified and approved by the Board
  - Selection criteria to be determined and approved by the Board
  - Shortlisting

- Interviews
- Selection of chairman by Panel
- Approval of appointment by Board
- Enter into formal agreement with Accountable Body

3.26 The Board are asked to approve the proposed recruitment arrangements.

### **Appendices**

1. Strategic Board (Executive Board) terms of reference 2012



SELEP ToR 2012.pdf

2. Panel minutes dated 31 July 2015



Panel mintes  
310715.docx



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**South East Local Enterprise Partnership**

**Nominations Sub-Group**

**31<sup>st</sup> July, 2015**

**Note of meeting to consider options for  
Chairmanship of SE LEP**

**Present:**

George Kieffer (Chairman)  
Kevin Bentley  
Geoff Miles  
Paul Carter  
Keith Glazier  
Graham Peters (by telecall)

**In attendance:**

David Godfrey

**Introduction**

- The Accountability Board report entitled *"Update from the Accountable Body"* provided the only paper for the Nominations Sub-Group meeting.
- It was noted within the paper that the Nominations Sub-Group was established to consider the possible extension of the chairman's contract and that it had had the power delegated to it by the Accountability Board to decide this matter.
- The recommendations from the paper had been agreed at the Accountability Board on 17<sup>th</sup> July and endorsed by the SE LEP Annual Meeting of the same date. The paper had also been circulated to all members of the SE LEP Strategic Board, together with a feedback questionnaire.
- George Kieffer reported on feedback from this consultation to which there were 11 responses from Strategic Board Members: 7 from business and 4 from local authorities. These were split between East Sussex (3), Essex (3), Kent & Medway (2) and the Growth Partnership South Essex (3). It was noted there were additional views from some businesses and these were reported to the meeting.
- David Godfrey presented broad feedback from the Whitehall officials who were in close contact with SE LEP.

**Options**

- The Accountability Board paper presented 4 options for decision.
- While it was noted that both Graham Peters and Keith Glazier favoured an 8 month extension (to the end of the financial year) of the chairman's contract, it was agreed that only 2 of the 4 options should be considered:
  - *To allow the contract to expire at its end date of 31<sup>st</sup> July [and to commence a process for the appointment of a new chairman] (in which*

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*case a temporary chairman should also be appointed from the existing board members for the interim period);*

- *To extend the terms of office of the current chairman for a further 6 months, or until such time as the SE LEP Board is wound up or reconfigured.*
- In discussions, points raised included:
  - The context of the alternative boundary propositions presented by Kent & Medway and Essex to which a response from Ministers was expected by October;
  - The potential for a hybrid decision, retaining the current chairman to provide security until the end of the financial year, but with the provision that this would end should SE LEP be disaggregated;
  - The difference between the current chairman's role and the immediate and future role (should SE LEP remain with boundaries unchanged);
  - The desire for even greater empowerment of federal areas should SE LEP continue within existing boundaries and the impact that this would have on the longer-term role of the SE LEP chairman;
  - The need to change existing terms of reference for the role of SE LEP chairman for any continuing or new appointment to better reflect this federal model and future operation;
  - The difficulty in recruiting a new chairman (with new terms of reference) for a limited period while alternative proposals were being considered;
  - The perception of Government to any change and the need to maintain their confidence in SE LEP and federal areas;
  - The need for honesty and respect in whatever decision was taken and in dealings with the current chairman;
  - The need for complete confidentiality whatever the decision while this was discussed with the current chairman.

### Decision

- By a vote of 4 to 2, the Nominations Sub-Group agreed:
  - To instruct the Chairman of the Nominations Sub-Group to discuss the outcome with the current chairman;
  - To allow the chairman's contract to expire at its end date of 31<sup>st</sup> July
  - To commence a process for the appointment of a new chairman only when a decision from Government was received on the proposals by Kent & Medway and Essex;
  - To place responsibility for chairing SE LEP with the 3 vice chairs for this interim period.
- The SE LEP Accountability Board and SE LEP Strategic Board would be requested formally to adopt the interim, shared chairmanship arrangement at their meetings in September



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**SE LEP GOVERNANCE AND TERMS OF REFERENCE**  
**September 2012**

**1. PURPOSE, OBJECTS AND PRINCIPLES**

**1.1. Role of the Local Enterprise Partnership**

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

1.1.2. It shall:

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

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

**1.2. Legal status**

1.2.1. The LEP is an informal partnership. It does not have legal status to enter into contracts and will act through one of its 1<sup>st</sup> tier local authority partners as Accountable body.

**1.3. Subsidiarity**

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

1.3.2. The LEP therefore:

- a) Only considers priorities consistent with 1.1 above; and
- b) Devolves responsibility for funding and delivery to local partners as appropriate.

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

## **2. GOVERNANCE**

### **2.1. General**

2.1.1. The LEP shall be governed by a Board, supported by an Executive Group.

### **2.2. Local Enterprise Partnership Board**

2.2.1. The LEP Board shall be responsible for:

- a. setting the strategic direction and priorities of the LEP;
- b. satisfying themselves that the business plan is in accordance with the strategic direction and that the milestones are sufficiently ambitious;
- c. considering and agreeing a position on major items of strategic importance; and
- d. deciding how the activities of the LEP should be delegated (subject to Section 2.3 below).

