



LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

DECISIONS to be made by the Lead Member for Strategic Management and Economic Development, Councillor Keith Glazier

TUESDAY, 28 JULY 2020 AT 10.00 AM

COUNTY HALL, LEWES

++Please note, the Lead Member will not be present in person, but will be taking the decisions remotely++

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 21 April 2020 (*Pages 3 - 4*)
- 2 Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- 3 Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Growing Places Fund round 3 Loan Funding Agreements - The Observer Building Hastings (Phase 1) and Barnhorn Green Commercial and Healthcare Development (Phase 1) (*Pages 5 - 10*)
Report by the Director of Communities, Economy and Transport
- 5 Updated Local Growth Fund Service Level Agreement with South East Local Enterprise Partnership (*Pages 11 - 42*)
Report by the Director of Communities, Economy and Transport
- 6 Any urgent items previously notified under agenda item 3

PHILIP BAKER
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20 July 2020

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LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

DECISIONS made by the Lead Member for Strategic Management and Economic Development, Councillor Keith Glazier, on 21 April 2020 at County Hall, Lewes

++ The Lead Member was not present in person, but took the decisions remotely ++

Councillors David Elkin and Rupert Simmons spoke on item 4 (see minute 20)

18 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 2 APRIL 2020

18.1 The Lead Member approved as a correct record the minutes of the meeting held on 2 April 2020.

19 REPORTS

19.1 Reports referred to in the minutes below are contained in the minute book.

20 LOCAL GROWTH FUND GRANT AGREEMENT - EASTBOURNE FISHERMAN'S QUAYSIDE AND INFRASTRUCTURE DEVELOPMENT PROJECT

20.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

DECISIONS

20.2 The Lead Member RESOLVED to (1) Approve grant funding to the value of £1.08m to the Eastbourne under 10m Fishermen's Community Interest Company (Eu10CIC) to fund the delivery of Eastbourne Fisherman's Quayside and infrastructure development project (subject to the approval of the business case by the SELEP Accountability Board on 3 July 2020); and

(2) Delegate authority to the Director of Communities, Economy and Transport to agree the terms of the grant agreement and to take all other necessary actions in respect of Recommendation 1.

Reasons

20.3 The Eastbourne Fisherman's Quayside and Infrastructure Development project supports the delivery of the SELEP's strategic objectives as outlined in the LEP's Economic Strategy Statement 2019 and emerging Local Industrial Strategy, the East Sussex Growth Strategy strategic priorities and the County Council's core priorities in 'driving sustainable economic growth' and 'making best use of resources by maximising the funding available through external bidding'.

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Agenda Item 4

Report to:	Lead Member for Strategic Management and Economic Development
Date of meeting:	28 July 2020
By:	Director of Communities, Economy and Transport
Title:	Growing Places Fund Round 3 Loan Funding Agreements – The Observer Building Hastings (Phase 1) and Barnhorn Green Commercial and Healthcare Development (Phase 1).
Purpose:	To seek approval of loan funding from the South East Local Enterprise Partnership’s Growing Places Fund Round 3 to The Observer Building Hastings (Phase 1) project and the Barnhorn Green Commercial and Healthcare Development (Phase 1) project.

RECOMMENDATIONS: The Lead Cabinet Member is recommended to:

- 1. Approve loan funding to the value of £1.75m to White Rock Neighbourhood Ventures Ltd to fund the delivery of the Observer Building Hastings (Phase 1) project, subject to the approval by the South East Local Enterprise Partnership (SELEP) Accountability Board;**
 - 2. Approve loan funding to the value of £1.75m to Rother District Council to fund the delivery of the Barnhorn Green Commercial and Healthcare Development project (Phase 1), subject to the approval by the South East Local Enterprise Partnership (SELEP) Accountability Board;**
 - 3. Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into, the tripartite loan agreement with SELEP Ltd. and Essex County Council as the Accountable Body for SELEP Ltd., necessary to secure the funding;**
 - 4. Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into the loan agreements, with White Rock Neighbourhood Ventures Ltd in relation to the £1.75m loan funding for the Observer Building and Rother District Council in relation to the £1.75m loan funding for the Barnhorn Green Commercial and Health Development; and**
 - 5. Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to approve the terms of any agreements and to take all other necessary actions in respect of recommendations 1 and 2 above.**
-

1. Background Information

1.1 The South East Local Enterprise Partnership (SELEP), comprises business, local authority and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock.

1.2 The Growing Places Fund (GPF) was launched in 2011 by DCLG and DfT as a ‘recyclable loan scheme’. SELEP was allocated approximately £50m to fund projects commensurate with the GPF criteria. To date, a total of £54.4m has been invested in 21 projects across the South East, which has grown thanks to the recyclable nature of the fund. Essex County Council (ECC), as the lead accountable body, issues funds on a project by project basis to the relevant upper tier authority through loan agreements. It is then the responsibility of the upper tier to defray funds to the project promoter, monitor progress, and secure repayment.

1.3 East Sussex has already benefitted from over £20m of GPF investment from Rounds One and Two. These were invested in six East Sussex projects as set out in Appendix 1.

2. Supporting Information

GPF Assessment Prioritisation Process

2.1 On 4 October 2019 the SELEP Strategic Board agreed the approach for the prioritisation of the next round of GPF funding. An open call for GPF projects was issued on 8 October 2019 for capital projects which required between £250,000 and £3.5m of low interest loan investment with projects being considered through a three stage process.

2.2 In December 2019 Team East Sussex (TES) in conjunction with SELEP's Independent Technical Evaluator (ITE) assessed eight expressions of interest against the SELEP GPF3 eligibility criteria and East Sussex local strategic priorities. Consequently, TES endorsed six projects to be taken forward to Stage 2. The six successful East Sussex projects submitted their Strategic Outline Business Cases (SOBCs) on 24 January 2020 to SELEP's ITE for assessment. The outcome of the assessment was used to inform the SELEP's prioritisation of all the potential GPF schemes across its geography for reporting to the SELEP Investment Panel.

2.3 Prior to the Covid 19 pandemic, the outcome of the GPF3 prioritisation process was to be considered at the Investment Panel meeting on 17 April (Stage 3). This meeting was postponed giving the Board more time to consider the most effective use of the available funding to support the local economy in recovering from the impacts of the virus. Consequently, GPF3 scheme promoters were asked to provide information of their scheme's current status, any potential impacts of Covid-19 on project delivery and how their project would help support the economic recovery. This was used to inform a prioritisation of projects for consideration by the Strategic Board and Federated Areas. The SELEP's proposed GPF3 prioritisation was presented to the Team East Sussex meeting on 8 June 2020 ahead of the LEP's Strategic Board meeting on 12 June 2020. TES endorsed that equal strategic importance be given to two projects in East Sussex - the Observer Building in Hastings and the Barnhorn Green Commercial and Health Development in Bexhill.

2.4 At the SELEP's Strategic Board meeting on 12 June 2020, it was resolved to split the available funding between these two East Sussex projects thus enabling both to secure funding and proceed with a phased delivery approach. The final agreed pipeline included the Observer Building (Phase 1) £1.75m, and Barnhorn Green Commercial (Phase 1) £1.75m in joint second on the prioritised list with the remaining Phase 2 elements of each project – a further £1.61m for the Observer Building and a further £1.75m for Barnhorn Green in joint eighth position on the list.

