

AGENDA

KENT & MEDWAY ECONOMIC PARTNERSHIP (KMEP)

Monday, 10th November, 2014, at 4.00 pm

**Darwin Room, Medway Innovation Centre,
Maidstone, Chatham ME5 9FD**

Ask for: Ross Gill,
Economic Strategy & Policy Manager,
Lou Whitaker
Democratic Services Manager
(Executive Team)

Tel: 03000417077 or 03000416824

Tea/Coffee will be available 15 minutes before the start of the meeting in the meeting room

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Welcome, introductions and apologies
2. Minutes of the previous meeting (Pages 3 - 8)
3. South East LEP review of governance: Draft KMEP response (Pages 9 - 52)
4. Skills Capital Fund: Process and strategic priorities for Kent and Medway (Pages 53 - 82)
5. Local Growth Fund Round 2: Projects in Kent and Medway (Pages 83 - 88)
6. Kent and Medway Growth Hub: Update (Pages 89 - 92)
7. Kent and Medway Growth Strategy: Progress update
8. Future meeting dates and agenda planning (Pages 93 - 94)

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Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 2

MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held in the Medway Innovation Centre, Maidstone Road, Chatham, ME5 9FD on Monday, 7 October 2014.

Business representatives

Geoff Miles (Chair)
Graham Brown
Phil Cunningham
Jo James
Vince Lucas
Andrew Metcalf
Jon Regan
Nick Sandford
Paul Thomas
Paul Winter

Elected local government representatives

Andrew Bowles (Swale and Canterbury)
John Burden (Gravesham and Dartford)
Paul Carter (Kent County Council)
Rodney Chambers (Medway Council)
John Gilbey (Canterbury and Swale)
Nicolas Heslop (Tonbridge & Malling and Sevenoaks)
David Jukes (Tonbridge Wells and Maidstone)
David Monk (Shepway and Ashford)
Paul Watkins (Dover and Thanet)

Higher education representative

Prof Dame Julia Goodfellow

Further education representative

Simon Cook

Officers in attendance

Julie Beilby (Tonbridge & Malling, Alison Broom (Maidstone), David Candlin (Tonbridge Wells), Ann Carruthers (KCC) Robin Cooper (Medway), Ross Gill (KCC/ KMEP Secretariat), David Godfrey (SE LEP), Madeline Homer (Thanet), David Hughes (KCC), Tim Ingleton (Dover), Abdool Kara (Swale), David Liston-Jones (Thames Gateway Kent Partnership), Karla Phillips (KCC), Susan Priest (Shepway), Mike Rayner (KCC).

Apologies

Business representatives

Paul Barrett
Peter Fleming
Eliot Forster
Paul Gardiner

Further education representative

Graham Razey

1. Welcome, introductions and apologies for absence

(Item 1)

The Chairman, Mr Geoff Miles, opened the meeting and welcomed those present

2. Minutes of the previous meeting held on 14 July 2014

(Item 2)

Jo James was incorrectly referred to as Jo Jones throughout.

Abdool Kara was not recorded as present despite having attended the meeting.

With the above amendments noted, the minutes of the previous meeting were agreed as a correct record.

There were no matters arising that were not referred to elsewhere in the agenda.

3. Local Growth Fund: Round 2

(Item 3)

The Partnership received a report by Ross Gill, Economic Strategy and Policy Manager for KCC, which explained the request from government for an indicative list of projects for consideration in second round LGF funding allocation. Ross thanked all of those who had contributed to the submission and particularly the support received from Medway Council and the District Councils.

He described the content of the report and the way in which it had been compiled and in particular referred to the following:

- That the government had indicated that there would be £500million made available nationally for the second round bids which would be allocated in 2016/17 and 2017/18.
- That SELEP had set out an ambitious yet realistic priority list seeking £50million of those funds.
- That it was acknowledged that the scoring system used to select entries for the list could be improved. It had been used in order to facilitate a necessarily speedy response to government but would be improved for future use to ensure that infrastructure projects were not necessarily favoured over others.
- That the list was genuinely indicative at this point. Should the government respond in January 2015 as suspected the projects set out would be subject to due diligence, full scoping and appraisal and as such the final call for projects may see some changes from the list as submitted.

Disappointment was expressed by Mr Bowles, Leader of Swale Borough Council that the significant M2 Junction 5a scheme did not feature on the list, despite its strategic importance.

Nick Sandford also expressed concern that the list was heavily focussed on transport and infrastructure projects and reminded members that the Partnership had wider aims, such as supporting business innovation and growth.

Dame Julia Goodfellow reported that she and the wider university sector had supported the transport emphasis in the first round submission but was disappointed that the University of Kent bid could not succeed on the second round list despite being ready to move forward immediately on receipt of funding. It was noted that innovation related projects should be encouraged in future rounds.

David Godfrey, Director for the South East LEP, reminded the Partnership that there would be further comprehensive discussions with ministers before any decisions were made and indeed before the final figure for allocation were settled upon. It was crucial in this time that the partnership did all that it could to encourage an increase in the overall pot and part of this process would be to put forward the types of project that the government had an interest in seeing delivered. There would however be a written letter to accompany the priority list submission which would put the entries in to context and deal with some of the issues raised by Partnership members.

It was RESOLVED that the report and priority projects for submission to government be NOTED and a report on proposal for an improved scoring system would be put forward for consideration at the Partnership Board.

4. Delivering the LGF Transport Programme

(Item 4)

The Partnership received a presentation from Ann Carruthers, Head of Strategic Planning and Policy at KCC detailing the progress of the Local Growth Fund Phase 1 transport projects.

It was RESOLVED that the report be NOTED

5. Future LEP Governance: The Irene Lucas review

(Item 5)

The partnership received a presentation from Ross Gill, Economic Strategy and Policy Manager for KCC, regarding the recommendations of Irene Lucas relating to LEP governance.

In particular the presentation highlighted the following issues:

- That the review had focussed on the democratic and financial accountability of the LEP structure.
- That it was likely that the final report would recommend two main changes to address these issues:
 - (a) The establishment of an Accountability Board at LEP level that would have decision making powers delegated via the Local Government Act 1972 by establishment as a Joint Committee of participating authorities.
 - (b) The apportionment of additional resources to manage the complicated transport programmes associated with the LEP funding.
- That it was crucial that the governance mechanisms put in place were reflected in the federated model in order to maintain the arrangements in place in the SELEP region and therefore it may be necessary to establish a KMEP Accountability Board.
- That work would need to be conducted with all participating authorities and in particular with Essex as accountable body to ensure that the federated model remained strong and local areas were responsible for the identification, delivery and monitoring of the projects within the locality. How this would work in practice would require investigation and was likely to be

reliant on close working and agreement between the Essex 151 officer and counterparts at local level.

- That other considerations would be largely related to identifying systems and procedures for managing overspends and non-spends at a local level and the decision making routes that would need to be in place related to such issues.

The Partnership discussed the information received. The following comments were received from members:

- That the federated model had been agreed and any new arrangements must serve to protect and strengthen that model. If the government would not support that approach it should be made clear that SELEP as constructed could not be maintained.
- That detailed rules and procedures would need to be drawn up in order to support the federated model. These would related to the financial limits on monitoring by local boards, and on underspending or non-spending to establish at what point the full SELEP board should be involved and when Board wide priorities would take precedent over local priorities if ever.
- That the government should be reminded of, and encouraged to support, the localism agenda by supporting the federated model in the South East LEP area.

It was RESOLVED that the report be NOTED and that a report be considered by the next meeting providing the KMEP detailed response to the proposals contained within the review.

6. Business growth: Kent and Medway Growth Hub and the innovation and Growth Strategy Statement

(Item 6)

The Partnership received a presentation regarding the proposals for a Growth Hub.

The Partnership was asked to consider two options for the delivery of the Growth Hub – a centrally managed service across the LEP, or a locally managed service at Kent and Medway level. Following debate, the Partnership reached a consensus in support of the latter.

In addition to the revenue funding the Partnership considered the £6million capital funding made available for business growth. Options were presented for consideration. It was agreed to progress a proposal for access to business finance. However, it was noted that any final project should seek to enhance future bids to EDRF. In response, suggestions were received regarding the potential to maximise funding allocations by focusing on carbon reduction programmes.

It was RESOLVED by consensus that the preferred options be pursued. It was agreed that more detailed proposals be worked up and presented to the Board for further consideration.

7. Future Kent and Medway Growth Strategy

(Item 7)

Ross Gill, Economic Policy and Strategy Manager, reported to the Partnership on the development of the Growth Strategy. He reminded members that the original development of the plan had been somewhat overtaken by events when the Government made a call for priority projects for phase 1 of

the Local Growth Fund, at which time the drafting process had focussed on the prioritisation of projects, and was bid-like in its nature.

He proposed that the time was now right to update the plan in order to complete and adopt it as the strategic document as was originally intended.

It was RESOLVED by consensus that work restart on the Growth Plan.

8. Future meeting dates

(Item 8)

The Partnership confirmed the future meetings dates as:

Monday 10 November 2014 - earlier start time of 4pm

Monday 1 December 2014

9. Any other business

(Item 9)

ERDF: Nominations are being sought for representation on the new European Structural and Investment Funds sub-group of the National Growth Board. This will consider applications under the new ESIF arrangements.

Construction Expo: Jo James reported that the Kent Construction Expo would take place later in the week at the County Showground at Detling and encouraged members of the Partnership to attend.

Manston Airport: It was reported that an update would be provided for discussion by Thanet Council Cabinet on October 16.

KCC Senior Officer Update: Mr Carter, Leader of Kent County Council, reported that as a result of Barbara Cooper's promotion to Corporate Director of Growth, Economic Development and Transport. David Smith had been appointed as the Council's new Director of Economic Development.

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Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 3

Subject: South East LEP review of governance: Draft KMEP response

By: Ross Gill
Economic Strategy and Policy Manager, Kent County Council

Summary

This paper summarises the recommendations arising from the recent review of governance commissioned by the South East Local Enterprise Partnership and proposes a draft response on behalf of KMEP, addressing each of the recommendations made in the review.

The draft response welcomes the review and the broad direction of travel that it sets out. However, it suggests that the federated principles on which the LEP is based should be strengthened, and it proposes some amendments to the recommendations to minimise the need for central bureaucracy.

The KMEP Board is recommended to consider and comment on this report, so that a formal response on behalf of KMEP can be submitted.

1. Background

- 1.1. During the summer, the South East LEP commissioned Irene Lucas CBE to carry out a review of governance. This aimed to ensure that the LEP has a strong accountability framework in place and that decision-making procedures are clear and transparent. In carrying out the Review, Irene was also asked to ensure that the LEP continues to operate through a 'federated' model, with most substantive activity devolved to KMEP and its equivalents.
- 1.2. Following a series of interviews with LEP Board members, desk research and an analysis of the progress of LEPs nationally, a preliminary overview of initial findings was made to the LEP Board as a presentation in September. This was also discussed by KMEP Board last month. Following this, KMEP Board agreed it should respond to the preliminary recommendations so that this can inform the Review's final report.
- 1.3. The Review makes it clear that a lack of clear governance arrangements are holding back the South East LEP relative to other LEPs. This view has been reinforced by Government. The LEP's lack of clear governance is partly a consequence of its geography, the fact is that the LEP is primary conduit for significant funding at present, and the governance challenges need to be

addressed. Both the LEP Board and KMEP have therefore broadly welcomed the Review's analysis.

2. The content of the Review and suggested response

- 2.1. The Review makes twelve recommendations, following an analysis of the challenges facing the LEP. These are primarily focused on strengthening governance and accountability arrangements. Each recommendation is set out in the paragraphs below, accompanied by a suggested KMEP response.

Recommendation 1

- 2.2. "Although project prioritisation has been a challenge, the LEP should revisit Shared Intelligence's analysis of the need to identify a handful of pan-LEP projects". This recommendation is based on a view that the LEP's overall strategy is fragmented, and that the LEP would be strengthened through a greater focus on some strategic projects of importance to the whole area.

Suggested response

- 2.3. It is not surprising that there are few 'pan-LEP' projects. While there are some major infrastructure projects that are genuine shared priorities (such as the Third Thames Crossing), the South East LEP is neither a functional economic area nor a natural planning region. So it is not really clear what a 'pan-LEP' project would be.
- 2.4. Rather than creating artificial projects to justify the geography, it would be better to accept the reality that the LEP is essentially a federation of three county-regions and their sub-county areas. However, there may be some areas in which scale may be helpful, such as in taking forward an infrastructure fund along the lines of the proposed 'SEFUND' concept.

Recommendation 2

- 2.5. "SELEP should quickly move to an Accountability Framework model to ensure that there are robust processes in place and that progress in prioritisation, assessment and delivery is managed transparently. The Accountability Framework will provide the accountability structure for decision-making within the overarching vision of the LEP Board and will satisfy the accountability processes for the Accountable Body".

Suggested response

- 2.6. This is a sensible recommendation. It will be important that the Accountability Framework clearly embeds the federated model (as set out in the suggested responses to later recommendations).

