

ACCOUNTABILITY BOARD

10:00	Friday, 13 September 2019	High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ
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Quorum: 3 (to include 2 voting members)

Membership

Mr Geoff Miles
Cllr Kevin Bentley
Cllr Paul Carter
Cllr Rodney Chambers
Cllr Keith Glazier
Cllr Rob Gledhill
Cllr Ron Woodley
Graham Razey
Lucy Druesne

Chairman
Essex County Council
Kent County Council
Medway Council
East Sussex County Council
Thurrock Council
Southend Borough Council
Further Education/ Skills representative
Higher Education representative

For information about the meeting please ask for:

**Lisa Siggins
(Secretary to the Board)**

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Tel: 03330134594

Meeting Information

All meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

Most meetings are held at High House Production Park, Purfleet. A map and directions to can be found <http://hhpp.org.uk/contact/directions-to-high-house-production-park>

If you have a need for documents in the following formats, large print, Braille, on disk or in alternative languages and easy read please contact the Secretary to the Board before the meeting takes place. If you have specific access requirements such as access to induction loops, a signer, level access or information in Braille please inform the Secretary to the Board before the meeting takes place. For any further information contact the Secretary to the Board.

The agenda is also available on the Essex County Council website

Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

		Pages
1	Welcome and Apologies for Absence	
2	Minutes	6 - 15
3	Declarations of Interest To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	Questions from the Public Public Questions In accordance with the Policy adopted by the SELEP, a period of up to 15 minutes will be allowed at the start of every Ordinary meeting of the Accountability Board to enable members of the public to make representations. No question shall be longer than three minutes, and all speakers must have registered their question by email or by post with the Managing Director of the South East LEP (adam.bryan@essex.gov.uk) by no later than 10.30am seven days before the meeting. Please note that only one speaker may speak on behalf of an organisation, no person may ask more than one question and there will be no opportunity to ask a supplementary question. On arrival, and before the start of the meeting, registered speakers must identify themselves to the member of staff collecting names. A copy of the Policy for Public Questions is made available on the SELEP website - http://www.southeastlep.com/images/uploads/resources/PublicQuestionsPolicy.pdf Email (adam.bryan@essex.gov.uk)	
5	USP College, Benfleet LGF funding decision	16 - 37
6	Bexhill Creative Workspace, East Sussex LGF funding decision	38 - 45
7	Tilbury Riverside Business Centre Expansion LGF Funding Decision	46 - 51

8	Medway City Estate LGF funding decision	52 - 59
9	A131 Braintree to Sudbury LGF Funding Decision	60 - 69
10	Capital Programme Management of the Local Growth Fund	70 - 90
11	Growing Places Fund update	91 - 106
12	Discovery Park Growing Places Update Report	107 - 123
13	SELEP Operations Update	124 - 172
14	A13 Widening Interim Report Appendix 1 will be considered under Exempt Items	173 - 177
15	Future meeting dates To note that the next meetings of the Board will be held on Friday 15th November 2019 and Friday 14th February 2020 at High House Production House.	
16	Urgent Business To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.	
17	Urgent Exempt Business To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.	

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 07 June 2019

Present:

Geoff Miles	Chair
Cllr Tony Ball	Essex County Council
Cllr Paul Carter	Kent County Council
Cllr Alan Jarrett	Medway Council
Cllr Rupert Simmons	East Sussex County Council
Cllr Mark Coxshall	Thurrock Council
Cllr Ron Woodley	Southend Borough Council
Graham Razey	Further Education/Skills representative
Lucy Druesne	Higher Education representative.

ALSO PRESENT Having signed the attendance book

Marwa Al Qadi	East Sussex County Council
Suzanne Bennett	SELEP
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Edmund Cassidy	Steer
Kerry Clarke	Kent County Council
Kim Cole	Essex County Council (Legal representative for the Accountable Body)
Emma Cooney	Southend Borough Council
Helen Dyer	SELEP
Sunny EE	Medway Council
David Hughes	Kent County Council
Jessica Jagpal	Medway Council
Joel John	Essex County Council
Dean Kilpatrick	Local Democracy Reporter
Ian Lewis	Opportunity South Essex
Iain McNab	BEIS/Cities and Local Growth Unit
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Rhiannon Mort	SELEP

Lorna Norris	Essex County Council
Andrew Osborne	Ashford Borough Council
Andy Rayfield	MAXIM
Paul Rogers	Thurrock Council
John Shaw	Sea Change Sussex
Lisa Siggins	Essex County Council
Stephen Taylor	Thurrock Council
Amy Wharton	SELEP

1 Welcome and Apologies for Absence

It was confirmed that Councillor Ron Woodley was the new representative for Southend Borough Council.