Observer Building – White Rock Neighbourhood Ventures Ltd

2.5 The Observer Building in Hastings has been empty and increasingly derelict for 35 years. The project will transform the building into a highly productive mixed-use development including leisure and retail uses on the lower three floors, a wide range of workspaces including studios, offices and open space, 16 capped-rent flats and a public roof terrace and bar with fantastic sea, castle and town views. The scale, ambition and connectivity of this community-led local redevelopment, alongside the £2m Trinity Triangle Heritage Action Zone (2020-24), will transform the immediate area and the wider Hastings town centre.

2.6 The loan funding of £1.75m will deliver Phase 1 of the development and support the renovation of a total of 1,174 sqm of the building. It will directly support the first 18-20 estimated jobs and six enterprises while preparing the building for Phase 2 which will deliver a further 1,039 sqm of commercial space (Mezzanine and First Floor) as well as preparing the residential shell on the 2nd and 3rd floors. The construction itself will yield 10 gross construction job-years (7 x net to GPF) for the overall project.

2.7 An updated full outline business case, with appropriate economic appraisal, will go through a Gate Review assessment with SELEP's ITE in July 2020 and considered for a funding decision by the SELEP Accountability Board on 18 September 2020. Because of a comprehensive financial review of the White Rock Neighbourhood Ventures Ltd (WRNV Ltd) and the high credit scoring of the organisation the risk of default on repayment is low and considered a safe investment by the SELEP.

Barnhorn Green Commercial and Health Development - Rother District Council

2.8 The Barnhorn Green Commercial and Health Development project delivered by Rother District Council (RDC) is an allocated employment and health zone adjacent to a large housing development in west Bexhill. The site has outline planning permission for 2,750 sqm B1a office space, alongside 750 sqm B1c light industrial space and a 700 sqm D1 doctors' surgery. As the

developer, Rother District Council (RDC) are seeking to fully develop the site as a means to address long standing viability challenges for commercial development in the Bexhill area.

2.9 The loan funding of £1.75m will deliver Phase 1 which comprises the Medical Centre GP Surgery for 10 x FTE GPs and 2,750sqm B1 (c) light industrial floor space delivering 90 net additional jobs by December 2022.

2.10 An updated full outline business case, with appropriate economic appraisal, will go through a Gate Review assessment with SELEPs ITE in September 2020 and considered for a funding decision by the SELEP Accountability Board on 20 November 2020. As a local authority Rother District Council (RDC) are able to access borrowing through the Public Works loan Board (PWLB) to offset their capital programme meaning that this scheme represents a low risk investment by the SELEP as RDC are able to make the repayments.

GPF Loan Agreement terms

2.11 The GPF funding operates as a low interest rate loan. Interest will be charged to the respective delivery partner on GPF loans at two percent below the Public Works Loan Board (PWLB) Fixed Loan Maturity Rate or zero percent – whichever is higher. The exact rate of interest is determined on the day that the credit agreement between Essex County Council, as the SELEP Accountable Body, and the lead County/Unitary Authority, in this case the County Council, is finalised. The credit agreement will set out the agreed loan repayment schedule for the project. If the project fails to meet the agreed repayment schedule detailed within the credit agreement, interest will be charged at the full PWLB interest rate from the point of default on the loan repayment. Any interest charges will be paid by the delivery partner.

3. Conclusion and Reasons for Recommendations

3.1 The development of the Observer Building in Hastings is vital to safeguard and develop the mixed use building in the town centre supporting the local area through addressing both social and economic difficulties. The Barnhorn Green commercial and health development project in west Bexhill is key to unlocking housing growth, jobs and primary healthcare expansion. Delivery of the surgery will also unlock and enable over 700 other dwellings in the immediate area. The availability of loan funding from the SELEPs GPF will enable the delivery of the first phases of both these developments.

3.2 The Lead Member is recommended to approve the awarding of £1.75m Growing Places Fund loan monies to White Rock Neighbourhood Ventures Ltd to fund the delivery of the Observer Building Hastings (Phase 1) project, subject to the approval by the SELEP Accountability Board; and £1.75m to Rother District Council to fund the delivery of the Barnhorn Green Commercial and Healthcare Development project (Phase 1), subject to the approval by the SELEP Accountability Board.

3.3 The Lead Member is also recommended to delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of the legal agreements with SELEP Ltd., Essex County Council (as the Lead Accountable Body for SELEP Ltd.) and East Sussex County Council (as the Upper Tier Authority) and, in turn between East Sussex County Council and the two project delivery partners; White Rock Neighbourhood Ventures Ltd and Rother District Council and take all other necessary actions in respect of the recommendations above.

RUPERT CLUBB

Director of Communities, Economy and Transport

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Local Members

Councillors Godfrey Daniel and Earl-Williams

BACKGROUND DOCUMENTS

None

East Sussex GPF project schedule:

	Name of Project	Total GPF Investment	Total Project Cost	GPF repaid to date
Growing Places Fund Round One (GPF1)	Priory Quarter, Hastings - Phase 3	£7m	£7m	£7m
	North Queensway Innovation Park	£1.5m	£1.5m	£1m
	Glovers House - Bexhill Enterprise Park	£6m	£6m	£6m
	Pacific House - Sovereign Harbour Innovation Park	£4.6m	£6m	£0.52m
Growing Places Fund Round Two (GPF2)	Charleston Centenary	£0.12m	£7.6m	£0
	Eastbourne Fisherman's Quayside and infrastructure development project	£1.15m	£1.46m	£0

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Report to:	Lead Member for Strategic Management and Economic Development
Date of meeting:	28 July 2020
By:	Director of Communities, Economy and Transport
Title:	Updated Local Growth Fund Service Level Agreement with South East Local Enterprise Partnership
Purpose:	To seek approval to enter into an updated Local Growth Fund (LGF) Service Level Agreement between South East LEP Limited (SELEP Ltd.), Essex County Council (ECC), and East Sussex County Council (ESCC).

RECOMMENDATIONS: The Lead Cabinet Member is recommended to:

- 1. Approve entering into the updated Service Level Agreement with South East LEP Limited (SELEP Ltd.) and Essex County Council (ECC) as the Accountable Body for the SELEP to fund the delivery of the Local Growth Fund (LGF) programme in East Sussex;**
 - 2. Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into the Service Level Agreement, and to take all other necessary actions in respect of the recommendation 1 of this report.**
-

1. Background Information

1.1 The South East Local Enterprise Partnership (SELEP) was established in 2011 and comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock. One of SELEP's functions is to manage the Local Growth Fund (LGF) programme following various Growth Deals with Government in 2014, 2016 and 2017. Through these Growth Deals, East Sussex has secured over £80m LGF towards various transport and economic infrastructure projects.

1.2 On 2 June 2015 the Lead Member for Strategic Management and Economic Development delegated authority to the Director of Communities, Economy and Transport (CET) and the Chief Finance Officer to agree the terms of and enter into the original funding agreement with the South East LEP to devolve and manage the Local Growth Fund monies allocated to schemes in East Sussex; the SELEP Service Level Agreement (SLA).

1.3 In July 2018 the government published its 'Strengthened Local Enterprise Partnerships' document, referred to as the LEP Review. It included a series of recommendations and requirements for LEPs including reviewing the composition of their Board, in terms of reducing the number of board members, adjusting the public / private-sector ratio and increasing diversity, and their Legal Personality (becoming a limited company) which needed to be implemented by the end of March 2020.