Recommendation 3

- 2.7. "The Accountability Framework model should be led by an Accountability Board (based on a modified Joint Committee model) comprising local authority representation from each of the

federated areas alongside two advisor nominees representing HE or FE and business from each federated area”

Suggested response

- 2.8. The creation of a Joint Committee (as defined under s101 of the 1972 Local Government Act) alongside the LEP is a solution that many areas have adopted in order to ensure democratic accountability, and is straightforward. However, in creating a Joint Committee, a number of issues will need to be addressed, including the composition of the Committee (and which authorities are member authorities) and the operation of scrutiny. Establishing a Joint Committee across Kent and Medway, Essex and East Sussex would also take some time.
- 2.9. Consideration will also need to be given to the specific role of a LEP-wide ‘Accountability Board’. All the Local Growth Fund money is geographically allocated (apart from the Skills Capital funding, which is subject to a separate process already underway). Almost all of the LGF funding is also for transport schemes, most of which will be delivered by the local transport authorities, and the schemes are mostly local – rather than regional – in impact.
- 2.10. It should therefore be straightforward for the accountable body to issue grant agreements with each local transport authority for its share of the funding, passing on all liabilities, flexibilities and monitoring requirements, and requiring the authorities (KCC and Medway in this case) to report to KMEP and to seek its consent to any variance. In this case, programme management and accountability will rest locally, avoiding duplication of effort, with the central LEP (via an Accountability Board) retaining a limited role in collating monitoring data, reporting to Government and perhaps maintaining the ability to reallocate funds above a certain (high) threshold.
- 2.11. To support this, a Kent and Medway Accountability Board on a Joint Committee model could be established alongside KMEP to regularise oversight of the local programme and effectively monitor performance to the standard required by Government.

Recommendation 4

- 2.12. “All other assurance sub-groups requiring performance management should report into the Accountability Board”.

Suggested response

- 2.13. There should be no need for additional assurance sub-groups. Performance management will mostly take place locally and report through local arrangements, with regular reports received by the LEP Accountability Board.

Recommendation 5

- 2.14. “The LEP Accountability Board should be chaired by a Vice Chair of the LEP Board”

Suggested response

- 2.15. This is a good idea, provided it is acceptable to the member authorities of the Accountability Board to be chaired by someone other than an elected member.

Recommendation 6

- 2.16. “The Section 151 Officer of the Accountable Body should be a member of the Accountability Board”.

Suggested response

- 2.17. Formally, the s.151 officer should probably be an advisor to the Accountability Board and attend all meetings, rather than be a member of it.

Recommendation 7

- 2.18. “The LEP Accountability Board should meet quarterly and become the main performance management structure within the LEP”. The Review recommends that the Accountability Board should be responsible for project appraisals and approvals and approve all scheme variations.

Suggested response

- 2.19. This recommendation may require some revision. Within a federated model, the central LEP Accountability Board is not responsible for project appraisals, approvals and variations – the devolved arrangements are. So, the key issue is ensuring that the devolved arrangements (as set out in para. 2.10 above) are sufficiently robust.

Recommendation 8

- 2.20. “As a matter of urgency publish a ‘SELEP guide to governance, delivery and management’, setting out clearly the process by which bids are assessed, risks considered, approvals made and performance managed”.

Suggested response

- 2.21. This is a sensible recommendation. This manual needs to be in place and the contents would be the same throughout the LEP, so it would make sense to prepare a single document for use across the LEP area.

Recommendation 9

- 2.22. “The LEP Senior Officers Group should be formally recognised to serve the LEP Accountability Board and ensure that there is a consistent approach to reporting and performance management”.

Suggested response

- 2.23. It is not clear what ‘formally recognised’ means. But this recommendation should be unnecessary if there is a common performance management standard across the LEP area and if the reporting requirements are set out in grant agreements.

Recommendation 10

- 2.24. “A neutral Senior Programme and Project Management Officer should be appointed to act as the main contact for Government and federated areas”.

Suggested response

- 2.25. This is a sensible proposal. However, it should be clear that this is primarily a monitoring, reporting and coordinating role, not a role as director of a single capital programme.

Recommendation 11

- 2.26. “A SELEP Employment and Skills Partnership Group should work with the Skills Funding Agency and report to the Accountability Board on approved projects and conduct the necessary risk assessment. A post should be created within the secretariat of Senior Employment and Skills Officer, acting as the interface between the SFA and other partners and overseeing performance reporting to the Accountability Board”.

Suggested response

- 2.27. It is illogical to devolve the management of over £400 million in transport funding to each federated area, yet to run £22 million in skills funding as a regional programme. The principle of the federated model is that the funding is devolved – so there is therefore no need for a central Employment and Skills Partnership Group, given that equivalent groups already exist in Kent and Medway and the other county-regions anyway.

Recommendation 12

- 2.28. “An expert panel should be created to provide independent advice to the Accountability Board on the assessment of bids to ensure transparency of process and assurance”

Suggested response

- 2.29. Rather than creating an expert panel, it may be more helpful to put in place a single appraisal framework, perhaps with the programme management officer retaining ownership of it.

3. Conclusions

- 3.1. Overall, the Irene Lucas review is very welcome, and the recommendation for a clearer accountability framework and standard appraisal and monitoring process is to be supported. However, the federated model means that accountability should primarily lie with Kent and Medway and the other federated areas – so while the LEP may set a common framework, management and control should rest locally.
- 3.2. It is therefore suggested that the recommendations of the review are adjusted to take account of the agreed federated model. This should be fairly straightforward.

4. Recommendations

- 4.1. The KMEP Board is recommended to consider this report in the light of the initial findings of the Irene Lucas Review and to comment on the proposed response.
- 4.2. Following the Board meeting, a draft response will be prepared for submission to the LEP.

Report author:

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1 November 2014

Documents attached:


Annex 1: South East LEP Delivery Review initial findings



South East Local Enterprise Partnership

Delivery Review Initial Findings

Irene Lucas CBE
26 September 2014



Methodology

- Concentrated review of delivery arrangements
- Field work August and September 2014
- Review of documents and desktop research
- Analysis of Local Enterprise Partnerships progress nationally
- 42 interviews with board, government representatives and others
- Presentation of initial findings to South East LEP 26th September



Today

- Context – Performance of LEPs nationally

Then answer the questions posed by SELEP:

- Can other bodies have ‘accountable body’ status
- How best to ensure effective delivery
- How financial and delivery risks are best managed?
- What resources are needed to ensure effective accountability and delivery?





South East

Local Enterprise Partnership



Performance of LEPs nationally

‘Not clear that the government has achieved its objective to increase democratic accountability and transparency’

‘The Government’s commitment to ‘ensuring an orderly transition from RDAs to the new delivery landscape has not been achieved’

‘LEPs are making progress at different rates with some CEPs facing significant capacity issues’

Funding and Structures for Local Economic Growth
National Audit Office (2013)

Performance of LEPs nationally

There are different models of accountability:

- Combined Authority Model
- Full Incorporation into a Company Limited by Guarantee
- Community Interest Company
- Supervisory Board
- Economic Prosperity Board
- Statutory Joint Committee



Performance of LEPs nationally

NAO recommended that DCLG and BIS should:

- **Review the current arrangements for coordination, accountability and transparency of local growth programmes**
- Continue to monitor and develop the capability and capacity of LEPs
- Develop project monitoring frameworks to allow genuine comparisons between different programmes
- Develop a strategy for evaluating the ‘additionality’ of jobs created in Enterprise Zones
- **Work with LEPs to ensure their transparency arrangements are robust and meet the expectations on local authorities**



Can other bodies have ‘accountable body status’?

- All Local Growth Funds will be paid as a Section 31 grant determination to a lead ‘accountable body’ for each LEP
- This model will apply irrespective of the different structures and accountability frameworks that will exist
- There will be no direct delegation of Local Growth Funds between government and other parts of the LEP organisation





How best to ensure effective delivery?



How best to achieve effective delivery?

Expectations on the Local Growth Fund will require LEPs to have:

- Clear governance and decision making
- Strong well understood partnership arrangements
- Transparent decision making
- Clear arrangements for options appraisal and prioritisation of projects
- Performance arrangements so that Boards can demonstrate value for money, outputs and outcomes



SELEP - areas for development

- No prioritisation and no transformational projects yet identified
- Roles and responsibilities within the LEP are still unclear
- Accountability framework is ill defined
- Limited processes are in place to assess bids
- Weak performance management and reporting to the Board
- Poor performance so far in relation to Growing Places Fund
- A role for the Coastal Communities, Rural Economy and groups is still to be defined



SE LEP – positives:

- SELEP have identified the need to address these weaknesses by:
 - Developing a robust Transport Assurance Framework with energy and pace
 - Commissioning this wider Delivery Review
- The strategic location of SELEP is second only to London and the ambition in the EP is poor
- There is wide acknowledgement significant potential in working together to develop transformational projects
- There is wide acknowledgement that reputation is at risk and that in order to get the £440 million spent and prepare for the next bidding round a focus on delivery is essential

How best to achieve effective delivery?

Recommendation 1

- Irrespective of the long term composition of the LEP, whilst prioritisation has been a challenge – SELEP should revisit Shared Intelligence’s analysis of the need to identify a handful of pan-LEP projects



How best to achieve effective delivery?

Recommendation 2

- SELEP should quickly move to a Accountability Framework model to ensure that there are robust processes in place and that progress in prioritisation, assessment and delivery are managed transparently SELEP. Accountability Framework will provide the accountability structure for decision making within the overarching vision of the Board and the approved bids and will satisfy the accountability processes for the Accountable Body



How best to achieve effective delivery?

Recommendation 3

- The Accountability Framework model should be led by an **Accountability Board** (based on a modified Joint Committee model) comprising local authority voting representation (2) from each of the federated areas alongside two adviser nominees representing H.E. or F.E. and business from each federated areas



How best to achieve effective delivery?

Recommendation 4

- All other assurance sub groups requiring performance management should report into the Accountability Board



How best to achieve effective delivery?

Recommendation 5

- That the Accountability Board should be chaired by a Vice Chair of the Main Board



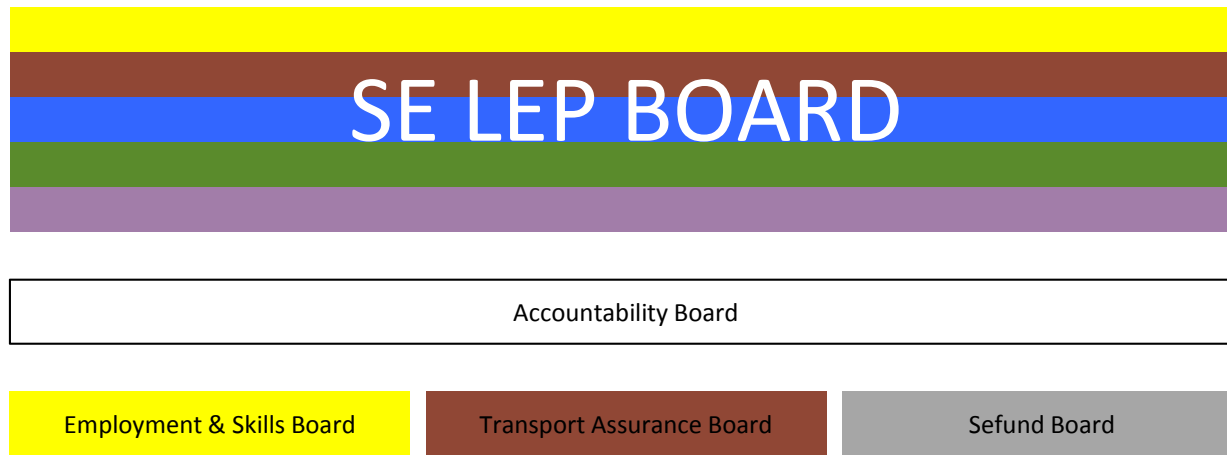
How best to achieve effective delivery?

Recommendation 6

- The Section 151 Officer of the Accountable Body should be a member of the Accountability Board



South East LEP Federal Structure Governance and Accountability Framework



KENT & MEDWAY ECONOMIC PARTNERSHIP	TEAM EAST SUSSEX	GREATER ESSEX BUSINESS BOARD	THAMES GATEWAY SOUTH EAST PARTNERSHIP
Employment & Skills	Employment & Skills	Employment & Skills	Employment & Skills
Transport	Transport	Transport	Transport
Coastal Communities	Coastal Communities	Coastal Communities	Coastal Communities
Rural Economy	Rural Economy	Rural Economy	Rural Economy
Cultural/Creative Industries	Cultural/Creative Industries	Cultural/Creative Industries	Cultural/Creative Industries



The position in South East LEP

Recommendation 7

- SELEP Accountability Board should meet quarterly (or ad hoc as necessary) and become the main performance management structure within the LEP. It should:
 - ✓ Be responsible for appraisals and approvals in accordance with Board recommendations
 - ✓ Ensure accountability from each of the federated areas relating to expenditure and programme
 - ✓ Ensure that any variations to schemes are dealt with properly and speedily with the minimum of bureaucracy
 - ✓ Report on an exceptions basis to the Board on a quarterly basis on performance
 - ✓ Ensure that timely reports on progress are available for central government

Financial and Delivery Risks



How are financial and delivery risks best managed?

Expectations:

- Ensure that bids projects and bids are assessed transparently and clearly linked to the Economic Plan
- Clearly identify who is responsible for delivery
- Have clearly defined activities, outputs and milestones
- Demonstrate that there are clear outputs and outcomes as well as value for money tests
- Demonstrate through robust risk assessments that risks have been considered
- Ensure that adequate performance arrangements are in place



SELEP - Areas for development:

- No prioritisation at a LEP level yet
- Roles and responsibilities within the LEP are still unclear
- Accountability framework is ill defined
- Limited processes are in place to assess bids
- Weak performance management and reporting to the Board
- Poor performance so far in relation to Growing Places Fund
- Weak risk assessment
- Weak performance management arrangements in place



SELEP - areas for development:

- Not developing strategic, transformational bids is a key financial risk to the whole of the SELEP – irrespective of future structure
- There is a lack of clarity over approval processes and performance management
- There is a lack of detail for those projects where match funding has been identified leading to a lack of confidence over delivery
- In the absence of a performance management framework Essex CC's role as accountable body has become the default project approval mechanism
- SEFUND is seen as an exciting prospect but it is not yet well understood and has become a distraction at this early stage of SELEP's development



How are financial and delivery risks best managed? – positives:

- All of the organisations represented around the Board table have delivered major projects
- Good quality detailed programme and project management processes are in place in the lead organisations delivering proposals within the bid
- All agree that the existing arrangements are not satisfactory and work is in progress to develop robust arrangements
- Steps have been taken to clarify the purpose and mechanics of SEFUND



How are financial and delivery risks best managed?

