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**Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 15 February 2019**

**Present:**

Geoff Miles	Chair
Cllr Kevin Bentley	Essex County Council (Items 1-19)
Cllr Paul Carter	Kent County Council (Items 1-19)
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr John Lamb	Southend Borough Council
Angela O'Donoghue	Further Education/Skills representative
Audrey Songhurst	Higher Education representative.

**ALSO PRESENT      Having signed the attendance book**

Suzanne Bennett	SELEP
Lee Burchill	Kent County Council
Adam Bryan	SELEP
Edmund Cassidy	Steer
Kim Cole	Essex County Council (Legal representative for the Accountable Body)
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Sunny EE	Medway Council
Rebecca Ellsmore	Thurrock Council
Jessica Jagpal	Medway Council
Dean Kilpatrick	Local Democracy Reporter
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
Iain McNab	BEIS/Cities and Local Growth Unit
Piers Meyler	Essex Live
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Rhiannon Mort	SELEP
Neil Muldoon	Thurrock Council
Lorna Norris	Essex County Council
Tim Rignall	Southend Borough Council
Andy Rayfield	MAXIM

Lisa Siggins            ECC Democratic Services  
Stephen Taylor        Thurrock Council

**1 Welcome and Apologies for Absence**

The following apologies were received:

- Councillor Rob Gledhill

**2 Minutes**

The minutes of the meeting held on Friday, 16th November 2018 were agreed as an accurate record and were signed by the Chair.

**3 Declarations of Interest**

As a private Businessman, Geoff Miles declared an interest in respect of agenda items 13 and 19.

He advised of his intention to step out of the room whilst Agenda Items 13 and 19 were discussed. It was confirmed that Angela O'Donoghue would chair these Agenda Items

**4 Questions from the Public**

There were none.

**5 LGF spend within Growth Deal period**

The Accountability Board (the Board) received a report from Adam Bryan, the purpose of which was to seek agreement from the Board on SELEP's position in relation to expenditure of Local Growth Fund (LGF) within/ beyond the Growth Deal period.

Iain McNab of Cities and Local Growth Unit, from the Department for Business, Energy and Industrial Strategy gave the Board some advice on the options being considered.

Whilst Iain confirmed that his advice was not formal policy guidance, he indicated that the Cities and Local Government were not overly concerned about the slippage of LGF spend beyond the Growth Deal period for projects which are already underway. They would be more concerned about planned LGF spend beyond the Growth Deal, where the project is not already underway. However, if SELEP has strong justification for why SELEP is supporting this project then there is nothing in the conditions of the grant to prohibit this.

In relation to the development of SELEPs new LGF3b pipeline, it was indicated by Iain that SELEP should not be planning to spend LGF beyond 31<sup>st</sup> March 2021 for new projects which are being brought forward to utilise any LGF underspends.

He stated that he was hopeful that there would be some more definitive guidance available after 12<sup>th</sup> April 2019, but could not provide assurance of this at this time.

The Board had a lengthy discussion concerning the difficulties regarding the uncertainty surrounding future funding, such as through the Housing Infrastructure Fund and the Shared Prosperity Fund. They felt that Central Government needed to be pushed for a formal response to provide absolute clarity on future funding streams.

The Board felt that consideration had to be made in respect of projects that had commenced prior to 31<sup>st</sup> March 2021. It was subsequently agreed to amend the recommendation which is reflected below:

**Resolved:**

**Option 2 – To Retain** LGF allocations against projects, subject to the following five conditions being satisfied:

1. A clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
2. A direct link to the delivery of jobs, houses or improved skills levels within the SELEP area;
3. All funding sources identified to enable the delivery of the project. Written commitment will be sought from the respective project delivery partner to confirm that the funding sources are in place to deliver the project beyond the Growth Deal;  
and
4. Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31<sup>st</sup> March 2021; and
5. Contractual commitments being in place with construction contractors by 31<sup>st</sup> March 2021 for the delivery of the project.

**6 A127 The Bell and A127 Essential Maintenance LGF funding decision**

The Board received a report from Helen Dyer, SELEP Capital Programme Officer, which was presented by Rhiannon Mort, and a presentation from Steer, the purpose of which was for the Board to consider the award of £9.9m Local Growth Fund (LGF) to the A127 The Bell and Essential Maintenance project (the Project) based on the Full Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

Councillor Carter asked SELEP secretariat to consider whether any of the LGF3b funding would be ring-fenced for existing LGF projects which may

require additional funding. Cllr Carter felt that the position regarding the need for LGF3b funding for the project was unclear and would need to be clarified at the meeting of the Investment Panel on 8<sup>th</sup> March.