1.4 This revised structure was agreed by SELEP on 6 October 2019 and approved by the East Sussex Lead Member for Strategic Management and Economic Development at his decision making meeting on 11 February 2020. Consequently, SELEP has changed its structure from an unincorporated partnership to a limited company (South East LEP Ltd) and was incorporated on 2 March 2020. In addition, a new Board of Directors has been established with 20 permanent board members and a further 5 co-opted members. East Sussex is proportionally represented with four Directors, with a further Board Director from East Sussex representing the south east Voluntary and Community Sector (VCS) as a co-opted member on the SELEP Ltd Board until April 2021. The first meeting of the Board was held on 17 April 2020 at which the new Terms of Agreements, Articles of Association and Assurance Framework Agreement were approved.

2. Supporting Information

Assurance Framework Agreement and the updated Service Level Agreement

2.1 The purpose of the LEPs Assurance Framework Agreement is to set out the systems and processes in place that are necessary to manage the delegated funding from Central Government

Budgets effectively. It is intended to provide Government and partners with the assurance that decisions over funding are proper, transparent and deliver value for money. This Assurance Framework Agreement reflects the expectations of Government as set out in the LEP Governance and Transparency Best Practice Guidance, published in January 2018 and the National Local Growth Assurance Framework published January 2019.

2.2 The Assurance Framework Agreement is supported by Service Level Agreements (SLAs) with Local County/Unitary Councils to devolve project funding and accountability. As an unincorporated partnership SELEP had not previously been party to the SLA's, with the agreements being between Essex County Council, as SELEP's Accountable Body, and each Upper Tier Local Authority, as the Local Accountable Body. However, following the incorporation of SELEP as a limited company in February 2020, the SLA's need to be updated to reflect SELEP's updated status. As a consequence, the SLA's will be tripartite between Essex County Council (as Accountable Body), SELEP Ltd. and East Sussex County Council as the Upper Tier Local Authority.

Ministry of Housing Communities and Local Government (MHCLG) LGF Review and changes to the SLA

2.3 In May 2020, MHCLG wrote to SELEP advising that Government had amended how Local Growth Fund (LGF) grant monies were to be allocated in 2020/21 and that initially only two thirds (£51.915m) of the LEPs LGF allocations for 2020/21 would be transferred. In relation to the final third, MHCLG have proposed a period of joint working and review with the LEP over the Summer 2020 on contractual commitments and likely spend over the remainder of the financial year. Subject to the outcome of the later, and Ministerial confirmation, then the remaining £25.958m of LGF funding would be released to the SELEP. Consequently, this has created increased risk to the overall SELEP LGF programme and has presented an additional layer of complexity to the way in which the SELEP funds are managed.

2.4 In June 2020, SELEP Ltd endorsed amendments to the SLAs with partner authorities under which the LGF is transferred in order for SELEP Ltd to make the strongest possible case to Government for the remaining £25.958m of LGF monies. Moreover, this will mitigate the risk this potential funding shortfall presents to project delivery across the SELEP geography.

2.5 The MHCLG letter to SELEP Ltd refers to the review of LEP's 'contractual commitments', which are generally defined by MHCLG as "the full amount of the LGF aspect of the contract – when the contract is actually signed e.g. the contract to deliver project A with company X (worth £10m) was actually signed in 2019". For SELEP to provide greater assurance to MHCLG, the SLAs have been strengthened to provide further details of the specific LGF projects for which the funding is being transferred and to demonstrate that the LGF monies, approved by the SELEP Accountability Board, have been contractually committed.

2.6 In light of the new format of these SLAs, the Agreement will need to be updated following each Accountability Board meeting where changes to the projects or changes to the LGF allocation for each project set out within the schedule are agreed. The altered provisions within the updated SLA are set out in appendix 1. A draft of the updated SLA including the East Sussex LGF project schedule (schedule 2) can be found in appendix 2.

3. Conclusion and Reasons for Recommendations

3.1 Following the incorporation of SELEP as a limited company in March 2020, there is a requirement to update the previous Service Level Agreement between Essex County Council, as the SELEP's Accountable Body, and the County Council to now also include SELEP Ltd. In addition, entering into the updated Service Level Agreement will give greater assurance to Government that the Local Growth Fund (LGF) monies approved by the LEP's Accountability Board to specific LGF projects is contractually committed. In turn, this will support the LEP's case for receipt of the final third of their LGF monies for 2020/21, and thereby enable East Sussex to continue delivering its LGF funded infrastructure projects to support the local economy.

3.2 It is recommended that the Lead Member approves entering into the updated Service Level Agreement with South East LEP Limited (SELEP Ltd) and Essex County Council (ECC) as the

Accountable Body for the SELEP to fund the delivery of the Local Growth Fund (LGF) programme in East Sussex.

3.3 It is also recommended that authority be delegated to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into the Service Level Agreement and to take all other necessary actions in respect of the recommendation 1 of this report.

RUPERT CLUBB
Director of Communities, Economy and Transport

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Local Members

All

BACKGROUND DOCUMENTS

None

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APPENDIX A

Altered provisions within updated SLA between Essex County Council (ECC) as Accountable Body and East Sussex County Council (ESCC):

The SLA has been amended to strengthen the contractual position with regards to projects that have been approved by Accountability Board and projects that are in the pipeline. For new, additional projects that were not put forward by the date of signature of the SLA (i.e. projects that were not included in the pipeline, and therefore in the Schedule to the SLA, by the date of signature of the agreement), the SLA now includes a new process to allow these projects to form part of the agreement.

The new mechanisms within the SLA include:

- A condition precedent:

A condition precedent has been added to set out that the terms and conditions of the SLA will be binding for a specific project following Accountability Board's decision. This change allows projects to be included in the SLA which are in the pipeline but have yet to be approved, and that these projects will form part of the binding contract once Accountability Board's approval has been provided.

- For projects that were not included in the Schedule to the SLA (either as a project that was approved by Accountability Board or a project that is in the pipeline to be put forward to Accountability Board), the agreement now includes a process to add further additional projects following Accountability Board's decision. This is known as the Additional Project Variation Process and the procedure for this is as follows:

1. After each Accountability Board within 20 working days or later if agreed, all the parties agree that they will include the new, additional projects in the Additional Project Variation Agreement (as set out in Schedule 3 of the SLA).
2. The Additional Project Variation Agreement will be a standard document with an Annex that will be updated by the parties after each Accountability Board meeting to set out the projects that have been approved.
3. For expediency, the Additional Project Variation Agreement is to be executed underhand by the Section 151 Officers of each Council and this variation agreement includes peppercorn consideration for all parties to make the variation agreement binding.