Recommendation 8

- As a matter of urgency publish a '**SELEP Guide to Governance Delivery and Performance Management**' setting out clearly the accountability framework and processes by which bids are assessed, risks considered, approvals made and performance managed



Resourcing the LEP Team



How should South East LEP be resourced? – areas for development:

- The current secretariat are well regarded but there is a lack of expertise in project management
- There is little appetite for replacing arrangements equivalent to the Regional Development Agency
- There is a real concern that the delivery of the the £440m Growing Places Fund is being jeopardised by bureaucratic bottlenecks
- There are skills gaps at a strategic level in the ability to demonstrate accountability – and these gaps will be exacerbated when funding is available for spend in April 2015
- Qualified regeneration professionals do not like being challenged by unqualified gatekeepers



How should South East LEP be resourced?

The SE LEP secretariat comprises:

- 1 x Director
- 1 x Communications and relationship management officer
- 1 x European Officer
- 1 x Administration Officer



How should South East LEP be resourced?

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How should South East LEP be resourced?

Recommendation 9

- The SELEP Senior Officers Group should be formally recognised to serve the SELEP Accountability Board and ensure that there is a consistent approach to reporting and performance management



How should South East LEP be resourced?

Recommendation 10

- A neutral Senior Programme and Project Management Officer (SPPMO) Regeneration and Transport be appointed with strong relationship management and brokerage skills to act as the main contact for government and the federated areas



How should South East LEP be resourced?

Recommendation 11a

- A SELEP Employment and Skills Partnership Group should work with the Skills Funding Agency and report to the Accountability Board on approved projects, conduct the necessary risk assessment and progress on a regular basis



How should South East LEP be resourced?

Recommendation 11b

- A post be created within the secretariat to support the Employment and Skills Partnership Group as Senior Employment and Skills Officer (SESO), acting as the interface between the SFA and other partners in the delivery of the Growth Deal, and overseeing performance reporting to the Accountability Board



How should South East LEP be resourced?

Recommendation 12

- That an expert panel be created to provide independent advice to the Accountability Board on the assessment of bids to ensure transparency of process and assurance



Conclusion

- Every party is committed to the devolution of growth policy and funding – no alternative structural programmes to the LEP are emerging
- The LEP has a huge opportunity to make rapid progress – there is a real appetite for delivering on the ambition to be the Most Enterprising Economy in England.
- The reputation and track records of local areas will influence the future allocation of funding by government
- Irrespective of what you do in the future – it is what you do tomorrow that counts – counts for reputation, ensures delivery – but most of all – making sure that the South East of England gets every penny it can for the development of this place and for the benefit of its communities...there is in my view a great deal to lose – but also a great deal to gain
- And finally SELEP's geography, assets and Board Members make it a uniquely powerful organisationwith such potential



Conclusion



Conclusion



Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 4

Subject: Skills Capital Fund: Process and strategic priorities for Kent and Medway

By: Ross Gill
Economic Strategy and Policy Manager, Kent County Council

Mike Rayner
Early Intervention Manager, Kent County Council

Summary

As part of the Growth Deal, the South East LEP has been awarded £22 million to create a Skills Capital Fund in 2015/16 and 2016/17.

The LEP, on the advice of the Skills Funding Agency has developed a process to manage this allocation of funding. This proposes that the funding is allocated according to open competition, involving initial expressions of interest, followed by full applications. The LEP is seeking endorsement and comments from KMED and the other federated boards, so that a call for formal expressions of interest can be launched later this month

This paper sets out:

- a) The proposed application process;
- b) A suggested KMED response. This broadly endorses the proposed process. However, it suggests that projects should be enabled to move directly to full application, in order to speed up the process.

KMED Board is recommended to consider this paper and to agree a response to the Skills Capital Fund allocation process.

5. Background

- 5.1. As part of the Local Growth Fund, the Government has devolved the management of some of the Skills Funding Agency's responsibilities for providing capital funding to further education colleges and other skills providers. Following this decision, the South East LEP has been awarded £22 million as a Skills Capital Fund, to be spend in 2015/16 and 2016/17.

- 5.2. Within the Strategic Economic Plan, the LEP put forward a number of potential projects for funding. For Kent and Medway, these included the development of the new campus at Ashford, and (in future years) a further indicative allocation for provision at Sittingbourne.
- 5.3. However, the Growth Deal commits the LEP to running an open and competitive process for the Skills Capital Fund, with the Skills Funding Agency acting in an advisory capacity. At its meeting on 8 September, KMEP Board noted this commitment, endorsed the Kent and Medway priorities proposed in the Strategic Economic Plan and agreed to receive a further report on the proposed process.

6. The proposed funding allocation process

- 6.1. The Skills Group of the South East LEP (which includes representation from Kent and Medway) has worked with the Skills Funding Agency to design an allocation process and criteria.

General principles

- 6.2. It is proposed that:
- a) The process will make use of **standard SFA processes** (with which most likely applicants will be familiar), adapted to local requirements;
 - b) The core criteria will be based on supporting **learners**, supporting **employers** and supporting **economic growth**;
 - c) The Skills Capital Fund will contain two elements:
 - Funding for **major capital projects** (notionally allocated £18 million); and
 - Funding for specialist equipment to deliver industry skills (notionally allocated £4 million).
 - d) The major capital projects element will **only be open to further education colleges** (although the specialist equipment element will be open to all providers). This is because for major projects, the SFA is only able to support the LEP in the financial assessment of FE college providers.
 - e) Each element will be restricted to **one application per institution**, reflecting the limited size of the funds available.

Application process

- 6.3. It is proposed that the allocation of funding will be subject to a **two-stage process**, involving an initial expression of interest followed by a full application.
- 6.4. The proposed timetable is as follows:

19 December 2014

Deadline for expressions of interest

30 January 2015	Announcement of outcomes of expression of interest round Launch of process for detailed applications
3 April 2015	Deadline for submission of detailed applications
22 May 2015	Announcement of outcomes of detailed applications

6.5. It is proposed that major capital applications are considered against a scoring matrix with the following criteria:

- Benefits to learners and employers (22.5% weighting)
- Supporting economic growth (22.5% weighting)
- Financial value for money and affordability (27% weighting)
- Estate need (18% weighting)
- Delivery against LEP priorities (10% weighting)

6.6. To provide a guide to LEP priorities, the LEP has prepared a draft **Skills Strategy**, attached as Annex 1. This is largely taken from the skills chapter of the Strategic Economic Plan. However, it could be revised at a later date and is without prejudice to future strategies that may be adopted for Kent and Medway.

6.7. It is expected by the SFA that the LEP will be required to approve successful bids at expression of interest and full application stage. **As the LEP has no delegated authority, it is not clear how this will work**, and further clarification will need to be sought from the accountable body (Essex County Council in this case).

7. Issues for Kent and Medway and potential KMEP response

7.1. Generally, the proposed application process and criteria are consistent with those that have been historically followed by the SFA. They also provide for increased weighting to support for economic growth and employers, reflecting the priorities set out by KMEP in the Kent and Medway growth strategy.

7.2. However, **the length of time taken by the proposed two stage process is likely to be problematic for some potential applicants**. In particular, a delay in funding approval to May will be very challenging for Hadlow College in respect of the College's application for work at the Ashford campus, given the contingency of SFA funding in this financial year on commitment to funding in 2015/16. **It is therefore suggested that the process is amended to permit full applications to come forward immediately**, where they are ready to do so.

8. Alternative options

8.1. In September, KMEP Board considered alternative options for the management of the Skills Capital Fund, including the potential for devolving the funding consistent with the rest of the Local Growth Fund. However, the Growth Deal and the advice of the SFA commits the LEP to running a single, competitive programme and we have been given a strong steer from

Government that the competition process must start very quickly to give assurance of spend from April 2015.

- 8.2. There are therefore no practical alternatives at this stage to the broad process as outlined. However, future funding allocations will obviously be subject to future decisions on the governance and geography of the LEP. It would also be helpful if guidance could be placed within the call for projects stating that a broad proportionate distribution across the federated areas of the LEP will be adhered to, in order to provide certainty of available funding.

9. Recommendations

9.1. KMEP Board is recommended to:

- a) Consider this report;
- b) Endorse the broad process as proposed so that a call for projects can be initiated as soon as possible;
- c) Agree that the process should be modified so that full applications for major capital projects can be received immediately, in order that the first full project approvals can be made in January.

Documents attached:

Annex 1: Draft South East LEP Skills Strategy

South East
Local Enterprise Partnership



South East Local Enterprise Partnership

Skills Strategy

2015 - 2017

'Our working age population is less skilled than that of France, Germany and the US and this contributes to the UK being at least 15% less productive than those countries.

We are currently weak in the vital intermediate technical skills that are increasingly important as jobs become more highly skilled and technological change accelerates. Approximately 80% of the people who will be in the workforce in 2020 have already left compulsory education.

If we are to achieve a world-class skills base we need to increase the level of their skills and meet the demands of our economy'.

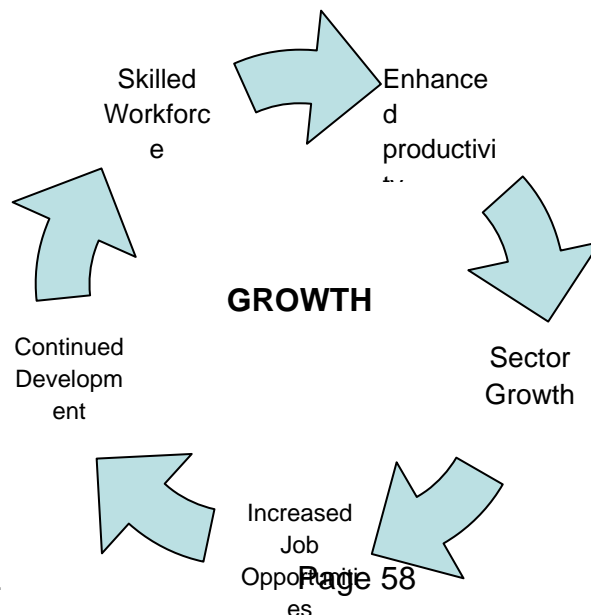
Skills for Sustainable Growth Strategy (BIS, 2010)

Foreword – Peter Jones

Chapter 1: The Importance of Skills to Economic Growth

The crucial role that skills development plays in economic growth is often overshadowed by other areas of the growth agenda such as transport, infrastructure, housing and broader business support. A significant number of employers raise skills and recruitment issues. They report concern about the impact on their continued productivity and growth of their business; whether this is related to an aging workforce, workforce development needs or ability to recruit new talent, particularly from the local area and indeed sometimes the UK.

Skills are not just important for our global competitiveness; they have the potential to transform lives by transforming life chances and driving social mobility. Having higher skills also enables people to play a fuller part in society, making it more cohesive, more environmentally friendly, more tolerant and more engaged. The LEP, with its local partners, can play a significant role in delivering a more coherent and employer responsive system that truly embeds skills within the economic agenda so that the skills system works in tandem with the other vehicles for growth and is fully recognised as a vital component to the growth cycle.



The BIS report - Productivity and the Economic Cycle (2011) states that *'In the long run, the challenge for UK's policy makers is to foster higher levels of skills that are essential for emergence as a leading knowledge-based economy, as well as progression of a significant proportion of the population beyond the first university degree'*.

The importance of skills for successful innovation, and for productivity growth in general, is well understood. In the UK, there was a significant increase in job skills between 1986 and 2006. For example, the proportion of jobs requiring Level 4 education or higher increased from 20% in 1986 to 30% in 2006. Similarly, the proportion of employees using computerised or automated equipment in their job nearly doubled from 40.3% in 1986 to 77.4% in 2006. This is consistent with the OECD's estimates that human capital accounted for an overwhelmingly large proportion of annual TFP growth in the UK between 1990 and 2000.

The Leitch Review of 2006 argues that UK has historically had a skills gap vis-a-vis other OECD countries, and this gap has not been bridged despite the significant improvement in the skills level in the UK between the early nineties and the middle of the last decade. Available evidence suggests that there are two problems in particular, namely, **a mismatch between the skills of the workers and the skills required for their jobs**, and heterogeneity about perceived benefits from skills acquisition. The skills gap is also reflected in the **greater perceived difficulty of British businesses to recruit workers with appropriate skills**, as reflected in surveys undertaken by the British Chamber of Commerce, and their consequent reliance on training.

Intelligence through local research echoes the importance of skilled talent to employers. Our employers articulate concern with their ability to replenish an ageing workforce and attract appropriately skilled talent to their organisations. They state particularly high demand for leadership skills, technical and literacy and numeracy skills and this state of play is consistent with national research via the UKCES Employer Skills Survey, of which findings can be found in the following chapters.

The Leitch Review went on to recommended *'...that, in order to enhance skill levels in the UK, the skill development system become demand-led, with a focus on skills that generate economic value. The greater employer involvement that is integral to a demand-led system could involve providing more apprenticeships, greater interaction between employers and universities, and an increase in the number of co-funded workplace degrees'*.

SE LEP fully endorses this recommendation and approach but there is much work to do to achieve it to the extent we see a genuine shift in how the skills system operates and what it delivers. The federal areas of the SE LEP have already established key strategic mechanisms for a new approach to demand-led training through their local employer-led **Employment and Skills Boards** in East Sussex, Greater Essex and Kent and Medway.

“Against the background of fragile economic conditions, we have identified clear areas for business growth across Essex, Southend and Thurrock. However, a common difficulty shared across these diverse markets is that of skills availability, sometimes common interpersonal skills, but often in technical skills specific to an individual market area. It is important that we provide the opportunity for businesses to have a voice in the skills debate and I would encourage businesses to get involved.”

