

## Capital Programme Delivery

### 1. Purpose

- 1.1 The purpose of this report is to provide the Strategic Board (the Board) with an update on the delivery of SELEP's Capital Programmes, including both Local Growth Fund (LGF) and Growing Places Fund (GPF).

### 2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Note** the update report

2.1.2 **Approve** the following three principles, as an approach to the management of LGF projects where there is an indicative LGF allocation to a project but a business case has not yet come forward for funding award and there is a risk to the spend of the LGF allocation within the Growth Deal period (to 31<sup>st</sup> March 2021). The three principles are as follows:

**Principle 1** - All projects identified in the LGF programme which have not been approved by the Accountability Board to date must come forward with a business case which can demonstrate deliverability, for a funding decision by the Accountability Board by the end of 2018 calendar year. The final meeting for these projects to be considered is the Accountability Board meeting on the 16<sup>th</sup> November 2018.

*Exemption to Principle 1 should only be made where:*

- *A project comprises of a package of measures which have been bought forward to the Accountability Board to date on a phased basis; or*
- *The project is a Department for Transport (DfT) funded project or where the business case will be considered by the DfT directly; or*
- *Where an outline business case has been developed and the Accountability Board have approved an initial funding award to the project, but a full business case is due to be submitted for the remaining funding allocation.*

**Principle 2** - If projects are unable to come forward for the award of funding by the Accountability Board meeting by the 16<sup>th</sup> November 2018, then recommendations will be made to the Strategic Board on the 7<sup>th</sup> December 2018 for the re-allocation of funding.

**Principle 3** - The Board will be asked to endorse the prioritisation of the LGF underspend following the approach to be agreed by the Board at its meeting on the 29<sup>th</sup> June 2018. The promoting authority will have the opportunity to make the case to the Board (or the Investment Panel, subject the agreement under Agenda Item 5) for the re-allocation of funding to alternative project(s) prioritised by the Federated Boards which can demonstrate delivery by the end of the Growth Deal period.

- 2.1.3 **Note** the intention for an approach to the development of a future pipeline of projects to be brought to the Board for consideration at its meeting on the 29<sup>th</sup> June 2018.
- 2.1.4 **Agree** that where delays are identified to a project's GPF repayment schedule on more than one occasion, this should be brought to the attention of the Strategic Board prior to a recommendation being made to the Accountability Board for approval of any further slippage.

### **3. Local Growth Fund – Growth Deal**

- 3.1 Through three rounds of LGF allocations by Central Government, SELEP has secured a total of £468m investment in 97 projects across SELEP, aimed at boosting skills, unlocking barriers to development and driving economic growth.
- 3.2 To date, a total of 81 projects have been awarded funding by SELEP Accountability Board (as shown in Appendix 1), with the Strood Civic Centre Flood Mitigation project due to be considered by Accountability Board on the 16<sup>th</sup> March 2018 for the award of £3.5m LGF.
- 3.3 The following LGF awards were made by the Accountability Board at its meeting on the 23<sup>rd</sup> February 2018:
  - 3.3.1 Chelmsford City Growth Area Scheme LGF funding decision (£10.0m)
  - 3.3.2 Gilden Way Upgrades (£5.0m)
  - 3.3.3 Kent Strategic Congestion Management Programme 2018/19 (£1.0m)
  - 3.3.4 Kent Sustainable Interventions Programme 2018/19 (£0.5m)
  - 3.3.5 Southend Forum Phase 2 (£6.0m)
  - 3.3.6 Hasting and Bexhill Movement and Access Package (£6.0m)
  - 3.3.7 A289 Four Elms Roundabout (£3.5m)

### **4. LGF delivery progress and highlights for each County Council/ Unitary Authority**

- 4.1 A total of 20 LGF projects have been fully completed to date. Some of the delivery highlights of the last quarter are set out below.

#### East Sussex

- 4.2 The **Eastbourne Town Centre Movement and Access Package** project was approved at the Accountability Board on the 23<sup>rd</sup> February 2018 for the award of an additional £2m LGF to the project. The total project LGF allocation now totals £8m. This project will deliver public realm works and improvements to the bus/rail interchange; complementing the private sector investment in the new Beacon (previously Arndale) shopping centre. Contractors for the works to Terminus Street have been appointed and site mobilisation works will start this month.