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APPENDIX 2

THIS SERVICE LEVEL AGREEMENT (“Agreement”) is made on the day of 2020

BETWEEN

- (1) **ESSEX COUNTY COUNCIL** of County Hall, Chelmsford, Essex CM1 1LX (“the Accountable Body”);
- (2) **SOUTH EAST LEP LIMITED** a company registered in England and Wales whose registered office is at County Hall, Market Road, Chelmsford, Essex CM1 1QH with company number 12492037) (“SELEP Ltd”); and
- (3) **[NAME OF COUNCIL]** of [ADDRESS] (“the Council”)

BACKGROUND

- (A) The unincorporated South East Local Enterprise Partnership (SELEP) was established in 2011 with the aim of stimulating growth in the economy across South East of England area. In part it aims to do this by playing a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. It is a primary partnership of the Councils.
- (B) The South East LEP Ltd (SELEP Ltd) was incorporated on 28 February 2020 at Companies House, as a company limited by guarantee, in response to the requirement of Central Government for all Local Enterprise Partnerships to have legal personality.
- (C) The unincorporated South East Local Enterprise Partnership agreed a Growth Deal with the Government to include the payment of the Local Growth Fund Grant by the Ministry for Housing Communities and Local Government (formerly the Department of Communities and Local Government) (or other Government Departments as Government sees fit) to the Accountable Body for the SELEP in each financial year from 2015/16 to 2020/21.
- (D) The Accountable Body is the local authority which has responsibility for adhering to any conditions made by the Government in relation to the Grant, including ensuring that expenditure is spent in accordance with all legal requirements and complying with any reporting requirements to the Government.
- (E) Essex County Council (ECC) is the Accountable Body for the purposes of Funding allocated to SELEP Ltd by Central Government and other responsibilities as set out in the Assurance Framework.
- (F) The Council is the County Council or Unitary Council within SELEP Ltd that is the Partner Authority responsible for delivery of the Growth Deal projects.
- (G) The Project Allocation to deliver the projects will be transferred from the Accountable Body to the Council under the arrangements set out within this Agreement.
- (H) The Grant Conditions shall be issued annually by the Government under Grant Determination Letters.

IT IS HEREBY AGREED as follows

1. Definitions

1.1 In this Agreement the following terms shall have the following meanings:

Accountability Board: means the Joint Committee of the Partner Authorities established under sections 101 and 102 of the Local Government Act 1972, and section 9EA of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation to form a joint committee to manage the distribution of Funding. The Accountability Board is required to adhere to the SELEP Ltd Assurance Framework and the Framework Agreement (as may be updated from time to time) in respect of their involvement with the SELEP partnership. Responsibilities of the Accountability Board can be found in the SELEP Joint Committee agreement (as may be updated from time to time).

Additional Project Variation Agreement: means the agreement between the parties entered into pursuant to clause 12 and substantially in the same form as set out in Schedule 3.

Additional Projects: inclusion of a new project within the Local Growth Fund (LGF) programme, which has been identified within the SELEP Ltd's pipeline and approved by the Accountability Board.

Assurance Framework: means a guide to the structure of the SELEP Ltd with the processes and systems which are used to manage its activities, including the detailed processes applied to manage the funding awarded from Government. It is reviewed and agreed at least annually or as required by the Strategic Board, consulting the Accountability Board and in accordance with the SELEP Ltd Framework Agreement.

Business Case: means the business case for each Project as assessed by the SELEP Ltd Independent Technical Evaluator and approved by the Accountability Board, in line with the requirements specified in the Assurance Framework;

Change: means the occurrence of any one of the following:

- (a) cancellation of a project which has received a provisional funding allocation in the agreed Growth Deal;
- (b) inclusion of a new project within the Local Growth Fund (LGF) programme, which has been identified within the SELEP Ltd's pipeline;
- (c) acceleration of a project previously programmed to start in later years;
- (d) delays to project start or end dates of more than six months;
- (e) all changes to project LGF allocations above the 10% threshold;
- (f) any re-profiling of LGF between financial years;
- (g) any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;
- (h) any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the value for money assessment. In

- such circumstances, it is expected that the business case should be re-evaluated by the ITE;
and
(i) any further changes as may be defined by the Government.

Exempt Information: means any information or class of information relating to this Agreement which may fall within an exemption to disclosure under FOI Legislation.

Financial Year: means during the continuance of the Agreement any period commencing on 1 April and ending on the following 31 March

Framework Agreement: means the agreement in relation to the South East Local Enterprise Partnership between the Partner Authorities and SELEP Ltd setting out the duties and obligations, roles and responsibilities of the parties to that agreement in relation to delivery of SELEP Ltd's objectives.

FOI Legislation: means the Freedom of Information Act 2000 and subordinate legislation made under this and the Environmental Information Regulations 2004.

Grant: means the Local Growth Fund (LGF) capital investment grant received by the Accountable Body from Government under the name 'Growth Deal'.

Grant Conditions: means those conditions set out in the Grant Determination Letters;

Grant Determination Letters: means the letters issued by Government annually which set out the amount of Grant that the SELEP Ltd is allocated in that respective year, and the conditions under which the Grant will be released to the Accountable Body. Separate letters may be issued by different Government Departments and may stipulate different Grant Conditions; where this is the case, the respective Grant Conditions will be clarified by the Accountable Body on approval of the Grant Allocation;

Growth Deal: means the Growth Deal that was agreed between the South East Local Enterprise Partnership and the Government in March 2015 and extended to include future year Grants as awarded by the Government under the name 'Growth Deal';

Growth Deal period: from 1 April 2015 to the 31 March 2021, or as extended by either SELEP Ltd or Government.

Independent Technical Evaluator (ITE): means an independent technical evaluator (ITE) who has been appointed by the Accountable Body on behalf of the SELEP Ltd, to provide impartial technical advice to SELEP Ltd, Accountability Board, SELEP Secretariat and local project sponsors;

Information Request: a request for information under FOI Legislation.

Partner Authority: means either East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend-on-Sea Borough Council or Thurrock Council as appropriate;

Programme Consideration Meetings: means the quarterly meetings between representatives from the SELEP Secretariat, the Accountable Body and Partner Authorities to monitor progress of the Grant funded projects;

Project Allocation: means the sum to be paid to the Council for each Project from the Grant in accordance with this agreement;

Projects: those Growth Deal projects set out within Schedule 2 and as may be added to this agreement pursuant to paragraph 12, which have received Project Allocation for the delivery of the project identified within the Business Case and has received approval from the Accountability Board in accordance with this Agreement, including Additional Projects.

Publicity Requirements: means the requirements for publicity for Projects as specified by the Government in the Growth Deal or as may be updated by the Government from time to time and notified to the Council by the SELEP Secretariat;

Quarterly Expenditure Profile: means the planned quarterly expenditure profile for each Project including LGF and other funding sources towards the delivery of the project. The profile is to be revised on a quarterly basis, in line with the Reporting Period, to reflect the latest spend to date and forecast position for each Project. The profile may include planned spend for Projects that have yet to receive approval from the Accountability Board, but funding for these will not be transferred to the Council until such approval has been given by the Accountability Board;

Reported Spend: means the total actual or estimated spend incurred against a Project within a Reporting Period;

Reporting Period: means the dates specified by the SELEP Secretariat for the submission of each Quarterly Expenditure Profile and for Reported Spend for discussion at the Programme Consideration Meetings. The reporting period dates will reflect a quarterly profile;

SELEP Secretariat: means those persons employed by the Accountable Body for the purposes of providing administrative, technical or professional support to the SELEP Ltd and the Accountability Board in accordance with this Agreement;

Tail-End Project: means any project that meets one of the three following criteria:

- The total value of the LGF allocation to a project exceeds £8m and LGF spend is planned beyond the Growth Deal Period as agreed by the Strategic Board at the point of the funding decision being taken by the Accountability Board;
- At the point of a funding decision being taken by the Accountability Board, it is not expected that a contractual commitment will be in place with the construction contractor by the end of the Growth Deal Period as agreed by the Strategic Board for the delivery of the Project; or
- The Accountability Board have agreed that a specific Grant Agreement should be put in place to oversee the delivery of the Project beyond the Growth Deal Period as agreed by the Strategic Board.

Underspend: means a reduction to the total Project Allocation required by a Project.

2. Condition Precedent

- 2.1 The terms of this agreement will come into force for each individual Project or Additional Project on the condition that Accountability Board approval is provided for that specific Project or Additional Project.