#### LEP Board membership

2.2.2. The LEP Board shall be constituted as follows:

2.2.3. Business representatives: 19. These shall be chosen by each of the three areas as follows:

- Essex & Southend & Thurrock: 7
- Kent & Medway: 7
- East Sussex: 5

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

2.2.5. Local government representatives: 19. Councils will be able to nominate individuals to be on the Board as follows:

- East Sussex County Council: 1
- Essex County Council: 1
- Kent County Council: 1
- Medway Council: 1
- Southend-on-Sea Borough Council: 1
- Thurrock Council: 1
- East Sussex Districts: 4
- Essex Districts: 4
- Kent Districts: 5

2.2.6. Each of the three county areas shall determine their own processes for the selection and term of office of the District representatives.

2.2.7. Higher education: 3, to be determined by the higher education institutions.

2.2.8. Further education: 3, to be determined by the further education institutions.

## Chair

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

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

2.2.11. Duties of the Chair will be:

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

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

## Representation and attendance

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

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

2.2.1. For the Board to be quorate at least 22 members must be present. Of these at least 1 representative must be from each of the County and Unitary Councils. In addition there must be three District local authority representatives, one each from Essex; Kent and East Sussex. There must also be 2 business representatives from each of the three areas of Essex & Southend & Thurrock; Kent & Medway; and East Sussex.

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

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

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

#### Decisions

2.2.5. The Board shall operate on the basis of consensus.

2.2.6. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 50% of those present. No decision can be taken without notice having been given. All matters to be considered for decision must have been circulated in writing to all members of the Board at least 2 clear working days before the meeting.

2.2.7. In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. Such meetings shall be coordinated by the Secretariat, and shall operate according to the provisions of paragraph 2.2.20.

2.2.22. Alternatively, the Chair may decide to seek agreement to a proposal via Electronic Procedure. In such cases, the Secretariat shall write to each Board member requesting agreement to a specified course of action. Board Members shall be given no fewer than five working days to respond to the Secretariat. For a decision to be made, the provisions of paragraph 2.2.20 shall apply. For a decision to be taken by Electronic Procedure, the number of members participating and the composition of those members must be as required for a quorate meeting. Over 50% of members responding to the request must indicate agreement to the proposal.

2.2.23. All decisions made by Electronic Procedure shall be ratified at the next scheduled meeting of the Board.

#### Meetings and papers

2.2.24. The Board will meet 3-4 times a year. A calendar of future meetings will be set for a year at a time.

2.2.25. The agenda and papers for meetings shall be approved by the Chair and issued at least 5 working days in advance of the meeting.

2.2.26. The agenda and papers shall be disseminated by the Secretariat, with the agreement of the Chair. Board members wishing to propose items for the agenda should contact the Secretariat. Final papers for Board discussion shall be made available on the LEP website as soon as they are disseminated to the Board, except for papers which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data.

- 2.2.27. Minutes of meetings of the Board shall be approved in draft form by the Chair and disseminated to Board members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Board at the Board's next meeting.
- 2.2.28. Minutes shall be made publicly available on the LEP website no more than five working days following approval by the Board, except for minutes which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data. Any minutes which are not released into the public domain will be stored confidentially by the secretariat.

#### Conflicts of interest

- 2.2.29. The Board shall ensure that all conflicts of interest are fully disclosed.
- 2.2.30. The Secretariat shall maintain a Register of Board Members' Interests. This shall include all company directorships, trusteeships, elected offices, remunerated posts and other relevant interests. The Register of Board Members' Interests shall be made available to any interested party at any time. Board members shall supply information to the Secretariat for inclusion in the register, or a nil return, on joining the Board, in response to any request for an update and on becoming aware of any new interest. The secretariat will circulate a request for information about interests annually.
- 2.2.31. Should a Board Member's interests change, s/he shall inform the Secretariat at the earliest opportunity.
- 2.2.32. Should an issue be discussed by the Board which presents a conflict of interest to a Board member, the Board Member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Board Members' Interests. Such declarations shall be minuted. A Conflict of Interest may pertain to the interest of a partner, family member, close friend or organisation associated with a Board member. For example if a partner, family member or close friend may be affected by a decision (to a greater extent than the majority of Council tax payers in the area will be affected) then the member should declare an interest and abstain from discussion and may be asked to withdraw at the Chairman's discretion. If the member is associated with an organisation (other than a local authority) as employee, director, contractor, trustee, member or shareholder and that organisation may be particularly affected by a decision then that board member should withdraw from any discussion and may not vote on the matter.
- 2.2.33. Board Members shall not vote or participate in discussions on any issues on which they have registered an interest.

#### Sub groups

- 2.2.34. Excepting the provisions in Section 2.3 below, the Board may initiate task and finish groups to undertake work to further the Board's objectives. Such groups shall be fully accountable to the Board and shall cease operation when their work is complete.

