Summary of decisions taken at a meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 26 May 2017

Published on Friday 26th May 2017. Provided a decision has not been called in by close of business on Thursday 1st June 2017 it can then be implemented.

Please note that this is a summary of decisions taken at the meeting only. A full account of proceedings will appear in the minutes of the meeting which will be published on the Council's website by Tuesday 13th June 2017.

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Present:

Geoff Miles	Chairman
Cllr David Finch	Essex County Council
Cllr Mark Dance	Kent County Council
Cllr Allan Jarrett	Medway Council
Cllr Rupert Simmons	East Sussex County Council
Cllr John Lamb	Southend Borough Council
Angela O'Donoghue	FE & Skills
Myroulla West	Higher Education representative

1 Welcome and Apologies for Absence

The following apologies were received:

- Councillor Kevin Bentley (substituted by Councillor David Finch)
- Councillor Paul Carter (substituted by Councillor Mark Dance)
- Councillor Rodney Chambers (substituted by Councillor Alan Jarrett.).
- Councillor Rob Gledhill

2 Declarations of Interest

None were made.

3 Minutes

The Minutes of the meetings held on 31st March were agreed as a correct record and signed by the Chairman.

4 Assurance Framework Implementation Update and SELEP Grant Offer Letter 2017

The Accountability Board (the Board) received a report from Adam Bryan, the purpose of which was to make the Board aware of:

1. The award of project change flexibilities within SELEP's Grant Offer Letter

2017/18 received from the Department for Communities and Local Government; and

2 .The progress which has been made by the SELEP executive team and the federal areas in implementing the changes necessitated by the refreshed Assurance Framework. This is to follow on from the presentation provided to the SELEP Strategic Board on 3rd March 2017 and the subsequent update to the Accountability Board on 31st March 2017. The Board was reminded that it is accountable for assuring that all requirements are implemented; it is a condition of the Local Growth Funding that the Assurance Framework is being implemented

Resolved

1. **To Note** the award of Local Growth Fund project change flexibilities as stated within SELEP's Grant Offer Letter 2017 from the Department for Communities and Local Government.
2. **To Note** the progress to date in implementing the 2017 SELEP Assurance Framework.

5 Ashford Spurs LGF funding decision

The Board received a report from Rhiannon Mort and presentation from Steer Davies Gleave, the purpose which was to make the Board aware of the value for money assessment for the Ashford International Rail Connectivity Project - Ashford Spurs which has been through the Independent Technical Evaluator (ITE) process to enable £4.173m funding to be devolved to Kent County Council for scheme delivery.

Resolved

To Approve the remaining £4.173m LGF allocation to Ashford International Rail Connectivity Project 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.

6 Sussex Downs College 3rd Phase of refurbishment of Science Facilities at the Lewes Campus

The Board received a report from Louise Aitken and a presentation from Steer Davies Gleave, the purpose of which was to seek the Board's approval for the award of Local Growth Fund (LGF) to Sussex Downs College 3rd Phase of refurbishment of Science Facilities at the Lewes Campus (the Project).

Resolved

1. **To Approve** the award of £39,515 LGF (Skills Capital allocation) to the 3rd Phase of refurbishment of Science Facilities in the Lewes Campus.
2.**To Note** that the remaining skills capital underspend of £25,439 will be added to the uncommitted LGF for consideration by the Board.

7 Technical and Professional Skills Centre at Stansted

The Board received a report from Louise Aitken, and a presentation from Steer Davies Gleave, the purpose which report was to seek the Board's approval for the award of £3.5m of Local Growth Fund (LGF) to be devolved to Essex County Council for delivery of the Technical and Professional Skills Centre at Stansted Airport.

Resolved

To Approve the award of £3.5m LGF to the Technical and Professional Skills Centre at Stansted Airport as set out in the Business Case which has been assessed as presenting high value for money with high certainty of achieving this.

8 Basildon Integrated Transport Package Tranche 2 LGF funding decision

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the value for money assessment for Basildon Integrated Transport Tranche 2 Package (Project) which has been through the Independent Technical Evaluator (ITE) process to enable £6.4m funding to be devolved to Essex County Council for scheme delivery.

Resolved

To Approve the £6.4m LGF allocation to Basildon Integrated Transport Package Tranche 2 Project to support the delivery of the Project identified in the Business Case and which has been assessed as presenting achieving high value for money with low to medium certainty of achieving.

9 Harlow Enterprise Zone

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the progress which has been made in developing the Business Case for Phase 1 of investment at Harlow Enterprise Zone (the Project) and to endorse the completion of specific investment activities at the Enterprise Zone, as detailed in section 6 of the report, in advance of the Project having completed the Independent Technical Evaluator (ITE) process.

Once a robust Business Case has been produced, which has successfully completed the ITE process, recommendations will be made to the Board on the Phase 1 Project’s value for money, for the Board to consider the approval of the Phase 1 Project.