3. Period of Agreement

- 3.1. This Agreement takes effect from the date of signature and remains applicable until it is cancelled by any party on written notice to each respective Section 151 (S.151) Officer for the Accountable Body and for the Council and to the Chief Executive of SELEP Ltd.

4. The Purpose of the Grant

- 4.1. The Grant shall at all times be used in accordance with the Grant Determination Letters.
- 4.2. The Council shall use the Project Allocation only for the purposes of the Projects and in accordance with the terms and conditions set out in this Agreement.
- 4.3. The agreement is only applicable to LGF projects which do not meet the definition of a Tail-End Project

5. Payment Of The Grant

- 5.1 The Project Allocation for each Project will be paid to the Council on a quarterly basis in advance provided:

- 5.1.1 The Business Case for the Project has been agreed by the Accountability Board;
 - 5.1.2 The Accountable Body is in receipt of the Grant from the Government; and
 - 5.1.3 In accordance with the process set out in Schedule 1.
- 5.2 The Project Allocation, as approved by the Accountability Board, shall not be increased in the event of any overspend by the Council in its delivery of the Project.
- 5.3 The Council shall promptly repay to the Accountable Body any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Project Allocations have been paid in error before all conditions in 5.1 have been complied with by the Council.
- 5.4. The Council must repay all or part of the funding received with respect to the Project Allocation if the Accountability Board so requires because:
- 5.4.1. The Council fails to deliver the Project in accordance with the approved Business Case;
 - 5.4.2. A Project is Changed and the Accountability Board declines to agree the Change; or
 - 5.4.3 The Project can no longer meet the Grant Conditions;
- 5.5. SELEP Ltd will be responsible for the future allocation of any returned funding in accordance with the provisions set out in the Assurance Framework.

6. Grant Responsibilities of the Accountable Body

- 6.1 The Accountable Body is required to ensure that the Grant fulfils the following requirements:
- 6.1.1 It will be used to support and secure the outcomes of the Growth Deal agreed between the Government and the SELEP Ltd;
 - 6.1.2 It will be deployed solely in accordance with the requirements of the Assurance Framework;
 - 6.1.3 That progress against agreed core metrics and outcomes are tracked in line with the national monitoring and evaluation framework;
 - 6.1.4 All expenditure of the Grant must be in accordance with all applicable legal requirements, including state aid and public procurement law, and in accordance with the Grant Conditions.
 - 6.1.5 The current Publicity Requirements (including any branding guidelines) as defined by Government for Growth Deals must be complied with; and
 - 6.1.6 In line with the Assurance Framework, in transferring the Project Allocations to the Council, it will also transfer all Grant Conditions, and monitoring and reporting requirements that are required of the Accountable Body by the Government.
- 6.2 In acting as the Accountable Body for the SELEP Ltd, the role of the Authority's Section 151 Officer, in overseeing the proper administration of financial affairs, is extended to include those of the SELEP Ltd.

- 6.3 The standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) document, "Principles for Section 151 Officers in accountable bodies", form part of the assurance process undertaken by the Accountable Body on behalf of the SELEP Ltd.
- 6.4 The following five principles set out in the CIPFA guidance are required to be addressed by the SELEP Ltd and the Accountable Body:
- 6.4.1 Enshrining a corporate position for the Section 151 Officer in LEP assurance;
 - 6.4.2 Creating a formal/structured mandate for the Section 151 Officer;
 - 6.4.3 Embedding good governance into decision making;
 - 6.4.4 Ensuring effective review of governance; and
 - 6.4.5 Ensuring appropriate skills and resourcing.
- 6.5 The Section 151 Officer will exercise their duties in line with the CIPFA guidance and the Assurance Framework.

7. Grant Responsibilities of the Council

- 7.1 In accepting the Project Allocations the Council is agreeing to the requirements and expectations as defined by the Government for receipt and use of the Grant within the Council's area, including ensuring that all Grant Conditions applicable to the Project Allocations are met and all reasonable measures are made to enable the Accountable Body to meet its obligations in respect of all aspects associated with meeting the Grant responsibilities set out in paragraph 6 above.
- 7.2 In accepting the Project Allocations, the Council is agreeing to take all reasonable measures to ensure that the Accountable Body and the SELEP Ltd are able to meet their obligations under the Assurance Framework.
- 7.3 The S.151 Officer of the Council in accepting the Project Allocations, including ensuring that all Project Allocations are subject to the Council's normal internal and external audit requirements, shall be responsible for:
- 7.3.1 Carrying out the normal stewardship role in terms of monitoring and accounting for all aspects with regard to the Project Allocations
 - 7.3.2 Providing the reporting to the SELEP Secretariat as set out in paragraph 8. All reports provided must be approved by the Council's S.151 officer or their nominated representative prior to distribution to the SELEP Secretariat;
 - 7.3.3 Confirming that paragraphs 7.1 and 7.2 have been complied with following the end of each respective financial year for the Project Allocation;
 - 7.3.4 Ensuring that the Publicity Requirements are complied with; and

7.3.5 Bringing to the attention of the Accountability Board where there are delays and risks to Projects.

7.3.6 Ensuring that Internal Audit for the Council, as a minimum, ensures the Project adheres to the terms and conditions of the Grant Agreement and the approved Business case.

7.4 The Council accepts responsibility for ensuring delivery of the Project and the outputs and outcomes agreed in the respective Business Cases.

7.5 The Project Allocation is a capped contribution per Project. The Council is responsible for all additional costs, for example overspends, arising from the implementation of the Project

7.6 The Council is expected to ensure that any development decisions required for individual Projects must go through the normal planning process as required by the relevant local authority and be guided by local plans, taking into account all material considerations.

7.7 Through the Section 151 Officer of the Council, SELEP Ltd in conjunction with the Accountable Body may undertake an audit or request the Council carries out an internal audit, of the partner's Projects to ensure the correct use of funding and may, if necessary, arrange for the recovery of any funds.

7.8 The Business Case related to the Funding Allocation will include sign-off by the promoting Council's Section 151 Officer, or equivalent, before being submitted to the SELEP Ltd for ITE review.

7.9 SELEP Secretariat will seek assurances from the Council's Section 151 Officer, or equivalent responsible financial officer, that the information contained within the Business Case is true and accurate.

7.10 The Council shall ensure that where third parties are funded by the Project Allocation for delivery of a Project that the agreement between the Council and the third party shall set out the relevant rights and obligations imposed on the Council under this Agreement and that the third party shall be bound to the Council under the third party agreement in the same way as the Council shall be bound to the Accountable Body under this Agreement for the relevant rights and obligations.

8. Reporting, Monitoring and Evaluation Requirements

8.1 The Council is responsible for providing regular reports to the Accountable Body and the SELEP Secretariat in the timescales and format specified by the SELEP Secretariat, to enable quarterly reporting to the Accountability Board and Government.