The following apologies were received:

- Councillor Kevin Bentley (substituted by Councillor Tony Ball)
- Councillor Keith Glazier (substituted by Councillor Rupert Simmons)
- Councillor Rob Gledhill (substituted by Councillor Mark Coxshall)
- Councillor Rodney Chambers (substituted by Councillor Alan Jarrett)

2 Minutes

The minutes of the meeting held on Friday 12th April were agreed as an accurate record and signed by the Chair.

3 Declarations of Interest

As a private businessman, Geoff Miles declared a disclosable pecuniary interest in respect of agenda item 16 (Growing Places Fund Update).

He advised of his intention to step out of the room whilst agenda item 16 was discussed and it was confirmed that Lucy Druesne would chair this item.

Councillor Rupert Simmons declared a code interest in respect of agenda item 20 (Bexhill Enterprise Park North LGF funding decision) as he is a Director of Sea Change, the company who will manage the delivery of the project. In light of this non-pecuniary code interest, Cllr Simmons remained in the room during agenda item 20 but did not participate in the discussion or vote on this agenda item.

Graham Razey declared a code interest in respect of agenda items 6 (Digital Technology Campus, Basildon LGF funding decision) and 8 (Skills and Business Support for Rural Businesses, Plumpton College LGF funding decision) as he is the national leader of further education assigned to support South Essex College and Plumpton College.

4 Questions from the Public

There were none.

5 Vote on Vice-Chair

The Board were advised that there is a requirement for them to agree a new Vice-Chair, as Angela O'Donoghue is no longer a member of the Accountability Board

The Chair stated that the Vice-Chair must be either the further education or further education representative. As such, the Chair proposed Lucy Druesne, as the Higher Education representative on the Accountability Board. The Board voted in favour.

6 Digital Technology Campus, Basildon LGF funding decision

The Accountability Board (the Board) received a report from Rhiannon Mort SELEP Capital Programme Manager, and a presentation from Steer, the purpose of which was for the Board to consider the award of £2.15m LGF to the delivery of the Digital Technology Campus, Basildon, Essex (the Project). This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

Resolved:

To Agree the award of £2.15m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

7 Groundworks and Scaffolding Training Centre LGF funding decision

The Board received a report from Rhiannon Mort, and a presentation from Steer, the purpose of which was for the Board to consider the award of £100,000 LGF to support the delivery of the Groundworks and Scaffolding Training Centre (the Project) at Colchester Institute (the College), Essex. This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

Resolved:

To Agree the award of £100,000 LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

8 Skills and Business Support for Rural Businesses, Plumpton College LGF funding decision

The Board received a report from Helen Dyer, Capital Programme Officer, and a presentation from Steer, the purpose of which was for the Board to consider the award of £2.918m LGF to support the delivery of the Skills and Business Support for Rural Businesses project (the Project). This Project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

Resolved:

To Agree the award of £2.918m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

9 Flightpath Phase 2 LGF Funding Decision

The Board received a report from Helen Dyer, Capital Programme Officer, and a presentation from Steer, the purpose of which was for the Board to consider the award of £1.422m LGF to support the delivery of the Flightpath Phase 2 project (the Project) at Woodside Industrial Estate, Thornwood, Essex. This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

In response to a Member's question in respect of need for public sector intervention in the project, Edmund Cassidy (Steer), confirmed that the relevant evidence had been examined and that Steer were satisfied in this regard.

Resolved:

To Agree the award of £1.422m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

10 Sidney Little Road Business Incubator Hub LGF funding decision

The Board received a report from Helen Dyer, Capital Programme Officer, and a presentation from Steer, the purpose of which was for the Board to consider the award of £500,000 LGF to support the delivery of the Sidney Little Road Business Incubator Hub, Hastings, East Sussex (the Project). This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

Resolved:

To Agree the award of £500,000 LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money (estimated) with low to medium certainty of achieving this.

11 A131 Braintree to Sudbury project update

The Board received a report from Helen Dyer, Capital Programme Officer, the purpose of which was to give the Board an update on the A131 Braintree to Sudbury Project (the Project).

Councillor Ball requested support for Option 2 in the report, to allow further time for liaison with Braintree District Council and Highways England.

A discussion followed regarding the implications of a delay with the Board keen to ensure that a final decision be made at the September Board meeting. It was subsequently agreed to amend the recommendation which is reflected below:

Resolved:

1.1. **To Agree** that the Project is put on hold but the LGF remains allocated to the Project, subject to a change request and revised business case being brought forward to the September Board meeting to confirm that the revised project scope still offers value for money, to clarify the impact on the project outcomes of not delivering the other interventions and to confirm that there is a full funding package in place. If this project is unable to meet the September deadline, the LGF will be automatically reallocated through the LGF3b process.