**Resolved:**

1. **To Approve** the award of £9.9m LGF to support the delivery of the Project identified in the Full Business Case and which has been assessed as presenting high value for money with high certainty of achieving this.
2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

**7 Fairglen New Link Road LGF funding decision**

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the award of £6.235m Local Growth Fund (LGF) to the Fairglen New Link and Slip Road project (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

**Resolved:**

1. **To Approve** the award of £6.235m LGF to enable the delivery of the Project, which has been assessed as presenting high value for money with medium to high certainty of achieving this.
2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

**8 Beaulieu Park Railway Station**

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the award of Local Growth Fund (LGF) to Beaulieu Railway Station (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

The Board were advised that the project will not actually commence until 2022. Councillor Bentley gave details of the surrounding issues to the actual project. He advised the Board that it was a critically important project and urged them to support it.

A lengthy discussion followed, and whilst the Board felt that it was a very good project, they had concerns regarding the timings and the criteria agreed in agenda item 5 (above). It was subsequently agreed to amend the recommendation which is reflected below.

**Resolved:**

**Option 1 - To Approve** the award of the full £12m LGF allocation to the Project, subject to:

1. A Value for Money review being completed for the overall Project by the Ministry for Housing Communities and Local Government (MHCLG), as part of the Housing Infrastructure Fund (HIF), that meets the requirements of the value for money exemption 2 of the SELEP Assurance Framework; and
2. Receipt of evidence from Essex County Council that they have been awarded sufficient funding through the MHCLG's Housing Infrastructure Fund (HIF) and through funding contributions from Network Rail, to bridge the Project funding gap in full; and
3. Endorsement from the SELEP Strategic Board that the LGF can be retained against the Project beyond 31st March 2021;

If all three conditions are not met by December 2019 then the £12m LGF allocation will be withdrawn from the project for reallocation to LGF3b pipeline projects.

Note that this project was approved on an exemption basis as the decision does not meet all of the conditions for LGF spend beyond 31<sup>st</sup> March 2021, as agreed under Agenda Item 5. Specifically, the project does not comply with the requirement for "Contractual commitments being in place with construction contractors by 31<sup>st</sup> March 2021 for the delivery of the project".

**9 Southend Central Area Transport Project Phase 3**

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the award of £4m Local Growth Fund (LGF) to the Southend Central Area Phase 3 transport project (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

**Resolved:**

1. **To Approve** the award of £4m LGF to enable the delivery of the Project and which has been assessed as presenting high value for money with medium to high certainty of achieving this.
2. **To Note** that all LGF payments are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

**10 Eastbourne Town Centre Movement and Access Package LGF funding decision**

The Board a report from Helen Dyer, SELEP Capital Programme Officer, and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for the Eastbourne Town Centre Movement and Access Package – phase 2 (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £3m Local Growth Fund (LGF) to be devolved to East Sussex County Council for Project delivery.

**Resolved:**

1. **To Approve** the award of £3m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this.

2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

**11 Eastbourne and South Wealden Walking and Cycling**

The Board received a report from Helen Dyer, SELEP Capital Programme Officer and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for the Eastbourne and South Wealden Cycling and Walking package – phase 2 (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £4m Local Growth Fund (LGF) to be devolved to East Sussex County Council for Project delivery.

**Resolved:**

1. **To Approve** the award of £4m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this.

2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

**12 Basildon Integrated Transport Package  
(Information contained within a confidential appendix was taken into account in reaching a decision on this issue (minute 24 below refers)).**

The Board received a report from Helen Dyer, SELEP Capital Programme Officer which was presented by Rhiannon Mort, the purpose of which was to make the Board aware of the proposed cancellation of the Endeavour Drive Bus Link, as part of the wider Basildon Integrated Transport Package (the Programme).

In addition, the report made the Board aware of the value for money assessment for the Basildon Integrated Transport Package – Tranche 3 Flagship Cycle Route (the Tranche 3 Project) which has been through the Independent Technical Evaluator process, to enable a Local Growth Fund (LGF) allocation of £453,000 to be devolved to Essex County Council (ECC) for project delivery.

**Resolved:**

1. **To Agree** to discontinue the delivery of the Endeavour Drive Bus Link;
2. **To Agree** that the £1.9m Local Growth Fund (LGF) which was awarded in relation to the Endeavour Drive Bus Link will be returned to the central SELEP LGF pot for reallocation through the LGF3b process, as set out in section 5 of this report.
3. **To Approve** the award of £453,000 LGF allocation to support the delivery of the Tranche 3 Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this;
4. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.
5. **To Agree** that the remaining balance of £514,000 LGF from the original funding allocation for Tranche 3 of the Programme will be returned to the central SELEP LGF pot for reallocation through the LGF3b process.

