Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 16 March 2018

Present:

Geoff Miles	Chairman
Cllr Gagan Mohindra	Essex County Council
Cllr Paul Carter	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Rupert Simmons	East Sussex County Council
Cllr Rob Gledhill	Thurrock Council
Cllr James Courtenay	Southend Borough Council
Audrey Songhurst	Higher Education representative

ALSO PRESENT	**Having signed the attendance book**
Amy Beckett	SELEP
Suzanne Bennett	Essex County Council
Steven Bishop	Steer Davies Gleave
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Kim Cole	Essex County Council (As Deputy Monitoring Officer for the Accountable Body)
Dominic Collins	Essex County Council
Emma Cooney	Southend Borough Council
Helen Dyer	Medway Council
Janet Elliott	Medway Council
Ben Hook	East Sussex County Council
Tomasz Kozlowski.	Medway Council
Cllr Jeremy Kite	Dartford Borough Council
Mr M McLennan	Member of the public
Paul Martin	SELEP
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Fred Montague	Member of the public
Wendy Montague	Member of the public
Rhiannon Mort	SELEP
Lorna Norris	Essex County Council
Sarah Nurden	Kent and Medway Economic Partnership
Andy Rayfield	Maxim PR

Teresa Ryszkowska	Dartford Borough Council
Lisa Siggins	ECC Democratic Services
Stephen Taylor	Thurrock Council

1 Welcome and Apologies for Absence

The following apologies were received:

- Councillor Kevin Bentley (substituted by Councillor Gagan Mohindra as a non-voting observer)
- Councillor Keith Glazier (substituted by Councillor Rupert Simmons)
- Councillor John Lamb (substituted by Councillor James Courtnay)
- Lucy Druesne (substituted by Audrey Songhurst)
- Angela O'Donoghue

2 Minutes

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

3 Declarations of Interest

Councillor Rodney Chambers declared a non-pecuniary interest in item 9 on the agenda which concerned the Historic Dockyard Chatham, as he is a trustee thereof. He would not therefore participate in any vote on this particular item.

4 Questions from the Public

There were no public questions.

5 Dartford Town Centre Improvements LGF Funding Decision

The Accountability Board (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 the Dartford Town Centre Improvements (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £4.3m Local Growth Fund (LGF) to be devolved to Kent County Council.

Rhiannon advised the Board that the public consultation referred to in the report as currently underway has now been completed..

Councillor Kite, Leader of Dartford Council addressed the Board, speaking in support of the Project. He addressed the points raised in the ITE report and in particular journey times. He pointed out that he thought the report referred to speed issues instead of journey times. He stressed that due to the M25 traffic , Dartford cannot be measured in the same ways as in other areas. He also spoke to offer reassurance to the Board regarding deliverability of the scheme.

The Board proceeded to discuss the merits of the Project and also discussed the risks involved. It was felt that the regeneration of the town centre was vital, with several Board members feeling that Councillor Kite's local knowledge had

addressed many of the concerns raised.

It was stressed by the Chairman that all items considered by the Board are done on an individual basis and no precedents are set by the approval of an individual scheme.

Resolved:

Option 1: To approve the award of £4.3m 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 low certainty of achieving this.

6 A414 Pinch Point Package Funding Award

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was for the Board to consider the award of an additional £487,000 to the A414 Pinch Point Package (the Project).

Councillor Carter pointed that Essex County Council (ECC) had needed to fund a large financial gap in this project. He did not feel that this was fair and stressed that the matter should be raised with the appropriate government ministers.

Resolved:

1. **Option A - To Approve** the award of an additional £487,000 LGF to support the completion 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 the Change Request has not been considered by Essex Business Board

7 Harlow Advanced Manufacturing and Engineering Centre (HAMEC) skills capital round one underspend utilisation

The Board received a report from Louise Aitken, and a presentation from Steer Davies Gleave, the purpose of which was to seek Board approval for the award of £234,815 of Local Growth Fund (LGF) Capital Grant to Harlow College to purchase specialist equipment supporting the Harlow Advanced Manufacturing and Engineering Centre (HAMEC) (the Project).

Councillor Mohindra stated that as a decision had yet to be made by ECC, he had concerns around making the award subject to ECC's match funding. It was also noted that the College was open to seek alternative match funding from a third party should ECC's decision be to not contribute at this time.

The matter was discussed by the Board, and it was proposed that reference to

ECC in the original recommendation be amended to reflect this.

Resolved:

To Approve the award of £234,815 LGF to Harlow College for specialist equipment which has been assessed as providing high value for money with high certainty. This is subject to confirmation that match funding is secured.

8 Rochester Airport LGF Progress Update Report

Mr McLennan, a member of the public, was present and advised the Board that he would be taking a video recording of the Board's consideration of this particular item. He was unable at this stage to clarify the exact intention of his use of the recording.