## **2.3. Executive Group**

- 2.3.1. The LEP Board shall establish an Executive Group. The Executive Group shall be responsible for:
- a. ensuring the business plan agreed by the Board is implemented;
  - b. monitoring performance of the operations and activities of the LEP;
  - c. ensuring that funds delegated or assigned to the LEP for investment, where the Board has determined a method of allocation, are being implemented to best effect on behalf of government;
  - d. providing a forum for consideration of strategic issues and development of ideas and proposals prior to strategic decision making by the Board; and
  - e. other issues specifically delegated by the Board.

### Accountability

- 2.3.2. The Executive Group is accountable to the Full LEP Board.
- 2.3.3. In the event that the Executive Group fails to hold the confidence of the Board, the Board may decide to direct the Executive Group to be reconstituted. In such cases, the provisions of paragraph 2.20 shall apply.

### Executive Group membership

- 2.3.4. The Executive Group shall consist of members drawn from the Board. The Group shall be constituted as follows:
- a) The Chair of the LEP Board (in addition to the representatives below);
  - b) 4 business representatives from Essex, Southend & Thurrock;
  - c) 4 business representatives from Kent and Medway;
  - d) 3 business representatives from East Sussex;
  - e) 4 local government representatives from Essex, Southend & Thurrock;
  - f) 4 local government representatives from Kent and Medway;
  - g) 3 local government representatives from East Sussex;
  - h) 1 representative of the higher and further education sectors.
- 2.3.5. The process for selecting representatives from business and local government shall be determined within each of the three areas. The process for selecting the HE/ FE representative shall be determined by the HE/FE sector.
- 2.3.6. The Executive Group shall be chaired by the Chair of the Board.
- 2.3.7. The three vice chairs shall be members of the Executive Group.



### Representation and attendance

- 2.3.8. It is important that attendance at the Executive Group is at a consistent and senior level. For local authorities, this will normally be at Leader level or equivalent.
- 2.3.9. Each member of the Executive Group can name one alternate to attend in his / her place who is authorised to take decisions on his / her behalf. Alternates from local authorities shall be elected members.
- 2.3.10. For the Executive Group to be quorate, at least 12 members must be present. Of these at least 3 representatives must be from the 6 strategic local authorities. In addition there must also be 1 business representative from each of the three areas of: Essex, Southend & Thurrock; Kent & Medway; and East Sussex.
- 2.3.11. Only members of the Executive Group may sit at the meeting table and take part in the discussions. Others may attend and take part by the invitation of the Chair only.
- 2.3.12. Officers and members of bodies participating in the Executive Group but not invited to attend and participate may attend as observers. The number of observers may be limited at the discretion of the Chair.
- 2.3.13. Meetings of the Executive Group are not open to the press and public unless by prior agreement with the Chair, coordinated via the Secretariat. Filming and recording proceeds is not permitted.
- 2.3.14. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 50% of those present. No decision can be taken without notice having been given, i.e. all matters to be considered for decision must have been circulated in writing to all members of the Board at least two clear working days before the meeting.

### Meetings and papers

- 2.3.15. The Executive Group will meet 3-4 times a year. A calendar of future meetings will be set for a year at a time.
- 2.3.16. The agenda and papers for meetings shall be approved by the Chair and issued at least 5 working days in advance of the meeting and shall also be circulated by the Secretariat to Board members.
- 2.3.17. The agenda and papers shall be disseminated by the Secretariat, with the agreement of the chair. Executive Group members wishing to propose items for the agenda should contact the Secretariat.
- 2.3.18. Minutes of meetings of the Executive Group shall be approved in draft form by the Chair and disseminated to Executive Group and Board members no later than ten working days

following the meeting. Minutes shall remain in draft until approval by the Executive Group at the Executive Group's next meeting.

#### Conflicts of Interest

2.3.19. Conflicts of interest shall be dealt with through the procedures set out in paras. 2.2.29 – 2.2.33.

#### Sub-groups

2.3.20. The Executive Group shall not form sub-groups. However, it may receive reports from sub-groups established by the Board, and may recommend the establishment of sub-groups to the Board.

### **3. SECRETARIAT AND ADMINISTRATION**

#### **3.1. Secretariat**

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

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

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

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

## **3.2 Senior Officer Group**

- 3.2.1 The Secretariat shall be supported by a Senior Officer Group (SOG). The SOG shall consist of officers employed by LEP Board member organisations (presently usually one from each of the Upper Tier Authorities but other officers may also participate from time to time), and shall be responsible for preparing papers as required, undertaking specific pieces of work as mandated by the Board or Executive Group.
- 3.2.2 The SOG shall be convened by the Secretariat according to business need. It shall have no fixed membership, and may expand or contract over time.
- 3.2.3 The SOG shall have no decision-making powers. It exists purely to expedite the business of the LEP and to provide support and advice to the Secretariat.

## **3.3 Communications**

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

## **4 AMENDMENTS TO TERMS OF REFERENCE**

- 4.1 The Board may amend these terms of reference at any time, according to the procedure in paragraph 2.2.20.