#### Essex

- 4.3 At the last Accountability Board, the Board approved the award of £10m LGF to the **Chelmsford City Growth Package** project to encourage more sustainable travel by foot, bicycle and public transport. The award of LGF to the project will now enable work to progress on the 16 specific interventions identified within the project business case - [http://www.southeastlep.com/images/uploads/resources/Chelmsford\\_City\\_Growth\\_Package\\_Business\\_Case\\_.pdf](http://www.southeastlep.com/images/uploads/resources/Chelmsford_City_Growth_Package_Business_Case_.pdf)

#### Kent

- 4.4 A ground-breaking event took place in February 2018, to commence the start of works by the construction contractors for the **A226 London Road/ B255 St Clements Way** project. This £6.9m project, funded through a £4.2m LGF award and developer contributions, will increase the capacity of the junction to help mitigate the impact of planned development in the Kent Thames Gateway. The project is due to complete in Spring 2019.

### Medway

- 4.5 Work has begun to support the redevelopment of **Strood Town Centre** through creating a new and improved market site and pedestrian space. This phase of works forms part of a wider package of measures funded through £9m LGF investment. To date, SELEP's investment in Strood has supported the delivery of a new Strood Station building which was opened in December 2017.

### Southend

- 4.6 At the Accountability Board meeting in February 2018, the Board approved the award of £6m LGF to the **Southend Forum 2** development which will provide a modern teaching, learning, research and study facilities for South Essex College and University, which enables closer co-working and co-operation between the two educational partners.

### Thurrock

- 4.7 Works continue to progress on the **A13 widening** project. This project has received the largest LGF contribution through the SELEP Growth Deal, having secured a total of £71m LGF. Activities have now commenced at the site, with vegetation clearance and ground work investigations due to complete in March 2018. A more detailed project update is provided for this project in the Accountability Board Agenda Pack.
- 4.8 A project progress update is provided for all LGF projects in Appendix 1.

### Project Evaluation

- 4.9 Post scheme evaluation is required for each LGF project as the scheme is completed and each County Council/ Unitary Authority is required to provide monitoring reports on the delivery of intended project outcomes to date at the end of each financial quarter. This includes the delivery of new jobs, houses, apprentices and new learners. A commitment to monitoring and evaluation is a condition of funding, as set out in the Service Level Agreement between the SELEP Accountable Body and each County Council/ Unitary Authority.
- 4.10 Estimates have been provided by each local authority on the delivery of outputs to date. However, this currently substantially understates the benefits which are expected to have been achieved from LGF investment.
- 4.11 SELEP is also developing new standard templates for the collation of information on the delivery of project outputs and outcomes to help make it easier for partners to complete post scheme completion evaluation, in line with Governments expectations.

## **Table 1 Project Outputs Reported to Date**

	Jobs	Commercial Floorspace (m <sup>2</sup> )	Houses	Other benefits
East Sussex	-	3000 - b1(c)	-	0.5km new road and 2km new cycle route built
Essex	3377	-	3331	28.88km road resurfaced and 3.41km new cycle route built
Kent	166	-	748	0.8km road resurfaced and 2.1km new cycle route
Medway	28	-	115	0.38km road resurfaced and 14.2km cycle route built
Southend	-	-	-	1.26km road resurfaced and 0.2km new cycle route
Thurrock	-	-	-	No project benefits reported to date
<b>Total</b>	<b>3571</b>	<b>3000</b>	<b>4194</b>	

- 4.12 SELEP often receives communication and feedback on the delivery of LGF projects from members of the public. In the last quarter a letter has been received from a member of the public which raises a number of concerns around the delivery of the A133 Harwich Road and Ipswich Road schemes and with a request for the letter to be circulated to Board members. These two interventions are being delivered by Essex County Council as part of the wider Colchester Integrated Transport Package.
- 4.13 Whilst SELEP does not have any specific concerns in relation to the comments raised in the letter, for the purposes of transparency, a copy of the letter and SELEPs response to the letter is made available to the Board as background documents. Essex County Council are also reviewing the letter and plan to issue a full response to its author shortly.
- 4.14 Once the Colchester Integrated Transport Package has been fully delivered, post scheme evaluation will be completed for the project by Essex County Council and the outcome of which will be reported back to both the Strategic and Accountability Board, as per the expectation for all LGF projects set out above.

## 5. LGF spend in 2017/18

- 5.1 Table 2 sets out the forecast LGF spend in 2017/18 for each area relative to the 2017/18 planned spend budget, as reported to SELEP Secretariat by each Federated Area. Overall the variance between the planned spend and updated spend forecast totals £33.739m, excluding DfT retained schemes and £49.654m including DfT retained schemes.