- 8.2 The reports must provide Project updates on the following aspects:
- 8.2.1. Spend of Project Allocation to date against the planned spend profile;
 - 8.2.2. Total Project spend to date, including forecast spend of matched contributions and funding leveraged to deliver the Project compared to the agreed profile;
 - 8.2.3. The forecast Quarterly Expenditure Profile;
 - 8.2.4. Project delivery against the agreed milestones in the Business Case;
 - 8.2.5. The outputs and outcomes forecast and delivered to date against the agreed profile;
 - 8.2.6. Explanation of variances in spend and milestone delivery against the Business Case, including identifying the impact on timelines, costs, outputs and outcomes;
 - 8.2.7. Identification of Project risks and the mitigations to be put in place to manage them; this will include a review of Project delivery risks, financial risks and risks to agreed outputs and outcomes;
 - 8.2.8. Confirmation of expected Project completion date;
 - 8.2.9. Identification of any required Changes to Projects; and
 - 8.2.10. Any other reporting aspects as may be required by the Government in relation to the Grant.
- 8.3. The Council will provide quarterly updates to the SELEP Secretariat with regard to anticipated Changes to Projects. The Changes in paragraph 9 would require approval by the Accountability Board. The partner shall not make any Change to projects, as listed in paragraph 9, without the Accountability Board's prior approval.
- 8.4. In accepting the Project Allocation, the Council understands that future SELEP Ltd Growth Deal allocations will be subject to the outcome of future annual conversation meetings between the Government, the SELEP Ltd and the Accountable Body. These meetings focus on progress with Growth Deal delivery over the duration of the programme and will pick up on how successfully agreed mitigating actions have been implemented. The Council therefore agrees to make all reasonable efforts to ensure that spending, output and outcome performance is in line with planned spend profiles and performance levels.
- 8.5. The Council will identify sufficient resource to fulfil the Project evaluation requirements, as set out in the Assurance Framework.

9 Changes to Projects

- 9.1 The Council shall not make any Change to the Projects without the Accountability Board's prior approval.

9.2 When seeking approval from Accountability Board for Changes that may impact on the Project's value for money, those Changes must be reflected in an updated Business Case which has been subject to an updated assessment by the SELEP Ltd Independent Technical Evaluator in line with the provisions set out in the Assurance Framework. Examples of such Changes which may impact the Project's value for money assessment include amendments to any of the following:

9.2.1. Total Project cost

9.2.2. Project Allocation

9.2.3. Expected Project benefits

9.2.4. Project outputs and / or outcomes.

9.3. Any underspend of the Project Allocation will be subject to the following requirements:

9.3.1 The Council may vary Project Allocation expenditure on any single project by up to 10%, provided that the overall schedule of schemes within the Council's programme are delivered and this does not result in a reduction in the overall benefit realisation as set out in the Business Case;

9.3.2 All underspends in the Project Allocation expenditure on any single projects in excess of 10% shall be returned to the Accountable Body on behalf of SELEP Ltd for reinvestment in accordance with the Assurance Framework;

9.3.3 Underspends of any amount must be reported through the quarterly reporting process, in accordance with paragraph 8;

9.3.4 Where the Council transfers Project Allocations to another project within the Growth Deal, it retains responsibility for that Project Allocation under the terms of this Agreement until such a time as the Agreement is amended or expires;

9.3.5 Subject to clause 9.3.2, a Project may not receive additional Project Allocation from underspends which exceeds the Project's original approved Project Allocation by greater than 10%, unless the additional funding is approved by the Accountability Board following the prioritisation of the Project by SELEP Ltd;

9.3.6 All underspends in the Project Allocation expenditure on any single project that:

(a) do not exceed 10% of the Project Allocation; and

(b) cannot be reinvested by the Council in another Growth Deal project,

must be returned to the Accountable Body on behalf of SELEP Ltd.

9.4. Project Allocation underspends must not be used to fund projects outside of the Growth Deal, unless approved by the Accountability Board in the following circumstances:

9.4.1 Transfer to fund other capital projects while also ensuring that the Council will be able to meet their Growth Deal commitments in future years, in accordance with paragraph 10.

9.5. The Council and Accountable Body will abide by any alternative definition of Change and any approval process for reporting Change, as imposed by the Government.

9.6. The arrangements set out in paragraph 9.3 of this Agreement will be reviewed annually after implementation by the Accountable Body in conjunction with the Council's S.151 Officer and the Accountability Board to ensure that they are operating effectively. This Agreement will be amended to reflect, as appropriate, the agreed changes arising from this review.

9.7. Changes that relate to inclusion of a new project for the Council within the Local Growth Fund shall be dealt with in accordance with paragraph 12 below.

10. Managing slippage of the Project Allocation

10.1. At the end of the Financial Year, if the amount of the Project Allocation exceeds the actual spend on the Project, the Project Allocation slippage may be transferred to another Grant funded project which has been approved by the Accountability Board.

10.2. In the event that the Council wishes to utilise the Project Allocation against another Grant funded project, the Council is required to adjust its Project Allocation claim in the subsequent financial year to reverse the virement of the Project Allocation, such that the total Project Allocation remains unchanged.

10.3. Following the end of each financial year, the Council's S.151 Officer shall write to the Accountable Body confirming that the following conditions have been met:

10.3.1. confirmation that the Project Allocation will be applied within the relevant financial year to a Project which has been approved by the Accountability Board;

10.3.2. demonstration that funding equivalent to the full Project Allocation for the Project will be properly applied to the Project over the duration of the Project; and

10.3.3. any temporary virement of the Grant must not adversely affect the outputs and outcomes of Projects.

11. Transfer of Grant to other capital projects

- 11.1 Where the Council is incurring slippage in any individual Projects within the current financial year and where that slippage cannot be transferred to another Project under paragraph 10, the Project Allocation may be used to fund non Grant funded projects within the approved capital programme of the Council.
- 11.2 In the event that the Council wishes to utilise the Project Allocation against non-Grant funded projects, the Council is required to recycle its deferred Project Allocation in future financial years, such that the total Project Allocation remains unchanged.
- 11.3 Approvals for any virement between Project Allocations and non-Grant funded projects must be secured from the Accountability Board regardless of value, following confirmation to the Accountable Body that paragraph 11.4 will be satisfied.
- 11.4 To transfer Project Allocations to the Council's wider capital programme, the Council's S.151 Officer shall write to the Accountable Body following the end of the Financial Year confirming that the following conditions have been met:
- 11.4.1 confirmation that the Grant will be applied to capital expenditure within the relevant financial year;
 - 11.4.2 identification of the equivalent unrestricted local capital financing sources that have been displaced by the Grant in the relevant financial year, and demonstrates that these funding sources will be applied in future financial years against the Projects;
 - 11.4.3 demonstration that funding equivalent to the full amount of allocated Grant for the Project has been properly applied over the agreed Project delivery profile; and
 - 11.4.4 any Change to funding must not adversely affect the outputs and outcomes of Projects.

12 Variation – Additional Projects

- 12.1 The parties agree that Additional Projects shall be added to this agreement pursuant to this paragraph 12.
- 12.2 Within 20 working days of Accountability Board or such other time frame as agreed between the parties, the parties agree that the Additional Projects put forward by the Council and agreed by SELEP Ltd and Accountability Board shall be added to this agreement via an Additional Project Variation Agreement. An **Additional Project Variation Agreement** will be in substantially the form set out in Schedule 3 of this agreement.

13 Consequences of Termination

- 13.1 Determination of this agreement will not affect any rights or liabilities of the parties that have accrued before the date of determination or which later accrue.
- 13.2 Upon receipt of a notice to cancel this agreement the parties shall convene a meeting. The meeting shall consider the implications of the cancellation and endeavour to agree any immediate steps. The parties shall agree an exit management plan.

14 Indemnity

- 14.1 The Council will indemnify the Accountable Body and SELEP Ltd against all costs and losses arising out of, or in connection with, a breach of this Agreement by the Council.