Drafted September 2012 (to replace the Governance & Terms of Reference agreed at the Interim Board Meeting 14<sup>th</sup> March 2011)



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 11 <sup>th</sup> September 2015	
<b>Date of report:</b> 1 <sup>st</sup> September 2015	
<b>Title of report:</b> Strengthening SE LEP's Federal Arrangements	
<b>Report by:</b> David Godfrey	
<b>Enquiries to:</b> david.godfrey@kent.gov.uk	

**1. Purpose of report**

- 1.1 The purpose of this paper is:
- 1.2 To present for early discussion initial recommendations to strengthen SE LEP's federal model of operation prior to the development of a fuller options paper for the SE LEP Strategic Board on 25<sup>th</sup> September, 2015.

**2. Recommendations**

- 2.1 The Board is asked:
- 2.2 To consider potential changes to SE LEP's operation to *"strengthen the federal model...improving local influence, local accountability and local delivery"*. Potential changes may include:
- Revising the role of Chairman to reflect the strength of the federal areas
  - Reducing the size of the Strategic Board to ensure a single focus on strategic issues as defined in the revised terms of reference
  - Increasing tolerance levels to provide even greater flexibility for local capital programme management
  - Re-stating pro-rata arrangements for each of the 4 federal areas for any new funding bids with clear local prioritisation within LEP-wide submissions
  - Providing greater financial support to the federal Boards
- 2.3 To agree that a fuller paper should be presented on these and any wider options by the SE LEP Secretariat to the SE LEP Strategic Board meeting on 25<sup>th</sup> September, 2015.

**3 Background**

- 3.1 In considering future Chairmanship arrangements for SE LEP, it was agreed that a paper should be presented to the SE LEP Strategic Board on 25<sup>th</sup> September to consider options to strengthen further the federal arrangements of the LEP.

At a telecall meeting between the Vice Chairs and the Accountable Body on 14th August, it was agreed that the SE LEP Director, *“with support from the Senior Officers Group, to draft a paper for the Vice Chairs, in consultation with business boards, proposing options to strengthen the federal model to achieve the outcome of improving local influence, local accountability and local delivery. Outcomes to be tested and clarified as part of this process”*.

3.2 This short paper introduces several options to be presented for initial comment and discussion at the SE LEP Accountability Board prior to further development by the SE LEP Secretariat and wider discussion through Federal Boards.

3.3 Initial options for change may include:

- **Revising the role of Chairman to reflect the strength of the federal areas**  
*Currently under consideration (see item 2), the Nominations Sub Group noted that the role of the Chairman should now be revised to reflect the federal model. This could include greater joint-working arrangements with the Vice Chairs, required attendance at Federal Board meetings and a reduced representative role to reflect the strength of the federal areas. The role of the Vice Chairs would also need to reflect these changes to the Chairman’s role.*
- **Reducing the size of the Strategic Board to ensure a single focus on strategic issues as defined in the revised terms of reference**  
*The SE LEP Assurance Framework and Terms of Reference clearly define the more focussed role of the Strategic Board, the role of the Accountability Board and the breadth of responsibility of the Federal Boards. Reflecting this, the Strategic Board could be reduced significantly from its existing 27 members while maintaining its private sector majority in line with the Assurance Framework.*
- **Increasing tolerance levels to provide even greater flexibility for local capital programme management**  
*Almost £60m has now been devolved to Federal Boards through their county/unitary councils. The intention has always been to increase tolerance levels for local capital programme management and this should be explored further as part of our Assurance Framework arrangements with Government (recognising that all changes currently have to be reported and agreed with Government through the Accountability Board process and that greater flexibility must be balanced with wider programme management across the LEP). Representations on this issue have already been received.*
- **Re-stating pro-rata arrangements for each of the 4 federal areas for any new funding bids with clear local prioritisation**  
*Local priorities defined by Federal Boards were clearly followed in the allocation of the £46m Growth Deal extension funding in December putting Federal Boards fully in charge of project prioritisation with pro-rata funding allocations. This approach could be cemented for any future bids with pro-rata allocations of 85% of funding for Federal Board prioritisation with 15% retained for pan-LEP priorities to be defined by*

*the SE LEP Board (though it is noted that not all partners would agree this specific apportionment).*

- **Providing greater financial support to the federal Boards**

*Funding of £100k has been agreed to support Federal Boards through their county/unitary councils for local capital programme management. Options for further funding could be developed to reflect wider Federal Board responsibilities including project pipeline development while retaining the slim-line SE LEP Secretariat.*

- 3.4 In considering the above, it should be noted that this preliminary paper has been developed prior to full consultation with Federal Boards or the Senior Officers Group and is for discussion only, with further detail to be presented to the Accountability Board.
- 3.5 Any changes to arrangements must have the support of the Federal Boards and of Government through our Assurance Framework.
- 3.6 These initial options aim to build on the model agreed by the SE LEP Board in December 2014 in response to the Delivery Review undertaken by Irene Lucas CBE which are reflected in the published Assurance Framework and amended SE LEP Terms of Reference

#### **4. Financial Implications**

- 4.1 None at present.