**Table 2 Updated LGF spend forecast 2017/18 (£m)**

<b>LGF (£m)</b>	<b>Planned spend in 2017/18 (as restated in September 2017)</b>	<b>Total forecast spend in 2017/18 (as reported in January 2018)</b>	<b>Variance*</b>	<b>Variance* (%)</b>	<b>Variance approved to date</b>	<b>Variance to be considered on the 16th March 2018</b>
East Sussex	25.999	22.963	-3.036	-11.68%	0.405	-3.441
Essex	17.867	19.299	1.432	8.01%	-4.268	5.700
Kent	32.236	20.913	-11.323	-35.13%	-4.767	-6.556
Medway	12.299	4.749	-7.550	-61.39%	-3.464	-4.086
Southend	13.508	3.658	-9.850	-72.92%	0.000	-9.850
Thurrock	12.293	8.905	-3.387	-27.55%	-3.387	0.000
Skills	0.096	0.071	-0.025	-26.42%	0.000	-0.025
M20 Junction 10a	8.300	8.300	0.000	0.00%	0.000	0.000
<b>LGF Sub-Total</b>	<b>122.597</b>	<b>88.857</b>	<b>-33.739</b>	<b>-27.52%</b>		
Retained	31.126	15.211	-15.915	-51.13%		
<b>Total Spend Forecast</b>	<b>153.723</b>	<b>104.069</b>	<b>-49.654</b>	<b>-32.30%</b>		

5.2 The total forecast LGF spend in 2017/18 now totals £88.857m excluding Department for Transport (DfT) retained schemes and £104.069m including DfT retained schemes. This is relative to a planned spend of £122.597m excluding retained schemes and £153.723m including retained schemes.

5.3 The LGF forecast spend position is being carefully monitored and managed relative to the LGF available to spend, particularly owing to the uneven spend profile of the grant award by the Ministry for Housing, Communities and Local Government (MHCLG). In 2019/20 the amount of LGF spend forecast currently exceeds the grant available, as shown in Table 3 below. As such, the programme will be managed in such a way to carry forward LGF between financial years to mitigate this risk and for some projects, delivery will need to be slipped into 2020/21

**Table 3 LGF spend forecast relative to LGF available (£m)**

£m	15/16	16/17	17/18	18/19	19/20	20/21	Total
Actual spend or current forecast	55.562	69.730	88.857	113.293	76.891	55.670	<b>460.004</b>
LGF allocation from Government	69.450	82.270	92.088	91.739	54.915	77.873	<b>468.335</b>
LGF carry forward from earlier years		13.888	26.428	29.659	8.104	-13.872	
Total grant funding available in year	<b>69.450</b>	<b>96.158</b>	<b>118.516</b>	<b>121.398</b>	<b>63.019</b>	<b>64.001</b>	<b>468.335</b>
Over/(under) allocation		13.888	26.428	29.658	8.104	-13.872	8.331

5.4 The Capital Programme Management report to the Accountability Board on the 16<sup>th</sup> March 2018 provides further information on the reasons for project delays and LGF slippage on a project by project basis.

- 5.5 A majority of the LGF slippage between 2017/18 and 2018/19 has been incurred on projects which have been approved by the Accountability Board for LGF award but have experienced delays to delivery through the detailed project development and construction phases of the project. These projects are still due to spend their full allocation within the Growth Deal period (to 31<sup>st</sup> March 2021) but to a delayed schedule.
- 5.6 However, there are a handful of projects which are identified in the LGF programme for spend of LGF in 2017/18, but have not come forward for LGF approval by the Accountability Board to date due to these projects being unable to demonstrate deliverability or due to the project being insufficiently well developed at this stage or owing to project risks, such as funding gaps. The current position on business case approvals for each project is set out in Appendix 1.
- 5.7 With only three years until the end of the Growth Deal, assurances are required that the larger scale and complex projects which have not yet to come forward for a funding decision are deliverable and can spend their provisional allocation by the 31<sup>st</sup> March 2021.
- 5.8 It is therefore recommended to the Board that the following three principles should be agreed:

**Principle 1** - All projects identified in the LGF programme which have not been approved by the Accountability Board to date must come forward with a business case which can demonstrate deliverability and for a funding decision by the Accountability Board by the end of 2018 calendar year. The final meeting for these projects to be considered is the Accountability Board meeting on the 16<sup>th</sup> November 2018.