Suzanne Jude, Raytheon UK and Chair of the Essex Employment and Skills Board

“Workforce skills have long been recognised in economic development terms as an important determinant of productivity. Improved skills for individuals are known to increase the probability of being employed and to raise efficiency. At a local level a well qualified workforce can attract businesses that require strong “human capital” to operate, encouraging a mix of industries with high value added, which can attract and retain more skilled workers. East Sussex will continue to build on its strong record of working in partnership to develop innovative and learning and skills opportunities that are relevant to the needs of learners and businesses.”

East Sussex Learning and Skills Partnership Board

“We seek to provide a bridge between providers and employers. Its aim is to create a ‘two way street’ whereby employers inform the curriculum of education and training providers, while providers supply work-ready employees to the local and wider economy. This will be achieved by brokering strong, long-term relationships, built on mutual interest and understanding, between employers and providers”

The Kent and Medway Learning and Skills Board

Chapter 2: Opportunities and Challenges in the South East

The South East LEP is the largest LEP in the UK outside of London. It currently has a population of over 4m people, which is set to increase further (+284,600) by 2021. However, only 62% of the South East LEP population is of working age with 19% of the population aged over 65 years.

SE LEP makes a significant contribution to the national GDP and its sea and air ports, and the road and rail networks that serve them, provide the UK's most important gateway to the rest of the world. As well as its geographical proximity to London, its strong creative and entrepreneurial nature places it in a unique position to drive innovation and growth.

Overall rates of economic activity in the SE LEP area are above the national rates but below those of the wider south east, with employment rates showing a similar pattern. London employers benefit from 273,000 of our residents committing in to work from the LEP area and many of them highly skilled.

Conversely, productivity in the SE LEP economy is lower than the national average and a low proportion of residents are employed in skilled occupations. The LEP also has areas of high deprivation, with some prevalence in our coastal communities. Unemployment in Thanet (12.3%), Hastings (10.7%), Medway (10.1%), Harlow (9.8%), Gravesham (9.3%) and Tendring (9%) are all in the top fifth of Local Authorities in England on this measure.

Future demand in the SE LEP Economy

Employment in the SE LEP knowledge economy has grown in recent years, from 14.6% in 2009 to 17.3% in 2012 and there are many opportunities to help build on this and rebalance our economy. The South East LEP area is fortunate to be benefitting from a number of growth opportunities, including:

- London Gateway - a deep sea container port and logistics park
- Enterprise Zones focussed on MedTech & Advanced Manufacturing and Life Sciences
- East Anglian Array – the world's 2nd largest offshore wind farm
- Centre for Offshore Renewable Energy (CORE) status for Ramsgate and Harwich
- Newhaven - the development of an off-shore wind farm could yield the potential for operations and maintenance being based in the port

These opportunities bring new investment and new employment, much of which will require high level technical skills and an agile workforce. In addition to these new developments, SELEP is home to numerous cutting edge companies and has significant opportunities for growth within our priority sectors which, based on the evidence available, are:

Advanced manufacturing	Life sciences & medical technologies	Transport and logistics
-------------------------------	-------------------------------------------------	--------------------------------

<i>Represents 5.6% of SE LEP industry</i>	<i>Growing a sector worth £170bn pa globally</i>	<i>3 substantial Airports & 2 Sea ports</i>
Low carbon and Environmental goods & services	Creative, cultural & media <i>Generates £2.5bn GVA</i>	The visitor economy <i>6.6% of employment & 2.7% of economic output</i>

The LEP, both historically and currently, has an entrepreneurial business culture with 86 firms per 1,000 residents and self-employment above national average (6%) at 11%. Innovation is also alive and well with SE LEP companies reporting 15% of their business being generated by products/services new the market and 3.2% having applied for a patent.

Our Higher Education Institutions (HEI) provide a fantastic opportunity for new knowledge creation and innovation and alongside businesses, are driving growth in our major economic areas. Each HEI is building on their strengths in support of our priority sectors including Big Data, Automotive Engineering, Health Technology and Product Design.

The SE LEP Growth Deal promised to derive a further 200,000 private sector employment opportunities in the area, build 100,000 new houses and will leverage £10bn investment to accelerate growth. Governments' contribution to the SE LEP Growth Deal was announced on the 7th July 2014, committing £442.1M from the Government's Local Growth Fund to support economic growth in the area. £64.6m has been committed for 2015/16 and £143.6m for 2016/17.

In headline terms, the priorities for investment in 2015/16 for the SE LEP are-

- 33 transport projects
- The development of growth hubs
- Improved flood defences at Newhaven
- Broadband infrastructure in Colchester Business Parks
- A skills capital programme

As already highlighted, whilst creating the environment and investment for this growth, ensuring that local residents and businesses can benefit fully, requires the development of skill sets that enable us to deliver. The LEP needs to ensure that the skills system is equipped, supported and challenged to deliver these skills requirements of the future.

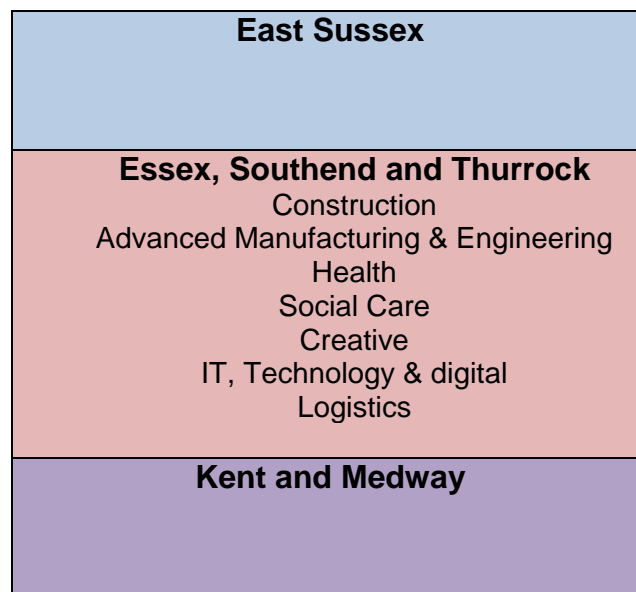
Our Growth Deal sets out some finance and levers for skills SE LEP to be able to execute this. They are –

- **£22M of skills capital** funding for 2015-17
- **Procurement of New Provision** – full co-commissioning of its European Social Funds
- **Accountability** – Providers will be required through their funding agreements with the SFA to explain to LEP's details of its provision and planning and how they are being responsive to local economic priorities

- **Allocations and Interventions** – in future years, providers’ records in delivering to LEPs requirements will be taken into account when setting allocation and triggering interventions.
- SE LEP can **influence the use of all skills budgets** in its local area and take steps if dissatisfied with the pattern of delivery

This is a good start and the LEP will see the strategic direction and practical application of its skills work driven through its three employer-led **Employment and Skills Boards** (ESB), which are already driving forward change through a more employer-led and informed approach. More information about the work of the Employment and Skills Board can be found in appendix A.

The Boards will continue to drive change through the LEP’s federated model in a way that supports the local and LEP wide priorities, articulated and underpinned by this LEP Skills Strategy and in addition to the growth sectors of the LEP, they have identified further growth and priority areas for skills.



The opportunities are undeniably there; however there are of course challenges. Many parts of the SELEP economy are over-reliant on public sector for employment in 2012, 19.1% of employment was in the public sector, higher than the national average. Southend, Maidstone and Chelmsford are concentrated areas, as are the coastal towns of Hastings and Eastbourne. In addition, SELEP is also relatively reliant on wholesale, retail and accommodation and construction jobs; sectors which don’t generally provide high value jobs.

Notwithstanding the recession, companies have been finding it hard to recruit due to skills shortages in recent years. The UK Commission for Employment and Skills (UKCES) Employer Skills Survey indicates that the proportion of businesses with skill shortage vacancies increased across the UK between 2011 and 2013. In the SE LEP area more than one in five (21%) establishments reported a skills gap or skills shortage vacancy in 2013; 23.7% of vacancies were due to skill-shortages, compared to 22.3% across England. The report goes on to state that:

- 26% of employers experience skills gaps due to an inability to recruit appropriately skilled individuals

- 58% of employers¹ report technical, practical or job-specific skills gaps, with skills such as organisation, team work, customer handling and problem solving all being reported by over 50% as gaps in workforce skills. These statistics are very similar to the skills gaps identified in new applicants
- 71% of employers expect employees to need new skills or knowledge over the coming year, the top reasons cited for this is new legislation or regulatory requirements (46%) and the introduction of new technologies or equipment (44%)
- Of those who received applications from young people (under 25)², 46% stated they didn't meet the requirements. 63% cited lack of skills as the reason they did not meet, 61% cited lack of experience and 29% cited lack of necessary qualifications
- 67% small employers don't engage in any formal or informal training
- There has been a decrease in the amount spent by employers on staff training and development from £3,080 per person in 2011 to £2,550 in 2013
- Only 31% of employers trained staff to achieve a qualification. This represents only 21% of all staff training and 13% of all employees. Of those trained to a qualification the largest proportion was to level 3 (12%).

The majority of the aforementioned job growth expected will be in professional occupations (+45,000); managers, directors & senior officials (+38,000); and associate professional & technical occupations (+33,000). When "replacement demand" is included over half (50.3%) of openings will be in high skilled jobs. Across the UK, there is unmet demand for science technology engineering and mathematics qualified workers with nearly two in five firms requiring STEM employees facing difficulties in recruitment.

The South East Strategic Economic Plan (<http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>) presents more detail on the opportunities of the area.

Our Provider Base

SE LEP is home to a diverse college and training provider base³, collectively allocated over £85m per annum by the Skills Funding Agency (SFA) through the Adult Skills Budget (ASB); in addition to funding for education and apprenticeships for 16-18 through the Education Funding Agency and community learning budgets.

Notwithstanding that a considerable number of providers outside of the SE LEP area also deliver to learners within the area, 54% percent of our 50 SE LEP based providers are rated by Ofsted as being Good and 6% Outstanding. Although this is below the national average of 59% and 14% retrospectively, it provides opportunity for the LEP to build on high quality leadership and training to further develop good practice that meets the needs of local industry as well as individuals.

¹ Of those who reported skills gaps

² Only 29% had young applicants

³ Education and training supplied by publically funded post-16 institutions

SE LEP also benefits from nine Higher Education Institutions who educate and produce thousands of graduates a year into the market, as well as being host to a number of leading research departments. Many of our Providers already do a lot to try and respond to employers and they are keen to do more to meet employer demand, with plans to invest in developing provision that meets the needs of employers and learners alike.

FE College Strategies are increasingly focussing on Employer Engagement and the development of Apprenticeships, particularly at Adult Level. Adult Apprenticeships (25+), including Higher Apprenticeships, will be a key aim for FE colleges from 2015 onwards.

However, we equally face some challenges with quality and relevance of our provision. Quality and performance is generally lower than the national average and the offer of provision does not necessarily meet the demands of the local, or indeed, national economy.

Thirty three percent of Providers are current rated by Ofsted as Requiring Improvement and 8% as Inadequate - above the national average of 24% and 2% retrospectively. Only 11 institutions are above the 75th percentile for qualification success rates. This presents a challenge but the LEP can and will play a key role, alongside local public and private partners, to help increase quality and performance.

The relevance of provision offered in the SE LEP area to employers and the economy is equally an area for improvement. More information about the current offer is outlined in Chapter 5.

It must be recognised however that Providers face a number of challenges in delivering to the needs of both employers and learners. Revenue funding rates are not high enough, and have been consistently cut in recent years, to enable Providers to make long term investments in their infrastructure and curriculum/provision to align with skills priorities, particularly in high cost areas such as Advanced Manufacturing. In the absence of higher funding rates, a more focused and locally led investment in skills infrastructure, managed by SELEP, would also support better performance and alignment with priority sectors, including the purchase of specialist equipment to support new programmes.

The SE LEP has the –

- Fourth highest amount of capital funding required nationally (£201m) to address all category C/D condition based on average refurbishment cost
- Second highest number of colleges nationally (15)
- Second highest estate size overall and (5.9% of national estate)
- Second highest average grant since 2001 across all LEP areas (£26m)

Significant investment would therefore be needed in the SE LEP area to address all its infrastructure shortfalls; however recognising the need to focus and stretch public investment, SELEP, with support of the Skills Funding Agency, will take a strategic approach to prioritisation to ensure impact, best value and maximum local co-investment.

The LEP wishes to use its skills capital funding to support providers in delivering its priorities for economic growth. The capital investment criteria that Providers will need to demonstrate delivery against are as follows:

- 1) Benefits to Learners and Employers and Supporting Economic Growth
- 2) Financial Value for Money and Affordability
- 3) The Estate Need
- 4) Delivering LEP priorities

QUOTE FROM GRAHAM on Providers/ LEP Board

Chapter 3: Principles for delivering LEP Priorities

Improving workforce skills and the skills of those entering the workforce is crucial to achieving our growth ambitions. We need to deliver a locally responsive system that responds to the needs of employers and learners in order that skills can be a driver for economic growth and not a barrier.

The SE LEP believes that its role is to create the environment for economic growth and that with this; the private sector will make growth a reality. We therefore believe that the LEP should clearly articulate the skills needs of the local economy, what environment it would like to create to support skills and employment in the area and the principles which underpin this.

Simply put the LEP's key **principles** for skills are:

- Creating a skills system where employers and learners are joint stakeholders
- Creating a mutually beneficial system that is a catalyst for economic and social improvement
- Investing in infrastructure that enables delivery of skills now and for the future
- Ensuring individual and collective responsibility for delivering and sustaining such a system

To achieve this, as stated in that final principle, the LEP believes that all partners have a key role to play.