15 Freedom of Information

- 15.1 The parties recognise that the Accountable Body and the Council are public bodies under FOI Legislation. Each party acknowledges that where the other party is subject to the requirements of the FOI Legislation each party shall, where reasonable, assist and co-operate with the other (at their own expense) to enable each party to comply with these information disclosure obligations.

- 15.2 Where a party receives an Information Request in relation to information which it is holding on behalf of another party it shall:

15.2.1 transfer the request for information to the other party as soon as practicable after receipt and in any event within 5 (five) business days of receiving an Information Request;

15.2.2 provide the other party with a copy of all information in its possession in the form that the other party reasonably requires within ten (10) business days (or such longer period as the other party may specify) of the other party requesting that information unless the cost of compliance exceeds the limit set down pursuant to FOI Legislation (and provides reasonable proof of this to the other party); and

15.2.3 provide all necessary assistance as reasonably requested by the other party to enable the other party to respond to a request for information within the time for compliance set out in the FOI Legislation.

- 15.3 Where a party receives an Information Request which relates to this Agreement, it shall inform the other parties of the Information Request as soon as practicable after receipt and in any event at least four (4) business days before disclosure and shall use all reasonable endeavours to consult with the other parties prior to disclosure and shall consider all representations made by the other party in relation to the decision whether or not to disclose the information requested.

- 15.4 The parties acknowledge and agree that any decision made by a party which receives an Information Request as to whether to disclose information relating to this agreement pursuant to FOI legislation is solely the decision of that party. A party will not be liable to the other for any loss, damage, harm or detrimental effect arising from or in connection with the disclosure of information in response to an Information Request.

- 15.5 Each party shall be responsible for determining in their absolute discretion whether any information for the purposes of FOI Legislation:

15.5.1 is exempt from disclosure under FOI Legislation; and

15.5.2 is to be disclosed in response to an Information Request.

16 Entire Agreement

16.1 This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

17 Counterparts

17.1 This agreement may be executed in any number of counterparts, each of which shall be regarded as an original, but all of which together shall constitute one agreement binding on the parties, notwithstanding that all of the parties are not signatories to the same counterpart.

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This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

The common seal of

ESSEX COUNTY COUNCIL

was hereunto affixed in the presence of

Attesting Officer

Signed as a deed by **SOUTH EAST LEP LIMITED**

acting by

)

Director

Director/Secretary/Witness

Witness Name and Address

The common seal of

[COUNCIL]

was hereunto affixed in the presence of

Attesting Officer

DRAFT

SCHEDULE 1

Grant Payment Process

1. The Project Allocation for each Project will be paid to the Council on a quarterly basis in advance, based on the Quarterly Expenditure Profile for that quarter, providing that the following conditions have been met:
 - a. The Council is required to submit to the SELEP Secretariat, in the format specified by the SELEP Secretariat and within the agreed Reporting Period, a Quarterly Expenditure Profile of the Grant Allocation that has been signed-off by the Council's S.151 officer, or their nominated representative. The sign-off will be to confirm that:
 - i. The Quarterly Expenditure Profile reflects a locally agreed estimate of total spend to date and the forecast profile of spend per Project; and
 - ii. That all necessary local governance has been undertaken, or is planned, to support the planned spend in the quarter for which Grant is to be provided. Where local governance is planned, but not yet in place, it is expected that this is will, for example, be on the forward plan for the respective decision making body and be undertaken in the period for which Grant is being requested.
2. The total Project Allocation requested in the Quarterly Expenditure Profiles in each financial year must not exceed the level that has been approved by the Accountability Board for the respective financial year.
3. In the event that the Grant allocated in the previous quarter was lower or higher than the Reported Spend for that period, any difference will be reflected in the profiled spend for the subsequent quarter to ensure that the Council has the total funding required to adhere to the Quarterly Expenditure Profile for each respective quarter.
4. The timetable for submission of the Quarterly Expenditure Profile is as agreed in the Reporting Period.
5. The Quarterly Expenditure Profile will be subject to review and agreement at the respective Programme Consideration Meeting, and, if required, subject to approval by Accountability Board at the next opportunity.
6. Payment of the Quarterly Expenditure Profile will be made within 15 working days following receipt of the Quarterly Expenditure Profile, in accordance with the timetable for submissions set out in the agreed Reporting Period. Where a decision is required from the Accountability Board, the payment will be made within 15 days following Accountability Board approval.

SCHEDULE 2

PROJECTS

SELEP LGF project no.	Project Title	Description	Date of Accountability Board Approval	Project changes agreed by Accountability Board	Local Growth Fund Award (£) (after project changes)	Live/ Complete
Projects with Accountability Board approval						
LG00002	Newhaven Flood Defences	This Environment Agency led project will develop and recommend flood and coastal risk management options for the River Ouse at Newhaven. The project also provides an opportunity for growth by initiating regeneration of the town.	June 2015	None	1,500,000	Live
LG00023	Hailsham/Polegate/ Eastbourne Movement and Access Transport Scheme	The project will deliver a package of measures to improve access and movement along the corridor between Hailsham, Polegate and Eastbourne. The measures will include improvements for buses, walking and cycling to provide greater access to high quality integrated sustainable transport infrastructure.	February 2017	None	2,100,000	Live
LG00024	Eastbourne and South Wealden walking and cycling LSTF package	The project consists of a package of walking and cycling schemes which have been identified in the Eastbourne and Wealden Cycle Strategies. Delivery of these schemes will support housing and employment growth in the local area.	November 2015 (£2.6m) and February 2019 (£4m)	February 2018 - reallocation of £2m LGF from the project to Eastbourne Town Centre LSTF Access and Improvement Package approved	6,600,000	Live
LG00036	Queensway Gateway Road	The project will deliver a new road between Queensway and the A21 in north Hastings. The new road will help ease congestion in the area and will provide access to designated employment development sites within the Bexhill Hastings Growth Corridor which otherwise would not be brought forward. The employment development sites offer capacity for up to 12,000sqm of employment workspace.	March 2015 (£15m)	Reallocation of £9m LGF from the project to the North Bexhill Access Road and Bexhill Enterprise Park project. February 2018 - reallocation of £3m LGF to the project from the Hastings and Bexhill Movement and Access Package project approved. February 2018 - reallocation of £1m LGF to the project from the A22/A27 junction improvements project approved (A22/A27 project removed from LGF programme)	10,000,000	Live
LG00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	The project delivered the enabling infrastructure required to unlock development of a 3.4 hectare greenfield site bringing forward new employment workspace at Swallow Business Park. The enabling works delivered include: a site access road from the A22 and utility services. Completion of the project has directly enabled delivery of 2,519sqm of business space, with the potential for up to 10,344sqm of commercial space to be delivered on the site.	February 2016	None	1,400,000	Complete

LGF00067	Sovereign Harbour (aka site infrastructure investment)	The project has delivered enabling infrastructure at three sites: Sovereign Harbour, Eastbourne; North East Bexhill and North Queensway St Leonards. These works enabled fully serviced plots to be released for development on all three sites, delivering much needed commercial premises. The project will facilitate delivery of 8,750sqm of business space at Sovereign Harbour, 19,500sqm of workspace at North East Bexhill and 12,000sqm of manufacturing space at North Queensway.	February 2016	None	1,700,000	Complete
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	The project has delivered a new road which runs from the Bexhill-Hastings Link Road to the A269 north of Sidley. By relieving congestion on the A269 and improving traffic flows onto the Bexhill-Hastings Link Road, the new road plays a key role in managing the distribution of existing traffic flows and expected new traffic generated from proposed employment and housing developments in North Bexhill. The new road offers direct access to approximately 38,000sqm of employment generating floorspace and will directly unlock development sites for 780 new homes.	November 2015 (£7.6m)	Reallocation of £9m to the project from the Queensway Gateway Road project. February 2018 - reallocation of £2m LGF to the project from the A22/A27 junction improvements project approved (A22/A27 project removed from LGF programme)	18,600,000	Complete