*Exemption to Principle 1 should only be made where:*

- *A project comprises of a package of measures which have been brought forward to the Accountability Board to date on a phased basis (eg. projects which have annual funding allocations to smaller scale interventions); or*
- *The project is a Department for Transport (DfT) funded project or where the business case will be considered by the DfT directly; or*
- *Where an outline business case has been developed and the Accountability Board have approved an initial funding award to the project, but a full business case is due to be submitted for the remaining funding allocation.*

**Principle 2** - If projects are unable to come forward for the award of funding by the Accountability Board meeting by the 16<sup>th</sup> November 2018, then recommendations will be made to the Strategic Board on the 7<sup>th</sup> December 2018 for the re-allocation of funding.

**Principle 3** - The Board will be asked to endorse the prioritisation of the LGF underspend following the approach to be agreed by the Board at its meeting on the 29<sup>th</sup> June 2018. The promoting authority will have the opportunity to make the case to the Board (or the Investment Panel, subject the agreement under Agenda Item 5) for the re-allocation of funding to alternative project(s) prioritised by the Federated Boards which can demonstrate delivery by the end of the Growth Deal period.

- 5.9 For projects which are identified as a local priority but are unable to demonstrate delivery during the Growth Deal period will continue to be recognised as projects within SELEPs wider package of infrastructure needs and as such, would be expected to be endorsed by SELEP for future funding opportunities which align with the projects funding requirements.

## **6. LGF spend in 2017/18**

- 6.1 The future year LGF allocation to SELEP is currently only an indicative allocation. Final confirmation of the grant award by Government for each financial year is only confirmed in late March for the subsequent financial year.
- 6.2 During previous years the Grant Offer Letter to SELEP from Central Government has confirmed the LGF award for the respective financial year as expected from the indicative funding profile. However the Deep Dive discussions and governance review may have implications for the LGF award in 2018/19. As set out under Agenda Item 3, discussions are on-going with government officers to understand the implications of the recent review of governance and transparency for SELEP.
- 6.3 The Accountability Board have been asked to approve a total spend of £148.666m LGF in 2018/19, subject to sufficient LGF being made available by Government, as set out in Table 3 below.

**Table 3 Planned LGF spend in 2018/19**

<b>LGF (£m)</b>		
	<b>Planned spend in 2018/19</b>	<b>Planned spend in 2019/20 - 2020/21</b>
East Sussex	16.368	15.166
Essex	18.550	36.896
Kent	23.764	44.944
Medway	16.436	12.491
Southend	17.074	12.225
Thurrock	9.702	10.840
Skills	0.000	0.000
M20 Junction 10a	11.400	0.000
<b>LGF Sub-Total</b>	<b>113.293</b>	<b>132.562</b>
Retained	35.373	43.495
<b>Total Spend Forecast</b>	<b>148.666</b>	<b>176.057</b>

## **7. Future allocation of LGF and developing a single project pipeline**

- 7.1 As set out under Agenda Item 3, there are clear calls from Central Government to develop and maintain a single pipeline of capital infrastructure projects across SELEP and for this pipeline to help inform the decision making by the Strategic and Accountability Board. In particular, this pipeline should be used to support decision making in relation to the re-allocation of LGF underspends and for the allocation of the currently unallocated £8.3m LGF available across the SELEP LGF programme.
- 7.2 It is proposed to the Board that the development of this single pipeline should follow a similar approach to the recent Growing Places Fund Round 2 prioritisation, through which the Board will be asked to agree an assessment approach to be implemented by each Federated Board. The early engagement of the SELEP Independent Technical Evaluator (ITE) in this process will then support a technical prioritisation exercise of those projects identified by Federated Boards, in order to achieve a single prioritised list.
- 7.3 The detail of the proposed approach to the development of a future pipeline of project will be considered in line with Governments expectations and brought to the Board for consideration at its meeting on the 29th June 2018.

## **8. Growing Places Fund**

8.1 In total, £49.210m GPF was made available to SELEP, of which £48.705m GPF has been allocated to date. These allocations include loan investments in 13 capital infrastructure projects agreed by the Board through Round 1 of GPF awards, as detailed in Appendix 2. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and the remaining proportion has been ring-fenced to support the activities of SELEP's Sector Groups; as agreed by the Strategic Board in June 2017.

### GPF Round 1

8.2 Of the 13 GPF Round 1 projects allocated funding through the first phase of GPF allocations, eight of these projects have now been completed. A project progress update is provided for each Round 1 GPF project in Appendix 2.