#### **5. Legal Implications**

- 5.1 None at present.

#### **6. Staffing and other resource implications**

- 6.1 None

#### **7. Equality and Diversity implications**

- 7.1 None

#### **8. List of Appendices**

- 8.1 None

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

#### **9. List of Background Papers**

9.1 None

**(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  Lorna Norris  On behalf of Margaret Lee	3 <sup>rd</sup> September 2015



## Agenda Item 5

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting: 11/9/15</b> <b>Date of report: 27/8/15</b>	
<b>Title of report: Skills Equipment Fund Approval</b>	
<b>Report by:</b> Mike Rayner. Skills Lead	
<b>Enquiries to :</b> <a href="mailto:mike.rayner@kent.gov.uk">mike.rayner@kent.gov.uk</a>	

### 1. Purpose of report

- 1.1 The purpose of this paper is to present recommendations regarding the recent Skills Equipment bidding round to inform the board's decisions about whether or not to accept the applications for funding.

### 2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 Approve the recommendations from the Assessment Group to allocate a total of £194,105 to the following projects:

2.1.1.1 South Essex College – purchase of Engineering Equipment - £73,475

2.1.1.2 Writtle College – Science Lab Equipment - £73,910

2.1.1.3 South Downs College – Science Lab Equipment - £46,720

- 2.1.2 Approve the recommendations from the Assessment Group to allocate £508,259 of funding, subject to confirmation from the Skills Funding Agency of a robust financial plan being in place, for the following projects:

2.1.2.1 Colchester Institute – purchase of advanced manufacturing and fabrication and welding equipment - £161,687

2.1.2.2 Harlow College – purchase of Engineering Equipment - £346,572

- 2.1.3 Note the remaining funding of £3.3m is proposed to be allocated in a further funding round in line with previous Skills Funding Agency (SFA) guidance.

### 3. Background

- 3.1 SELEP was awarded £22m for skills capital projects (£11m to be received per annum in 2015/16 and 2016/17). This was divided into £18m for capital building projects and £4m for provision of equipment. The £18m building capital has already been allocated and approved by the Strategic Board. This report is seeking to allocate

funding for provision of equipment to colleges and approved training providers following a bidding process.

- 3.2 SELEP initiated a bidding process for the capital equipment grant in July 2015. Organisations eligible to bid for the grant were defined as FE colleges and approved training organisations within the SELEP area that are on the Register of Training Organisations and hold a direct contract with the Skills Funding Agency to deliver education and training.
- 3.3 Bidders were expected to match fund 66% of the total cost of the equipment; where bidders were only able to provide a lower level of match funding, bids were required to be assessed as compelling (i.e. score greater than 85 out of 96 in the evaluation) to be funded.
- 3.4 Bids in excess of £150,000 required an additional financial assessment by the Skills Funding Agency to provide assurance with regard to their financial plan.
- 3.5 Bidding for capital equipment has now ended and the bids have been assessed in line with the agreed evaluation process by the Assessment Group; this group consisted of members from each Employment and Skills Board and the Skills Funding Agency.

#### **Summary of Findings by the Assessment Group**

- 3.6 Appendix 8.1 sets out the findings of the Assessment Group; these are summarised as follows:
  - Bids were received from seven organisations totalling £803,935.03, of which:
    - Projects from South Essex College, Writtle College and South Downs College totalling £194,105 are recommended for funding;
    - The project from Harlow college totalling £346,572 is recommended for funding, subject to the outcome of the financial assessment from the Skills Funding Agency;
    - The project from Colchester Institute has requested funding at a lower match funding level than the minimum 66%, however, their business case has been judged as compelling so is recommended for funding, subject to the outcome of the financial assessment from the Skills Funding Agency;
    - The project from Chelmsford College has requested funding at a lower match funding level than the minimum 66%, however, their business case has not been judged as compelling so is not recommended for funding in this round. Feedback has been provided to the college to apply in the next round with sufficient detail to support their bid
    - SEEVIC college bid has not been recommended for funding as their bid failed to score sufficiently in the evaluation.
- 3.7 The process to evaluate the bids has been robust and in line with the Assurance Framework and advice from the SFA and that allocations are made in line with the agreed evaluation approach.

3.8 Recognising feedback from the Skills advisory Group and the sector around timing and match funding there will be a further bidding round for unallocated funds based on 50:50 match funding for any type of capital projects (equipment and refurbishment/modernisation). Allocations will remain in the range of £50,000 to £500,000.

#### **4 Financial Implications**

4.1 SELEP has received a £11m allocation in 2015/16 of Skills Funding of which £2m is available to fund the Skills Equipment Capital bids. A total of £702,364 is currently requested for approval in this report. A further £2m of funding for Skills Equipment Capital is expected to be allocated in 2016/17. The remaining funding is planned to be made available through a further bidding round.

#### **5 Legal Implications**

5.1 All accepted bids will be required to enter into a Grant Agreement with the Accountable Body, which contains the obligations for monitoring and reporting, which will allow for updates to be received going forward.