1.2. **To Note** the requirement for a project update report to be received by the Board at least every six months, to monitor the Project risk. These separate update reports will continue until the point that the Board is satisfied that the Project risks have been sufficiently mitigated.

12 A127 Network Resilience Package Update

The Accountability Board (the Board) received a report from Helen Dyer, the purpose of which was for the Board to consider the Change Request which has been submitted by Essex County Council (ECC) for the A127 Network Resilience project (the Project).

In response to a member question Rhiannon Mort advised that this was the first time such a situation had been encountered, where the funding has been spent in full but project has not been delivered as set out in the business case and the board has been asked to give consideration to the recovery to LGF spend to date.

A discussion followed, and whilst the Board were keen to show support to the situation in question, they were keen to stress that this should not set a precedent. It was subsequently agreed to amend the recommendation which is reflected below:

Resolved:

1.1 **To Agree** the change of the total cost and scope of the Project, as detailed in the report.

1.2 **Note** that the decision to agree the change to project scope was made on an exception basis. Should other projects be in a similar position in future, the Board will consider such projects on a case by case basis.

13 Medway City Estate Project Update

The Board received a report from Rhiannon Mort and and Jessica Jagpal Medway Council LGF Programme Co-ordinator, the purpose of which was to

provide the Board with an update on the delivery of the Medway City Estate (MCE) connectivity improvements measures project (the Project).

Councillor Jarrett encouraged the Board to support option 2.1.1 in the report and stressed the importance of Medway City Estate to the local area. He confirmed that a revised business case should be available in a month's time.

The Board proceeded to discuss the change of scope and expressed concerns in this regard. They did however feel that there was the need for support and flexibility in this instance. It was subsequently agreed to amend the recommendation which is reflected below:

Resolved:

To Agree that a Business Case must be brought forward to the September Board meeting for the revised scope of the Phase 2 Project, otherwise the LGF will automatically be reallocated as part of the LGF 3b process

14 Capital Programme Management of the Local Growth Fund

The Board received a report from Rhiannon Mort, the purpose of which was for the Board to consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

Resolved:

1. **To Note** the updated LGF spend forecast for 2019/20, as set out in section 2 of the report.
2. **To Note** deliverability and risk assessment, as set out in section 5 of the report.
3. **To Note** the changes to 2018/19 LGF spend forecast, as set out in Appendix 2. The financial end of year position will be reported to the Board in September 2019.
4. **To Agree** the changes to 2019/20 LGF spend forecast, as set out in Appendix 2.
5. **To Agree** the removal of the Sturry Integrated Transport Project from the Growth Deal programme and the reallocation of the £300,000 LGF provisional allocation to the project through the LGF3b process, as detailed in section 7 of the report.
6. **To Agree** that the £83,825 LGF spend to date in the Sturry Integrated Transport Package must be returned to SELEP and the abortive revenue costs met locally. **(NB Councillor Carter abstained from voting on this item)**

7. **To Agree** the removal of the East Peckham Project from the Growth Deal programme and the reallocation of the £2.287m LGF provisional allocation to the project through the LGF3b process, as detailed in section 8 of the report. **(NB Councillor Carter abstained from voting on this item)**

8. **To Agree** spend of £4.662m LGF on the A127 Fairglen Junction Improvements in 2019/20, as detailed in section 4 of the report.

9. **To Note** the request from the DfT for Essex County Council to re-profile their LGF funding allocation on the A127 Fairglen Junction Improvements project to ensure that the funding can be spent within the Growth Deal Period; This includes swapping out up to £3.556m LGF for historic spend as set out in section 4 of the report.

15 **A13 Widening Update**

The Board received a report from Paul Rogers Programme Manager Major Schemes, Thurrock Council, the purpose of which was to provide the Board with an update on the A13 widening project (the Project).

Resolved:

To Note the update set out within the report on the A13 widening Project.

16 **Growing Places Fund update**

Geoff Miles left the room due to his previously made declaration of interest. This item was chaired by Lucy Druesne as the Vice Chair.

The Board received a report from Helen Dyer, SELEP Capital Programme Officer, the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

Resolved:

1. **To Note** the updated position on the GPF programme;
2. **To Approve** the £250,000 reduction in GPF allocation to the Fitted Rigging House Project and the associated amended repayment schedule;
3. **To Note** the amended draw down schedule for the Innovation Park Medway (southern site enabling works) Project;
4. **To Note** the update on the Discovery Park Project.