8.3 To date, the expected benefits of GPF investment in enabling the delivery of new homes have not materialised or have not been reported through the update reporting to SELEP on Round 1 projects, as set up in Table 4 below. However, for specific projects, such as the Rochester Riverside Project, progress has been made during the last quarter towards the delivery of homes as a result of GPF investment.

8.4 Following planning consent having been granted for the Rochester Riverside development by Medway Council in October 2017, construction works are due to start of site in Q4 2017/18. This development is expected to deliver up to 1,400 dwellings, with the £4.41m GPF loan investment in the Project through GPF Round 1 having been used to fund site infrastructure such as the access road and public space works.

## **Table 4 Monitoring of GPF project outputs**

Name of Project	Project Status	Outputs defined in Business Case		Outputs delivered to date	
		Jobs	Homes	Jobs	Homes
Priory Quarter Phase 3	The project is now complete and has delivered 2247sqm of high quality office space. This is currently 16% let with over 20 enquiries received since opening. However a single occupier has now been found for the remainder of the building and terms have been agreed. Once fully let the building is still forecast to host the 440 jobs in the business case.	440	0	74	0
North Queensway	GPF invested, project complete and repayments are being made, but to a delayed schedule due to the slower than expected uptake of land sales.	865	0	0	0
Rochester Riverside	Project is progressing well. Countryside were chosen as the developer March 2016 and the Development Agreement was agreed in March 2017. Permission to grant planning was given at Committee in October 2017 and the S106 is out for signature which will be completed by the end of January 2018 enabling Countryside to begin on site.	402	450	0	0
Chatham Waterfront	GPF investment has been made and outline planning consent has been approved for the residential development at Chatham Waterfront. The delivery of this development will enable the GPF repayments to be made.	211	115	0	0
Bexhill Business Mall	GPF invested, project complete and repayments are being made	125	0	150	0
Parkside Office Village	GPF invested, project complete and repayments are being made, these will be completed at the end of 2017/18	169	0	120	0
Chelmsford Urban Expansion	GPF invested, project complete and GPF has been repaid in full.	2,105	0	365	0
Grays Magistrates Court	GPF invested, project complete and repayments are being made. The refurbished building is now in use	200	0	89	0
Sovereign Harbour	The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2345sqm of high quality office space. This is currently 77% let with over 171 enquiries received since opening.	299	0	180	0
Workspace Kent	GPF invested, project complete and repayments expected to start. However the delivery of jobs to date is currently lower than expected owing to project delays.	198	0	29	0
Harlow West	Delivery package 1 is well into deliver with the	4,000	1,200	0	0

Name of Project	Project Status	Outputs defined in Business Case		Outputs delivered to date	
		Jobs	Homes	Jobs	Homes
		Essex	majority of risks closed out. Procurement for the send package is about to start with a view to getting on site early next financial year.		
Discovery Park	The legal agreements are being finalised between Kent County Council and Discovery Park (South) Ltd. The initial outline planning permission for both infrastructure and housing has been approved. There are specific conditions for the final permission yet to be finalised.	130	250	0	0
Live Margate	"Phase 2" properties have been identified and sensitive negotiations are underway with the private owners. It is envisaged that these properties will be secured in 2018/19 with the resultant objectives met thereafter.	0	66	0	9
<b>Totals</b>		<b>9,144</b>	<b>2,081</b>	<b>1,081</b>	<b>9</b>

8.5 A GPF project delivery update and risk assessment is shown in Appendix 2 for each Round 1 project.

8.6 Repayments are now being made on these initial GPF Round 1 loan investments which have enabled the allocation of recycled GPF to the eight new GPF Round 2 projects agreed by the Board in November 2017, as set out in Table 5 below. The funding awarded to these round 2 GPF projects are dependent on sufficient repayments being made to existing Round 1 GPF projects.

8.7 At the last Accountability Board, the Board approved an amended GPF repayment schedules for the Live Margate project (Kent) and the North Queensway (East Sussex). The impact of these delayed repayments on the GPF cash flow position has been considered. Owing to the level of contingency that was applied when considering the amount of GPF available to support GPF Round 2 projects, the current cash flow position shows sufficient GPF being available to fund all identified Round 2 projects. However, any further slippages to GPF repayments are likely to have implications on the amount of GPF available to fund Round 2 projects.