#### **6 Staffing and other resource implications**

6.1 Resources will be required to monitor the spend and the targets to be achieved as agreed with the bidders.

#### **7 Equality and Diversity implications**

7.1 None

#### **8 List of Appendices**

8.1 Skills Equipment bids collated with recommendations

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

#### **9 List of Background Papers**

9.1 Full bid documents can be made available to board members confidentially and on request to the author.

**(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>	

<b>Accountable Body sign off</b>  Lorna Norris  On behalf of Margaret Lee	  3rd September 2015

**Appendix A SE LEP Skills Equipment bids collated with recommendations**

Organisation	Project	Items purchased	Amount requested (£)	% of project	Score (See Note)	Recommendation
Chelmsford College	Design and surveying within mechanical, construction and civil engineering	High end desk tops for CAD, surveying equipment, specialist laptops	50,000.00	40	66	Due to requesting more than 33% of project cost they needed to have an compelling business case. This business case was not judged to be compelling. 1. Apply next time (Recommended) 2. Yes subject to more detail
Colchester Institute	Higher level technology supporting higher level STEM skills	Equipment for: 1. Advanced manufacturing equipment 2. Fabrication and welding supporting equipment	161,687.00	50	96	Approve Due to the application asking for more than 33% funding, it needed to have an compelling business case. The case was judged to be compelling.
South Essex College	Centres of Excellence for Advanced Industrial Technologies & Engineering Manufacture	Engineering equipment	73,475.00	33	72	Approve
Harlow College	New Advanced Manufacturing and Engineering Centre (AMEC)	Engineering equipment	346,572.00	33	90	Approve
Writtle College	Science Hub	Science lab equipment	73,910.00	33	48	Approve
South Downs College	Specialist Equipment for college STEM centre	Science lab equipment	46,720.00	33	48	Approve
SEEVIC College	Development of a "Rapid Prototyping" centre and centre of excellence for engineering and computing	Specialist ICT and engineering equipment	51,571.00	33	30	Refuse – too low score.
Total			803,935.00			

**Note: To be recommended for funding, a score of at least 48 out of 96 must be achieved; for a bid to be considered as compelling, a score of 85 or above must be achieved.**

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 11 <sup>th</sup> September 2015	
<b>Date of report:</b> 1 <sup>st</sup> September 2015	
<b>Title of report:</b> Capital Programme Monitoring	
<b>Report by:</b> David Godfrey	
<b>Enquiries to:</b> david.godfrey@kent.gov.uk	

**1. Purpose of report**

1.1 The purpose of this paper is to update Board Members on the capital programme monitoring process and to present the latest monitoring information.

**2. Recommendations**

2.1 The Board is asked:

2.1.1 To receive the latest monitoring information (to be presented at the Accountability Board meeting)

2.1.2 To note the implementation of the capital monitoring cycle agreed in July and the need for active programme management to ensure future funding streams are assured

2.1.3 To note local capital programme changes to be presented to future Accountability Board meetings as highlighted within the Essex County Council (as Accountable Body) Forward Plan

2.1.4 To note the arrangements in place for future programme monitoring and independent technical evaluation of schemes commencing in 2016/17.

**3 Background**

3.1 The Accountability Board agreed at its meeting in July the monitoring cycle that will produce future Accountability Board reports and enable exception reporting. Recognising the devolution already of almost £60m of funding to Federal Boards for local capital programme management, this included:

- *Scheme monitoring by scheme sponsors*
- *Programme monitoring by federal areas*

- *LEP-wide programme consideration by a small officer preparation group consisting of one nominated “responsible officer” (transport or economic development as appropriate) from each county/unitary*
- *Officer group above to propose exception reporting to Accountability Board taking into account tolerance levels of 10% per scheme (official level) and 10% per federal area programme (advisory level) against profile, with details of all schemes provided*
- *Accountability Board papers and details of all schemes and any proposed changes to be copied to all federal area members*
- *Accountability Board endorses (or rejects) any changes to local programmes within tolerances, consider wider exceptions as defined above*
- *Details to inform Monitoring & Evaluation Framework as required by Government*

*Federal area reporting will be signed off by the nominated statutory S151 (Finance) Officer.  
[Source: Accountability Board, July 2015]*

- 3.2 This process has been implemented and a Senior Officer Group meeting on 2nd September considered profiles and latest monitoring information. A “dashboard” report will be presented to future Accountability Board meetings, built from the project monitoring information to be provided by federal areas through the template reporting agreed in July.
- 3.3 Accountability Board members are also asked to note the importance of a planned “responsible officer” group meeting in October to consider spending profiles and exception reporting. Their recommendations will be presented to the Accountability Board in November. It is vital that this builds directly on reporting from federal areas and will need to be viewed against clear Whitehall indications that annual underspends within LEP capital programme may impact on future funding streams.
- 3.4 Future reporting will encompass all Growth Deal projects including Skills Capital and Growth Hubs, an update on which will also be presented at the meeting.
- 3.5 The Essex County Council (as Accountable Body) Forward Plan (Appendix 1) indicates those schemes currently scheduled to come forward for approval or re-profiling.
- 3.6 It should also be noted that work is underway to align SE LEP capital programme monitoring with the requirements and timing of Government reporting and the introduction of the new LOGASnet management information system launched by the Cities & Local Growth Unit in September.
- 3.7 To support the capital programme process, as discussed at the July Accountability Board, Steer Davies Gleave’s contract has been extended to enable the technical evaluation of Growth Deal schemes starting in 2016/17 to support the project pipeline. SDG will also be providing initial programme management resource, until a capital programme manager is appointed later this Autumn.