17 **SELEP Operations Update**

The Board received a report from Suzanne Bennett Chief Operating Officer, the purpose of which was for the Board to be updated on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report included a financial update on the revenue budget by the Accountable Body and updates on items of governance.

Graham Razey stated that he felt that 28 highlighted risks was somewhat high and that it would be better to just highlight those of concern.

Resolved:

1. **To Approve** the final provisional outturn for the South East LEP revenue budgets for 2018/19 in Table 1 of the report;
2. **To Approve** the contribution of £236,000 to General Reserves in Table 1 of the report;
3. **To Approve** the recommended increase in the minimum level of reserves to £165,000, held to meet the costs of closure should SELEP cease to function;
4. **To Approve** the 2019/20 revenue budgets for the specific grants summarised in Table 4 of the report (detail can be seen in Appendix B), noting that any material change will be reported to the Board at the first opportunity;
5. **To Note** the current forecast underspend of £178,000 against total revenue budget for 2019/20, and that this is offset by an equivalent reduction in the planned drawdown in reserves;
6. **To Note** the risk register at Appendix C;
7. **To Note** the Action Plan at Appendix D agreed with Government to address the findings of the Annual Performance Review;
8. **To Note** the update on the LEP Review and Assurance Framework; and
9. **To Note** the update on the recent compliance checks performed by the Cities and Local Growth Unit.

18 Chart Road Project Update

The Board received a report (Appendices 1-6 were considered under Exempt items) from Rhiannon Mort, the purpose of which was for the Board to receive an update on the delivery of the A28 Chart Road project (the Project), Ashford, Kent and to consider whether the Project should remain within the LGF programme.

Councillor Carter requested a three-week extension before a final decision is made. The Board discussed this and the potential losses for Kent County Council. It was subsequently agreed to amend the recommendation which is reflected below:

Resolved:

1. **To Agree** that the Project is put on hold;
2. **To Agree** that there is compelling justification for SELEP not to recover the £2.829m LGF spent on the Project to date, subject to Kent County Council

accounting for the spend to date as a capital cost.

3. **To Agree** that unless Kent County Council are able to provide written confirmation that the local funding is in place by the 27th June 2019, the £7.371m unspent LGF is reallocated through the LGF3b pipeline development process but the Project is considered for future funding opportunities should such funding opportunities become available.

19 **Sturry Link Road Update**

The Board received a report (Appendix 1 was considered under Exempt items) from Rhiannon Mort, the purpose of which was for the Board to receive an update on the delivery of the A28 Sturry Link Road project (the Project), Canterbury, Kent.

Resolved:

1. **To Agree** that the Project is put on hold but the LGF remains allocated to the Project until KCC can provide assurance that the local funding package is in place to progress with the delivery of the Project

2. **To Agree** the requirement for a project update report to be received by the Board in September 2019 and at least every six months following this, to monitor the Project risk, unless the project is cancelled. These separate update reports will continue until the point that the Board is satisfied that the Project risks, detailed in section 5 of this report, have been sufficiently mitigated.

20 **Bexhill Enterprise Park North LGF funding decision**

The Board received a report (Appendix 1 was considered under Exempt items) from Helen Dyer, SELEP Capital Programme Officer and a presentation from Steer, the purpose of which was for the Board to consider the award of £1.94m LGF to the delivery of Bexhill Enterprise Park North, East Sussex (the Project). This Project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

Resolved:

1. **To Agree** the award of £1.94m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

2. **To Note** that in order to realise all the benefits set out in the Project Business Case all phases of the Project need to be delivered.

Following his declaration of interest in this item, Councillor Simmons did not vote on this agenda item.

21 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 13th September 2019 at High House Production Park.

The Chairman gave his thanks to Kim Cole who is leaving Essex County Council and wished her good luck for the future.

There being no urgent business the meeting closed at 12.25 pm

22 Exclusion of the Public

That the press and public be excluded from the meeting during consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972.

23 A28 Chart Road Update Confidential Appendix 1

The Board considered A28 Chart Road Confidential Appendix 1.

24 A128 Chart Road Confidential Appendix 2

The Board considered A28 Chart Road Confidential Appendix 2.

25 A128 Chart Road Confidential Appendix 3

The Board considered A28 Chart Road Confidential Appendix 3.

26 A128 Chart Road Confidential Appendix 4

The Board considered A28 Chart Road Confidential Appendix 4.

27 A128 Chart Road Confidential Appendix 5

The Board considered A28 Chart Road Confidential Appendix 5.

28 A128 Chart Road Confidential Appendix 6

The Board considered A28 Chart Road Confidential Appendix 6.