**13 Innovation Park Medway**

Geoff Miles left the room due to his previously made declaration of interest. This item was chaired by Angela O'Donoghue as the Vice Chair.

The Board received a report from Rhiannon Mort, and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for Innovation Park Medway (northern site) – Enabling Infrastructure (the Project) (formerly Rochester Airport – phase 2) which has been through the Independent Technical Evaluator process, to enable the £3.7m Local Growth Fund (LGF) allocation to be devolved to Medway Council for project delivery.

**Resolved:**

1. **To Note** that the Project is dependent upon the delivery of the Rochester Airport Phase 1 project;
2. **To Approve** the award of £3.7m LGF allocation to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high Value for Money with medium certainty of achieving this, **subject to** evidence relating to the Rochester Airport Phase 1 project being received that:

1. the determination of the planning application for the control tower and hub building has not been subject to a successful judicial review application;
2. a construction contractor has been appointed, within the available budget, and a signed legal contract is in place between Medway Council and the construction contractor.

If confirmation is not provided by the 1st April 2019 that the two funding conditions set out above have been satisfied, it is expected that the funding decision will be revisited by the Board at its next meeting on the 12th April 2019.

3. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

#### 14 **Grays South Local Growth Fund decision**

The Board received a report from Rhiannon Mort, the purpose of which was for the Board to consider an initial award of £3.7m Local Growth Fund to the Grays South project (the Project), which has been through the Independent Technical Evaluator (ITE) review process based on an Outline Business Case.

Some members of the Board felt that the cost of the works in connection with the creation of an underpass should be met by Network Rail.

A discussion followed regarding the actual design of the underpass, with concerns raised regarding the risk of anti-social behaviour. Rebecca Ellsmore, from Thurrock Council provided further clarification around the safety considerations and the options which had been considered as part of the development of the project.

#### **Resolved:**

1. **To Note** that the Project is at an early stage of development
2. **To Approve** the award of £3.7m LGF to the capital development costs of the Project
3. **To Agree** to bring forward a Full Business Case by December 2019 to consider the remaining £7.1m LGF allocation to the Project.
4. **To Note** that all LGF payments are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

#### 15 **Capital Programme Management of the Local Growth Fund**

The Board received a report from Rhiannon Mort, the purpose of which was for the Board consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

**Resolved:**

1. **To Note** the updated LGF spend forecast for 2018/19, as set out in section 2 of the report.
  2. **To Note** deliverability and risk assessment, as set out in section 5 of the report.
  3. **To Approve** the acceleration of £1.700m LGF spend in 2018/19 for the following A127 Fairglen New Link Road project,
  4. **To Approve** the acceleration of £0.896m LGF spend in 2018/19 for the A131 Chelmsford to Braintree.
  5. **To Approve** the re-profiling of LGF spend from 2018/19 to future years of the growth deal programme for the following ten projects:
    - Eastbourne and South Wealden Walking and Cycling LSFT (£84,000);
    - Hasting and Bexhill Movement and Access Package (£85,000);
    - A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements (£583,000);
    - Strood Town Centre Journey Time and Accessibility Enhancements (£988,000);
    - Chatham Town Centre Place-making and Public Realm Package (£399,000);
    - Medway City Estate (£101,000);
    - Rochester Airport Phase 1 (£51,000);
    - Rochester Airport Phase 2 Innovation Park (£3,000)
    - London Southend Airport Business Park (£1.051m);
    - TGSE LSTF Thurrock (£163,000).
  6. **To Approve** the 2019/20 LGF budget, subject to confirmation of LGF grant in April 2019 as set out in section 4 of the report. This includes the planned spend of £79.503m LGF in 2019/20, excluding Department for Transport (DfT) retained schemes, and £107.314m LGF including DfT retained schemes.
  7. **To Note** the return of the LGF allocations in relation to the following two projects:
    - Basildon Integrated Transport Package (£2.414m);
    - A414 Harlow to Chelmsford (£2.173m);
- The changes to these two projects are considered under Agenda Items 12 and 18 respectively.
8. **To Agree** the removal of the Fort Halsted project from the Growth Deal programme and the reallocation of the £1.53m LGF provisional allocation to the project through the LGF3b process, as detailed in section 7 of the report.

9. **To Agree** the removal of the A22/A27 Improvements Package from the Growth Deal programme and the reallocation of the £1m LGF provisional allocation to the project through the LGF3b process, as detailed in section 7 of the report.

10. **To Note** that SELEP's receipt of LGF awards from Central Government is dependent on the outcome of the Annual Performance Review and the confirmation by SELEP that the National Assurance Framework will be implemented in full, as detailed under Agenda Item 21.