The Board received a report from Helen Dyer, Senior LGF Programme Co-ordinator, Medway Council, Lucy Carpenter, Principal Regeneration Project Officer, Medway Council and Janet Elliott, Regeneration Programme Manager, Medway Council which was presented by Rhiannon Mort. The purpose of the report was to make the Board aware of the latest progress on the Rochester Airport project phases 1 and 2 (the Project). The funding award of £4.4m Local Growth Fund (LGF) for phase 1 of the Project was approved by the Board on 10th June 2016.

The Chairman advised the Board that a Freedom of Information request had been received in relation to the Project and there had been public interest in the proposed project change being considered by the Board at today's meeting. Accordingly there had been a challenge around the information provided as part of the change process, including the accuracy of the project cost escalation that was detailed in the report and the proposed changes to the project scope. He added that the information sought through the FOI was readily available on the SELEP website.

He asked Medway Council, prior to the Board considering the report recommendations, to inform the Board of the following:

- The reasons why a change request has been brought forward for this Project;
- The process that has been undertaken in considering the revised scope of Phase 1; and
- Confirmation that the information contained within the report reflects the latest information in relation to the Project and the proposed change of scope.

Tomasz Kozlowski of Medway Council addressed the Board to provide clarification and assurances regarding the change request. He stressed that the same outcomes would be delivered within the previously agreed costings. He clarified that there was just a change to how the project was being delivered, including the variation in respect of the runway where lighting will be replaced but that the provision of a hard paved runway would not go ahead, and only one of the two hangers would be replaced

The Board expressed their concern that less was now to be delivered than was agreed when the funding was provided.

In response to a Board Member's question it was confirmed that the accountable body in this instance is Rochester Airport Ltd, although the LGF allocated for this project is transferred to Medway Council in accordance with the agreed approach for LGF projects.

Rhiannon provided clarification that no additional LGF was being sought from SELEP to deliver the Phase 1 Project. The report considered by the Board concerned a change in respect of the deliverability of the Phase 1 project and specifically the outputs that are intended for delivery through the Project. Rhiannon advised the Board than from the information received by SELEP it is understood than the benefits of the project will remain the same as stated in the original Business Case in terms of the delivery of jobs.

There followed a lengthy discussion by the Board, which included the repercussions of further delays to the project. There was a consensus that there was too much confusion and ambiguity regarding the changes and the association between phases 1 and 2 of the project. The Board did not feel that in the circumstances they could make a decision at this stage until further details were provided and in particular to the link between Phases 1 and 2 of the project.

Upon a vote being taken it was:

Resolved:

To defer any decision regarding this matter until the next meeting of the Board on Friday 15th June.

9 Growing Places Fund award to the Fitted Rigging House

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was for the Board to consider the award of a £800,000 Growing Places Fund (GPF) Loan to the Fitted Rigging House Project (the Project).

In response to a question raised by a Board Member, Rhiannon clarified that the risks associated with the loan are considered through a legal agreement between Essex County Council, as the SELEP Accountable Body and Medway Council.

Resolved:

To Approve the award of £800,000 GPF by way of a loan to enable the delivery of the Project which has been assessed as presenting high value for money with high certainty of achieving this, on the basis that it will be repaid by 31st March 2022.

10 Assurance Framework Implementation Update

The Board received a 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 federal areas in implementing the changes necessitated by the refreshed Assurance Framework. *The Board is reminded that it is accountable for assuring that all requirements are implemented; it is a condition of the funding that the Assurance Framework is being implemented*.
2. The findings of the Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive process and recommendations made to SELEP.
3. The proposed Governance and Transparency Performance Indicators as set out in Appendix 6 of the report.

Adam advised the Board that he was happy to be able to confirm that all monies had now being received in respect of the 2018/19 LGF and SELEP core funding allocation.

Resolved:

1 **To Note** the progress to date in implementing the SELEP 2018/19 Assurance Framework.

2 **To Note** the SELEP team and federated area progress to implement the:

2.1. Mary Ney recommendations; and

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

11 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 outturn position of the SELEP revenue spending for financial year ended 31st March 2018. 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 income received and as a result a recommendation for approval of a contribution to the General Reserve is made.

Councillor Carter raised an issue regarding interest earned and what had previously been agreed with regard to how this would be utilised. Adam advised that he and Suzanne Bennett would look into the issue and provide clarification.

The Board proceeded to discuss the proposed recommendation 2.1.3 in the report regarding the reserve for growth hubs. The Board did not feel that a dedicated reserve was necessary, and that funds could be managed under the Managing Directors delegated responsibilities.

The Board proceeded to vote on the proposed recommendations and recommendation 2.1.3 contained in the report was not agreed.

Resolved:

1. **To Approve** the final provisional outturn for the South East LEP revenue budgets for 2017/18 at Tables 1, 2, 3, 4, 5, 6, 7, 8 and 9 of the report;

2. **To Approve** the contribution of **£127,125** to General Reserves

12 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 15th June 2018 at High House Production Park.

There being no urgent business the meeting closed at 11.55 am.

Chairman