8.8 At the Accountability Board meeting on the 23<sup>rd</sup> February 2018 comments were raised about the number of times that a repayment schedule for a GPF project could be amended. To enable the Board to consider the implications on the future pipeline of GPF projects, it is proposed that where a delay to a project repayment schedule is incurred on more than one occasion, this should be brought to the attention of the Strategic Board prior to recommendations being made to the Accountability Board.

## GPF Round 2

- 8.9 Through GPF Round 2, the Board prioritised a total of eight projects for GPF investment, totalling £9.3m. A final business case is now being developed for each of these projects for Accountability Board approval, as the GPF funding is required and available from SELEP.
- 8.10 To date, five projects have been approved, including the award of GPF by the Accountability Board at its last meeting on the 23<sup>rd</sup> February 2018 for the following three projects:
- 8.10.1 No Use Empty (£1.000m)
  - 8.10.2 Colchester Northern Gateway (£2.000m)
  - 8.10.3 Charleston Centenary (£0.120m)
- 8.11 As these GPF Round 2 project are now taken forward for delivery, updates will be included in the reporting to Accountability Board and Strategic Board to help monitor delivery progress.

**Table 5 Round 2 GPF projects**

<b>Scheme name</b>	<b>Federated Area</b>	<b>Total GPF (£)</b>	<b>Approval by the Accountability Board</b>
Colchester Northern Gateway	Essex	2,000,000	Approved
Eastbourne Fishermen	East Sussex	1,150,000	Approved
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	Approved
Fitted Rigging House	KMEP	800,000	To come forward in 2018/19
Innovation Park Medway	KMEP	650,000	To come forward in 2018/19
NUE Commercial	KMEP	1,000,000	Approved
Charleston Centenary	East Sussex	120,000	Approved
Javelin Way Development	KMEP	1,597,000	To come forward in 2018/19
<b>GPF total</b>		<b>9,317,000</b>	

## 9. Accountable Body Comments

- 9.1 The principles proposed in this report to ensure that business cases can be brought forward for LGF funding to enable delivery within the LGF period are supported; this will help to ensure that maximum investment value of the LGF programme will be realised to support the delivery of the SEP.
- 9.2 The high value of slippage in the LGF programme presents a reputation risk to the partnership and delivery partners. Whilst in part this due to the historical nature of the funding profile, it is imperative that the partnership is able to evidence both momentum and delivery to the funding departments within HMG to mitigate this risk. The increased levels of slippage do mean that the funding gap identified in 2019/20 has now been much reduced. However, the increased spend and planned delivery in the final year of the programme presents an increased risk. Confirmation should be sought from Government on the implications of LGF slippage beyond 31<sup>st</sup> march 2021. Urgent confirmation should be sought from Government that spending and delivery will be allowed beyond

31 march 2021.

- 9.3 Whilst we welcome a realistic approach to profiled spend planning, the planned under-profile of spend in 2018/19 is likely to create further increases in slippage over the financial year based on prior performance. This could further exacerbate the delivery risk for the final year of the programme. We are therefore advising that consideration is given to agreeing a revised, risk-based spend profile for projects to mitigate the current gap in the funding profile for 2019/20 and also that the profile is taken into consideration for any future requests to reallocate LGF underspends.
- 9.4 It is noted that one of the recommendations from the review of LEP governance and transparency by Mary Ney is that "Government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period". We very much support that recommendation and will be seeking an early response from Government.
- 9.5 It should be noted that funding from Government is only made on the basis that SELEP governance meets Government requirements. Whilst it is the Accountable Body's opinion that governance does meet those requirements, HM Government has not yet confirmed funding allocations for 2018/19 onwards. It should also be noted that the Government is currently reviewing governance arrangements of the SELEP, at the time of writing, it is not known whether the outcome of this review will impact on future funding allocations to SELEP.
- 9.6 The intention to bring an approach to develop an investment pipeline is supported as this is a requirement of the SELEP Assurance Framework.
- 9.7 The proposal to ensure that the Board has oversight of delays in the repayment profiles of GPF projects is also supported as this will help to ensure that the recyclable nature of the GPF fund is maintained.

## **10. Appendices**

- 10.1 Appendix 1 - LGF Round 1 Update
- 10.2 Appendix 2 - GPF Update Report
- 10.3 Appendix 3 – GPF Repayment schedule

## **11. Background reports**

- 11.1 Letter received in relation to A133 Harwich Road and Ipswich Road, Colchester
- 11.2 SELEP letter of response in relation to the A133 Harwich Road and Ipswich Road, Colchester

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