**16 A131 Braintree to Sudbury**

The Board were advised that this report had been removed from the agenda to enable additional time for local consideration.

**17 A133 Colchester to Clacton Project Change Request**

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the Change Request which has been submitted by Essex County Council (ECC) for the A133 Colchester to Clacton project (the Project).

**Resolved:**

1. **To Agree** the change of scope to the Project.
2. **To Agree** that any Project under spends which are identified through the delivery of the Project must be returned to SELEPs single funding pot.

**18 A414 Harlow to Chelmsford**

The Board received a report from Rhiannon Mort, the purpose of which was for the Board to consider the cancellation of the A414 Harlow to Chelmsford Project (the Project) from SELEP's Growth Deal as the result of a pause to the Project within Essex County Council's (ECC) own capital programme.

**Resolved:**

1. **To Agree** the cancellation of the Project from SELEPs Growth Deal and the return of the £400,000 of LGF incurred against this Project by ECC; and
2. **To Agree** the reallocation of the £2.173m LGF previously awarded to the Project, into the unallocated LGF fund. This funding will then be reallocated through the LGF3b process referred to in section 4 of the report.

**19 Growing Places Fund update**

Geoff Miles left the room again due to his previously made declaration of interest. This item was chaired by Angela O'Donoghue as the Vice Chair.

The Board received a report from Helen Dyer, SELEP Capital Programme Officer which was presented by Rhiannon Mort the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

**Resolved:**

1. **To Note** the updated position on the GPF programme;
2. **To Note** the accelerated repayment schedule for the Priory Quarter Project;
3. **To Approve** the proposed repayment schedule for the Workspace Kent Project;
4. **To Approve** the cancellation of the remaining element of the Harlow West Essex Project;
5. **To Approve** the accelerated drawdown of funding for the No Use Empty Commercial Project;
6. **To Note** the amended draw down schedule for the Eastbourne Fisherman's Quayside and infrastructure development Project.

**20 SELEP Revenue Budget update**

The Board received a written report from Lorna Norris, the purpose of which was for the Board to consider the quarter 3 financial position for the SELEP Revenue budget, including an updated forecast outturn for 2018/19. In addition, an update to the assessment of the risks for the budget for 2019/20 has been included for information, based on current best knowledge of funding streams in 2019/20.

The Board acknowledged that they had read the report and had no comments to make, and therefore approved the recommendations as stated within them as follows:

**Resolved:**

1. **To Note** the latest forecast revenue outturn position for 2018/19 of an under spend of £713,000;
2. **To Note** the assessment of risk for the 2019/20 budget.

**21 Assurance Framework Implementation Plan Delivery Update**

The Board received a written report from Adam Bryan the purpose of which was to make the Board aware of:

- 1 The progress which has been made by the South East Local Enterprise Partnership (SELEP) team and the federated areas in implementing the existing Assurance Framework, based on the current National Assurance Framework and the Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive recommendations (from April 2018).

The Board was reminded that it is accountable for assuring that all requirements of the Assurance Framework are implemented.

2 The progress made against the governance and transparency performance indicators. (Appendix 1 of the report)

3 The Governance Assurance Statement provided to MHCLG as part of the SELEP's Annual Performance Review. (Appendix 2 of the report)

4 A forward look at the revised National Assurance Framework, published by MHCLG on the 9th January 2019.

The Board acknowledged that they had read the report and had no comments to make, and therefore approved the recommendations as stated within them as follows:

**Resolved:**

1 **To Note** the SELEP team and federated areas progress in implementing the:

1.1 SELEP Assurance Framework; and

1.2 Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive recommendations.

2 **To Note** the progress made against the governance and transparency performance indicators.

3 **To Note** the Governance Assurance Statement provided to MHCLG as part of the Annual Performance Review for the SELEP. and that the outcome of the review is expected later in February / March 2019.

4 **To Note** that this is the final report for 2018/19 and under the current Local Assurance Framework.

5 **To Note** that the SELEP Local Assurance Framework will be revised for 2019/20 to reflect the revised National Assurance Framework requirements. This will be presented to the SELEP Strategic Board for approval at its next meeting on 22nd March 2019.

**22 Date of Next Meeting**

The Board noted that the next meeting will take place on Friday 12th April 2019 at High House Production Park.

There being no urgent business the meeting closed at 12.28 pm

**23 Exclusion of The Public**

That the press and public were excluded from the meeting during consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972.

**24 Basildon Integrated Transport Package CONFIDENTIAL Appendix 1**  
(Public and press excluded)

The Board noted the Confidential Appendix to Basildon Integrated Transport Package report, which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 12 above refers).

**Chairman**