As a **LEP** we will:

- Work to increase employer engagement in and appetite for skills development
- Provide industry intelligence at a LEP and more localised level to support business planning and funding applications
- Utilise the resources at its disposal to create the environment for the sector respond to skills demands of the economy (inc. capital and ESF funding and economic intelligence to inform careers information to residents)
- Support and strengthen our federal level Employment and Skills Boards to ensure an effective forum for employers and the sector to engage
- Continue to lobby Government for additional funding to enable the area to create a truly effective skills system

We will encourage and work with **Providers** to:

- Fully utilise industry intelligence about skills demand in the economy in business planning for the skills sector, with particular focus on LEP priority sectors

- Deploy employer-led models to establish and steer provision (e.g. employer steering groups, employers on Governing Body)
- Involve employers at every stage of the process (steering - design – delivery)
- Seek and provide work placements, employer set project briefs and other industry exposure for students
- Build achievement of English and Maths into all delivery and where possible is a way that applies this learning to the subject/occupation of study
- Work with the LEP in a creative and innovative way to develop new and better ways of delivering

We will encourage and work with **Employers** to:

- Express and articulate what their current and future skills and recruitment needs are
- Engage with the LEP and local providers to better ensure that provision is fit for purpose and students can have exposure to industry whilst learning
- Understand and realise the benefits and potential of engaging and co-investing in our skills system
- See the skills sector as a recruitment mechanism and a solution to skill shortages

We will encourage **Individuals** to:

- Utilise the information available to them about local careers, skills shortages and employment to make an informed choice about their study path
- Be proactive in seeking work experience or work based assignments
- Consider apprenticeships as a valid and equally rewarding route to achieve their career ambitions

We will work with **Government** to:

- Secure further devolution of funds to the LEP area to invest in skills
- Shape and agree how the LEP can play an increased role in supporting the creation of an ambitious skills system (at both the local and national policy level)

Through its first Growth Deal (July 2014), the LEP has been granted responsibility for funding for skills capital and European Social Funding. The LEP will utilise the information in this strategy and the sources cited at the end of this document when developing specifications and tenders and assessing bids.

The content will be therefore need to be fully utilised by any successful bidder in demonstrating how the proposed investment would deliver against the priorities and enable the area to take full and better advantage of the opportunities for growth.

In allocating funding, the LEP will expect to see demonstration of how the investment will:

1. Deliver against the priority sectors, apprenticeships and higher level technical skills
2. Secure real and on-going employer involvement in the design and delivery of provision
3. Leverage the providers ability to meet a range of employer need – apprenticeships, CPD,

4. Unlock co-investment from the private sector

The LEP is also keen to encourage integration and coordination with other initiatives and activities that help deliver its priorities in a coherent and resource effective way. The LEP therefore welcomes and acknowledges the value of such linkages across and outside of the LEP.

Chapter 4: Creating Demand and a Responsive System

To support a partnership approach to economic growth through skills, we will put things in place to help create a skills system locally that can deliver. Our plans build on the steps we have already taken, the strengths that exist within the SE LEP and the merits of combining a national and local approach.

Much work is already underway to try and respond to the opportunities and tackle the challenges, particularly through the local Employment and Skills Boards in East Sussex, Essex and Kent & Medway, but there is more we need to do.

We need employers and individuals to value skills and qualification development and realise the benefits it can bring. In order to encourage more to engage and **increase the appetite for skills development within the SE LEP employer base**, we will:

- Devise an **employer focused campaign** articulating of the **economic benefits of workforce development** and local opportunities. The campaign will use hard hitting evidence that demonstrates the potential financial returns of up skilling, employing apprentices etc. and signposting employers to where they can access training and any funding that could support them; namely the Supporting Workforce Skills portal.
- Work through its partners to ensure that local skills development and employment is factored into all **LEP commissioned activities**

In doing this we need to be confident that the system is responsive and aligned to deliver against that demand. Part of the solution to this is to **establish and sustain a strong, systematic employer voice** and thus a collaborative local skills system. To do this the LEP will:

- Support and strengthen the local **Employment and Skills Boards** to give a strategic voice to employers on employment and skills. These Boards will have strong employer membership with common terms of reference and a direct link into the Local Area Boards
- Establish **Sector Guilds** to formally bring employers and providers together to develop skills solutions pertinent to that sector. These will initially be developed for the priority growth sectors across the LEP, with partners utilising a similar model for more localised priority areas.
- Support and champion the establishment of the **Supporting Workforce Skills portal – ‘SkillsAdvisor’** for employers across the LEP to access information, advice and available funding to support their recruitment and training needs, in one place. The portal will also help employers drive a suitable offer of provision in the area over time, with LMI being utilised to support LEP and local planning.

This will be underpinned by allocations of funding that will support a **higher quality and appropriate training offer with improved outcomes for employer and residents**. We will do this through:

- Ensuring appropriate and high impact **capital investments** in the Provider base, through local investment and effective use of the Skills Capital Funds
- Developing an **EU operational plan** for the use of European Social Funds that will deliver programmes to tackle the issues articulated in this document and more broadly in the EU Structural Investment Fund Plan
- Utilising the responsibility given to LEPs in the Growth Deal to influence the use of the **Adult Skills Budget revenue** allocated to the SE LEP area, to deliver skills that are required by employers⁴. This will better ensure that the offer meets the skills demand in the economy, drives growth and addresses skills gaps

The Skills Deal we proposed in our Strategic Economic plan provides more detail and can be found in Appendix B and the Growth Deal awarded on the 7th July 2014 can be viewed at <http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>).

Chapter 5: Improving our Skills: What we need to deliver

The Priorities for Action

As outlined in Chapter 2, SELEP is home to many cutting edge companies and has significant opportunities for growth in our priority sectors. Our high value growth industries rely heavily on STEM based skills and struggle to recruit appropriately skilled adults and work ready young people – the pool of suitably qualified people is simply too small.

Equally, for our wider priority sectors, skills needs are not being met due to the lack of employer influence on the offer of provision and supply driven nature of planning. A mismatch exists between training provision and local priority sectors for growth: advanced manufacturing; logistics; digital, cultural & creative; low carbon & renewables; and life sciences & healthcare – all of which are underpinned by STEM-related skills.

Productivity in the SE LEP economy is lower than the national average and a low proportion of residents are employed in skilled occupations. Our greatest challenges lie at both ends of the skills spectrum – **insufficient volume and focus of higher level skills and low levels of basic** (literacy and numeracy) **and employability skills**. The SE LEP labour market underperforms compared with the South East as a whole as shown by lower than average levels of level 4+ skills, low levels of basic literacy and numeracy, and high levels of worklessness.

The LEP therefore wish to focus on three key areas and will look at each in turn:

⁴ The ESB's, Guilds and Portal will all play a key role in supporting Providers and employers to co-develop and deliver provision.

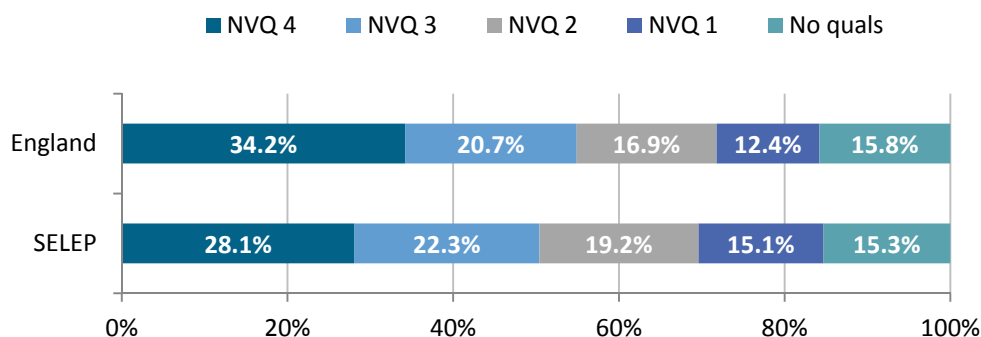
1. Improving the talent pool in support of priority sectors, particularly higher level skills
2. Increasing participation of young people work, education and in training, with focus on supporting priority sectors and skills gaps
3. Improving the basic skill levels and employability of our residents to boost productivity and employment

Improving the talent pool in support of priority sectors, particularly higher level skills - The problem to fix

Over half of the employers with vacancies in the South East are seeking degree level candidates⁵; alongside the national Employer Skills Survey which states that 55% of employers in the South East reporting workforce skills gaps in technical, practical or job specific skills⁶ and predictions that the number of jobs in skilled occupations typically requiring a high level qualification is expected to continue to grow⁷, this demonstrates a need to focus on developing higher level technical skills within and in preparing those for the labour market.

As shown in Figure 2 below, **the proportion of residents with higher level (4+) qualifications is relatively low** despite a significant increase in Level 4 qualifications attained in recent years⁸. In the SE LEP area 28.1% of residents aged 16-64 have level 4 or above qualifications compared with 34.2% for England and 36.8% for the South East region⁹.

Figure 1 – Residents with NVQ4+ qualifications, % aged 16-64 (2012)



Source: ONS Annual Population Survey

As a result, and notwithstanding the recession, companies have been finding it hard to recruit due to skills shortages in recent years. The UK Commission for Education and Skills (UKCES) Employers Skills Survey indicates that the proportion of businesses with skill shortage vacancies increased across the UK between 2011 and 2013¹⁰. In the SE LEP area more than **one in five (21%) establishments**

⁵ Labour insights

⁶ UKCES

⁷ Working Futures 2012-2022

⁸ In 2008 only 23.8% of working age residents were qualified at degree level or above – ONS Annual Population Survey

⁹ ONS Annual Population Survey

¹⁰UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

reported a skills gap or skills shortage vacancy in 2013¹¹; 23.7% of vacancies were due to skill-shortages, compared to 22.3% across England¹².

Revenue funding rates are not high enough to enable colleges and providers to make long term investments in their infrastructure to align with skills priorities, particularly in high cost areas such as Advanced Manufacturing. In the absence of higher funding rates, a more focused and locally led investment in skills infrastructure, managed by SELEP, would support better alignment with priority sectors, including the purchase of specialist equipment to support new programmes.

The solutions

We wish to **increase the talent pool, for our priority sectors**, particularly to level 4 by:

- increasing apprenticeships across SE LEP through incentivising employers to recruit apprentices, focusing on advanced and higher Apprenticeships and internships, and progression routes from traineeships. We also want to use EU funds to support higher skills development through co-investment with employers to address skills shortages.
- developing a far richer picture of opportunities, working with educational institutions and industry, to promote careers in growth sectors, in order to influence study and pathway choices.
- piloting sector-based tutor training to enable tutors to professionally update and experience the latest technologies, innovations and practice in the industry they teach to raise the quality and relevance of teaching STEM; and,
- investing £117m in facilities to provide capacity and industry standard facilities, with a focus on delivering priority skills and including a specialist equipment fund.

Increasing participation of young people work, education and in training, with focus on supporting priority sectors and skills gaps – The problem to fix

The UKCES forecast that there will be an increase of 105,000 jobs in the SE LEP area by 2020¹³ and our ambition is to almost double that. The majority of jobs growth will be in professional occupations (+45,000); managers, directors & senior officials (+38,000); and associate professional & technical occupations (+33,000)¹⁴. When “replacement demand” is included over half (50.3%) of openings will be in high skilled jobs. Across the UK, there is unmet demand for **Science Technology Engineering and Mathematics (STEM) qualified workers** with nearly two in five firms requiring STEM employees facing difficulties in recruitment¹⁵.

Some of the highest vacancy levels in SE LEP show high demand for programmers, software development professionals (1,517) and IT Business Analysts, Architects and systems designers (1,458), yet we have little provision offered in the area that supports these occupations.

¹¹UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

¹²UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

¹³ Employment growth is expected to be above the national rate and will accelerate after 2015. Over three quarters (76.7%) of the increase in employment for the decade will come between 2015 and 2020 – UKCES (2012) Working Futures

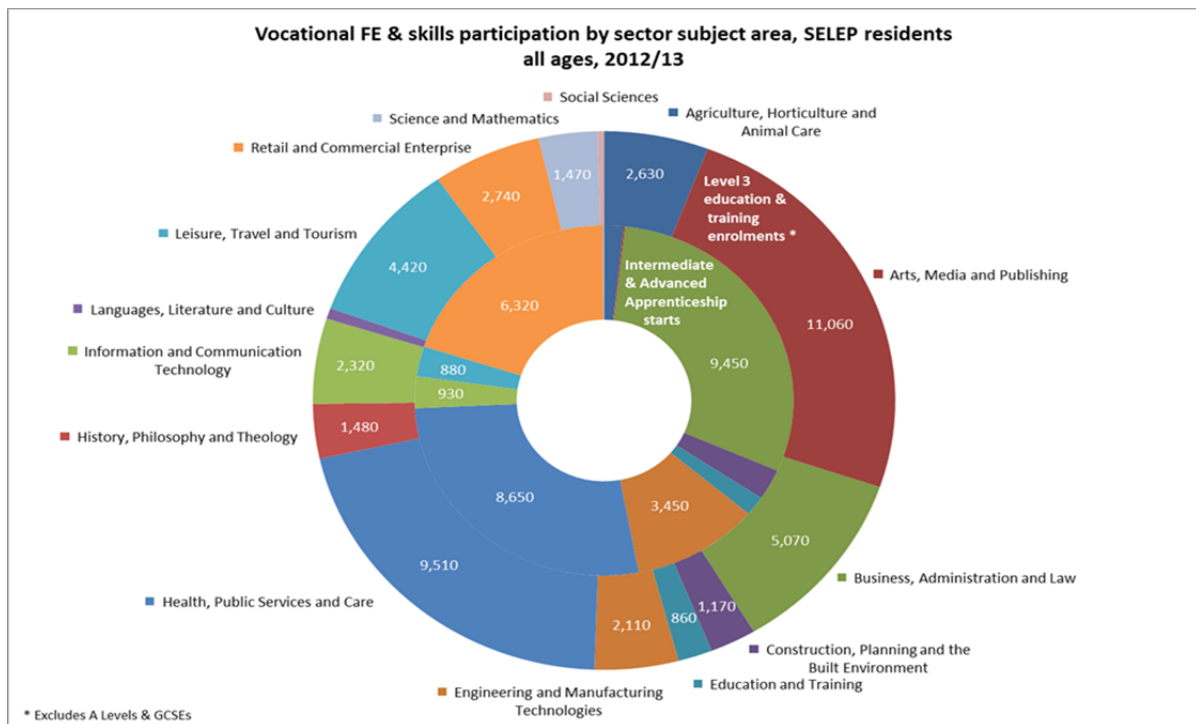
¹⁴ UKCES (2012) Working Futures

¹⁵ CBI (2013) Changing the pace - CBI/Pearson Education and Skills Survey 2013

EFA 16-18 allocation and Adult Skills Budget (ASB) classroom based programmes remain predominately learner-led which means that colleges and providers will naturally respond to this demand as their first priority, rather than local skills needs – a question of volume and income. For example, there has been a significant increase in the number of shorter classroom based courses, funded under the ASB, delivered to unemployed learners with no evidence of whether these have led to sustainable jobs and careers. There is insufficient direct leverage on funding for local employers to commission the skills training they need from colleges and providers and that ensure better outcomes for learners in terms of access and progression to career opportunities.