SELEP LGF project no.	Project Title	Description	Date of Accountability Board Approval	Project changes agreed by Accountability Board	Local Growth Fund Award (£) (after project changes)	Live/ Complete
LGF00042	Hastings and Bexhill Movement and Access Package	The project will deliver a package of junction capacity improvements which were identified in Local Plan Infrastructure Delivery Plans. Delivery of these works is required to support development of housing and employment opportunities.	February 2018 (£9m)	March 2017 - proposal to combine Hastings and Bexhill junction capacity improvement package and Hastings and Bexhill walking and cycling package projects to become Hastings and Bexhill Movement and Access Package approved. February 2018 - reallocation of £3m LGF from the project to the Queensway Gateway Road project approved. Reallocation approved prior to LGF funding decision for the project being taken (original LGF allocation - £12m).	9,000,000	Live
LGF00044	Eastbourne Town Centre LSTF access and improvement package	The project will deliver a complementary package of integrated sustainable transport measures, which will improve public realm and will provide a gateway to the town centre corridor of Terminus Road.	April 2016 (£3m) and February 2019 (£3m)	February 2018 - change of project scope approved February 2018 - reallocation of £2m LGF to the project from the Eastbourne and South Wealden Walking and Cycling project approved	8,000,000	Live
LGF00068	Coastal Communities Housing Intervention (Hastings)	The project seeks to implement intervention strategies to address areas of intense deprivation associated with particular neighbourhoods which are dominated by poor quality private rented housing, with high levels of benefit dependency and social problems. The project will deliver a new build development on the site of a former problem property, creating 16 new affordable homes.	February 2017	September 2017 - change to identified development site approved	666,667	Complete

LGF00097	East Sussex Strategic Growth Package	The project has contributed to the delivery of new commercial employment developments at three locations in East Sussex. Delivery of the project has enabled the development of 34,632 sqm of additional business floorspace.	January 2017	None	8,200,000	Complete
LGF00099	Devonshire Park	The project has delivered the 2,500sqm Welcome Building, which forms part of the Devonshire Park development in Eastbourne. The Welcome Building provides two new large modern conference spaces.	March 2017	None	5,000,000	Complete
LGF00108	Bexhill Enterprise Park North	The project is seeking to deliver the onsite infrastructure required to enable private sector development in light industrial units to come forward. Delivery of the project will enable construction of 8,000sqm of light industrial units and up to 8,000sqm of manufacturing space through private sector investment.	June 2019	None	1,940,000	Live
LGF00109	Skills for Rural Businesses post-Brexit	The project seeks to bring forward the development of a 324sqm, two storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training at Plumpton College. The project will also deliver improved pedestrian and road user access to the centre, redevelopment of the pig production and beef and sheep handling facilities including automated milking stations and development of a village green through landscaping opportunities.	June 2019	None	2,918,000	Live
LGF00110	Churchfields Business Centre	The project will bring forward development of new incubator units on a currently redundant site in Hastings. The project will deliver 28 new incubator units, offering a total lettable space of 9,558 sqft	June 2019	None	500,000	Live
LGF00116	Bexhill Creative Workspace	The project will deliver 1,599sqm of low cost creative workspace through the redevelopment of a former food production facility. The project will create six light industrial units specifically for the purpose of attracting new creative industries to Bexhill.	September 2019	None	960,000	Live
Total projects approved by Accountability Board					79,084,667	

SELEP LGF project no.	Project Title	Description	Date of Accountability Board Approval	Project changes agreed by Accountability Board	Local Growth Fund Award (£) (after project changes)	Live/ Complete
Projects to be approved by Accountability Board						
LGF00117	Exceat Bridge Replacement	The project will see the replacement of the Exceat Bridge which currently causes a bottleneck within the East Sussex road network. Footway and cycleway works which will allow access from the Exceat Bridge to the Seven Sisters Country Park visitor centre will also be completed.	July 2020 (tbc)	None	2,110,579	Approval pending
LGF00124	Eastbourne Fisherman's Quayside and Infrastructure Development project	The project will contribute towards the delivery of a vibrant, multi-purpose destination combining a sustainable fishing industry for the local area with a heritage visitor destination. The project will deliver workshops, large storage areas for fishing and landing equipment (totalling 360sqm) and a heritage/visitor centre (totalling 150sqm) which will allow the fishing fleet to actively engage with the local community, visitors and tourists.	July 2020 (tbc)	None	1,080,000	Approval pending

Total projects to be approved by Accountability Board	3,190,579	
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SCHEDULE 3 – ADDITIONAL PROJECT SCHEDULE

Additional Project Schedule template

THIS ADDITIONAL PROJECT VARIATION IS DATED

20

AND IS MADE BETWEEN

ESSEX COUNTY COUNCIL of County Hall, Chelmsford, Essex CM1 1LX (“the Accountable Body”);

SOUTH EAST LEP LIMITED a company registered in England and Wales whose registered office is at County Hall, Market Road, Chelmsford, Essex CM1 1QH with company number 12492037) (“SELEP Ltd); and

[NAME OF COUNCIL] of [ADDRESS] (“the Council”)

BACKGROUND

- (A) The Accountable Body, SELEP Ltd and the Council entered into an agreement dated [DATE] for payment of the Local Growth Fund grant by the Accountable Body to the Council following agreement with SELEP Ltd for projects agreed by the parties (“the **Contract**”).
- (B) The parties agree that the projects set out in this Additional Project Variation Agreement, which have been agreed by SELEP Ltd and approved by Accountability Board for inclusion in the Local Growth Fund programme (“**Additional Projects**”) are projects eligible for Local Growth Fund funding and shall form part of the Contract.
- (C) In consideration of their mutual obligations under this Additional Project Variation Agreement and the payment by each party to the other of £1 (the sufficiency of which each party acknowledges), the parties have therefore agreed to vary the Contract on the terms set out in this Additional Project Variation Agreement.

AGREED

1. ADDITIONAL PROJECTS

With effect from the date of this agreement, the parties agree to amend the Contract to include the Additional Projects set out in the Annex to this agreement.

2. CONTINUING EFFECT

Subject to the variation set out in this agreement, the Contract shall continue in full force and effect in all respects.

3. COUNTERPARTS

The Additional Project Variation Agreement may be executed in any number of counterparts, each of which shall be regarded as an original, but all of which together shall constitute one agreement binding on the parties, notwithstanding that all of the parties are not signatories to the same counterpart.

4. GOVERNING LAW AND JURISDICTION

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

This agreement has been entered into on the date stated at the beginning of it.

**SIGNED for and on behalf of Essex
County Council**

Signature

.....

Name

SECTION 151 Officer

**SIGNED for and on behalf of SELEP
Ltd**

Signature

.....

Name

(Authorised Signatory)

**SIGNED for and on behalf of
[COUNCIL]**

Signature

.....

Name

SECTION 151 Officer

ANNEX

LGF No.	
Additional Project Title:	
Description of Additional Project:	
Total Project Allocation:	
Date of Accountability Board's decision on Additional Project:	

DRAFT

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