Resolved

To Endorse the completion of specific investment activities at Harlow Enterprise Zone, as set out in section 6 of the report, in advance of the Business Case being developed for the Phase 1 Project.

10 Capital Programme Management of the Local Growth Fund

The Board received a report and presentation from Rhiannon Mort providing an update on 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 2017/18
2 **To Note** the project delivery and risk assessment
3 **To Approve** the acceleration of LGF spend in 2017/18 for Technical and Professional Skills Centre at Stansted Airport by £600,000
4 **To Approve** the updated spend profile for Basildon Integrated Transport Package, as set out in Table 4 of the report
5 **To Approve** the increase in LGF spend in 2017/18 for A28 Sturry Link Road by £43,000.
6 **To Approve** the increase in LGF spend in 2017/18 for Thurrock Cycle Network by £15,000.

11 Growing Places Fund update

The Board received a report from Rhiannon Mort providing an update on the latest position of the Growing Places Fund (GPF) Capital Programme.

Resolved

1. **To Note** the updated position on the Growing Places Fund programme

2.**To Approve** the amended Growing Places Fund loan repayment schedule for Chatham Waterfront

12 Provisional Revenue Outturn 2017-18

The Board received a report from Suzanne Bennett, the purpose of which was to inform the Board of the provisional final position of the South East LEP revenue spending for financial year ended 31st March 2017. Members were advised that the report title should refer to **2016-17 not 2017-18**.This position is provisional as the accounts will be subjected to external audit scrutiny and may be changed. The spending in year was less than the received income and as a result a request for approval for a contribution to the general reserve is made.

Resolved

1. **To Approve** the final provisional outturn for the all South East LEP revenue budgets for 2016/17 at Tables 1, 2, 3, 4, 5, 6 and 7 of the report, and

2. **To Approve** the contribution of £132,000 to reserves

13 Specific Grants 2017 - 18

The Board received a report from Suzanne Bennett, the purpose of which was to inform the Board of specific revenue grants available for utilisation in financial

year 2017/18 and to request the Board's approval for the setting of budgets for each grant.

1. **To Approve** the budgets and grant drawdowns as detailed in tables 1 through 7 in the report.

2. **To Note** the grants available and the restrictions to those grants where applicable.

14 Urgent Business

With the agreement of the Chairman, Mr McLennan, a member of the public, asked the following question:

"Where a County Council or Unitary Authority has been awarded Government Local Growth Funds for a project and their application is subsequently found to be fraudulent, misleading and incorrect. What legal jurisdiction does the South East Local Enterprise Partnership Board have to withdraw the award and recover government funds".

On behalf of the Board, the Chairman gave the following response:

"The Government release the Local Growth Fund to SELEP under specific conditions set out in a Grant Determination Letter. This includes a condition that the LGF may only be used for purposes that a capital receipt may be used for in accordance with the regulations under section 11 of the Local Government Act 2003.
If the SELEP fails to comply with any of the conditions and requirements set out within the Grant Determination Letter the Minister of State may:

a) Reduce, suspend or withhold grant; or

b) By notification in writing to the authority, require the repayment of the whole or any part of the grant.

The LGF is released to the Accountable Body, who are accountable for ensuring that the conditions and requirements of all funding received from Government are adhered too. Accordingly, these conditions and requirements are reflected in the Agreements between the Accountable Body and each partner authority. These Agreements transfer the responsibility for ensuring that the funding is spent in in accordance with the Grant Determination Letter to the partner authority, and requires the respective s.151 officer to provide confirmation to the Accountable Body that this is the case. The repayment provisions are also reflected within these agreements.

The SELEP governance ensures that all projects are approved by the Accountability Board in the first instance, supported by a robust business case, which has been independently evaluated. Any changes to a project, which fall within SELEP's definition of project Change, must be approved by the Board. A further independent review of an updated Project Business Case will be undertaken if there is a Change to the project which may impact on the outcome

of the projects Value for Money assessment. Project changes include, but are not limited to, variations to a projects scope, cost, outputs or outcomes. The full definition of Project Change is provided in paragraph 5.11 of the SELEP Assurance Framework. The Council must repay all or part of the funding received with respect to a Project Allocation if the Board so requires where the Council abandons the Project; a Project is Changed and the Board declines to agree the Change; or the Project can no longer meet the Grant Conditions.

Each project is approved in full by the Accountability Board, however, the actual funding is released quarterly in advance, in line with the projects specific planned spend profile. As a result should there be any issue arising on any of the projects, this can be addressed and resolved at an at an early opportunity, and at a time when limited funding has been released

The SELEP are required to report to the Government on its management of the LGF, and it remains the government's decision on whether to active the repayment mechanisms.

15 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 22 September 2017.

There being no further urgent business the meeting closed at 11.17 am

Chairman