Data currently shows that for 2012/13, the highest proportion of vocational level 3 publicly funded enrolments were undertaking arts, media and publishing, health, public service and care and business administration and law. Of the 31,750 apprenticeship starts for 2012/13, again business administration and law and health and social care feature highly, with high levels of participation in hairdressing, retail and hospitality & catering. For A levels, Science and Mathematics make up the largest proportion of enrolments, however this is likely to lack the technical application of knowledge into the work place and that is sought by employers.

Figure 2: Vocational FE and skills participation by sector subject area, SELEP residents



Apprenticeships more than doubled from 13,823 in 2008/09 to 30,866 in 2012/13 (123% increase), with the biggest increase seen in 25+ age group (319% increase) and the top frameworks were Business and Administration, Health & Social Care, Management, and Retail & Customer Service .

We believe that apprenticeships are a fantastic way to reduce skills shortages in technical disciplines whilst increasing options and employment opportunities for young people. We therefore wish to see a significant increase in apprenticeship opportunities across the LEP, specifically in priority sectors

and skills shortage occupations. We would therefore need to secure quite a shift in the prevalence of apprenticeships in technical disciplines.

Whilst work has been done in some areas of the south east to enhance careers information, it is too institutionally and academically focused, particularly for more able students, and needs to have an increased focus on providing information on technical vocational programmes and the careers opportunities these provide that are linked to skills shortage areas.

In addition to ensuring that for those who do participate, do so in education and training that will lead them to gainful employment and progression, there are a range of reasons as to why some young people don't participate – geographical, financial, personal – and there is a compelling need to do more to remove the barriers that these young people face. More detail on this is provided in our EU SIF Plan.

The solutions

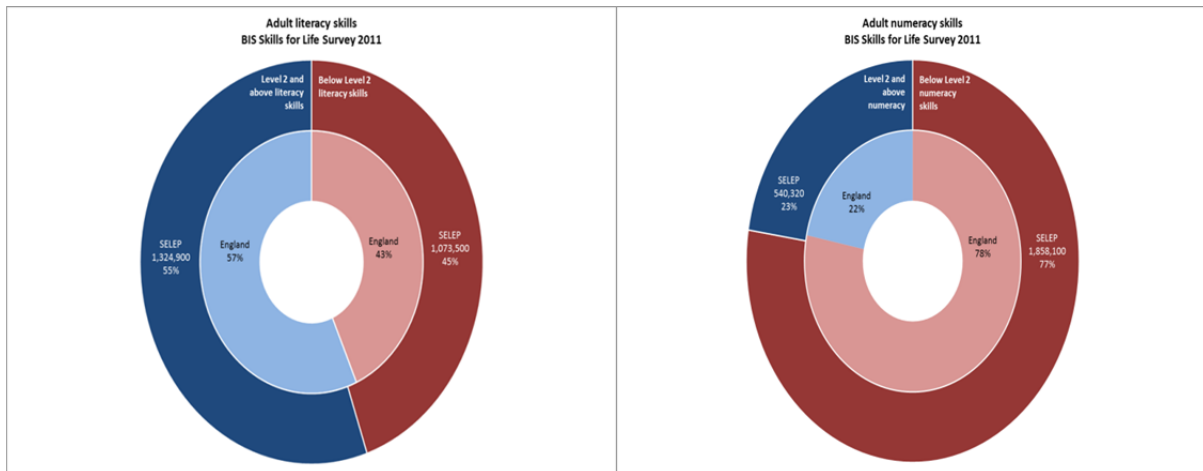
We will support full and meaningful participation of our young people by:

- providing industry work experience programmes with training/ traineeships, increase the range of available apprenticeship
- providing enhanced industry led careers information to improve awareness and understanding of industry and employment opportunities to support study choices
- working with providers and employers through our ESBs and Sector Guilds to deliver an offer of provision that reflects the needs of the economy
- working with and through schools and school governors to increase industry awareness and engagement, such as industry in schools programmes
- providing a package of support for young people who are further away from the labour market; and promote skills training at an early age to encourage uptake of vocational subjects from 14+; including the encouragement of University Technical Colleges, Career Colleges and Studio Schools.

Improving the basic skill levels and employability of our residents to boost productivity and employment – The problem to fix

The proportion of residents holding a basic literacy and numeracy qualification across the SELEP is low. 45% of working age adults do not have level 2 or above in literacy and 77% are below level 2 for numeracy. This problem is perpetuated by between 36.1% (Kent) and 40.5% (Thurrock) of young people leaving statutory schooling without GCSE English and Maths at grade C or above. Prevention is therefore key, but reducing current levels will also have a significant impact on the economy in the short to medium term.

Figure 3 – Resident levels of basic literacy and numeracy qualifications (2011)



In the SE LEP area, 35% of firms facing skills shortages indicate that numeracy skills are lacking among applicants, while 34% identify challenges around literacy skills¹⁶. Soft, employability skills, including customer handling, communication skills, and team working are also identified by local businesses¹⁷.

Gravesham, Medway, Thanet, Hastings and Harlow all have unemployment rates in the top quintile of local authorities in England (9.2%+). At the end of 2012, there were 8,480 16 to 18 year olds NEET in the LEP area - a rate of 6.3% overall (compared with 5.6% for England), and there is a high degree of variation between places masked within the average.

The solutions

We wish to increase the proportion of residents with maths and English qualifications by:

- developing occupational based literacy and numeracy teaching to encourage people to obtain basic qualifications
- investing in further training to bring more people up to the basic level of literacy and numeracy
- developing an innovative recruitment package to attract and retain English and maths tutors, including promotion of the Governments 'golden handshake' incentive
- providing a package of opportunities for, particularly young, people to increase their employability skills

In Summary

Our support for skills development needs to be effectively integrated with our support for business growth. We will achieve this through links between delivery teams at the operational level within the Gateways to Growth and our employer engagement systems for skills development; and at the strategic level, through our Employment and Skills Boards.

The direction of travel towards a more employer led system is welcome, but needs to be accelerated, whilst at the same time ensuring the provider base is not destabilised. Enabling the

¹⁶ UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

¹⁷ UKCES (2014) UK Commission's Employer Skills Survey 2013: England Results

skills system to be more employer-led is vital, particularly in relation to qualification design and commissioning. Achieving a relatively stable environment for colleges and providers, whilst providing more influence from employers, will enable the system to be more responsive to meet current and future skills needs.

Supporting Documentation

This document is intended to provide an overarching strategy on skills for the LEP. However, in addition there are a number of documents that articulate LEP and more localised economic information and priorities.

For organisations who are seeking to secure funding from SE LEP, the following information must be understood and considered as it will be utilised for assessment of applications to the LEP for funding. Please note, depending on the location of a project, local documentation must also be utilised as will also be used in project assessments.

- The South East Strategic Economic Plan (<http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>)
- The South East European Structural Investment Fund – <http://southeastlep.com/about-us/activities/300-european-structural-and-investment-fund-strategy>
- Economic Plan for Essex – <http://www.essex.gov.uk/Your-Council/Strategies-Policies/Pages/Economic-Plan-for-Essex.aspx>
- Greater Essex Skills Demand Evidence Base – <http://essexpartnership.org/content/essex-skills-evidence-base>
- Kent and Medway Economic Plan –
- East Sussex – <http://www.eastsussex.gov.uk/NR/rdonlyres/B72EAA9D-A018-4B11-AF99-025F6AF56D7A/0/economicdevelopmentstrategy2012final.pdf>
- Thames Gateway South Essex -

Appendix A

The SE LEP Employment and Skills Boards

Progress of the Essex Employment and Skills Board

- 11 employers, FE, HE, Secondary School and Local Authority representation
- Evidenced base priority setting, from a comprehensive skills demand evidence base
- Working closely with the Federation of Essex Colleges and Provider Network who are in turn working as a collective to respond to the skills need/shortages articulated by the Board
- Provider base formally responding to how they can deliver against the evidence base of need and articulating barriers for the Board to help address i.e. capital, staff recruitment
- Live (Growth) Sector Action Groups of employers and providers to determine specific issues and tailor solutions i.e. adapting, developing specific qualifications, sector based campaigns
- Local funding being used to develop sector careers information, an industry/schools programme, support for training to help fill skills shortage vacancies, tutor CPD pilots. As well as the continuation of the Essex Apprenticeships scheme which so far has stimulated 2,600 new apprenticeships, most within priority sector areas.
- A communications strategy, website, meetings with local group, MPs and School Governors ensure growing awareness and influence in the area
- Utilisation of evidence base and dialogue with ESB to reshape capital investment plans – Offshore Energy, Harwich, renewable technologies, Basildon, Bio & Environmental Technologies, South Essex, Meditech & Advanced Manufacturing, Harlow

Progress of Kent & Medway Learning and Skills Board

Formed in March 2013, developed from the existing 14-19 County Planning Forum, to support delivery of the *14-24 Learning Education and Skills Strategy*

The Board includes representatives from employer groups, Further Education, Higher Education, secondary schools, funding organisations (EFA and SFA) and CXK (formerly Connexions)

The employer group representatives are from the Kent Business Advisory Board, the Chambers of Commerce and the Federation of Small Businesses, providing a link from the Board to these groups.

A consultation has recently been undertaken regarding the role of the board; and the 14-24 Strategy has been reviewed and updated.

The Board has adopted a series of new priorities including provider collaboration, employer engagement and employability skills

An Adult Learning and Skills Strategy, which follows on from the 14-24 Strategy is currently undergoing consultation and is expected to be published in January 2015

ADD EAST SUSSEX – ESB’s priorities/ work to date etc.

Appendix B

South East Skills Deal *(as articulated in the Strategic Economic Plan, March 2014)*

In our SEP (Section 2), we provide a high level summary of the activities that we will be developing in order to achieve our ambitions of raising skills and employment across the LEP. In delivering our Growth Deal and EU Strategic Investment Framework, we will add value to the welcome support already invested in the SE LEP area through government and EU initiatives, recognising that the majority of skills provision is still funded directly through central government and their skills agencies.

Our offer - current activity & stepping up our programmes

Progress is already being made through local and pan-LEP partnerships in delivering against our priorities and we are going further. Exemplars are:

Overarching activities (supporting priorities 1-3)

Current activity	Going further with local/ESF funding	Skills Deal
Employment and Skills Boards (ESB) – are already operating in East Sussex, Kent & Medway and Essex and as employer-led Boards are providing clear priorities for action, particularly for priority sectors.	As employer-led forums, the ESBs will act as the gateway for skills related activity to ensure synergies with the wider ambitions of the LEP, providing strategic guidance to local partners on projects and activities that will deliver LEP and local priorities – including use of ASB with the area.	