**4. Financial Implications**

4.1 None.

**5. Legal Implications**

5.1 None

**6. Staffing and other resource implications**

6.1 None

**7. Equality and Diversity implications**

7.1 None

**8. List of Appendices**

8.1 Appendix 1 - Essex County Council (as Accountable Body) Forward Plan entries

8.2 Appendix 2 - Southend Central Area Action Plan (SCAAP) – Phase 1

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

**9 List of Background Papers**

9.1 None

**(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  Lorna Norris  On behalf of Margaret Lee	  3 <sup>rd</sup> September 2015

Appendix 1

<b><u>The Forward Plan</u></b>						
<b>Issue</b>	<b>FP Reference Number</b>	<b>Accountability Board Member</b>	<b>Lead Officer</b>	<b>Stakeholder involvement (how and when will they be involved in the decision making process)</b>	<b>List of documents to be submitted to the Accountability Board for consideration.</b>	<b>How and when will the decision be taken</b>
Southend Central Area Action Plan – Phase 1	FP/AB/0001	Cllr Ron Woodley	Emma Cooney 01702 215404 / <a href="mailto:emmacooney@southend.gov.uk">emmacooney@southend.gov.uk</a>	This project was included in the South Essex priority list for the Growth Deal and has therefore been considered by the partnership	Business case with covering report	Accountability Board in Sept 15 subject to ITE
Skills Capital Process	FP/AB/0003	FE/HE rep or presented on their behalf by	Mike Rayner 03000 416599 / <a href="mailto:Mike.rayner@kent.gov.uk">Mike.rayner@kent.gov.uk</a>	South East LEP has run a process for the bidding of skills	Ratification of recommendations to approve bids	Accountability Board in Sept 15

		David Godfrey		capital equipment to utilise SFA Capital Funding. This has been undertaken in conjunction with the representatives from all Education and Skills Boards across the LEP area		
Local Growth Fund – Funding re-profile for Newhaven Flood Defences	FP/AB/0004	Councillor Keith Glazier	Jon Wheeler 01273 482212 / <a href="mailto:jonathan.wheeler@eastsussex.gov.uk">jonathan.wheeler@eastsussex.gov.uk</a>	East Sussex County Council (ESCC) – report will be taken to Lead Member for Economy decision making meeting prior to  Team East Sussex (TES) – report will be taken to TES for their comments prior to the Accountability Board	Report  Information from Environment Agency (delivery lead) on re-profiled funding	Accountability Board in Nov 15
Local Growth Fund (East Sussex) – reallocation	FP/AB/0005	Councillor Keith Glazier	Jon Wheeler 01273 482212 / <a href="mailto:jonathan.wheeler@eastsussex.gov.uk">jonathan.wheeler@eastsussex.gov.uk</a>	ESCC – report will be taken to Lead Member for Strategic Management and	Report  Business Case - Queensway Gateway Road	Accountability Board in Nov 15

of LGF monies between Queensway Gateway Road and North Bexhill Access Road				Economic Development decision making meeting prior to TES  TES – report will be taken to TES for their comments prior to the Accountability Board	(approved by LEP, March 2015)  Business Case – North Bexhill Access Road	

## Appendix 2

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/0001
<b>Date of Accountability Board Meeting:</b> 11 <sup>th</sup> September 2015 <b>Date of report:</b> 20 <sup>th</sup> August 2015	
<b>Title of report:</b> Southend Central Area Action Plan (SCAAP) – Phase 1	
<b>Report by:</b> Emma Cooney	
<b>Enquiries to:</b> Emma Cooney	

### 3. Purpose of report

3.1 The purpose of this paper is:

- 3.1.1 To provide an update to the business case submitted 18 months ago for the Growth Deal
- 3.1.2 To seek a reprofile of the funding allocated to this project in order to enable immediate delivery subject to business case approval and funding availability

### 4. Recommendations

2.1 The Board is asked:

2.1.1

- 2.1.2 To approve the re-profile of the funding allocated to the project for spend in 2015/16 subject to business case approval and funding availability

### 3 Background

- 3.1 In the July 2014 Growth Deal announcement £6.7m capital was awarded to the SCAAP growth point on the basis of the business case submitted. This was to spend £0.72m over the term of the Growth Deal supporting the Growth Hub and a further £6m addressing the challenges of employment space and housing provision in Southend's town centre, with particular regard to Victoria Avenue and the derelict buildings there.
- 3.2 Since then the situation in Southend has progressed on the back of both public and private sector activity and investment. As a result the focus of the SCAAP growth point needs to shift to maximise on this recent investment.
- 3.3 The growth point funding allocation continues to be split in two phases and this report relates to the first phase of works.

- 3.4 Phase one of the Central Area Growth Point project combines multiple priorities in a project which can be delivered quickly but with long term benefits with regards to job creation, skills, investment confidence in a deprived area, key sector support and, perhaps most significantly, environmental benefit. This will be achieved through new heating and improved ventilation to the former central library (home to the Beecroft Art Gallery and The Hive Enterprise Centre) and the Central Museum using a Biomass boiler, solar PV and new lifts within the Gallery and Enterprise Centre ensuring their sustainability for the long term.
- 3.5 Specifically the project will deliver:
- Biomass boiler to replace defunct boilers at both former Central Library and Museum
  - New Building Management System to manage boilers and ventilation
  - Programmable valves to generate savings by allowing programming on individual rooms
  - New heating circuits in ground floor reception
  - Solar on the plant room roof
  - Ventilation improvements to make the system fit for purpose, last and to reduce noise currently making parts of the Hive unusable
  - New lifts to replace the current end of life equipment
- 3.6 The former central library and museum are co-located on Victoria Avenue adjacent to Southend Victoria train station. The former central library benefitted from investment by the Council and through Southend's City Deal in 2013-14 totalling £1.2m. The museum is also home to the planetarium and is a key feature of Southend's cultural offer to residents and visitors.
- 3.7 The museum and art gallery are vital aspects of Southend's visitor offer, particularly in the transition to a culture led tourism provision. Tourism is a key sector, attracting some 5.5m visitors p.a. to Southend. However the average spend is historically low; driven by a traditional seaside town offer. Work is underway to address this by both the public and private sectors and investment in facilities such as these, ensuring their sustainability and interest, will continue that work and spend potential of that sector.
- 3.8 The Hive was delivered through Southend's City Deal and firmly embeds entrepreneurship as a career option in an area of Southend which struggles with deprivation and low aspiration. As a result job creation opportunities will arise, supported by on-site training, events and networks making these sustainable and long lasting businesses and jobs.
- 3.9 The Hive is also home to the Business Essex, Southend and Thurrock (BEST) Growth Hub which has grown from the Business Southend Growth Hub, another product of Southend's City Deal. The Hive was completed earlier in 2015. Business occupants

of the building are low but increasing. Bringing forward this project now, rather than later, will minimise disruption to the Hive's operation as occupier numbers are set to increase and therefore both respond to business needs and support the centre's longevity.

3.10 In addition to the commercial knowledge and skills uplift outlined above for businesses using the Hive, the project presents further educational opportunities via the museum and Beecroft Art Galleries as key proponents of formal and informal learning through exhibitions, lectures, events and a customer friendly way of engaging people with learning through innovative, informal and accessible methods. The other aspect of learning associated with this project is that linked to the biomass boiler itself. Its installation presents a learning opportunity for visitors to the buildings to see how biomass works, its benefits, the impact of sustainable energy sources and opportunities for careers in the sector. Engaging people in this way will be a feature of the installation.

3.11 Victoria Avenue has been blighted by derelict buildings for more than a decade. These have deterred investors, lowered confidence, triggered anti-social behaviour and been an unwelcoming gateway to the town centre for visitors and businesses alike. Recent investment and activity by the public sector has been the catalyst for private investment which will see some buildings brought back into use.

3.12 Through the introduction of the biomass boiler and solar PV both buildings become sustainable economically and, perhaps more unusually for Growth Deal projects, environmentally. Together they will save 265 tCO<sub>2</sub> which equates to 0.33% of total Southend emissions. It will also set a precedent for investment and development on Victoria Avenue to include sustainability in their design. Quality of the environment in Southend is a key aspect of its visitor offer as aspects like water quality are monitored year round for those using our beaches and poor results can severely negatively impact visitor numbers thereby damaging the economy.

## **4 Financial Implications**

4.1 £6.72m was allocated to the SCAAP Growth Point in the July 2014 Growth Deal announcement. This has been broken down into two phases. The first of these is £720,000.

4.2 A reprofile of the spend is required to deliver the project in a timely manner while maximising economies of scale with funding subject to business plan approval and availability of finance through the Local Growth Fund.

4.3 A capital investment of £372,000 by Southend-on-Sea Borough Council will match fund the investment

## **5 Legal Implications**

5.1 The part of Victoria Avenue which this business case relates to is within Southend-on-Sea Borough Council ownership

5.2 A planning application has been submitted for the works to be undertaken

5.3 Cabinet approval for the capital spend is also being sought

## **6 Staffing and other resource implications**

6.1 Additional staff resources required to undertake the work have been accounted for within the financial calculations and therefore no further impact on staffing is anticipated.

## **7 Equality and Diversity implications**

7.1 The replacement of the lifts within the Beecroft/Hive will ensure on-going access for all users which could otherwise be compromised through mechanical failure.

## **8 List of Appendices**

8.1 None

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

## **9 List of Background Papers**

9.1 Business case

**(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  Lorna Norris  On behalf of Margaret Lee	  3 <sup>rd</sup> September 2015