<p>Kent has established a Hospitality and Catering Guild which brings employers and providers together to develop qualifications and joint solutions to close the sector skills gap</p>	<p>Establish priority Sector Guilds across the LEP to identify curriculum pathways; promote the sector perception; articulate the needs of business; give employers greater ownership & define new apprenticeship frameworks.</p> <p>SE LEP Employer Portal: Supporting Workforce Skills – is in development and will provide an interface for employers, particularly SMEs, and providers to work together to meet skills and employment demand.</p>	
<p>Skills Demand Evidence Base - Essex, through University of Essex, has established this to support the ESB, all providers and schools in their planning. This has been used as an essential tool for the Board and is already being used by Providers to support curriculum planning. This will be developed for the whole of the SE LEP area.</p>	<p>An evolving and up to date evidence base of skills demand for the SE LEP</p> <p>An in depth ‘demand and supply’ analysis, ascertaining the ability and capacity within the current system to deliver carried out by local authorities with our skills providers.</p>	
<p>Local investment in skills infrastructure e.g. the Renewable Green Energy Training Centre, Basildon; Aviation Training Centre, Southend; School Creative Centre, Rye; Environmental Technologies, East Kent; University of Art, HHPP and Northampton University at Thomas Enterprise Park.</p> <p>Delivering against wider national policies: 4 UTC’s and 5 studio schools.</p>	<p>Leverage and optimise local match for skills capital projects to ensure co-investment and value for money.</p> <p>Encourage healthy competition in the market, using our evidence base to identify gaps in supply and challenge the market to respond in innovative ways through a competitive process – delivering an appropriate and diverse range of opportunities.</p> <p>Explore other skills delivery models, such as Career Colleges.</p>	<p>Skills Capital Funding (see Ask 1)</p> <p>£128m invested</p> <p>£25m new projects delivered in 2015/16</p>

Increasing apprenticeships and higher level skills for priority sectors (supporting priorities 1 and 2)

Current activity	Going further with local/ESF funding	Skills Deal
<p>Apprenticeship programmes are already in operation across SELEP to boost apprenticeships: - £8m invested to stimulate 2,600 new apprenticeships since 2010 in Essex, mainly in STEM subjects,</p>	<p>Stimulate new apprenticeships through wage incentives for SMEs and employer-led approaches.</p> <p>Work through the ESBs and SELEP provider network to raise awareness of the</p>	<p>Allowing SE LEP influence over £4.3m of ring-fenced ASB in order that it can work with</p>

<p>£150,000 to support 100 new apprenticeships in Southend</p> <p>- SELEP has already identified employers, based in the region, who are involved in both Phase 1 and Phase 2 of the Trailblazer apprenticeship project.</p>	<p>transformation of apprenticeship programme including the new Apprenticeship Standards, quality assurance, and the new funding methodology.</p> <p>Encourage employer involvement in apprenticeship trailblazers and secure participation in Phase 3 of the apprenticeship trailblazers</p> <p><u>Outcome:</u> 10,000 additional apprenticeships by 2021</p>	<p>providers to deliver a shift of learner volume towards qualifications. This will also leverage £3m of private investment through employer contribution.</p>
<p>Employer-led higher level skills development programmes:</p> <p>- Over 400 priority sector businesses supported to develop higher level skills in the workforce in Essex – a RoI of £1:38.</p>	<p>SE LEP will deliver a co-investment training grant programme to target SME in priority sectors to up skill their workforce. <u>Outcome:</u> 9,275 residents with higher level skills supporting priority sectors and skills shortages.</p> <p>Develop a suite of online learning materials for priority sectors, in conjunction with employers (particularly SMEs), to provide more flexible ways to develop workforce skills, particularly at higher levels.</p> <p>Pilot Sector based tutor CPD with employers and providers to professionally update and experience latest technologies, innovations and practice in industry</p> <p>Maximise the use of the Innovation Code to take advantage of existing flexibilities and develop new employer-led qualifications.</p>	<p><u>Outcome:</u> A minimum of 1,075 more learners undertaking qualifications needed by priority sectors at advanced and higher level. This alongside our capital investment & enhanced careers information will support a shift towards skills needed in the labour market.</p>
<p>Enhanced Careers Information/ IAG for young people through:</p> <p>- Essex’s Industry in Schools Programme</p> <p>- KentChoices4U.com – online application and careers portal. The site is the largest and used of its type.</p> <p>- KentChoices4U Live – an annual 2-day careers event</p> <p>- Opportunity Thurrock – an annual careers event</p>	<p>Expansion of the Industry in Schools programme across the LEP to provide real exposure to key industries to raise awareness of career opportunities in priority sectors and where we have skills shortages. <u>Outcome:</u> 7,875 young people engaged in the programme.</p> <p>Increase the volume of people who receive face to face IAG. <u>Outcome:</u> 30,000 offered face to face IAG</p>	

	A package of information and support for schools , particularly Governors, to aide their awareness and curriculum planning in support of LEP priorities.	
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Improving basic skills and employability of our residents (supporting priorities 2 and 3)

Current activity	Going further with local/ESF funding	Skills Deal
<p>Activities to develop Employability Skills:</p> <ul style="list-style-type: none"> - Employability for Life Charter – portfolio of evidence for young people, endorsed by business - Work experience programme for NEET young people in Essex - Employability Hub Pilot, Eastbourne <p>Employ Medway – already supported 1,400 people into jobs with 84% sustainability</p> <p>Kent Employment Programme helps businesses take on young people</p>	<p>Providing additional revenue for increased numbers of residents to acquire basic skills qualifications</p> <p><u>Outcome</u>: 4,000 residents achieving these basic and soft skills</p> <p>Developing occupational based literacy, numeracy teaching to encourage participation in qualifications</p> <p>Improved standards of English and Maths teaching and learning through promoting Government bursaries and initiatives.</p> <p>SE LEP will work with providers of Adult Community Learning to encourage increased proportions of their revenue into addressing the basic skills challenge.</p> <p>A package of programmes to help people into work and gain basic qualifications, including:</p> <ul style="list-style-type: none"> - Paid work experience placements - Transition to work support - Volunteering opportunities <p><u>Outcome</u>: 12,000 participants involve</p>	

Our EU Structural Investment Fund Plan articulates a programme of value added actions, under five thematic areas – Employer-led infrastructure and enhanced careers information; apprenticeships and vocational provision; up-skilling the workforce for SME growth and active inclusion, transitions to work and reducing youth unemployment - that will help to drive and support many of our priorities. Please see EU SIF for more detailed information. We believe it will not only derive positive social and economic outcomes through the new and additional funds it provides, but will also help facilitate a more sustainable systematic change in the skills and employment system locally – enabling us to progress the further work stated in this chapter.

Our Asks of Government

1. SFA Capital Investment in Skills Infrastructure

Investment in our skills infrastructure is crucial, particularly for the delivery of cutting edge STEM based occupations. There is significant appetite across Providers in the SELEP to respond to the need for STEM and other priority skills and capita investment in buildings and equipment is a linchpin factor in being able to do so.

Key facts: SE LEP has the –

- Fourth highest amount of capital funding required nationally (£201m) to address all category C/D condition based on average refurbishment cost
- Second highest number of colleges nationally (15)
- Second highest estate size overall and (5.9% of national estate)
- Second highest average grant since 2001 across all LEP areas (£26m)

Significant investment would be needed in the SE LEP area to address all its infrastructure shortfalls; however recognising the need to focus and stretch public investment, SELEP, with support of the Skills Funding Agency, will take a strategic approach to prioritisation to ensure impact, best value and maximum local co-investment.

We are asking for **£117m** over a six year period to improve the FE estate condition, for new provision across the FE and skills base and specialist equipment that supports more niche areas of employer required training.

- **College Condition Fund:** £11.7m which based on an average 2:1 match would equate to projects worth £23.4m across SE LEP
- **Specialist Equipment Fund:** £5.85m, open to colleges and private providers, based on 2:1 average would lead to £11.7m of investment
- **Main Competitive Skills Capital Programme:** £110.45m, open to colleges and private providers, which based on an average 2:1 match would equate to projects worth £198.9m

£50m is sought for 2015-17 for projects already in the pipeline that will deliver against SE LEP priorities. This would be split by £42.15m into the Main Capital Programme, £1.95m into the Equipment Fund and £3.9m into College Condition. *Please note that whilst the programme is based on an average of 2:1 match, final investment will be based on affordability and the ability of the local area to invest.*

At this point in time, SE LEP has based its figures on the size and condition of the estate and through proportioning the available national budget. Whilst initial amounts have been set aside for the College Condition Fund and the Specialist Equipment Fund, SE LEP will ensure the management of the overall budget can flex in-year, particularly towards the end of financial years, to maximise the use of the funding, whilst ensuring value for money.

SELEP will work closely with Skills Funding Agency to implement robust assessment processes for the main competitive programme that test the skills business case, finance case, and property case, to ensure that all supported projects will meet skills priorities, represent value for money, and improve the condition of the estate.

The skills capital requests are set out in the table below. A number of further key capital investments are in the pipeline. The Employment and Skills Boards will take a lead role in assessing and

recommending skills capital projects to the SE LEP Board. The LEP Skills Advisory Board will take a lead in liaising with the Skills Funding Agency to discuss and implement.

2. Freedoms and flexibilities

In addition to the EU Structural Investment Fund and skills capital, what we ask of Government is to:

1. Influence over the use of **the adult skills budget** that is allocated to the SE LEP area for the LEP to determine what it needs to deliver in order to address its skills priorities.
 - This ask is with providers agreement and would be utilised for employer-led training that supports skills gaps and shortages in our priority sectors, determined through the ESBs in partnership with the sector guilds. We ask for additional flexibility for providers to better tailor accredited training/units to respond to the needs of the employer.
 - The ring fencing could work through an amendment to the contractual agreement the SFA has with the SE LEP-based colleges and providers that sets aside a proportion of their Adult Skills Budget funding for commissioning skills training in priority sectors
2. Commit to **local determination and co-commissioning of ESF** to ensure it will deliver local priorities.
3. LEP **influence in the design and delivery of national programmes**, such as Work Programme and a meaningful level of local accountability for performance of these. This will help to ensure that national programmes work coherently with local provision for the benefit of people and business.

Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 5

Subject: Local Growth Fund Round 2

By: Ross Gill
Economic Strategy and Policy Manager, Kent County Council

Summary

In September, the South East LEP was asked to put forward additional projects for a second round of the Local Growth Fund. A number of indicative projects were identified across Kent and Medway and these were submitted to Government on 6 October.

The Government has subsequently requested full business cases by 3 December. This report provides an update on progress to date, sets out proposed next steps and seeks the views of the Board on the emerging project priorities coming forward.

The Board is asked to note this report, and in particular to:

- a) Consider the emerging priority list; and
 - b) Note this report and the proposed process for the submission of Round 2 applications.
-

10. Background

10.1. In September, the Government announced that there will be a second round of the Local Growth Fund. While the scale of this is not yet known, the Government has suggested that it is likely to be around £500 million nationally, mostly in 2015/16 and 2016/17. This will make the next round much smaller than the first: £50 million would appear to be a 'realistic but ambitious' estimate of funding that might be allocated to the South East LEP. This would equate to around £22 million for Kent and Medway.

10.2. Initially, the Government asked for brief outline project proposals by 6 October. A shortlist of projects was identified across Kent and Medway, to a value of approximately £35 million (i.e. significantly greater than likely funds available), and this was considered by KMEP Board in October.

10.3. Since then, the Government has asked for a prioritised list of potential projects, with accompanying business cases, to be submitted by 3 December at the latest, although it has

said that it is willing to consider draft business cases for comment in advance of that date, and is encouraging us to put forward the final list in advance of the deadline. The LEP Chairman has proposed that KMEP and its equivalents should prepare the list of priority projects for their areas, with overall sign-off by the LEP chairman and vice-chairs on 20 November.

11. The process so far

11.1. Since the initial shortlist was submitted on 6 October, the following process has been followed:

- The promoters of all projects on the shortlist were invited to submit business cases by 31 October. This deadline was met by all projects. A small number of additional business cases were also received.
- All business cases received so far have been scored on the basis of deliverability, outputs and value for money. This process used the same basic, high-level scoring methodology as that used previously. As the Board noted at its October meeting, this is inevitably subjective and mechanistic – **so while the scoring and ranking process may be useful as a rough guide, it is no substitute for strategic policy choice, and it should be considered as purely indicative.**
- The business cases have also been reviewed to identify points for clarification and areas in which the business cases may be strengthened. Following this, discussion is underway with several scheme promoters.

11.2. In addition, Government officials have offered to provide early feedback and have encouraged us to share emerging business cases. As Government feedback could be helpful in determining the final list of priorities, we have shared some business cases with officials, clearly stating that these remain drafts. It is anticipated that we may receive early feedback in the next week.

12. Notional submission value

12.1. There is no limit on the amount of funding for which the LEP can bid. However, consistent with the approach followed in the first round of LGF funding, the LEP Chairman has proposed that the LEP should submit a prioritised project schedules to the following approximate values, with a proportionate distribution between Kent and Medway and the other areas:

LEP maximum value	Kent and Medway maximum value
£80 million	£35 million
£50 million	£22 million
£25 million	£11 million

13. The emerging project list

13.1. The total LGF requested in the revised business cases received is just over £50 million. The schemes on the list are set out in table below. Schemes that did not feature on the indicative shortlist presented to Government on 6 October are highlighted (see Annex 1 for more detail).

Rank	Scheme	Authority area	LGF request (£m)	Cumulative
1	Westwood Relief Strategy	Thanet	4.60	4.60
2=	Folkestone Seafront	Shepway	5.10	9.70
2=	Rochester Airport	Medway	4.40	14.10
4=	Ashford Spurs signalling	Ashford	2.00	16.10
4=	Maidstone Medical Campus	Maidstone	4.60	20.70
6=	Pembury Road Phase 1	Tunbridge Wells	1.00	21.70
6=	Dover Western Docks Revival	Dover	5.00	26.70
6=	Horn Street Bridge	Shepway	3.00	29.70
6=	Medway Stations	Medway	1.95	31.65
10=	Leigh flood storage	T&M	3.20	34.85
10=	Dartford Town Centre	Dartford	2.30	37.15
12	Westenhanger lorry park	Shepway	4.00	41.15
13	Shearway Business Park	Shepway	1.40	42.55
14	M2 Junction 5a	Swale	5.00	47.55
15	Swanley Town Centre	Sevenoaks	0.80	48.35
16	Sittingbourne Town Centre	Swale	1.65	50.00
17	Dartford Station Quarter	Dartford	1.50	51.50

13.2. It should be noted that the priorities may change depending on further information received from project promoters and of course the views of KMEP. The early feedback from Government will also be useful in determining the final submission. At this stage, it would be useful for KMEP Board to indicate:

- Whether the overall list of schemes looks appropriate;
- Whether there any projects on the list that are not considered to be strategic priorities and should therefore be removed; and
- Whether the broad priority order of the schemes is right, bearing in mind that the limitations of the scoring process highlighted above.

13.3. Alongside our submission of discrete projects, it may also be useful to put forward some **more ambitious strategic priorities**, given the possibility that Government may want to consider further funding announcements and given the steer from ministers that LEPs should set out their ambitions. Within the Strategic Economic Plan, KMEP did set out more ambitious proposals, including substantial investment in housing market renewal in coastal Kent, and there may be a value in reiterating and expanding on these.

13.4. In any case, it should be noted that there are **schemes that were allocated funding in Round 1 for which final approval has yet to be given by Government**. It will therefore be important to press for full approval alongside any new allocations.

14. Anticipated next steps

- 14.1. To meet the LEP's requested timetable, a prioritised Kent and Medway list will have to be submitted to the LEP by Wednesday 19 November.
- 14.2. Following the discussion at KMEP Board, additional information may be received in the next few days, along with potential Government feedback. It is therefore suggested that a further report is circulated to the Board on **Friday 15 November**, setting out a prioritised list based on the Board's considerations plus (if it is material) any additional information or feedback received.
- 14.3. This will allow for any final comments from Board members before a final list is signed off by the Chairman for submission to the LEP on 19 November.

15. Looking towards future rounds

- 15.1. The process for LGF Round 2 has not been ideal – although KMEP has responded promptly to Government's requests, as have scheme promoters.
- 15.2. At the last KMEP Board meeting, it was agreed that further work should be done to consider the development of a stronger **pipeline of projects** to support future rounds. This is currently being considered via the sub-county partnerships, and it may be useful to bring a report to KMEP in the New Year setting out the emerging pipeline from each area.
- 15.3. Linked with this, it was also agreed that the **scoring mechanism** used to assess projects should be revised, since the current process systematically favours infrastructure schemes (especially transport schemes) over other interventions and was in any case only designed to enable indicative prioritisation in a very short timetable in Round 1. In particular, the lack of innovation-focused schemes was highlighted. Discussions are taking place with the university sector over the next few weeks, and it may be helpful to move towards a more consistent appraisal framework. This could be developed alongside the project pipeline - as agreed at the October Board, a substantive report will be brought to the Board in the New Year.

16. Recommendations

- 16.1. The Board is recommended to:
 - a) Consider the emerging priority list (in particular in relation to the issues highlighted in para. 4.2); and
 - b) Note the proposed process for the submission of Round 2 applications.

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6 November 2014

Scheme	Scheme Description	Area	Start Date	End Date	Full cost (£m)	LGF (TOTAL)	Match funding	Jobs Enabled		Homes Enabled		Ranking Process			
								2015-21	Total	2015-21	Total	Deliverability	Outcomes (Jobs and Houses)	VFM	Overall Score
Westwood Relief Strategy	Westwood Roundabout is a major pinch point on the road network which currently suffers from severe delays due to traffic movements to Westwood Cross shopping area and to the coastal towns of Broadstairs and Ramsgate . This congestion is a major barrier to the delivery of commercial and residential sites in the area. Though creating a new bypass around Westwood Roundabout and creating a new local centre, this will unlock development sites; delivering 4000 houses and 3500 houses.	Thanet	2016/17	2017/18	6.60	4.60	2.00	1,000	3,500	1,480	4,000	29.0	20.0	6.0	55
Rochester Airport	Creation of additional innovation and R&D workspace at Rochester Airport, building on the successful Medway Innovation Centre. LGF investment is specifically required for the first phase of the scheme, involving enabling infrastructure at Rochester airfield to release employment land to the south of the site.	Medway	2015/16	2016/17	23.40	4.40	19.00	1,150	1,150	0	0	25	16	11	52
Folkestone Seafront	Redevelopment of the harbour and seafront to provide a mixed use development of up to 1,000 homes, 10,000 sqm commercial space as well as seasports and beach sports facilities.	Shepway	2015/16	2018/19	100.00	5.20	94.80	450	450	322	1,000	25	16	9	50
Ashford Spurs Signalling project	Rail infrastructure constraints at Ashford International Railway Station mean that the new international rollingstock to be introduced after 2016 will no longer be able to serve Ashford without alterations made to the signalling system. This scheme will deliver a modern European rail signalling system (either ETCS or KVB) on the Ashford Spurs, while retaining the existing AWS / TPWS system. This will safeguard international services to Ashford International railway station and will deliver jobs across East Kent.	Ashford	2015/16	2017/18	4.52	2.00	2.52	1,000	1,000	350	350	28.0	16.0	6.0	50
Maidstone Medical Campus	The scheme involves the reconfiguration and signalisation of the M20 Junction 7 grade separated gyratory, the A249 / Bearsted Road roundabout junction and the enlargement of the C249 Bearsted Road / New Cut Road roundabout junction to improve junction capacity and traffic flow in order to accommodate the traffic associated with the Maidstone Medical Campus (MMC) development.	Maidstone	2015/16	2016/17	4.85	4.60	0.25	1,000	3,000	750	750	26	18	6	50
Pembury Road Phase 1	Measures to improve the capacity of Pembury Road (A264) through junction improvements.	Tunbridge Wells	2015/16	2016/17	1.60	1.00	0.60	1,160	1,160	600	600	32	11	6	49
Dover Western Docks Revival	This scheme will see the relocation of an existing marina and improved highway connections which will allow the cargo handling facility at Dover to expand as well as facilitating the regeneration of the Waterfront. The scheme will deliver 500 houses and 1,685 jobs.	Dover	2015/16	2015/16	200.00	5.00	195.00	1,685	1,685	500	500	33.0	10.0	6.0	49
Horn Street Bridge Widening	Widening of Horn Street Bridge as a pinch point on the local network which is acting as a barrier to the delivery of 1,200 houses and 160 jobs.	Folkestone	2016/17	2017/18	5.00	3.00	2.00	160	160	1200	1200	32	11	6	49
Package of station improvements in Medway	A joint project with Southeastern and Network Rail to improve the user experience at two key railway stations in the Medway Council area; Strood and Chatham Station	Medway	2015/16	2016/17	3.90	1.95	1.95	1,950	1,950	1,600	1,600	33.0	10.0	6.0	49

Dartford Town Centre Improvements	Package of congestion relief and improvement measures that will support delivery of 3070 houses and 1500 jobs. The works will consist of improvements to a number of junctions around the town centre, improved pedestrian and cycle connections to the railway station, bus priority measures (including Fastrack routes) and the introduction of Urban Traffic Management & Control systems.	Dartford	2014/15	2018/19	4.50	2.30	2.20	630	1500	1120	3070	27	15	6	48
Leigh Flood Storage Area	Works to increase capacity of Leigh storage barrier, protecting Medway Valley communities and businesses from flood risk	Tonbridge & Malling	2017/18	2019/20	37.50	3.20	34.30		2,250		1,800	20	16	12	48
Westenhanger lorry park	Kent currently experiences the negative impacts of inappropriate Lorry Parking in residential and industrial areas as well as from Operation Stack which sees the closure of the M20 to park the stacked HGVs when they cannot cross the Channel. The delivery of an Overnight Lorry Park will help to alleviate these challenges and overcome the negative perception of the East Kent as closed for business, encourage private sector investment in East Kent and facilitate the delivery of 1000 jobs and 1500 houses.	Shepway	2015/16	2018/19	12.00	4.00	8.00	400	1,000	700	1,000	24	15	5.0	44
Shearway Business Park Phase 2	Mixed use development of commercial/ office and industrial/ storage units, plus 77 homes and associated facilities. LGF investment is specifically required for utilities, drainage and on-site road infrastructure.	Shepway	2015/16	2017/18	20	1.4	18.60	200	200	77	77	25	8	10	43
M2 Junction 5a (Access to Kent Science Park)	Access to Kent Science Park (a high skilled and high wage employment site) currently suffers due to the convoluted route to the site via residential streets and small country lane. This is deterring new businesses from locating and investing in the site. Through delivering a new partial junction from the M2 and 1km link to the Science Park, in a joint venture with the site owners, this will unlock the site for the delivery of 1,800 new highly skilled jobs.	Sittingbourne	2017/18	2019/20	13.00	5.00	8.00	300	1,800	0	0	24.0	12.0	6.0	42
Swanley Town Centre	Delivery of strategic plan for three landmark sites in the town centre, opening up new homes, small business space and potentially a number of live/ work units	Sevenoaks	2015/16	2016/17	9.60	0.80	8.80	150	150	139	139	20	8	11	39
Sittingbourne Town Centre	Creation of start up units and training facilities within the new Leisure and Cultural Quarter, unlocking Phase 1 of the Sittingbourne town centre development	Swale	2015/16	2016/17	11.17	1.65	9.52	110	450	0	214	15	12	11	38

Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 6

Subject: Kent and Medway Growth Hub: Update report

By: Ross Gill
Economic Strategy and Policy Manager, Kent County Council

Summary

Following discussions at the last meeting of KMEP Board, this paper updates the Board on progress in taking forward the proposals for the establishment of a Kent and Medway Growth Hub to provide better coordination of the support available for business and increased financial support for businesses with growth potential.

The Board is asked to consider this report.

17. Introduction

- 17.1. Within the Strategic Economic Plan, Kent and Medway Economic Partnership made two requests for funding to support business growth. First, we proposed the establishment of a **Kent and Medway Growth Hub**, envisaged as a central signposting and information service to improve access to all forms of business support. Second, we proposed the creation of an additional service offering **direct recoverable finance to businesses with high growth potential**, where this will help to unlock additional private finance, building on the successful Escalate, TIGER and Expansion East Kent services.
- 17.2. In the Growth Deal, the Government allocated £800,000 in revenue funding to provide a 'Growth Hub' service across the LEP area. It also allocated £6 million in capital to Kent and Medway.
- 17.3. During September, consultation was held with business and with business support organisations on the potential design of the new services, and this was reported to the October meeting of KMEP Board. During the consultation, businesses in particular highlighted the complexity of the business support offer that is currently funded by the public sector (at national, county-wide and local level) and emphasised the need for better navigation and co-ordination of service provision. This view has also been expressed at KMEP and at other business partnerships around the county.

18. Progress: The Growth Hub signposting service

- 18.1. The funding made available for the Growth Hub signposting service has been allocated to the LEP as a whole. At the last meeting of KMEP Board, the Board was presented with two options: first, participation in a single, LEP-wide service (with the potential benefits of economy of scale); and second, the devolution of funding to create a local, Kent and Medway service (with the potential benefits of local coordination and management). The Board asked us to progress the second option.
- 18.2. Since then, it has been agreed with the other areas in the South East LEP that the revenue funding will be substantially devolved, although a limited amount of funding will be retained centrally to support monitoring costs, etc. While a distribution formula has yet to be determined, it is likely that Kent and Medway will receive between £250k and £300k in 2015/16.
- 18.3. It is envisaged that the Kent and Medway Growth Hub service will consist of a central website linking to all available sources of support, plus a signposting and advisory service. While the Growth Hub will need to involve all public sector business support providers across the county, it is anticipated that a 'core provider' will be appointed to deliver the central service. A draft specification for this service has been drawn up, and it is envisaged that procurement will start by the end of November following consultation in the remainder of this month, with a view to appointment in time for the start of the service in April.
- 18.4. The Government has also asked local partners to carry out a review of business support services alongside the creation of the Growth Hub. This work has been started and will inform the 'Innovation and Growth Strategy Statement' discussed previously at KMEP (including the identification of priorities for European funding from next year).

19. Progress: The 'Innovation Investment Fund'

- 19.1. At the last meeting of KMEP Board, the Board was also presented with options for the use of the £6 million capital allocation in Kent and Medway. The Board agreed that a business finance scheme should be developed building on existing schemes across the county.
- 19.2. Although £6 million is the headline funding allocation, it is profiled as £1 million per year over six years. It is therefore a much smaller amount of money than that currently available through the Regional Growth Fund-backed schemes, so it will need to be more targeted on specific sectors and growth opportunities.
- 19.3. It is therefore proposed that we establish an **Innovation Investment Fund**, which could operate as a loan and equity fund on the following basis:
 - a) The Fund is available across Kent and Medway;
 - b) As the existing RGF-funded schemes come to an end, repayments are made to the single fund (although repaid RGF would obviously still be ringfenced to the geographical area of origin and existing local branding could be retained);

- c) To manage demand over a smaller funding allocation, the Fund operates through a system of time-limited funding competitions. This would mean that rather than being open to applications at all times, the Fund would issue specific calls for projects on (for instance) a quarterly basis. These could focus on specific sectors or types of activity, enabling the funding to be more clearly targeted;
- d) The application and approval process follows that in place for the RGF schemes, with applications considered by an investment panel, using the three Investment Advisory Boards in existence. However, it is envisaged that KMEP (or a sub-group of KMEP) will have a key role in determining the strategic priorities for each call for projects, and in monitoring the Fund overall.
- e) As the Government funding into the Fund is currently unmatched, it may prove possible to use it as match to a future ERDF project for business support activities or access to finance once the new European Structural and Investment Funds programme comes into effect in 2015.

19.4. The Board's comments on these general principles are invited. This will then enable a detailed scheme to be drawn up for consultation (including an analysis of demand and consistency with national policy and programmes), and Government approval sought, so that a new scheme can start in April 2015.

20. Recommendations

20.1. The Board is asked to consider this report and to comment on the proposals for the Growth Hub and the Innovation Investment Fund.

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6 November 2014

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Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 8

Subject: Future meeting dates and agenda items

By: Ross Gill
Economic Strategy and Policy Manager, Kent County Council

Future meeting dates

Future meeting dates have now been set for:

15th January

23rd March

22nd June

6th July

14th September

12th October

17th November

1st December

Dates for February, April and May is awaited and will be confirmed shortly.

All meetings are scheduled for 5-7pm at Medway Innovation Centre.

Future agenda items

While much of the discussion at KMEP focuses on immediate issues linked with Government funding rounds and the work of the South East LEP, KMEP should have a broader, longer-term role in setting out the strategic economic priorities for Kent and Medway.

As part of the development of the Growth Strategy, it is suggested that a series of discussions are organised at KMEP, considering the key Growth Strategy themes (including links with the Kent Environment Strategy and the refreshed Kent and Medway Housing Strategy). With the Board's agreement, these will be programmed into future agenda items.

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