29 A28 Sturry Link Road Confidential Appendix 1

The Board considered A28 Sturry Link Road Confidential Appendix 1.

30 Bexhill Enterprise North Park LGF funding decision CONFIDENTIAL APPENDIX 2

The Board considered Bexhill Enterprise North Park LGF funding decision Confidential Appendix 2.

Chairman

Forward Plan reference number: FP/AB/230

Report title: USP College, Benfleet LGF funding decision	
Report to Accountability Board on 13th September 2019	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 5 th August 2019	For: Decision
Enquiries to: Helen Dyer, Helen.dyer@southeastlep.com	
SELEP Partner Authority affected: Essex	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £900,000 LGF to the delivery of the USP College Centre of Excellence for Digital Technologies and Immersive Learning, Benfleet, Essex (the Project). This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.
- 1.2 The Business Case for the Project has been considered through the Independent Technical Evaluation (ITE) process and the Project has been assessed as presenting high value for money (estimated) with high certainty of achieving this.
- 1.3 The Economic Case for the project has been assessed based on a qualitative approach, rather than through a quantified benefit cost ratio and is therefore recommended for approval under a value for money exemption, as detailed in section 7 of the report.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the award of £900,000 LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money (estimated) with high certainty of achieving this.

3. USP College Centre of Excellence for Digital Technologies and Immersive Learning

- 3.1. The Project will deliver a new 'state of the art' USP College Centre of Excellence for Digital Technologies and Immersive Learning on the Seevic USP Campus in Benfleet.

- 3.2. The Project will deliver four suites, totalling 600m² of new teaching and learning and business support space. Each suite will offer a full complement of immersive learning, virtual reality and collaborative working environments, which will be used by USP College learners, other education providers and local businesses.
- 3.3. The Project will build upon the existing immersive learning provision at USP College, and will offer a commercial-scale, cutting edge facility which is fundamental to the roll-out of the use of digital skills, immersive learning and simulated environments (virtual and augmented reality) in the delivery of further and higher education, vocational skills training and business support across the SELEP area.
- 3.4. The project will act as a transformational learning hub for Essex. It will also be used to demonstrate how access to digital, virtual and immersive technologies will drive change in the perceptions of both learners and employers in how to achieve both qualifications and professional competencies.
- 3.5. The key strategic objectives of the Project are:
 - 3.5.1. To increase the number of learners with basic digital skills;
 - 3.5.2. To increase the use of digital technologies in the delivery of education and skills training;
 - 3.5.3. To increase accessibility to education and skills training and employment opportunities to people across SELEP;
 - 3.5.4. To optimise the effectiveness of teaching and learning through cutting edge pedagogies;
 - 3.5.5. To ensure that the workforce across SELEP has the exposure to, and skills in, digital technologies and applications that employers need;
 - 3.5.6. To increase levels of learners accessing and attaining functional skills in English and maths;
 - 3.5.7. To establish a new local digital partnership;
 - 3.5.8. To review curriculum in employment priority sectors to establish how the Project can be used to integrate digital skills training in curriculum areas relevant to: health and social care, transport and logistics, digital and creative industries, finance, manufacturing and engineering and education and training provision;
 - 3.5.9. To work with business support programmes and agencies and other stakeholders in supporting 100+ businesses, particularly start-ups, incubators and high growth SMEs to access immersive learning, collaborative working, virtual and augmented reality environments to increase productivity and competitiveness;
 - 3.5.10. To improve special educational needs and disabilities (SEND) and learners with learning difficulties and disabilities (LLDD) provision through the use of immersive technologies and virtual/augmented environments;
 - 3.5.11. To improve functional skills (maths and English) attainment using immersive learning and virtual and augmented learning environments;

- 3.5.12. To improve participation and attainment in science, technology, engineering and mathematics (STEM) using immersive learning and virtual and augmented learning environments;
 - 3.5.13. To widen participation in education, training and skills to people of all ages and backgrounds;
 - 3.5.14. To increase the number of women with STEM, IT and digital skills;
 - 3.5.15. To improve the number of learners with qualifications beyond L1;
 - 3.5.16. To improve the number of learners with qualifications beyond L3;
 - 3.5.17. To host open days for members of the community to get experience of immersive technologies and virtual/augmented environments; and
 - 3.5.18. To increase take-up of work placements, traineeships and apprenticeships through use of the Project in delivering training and assessment.
- 3.6. The delivery of the Project will enable over 500 learners to be supported, with over 50 new learners created as a result of the Project. In addition, over 50 new jobs will be created through new digital apprenticeships as a result of the Project.
- 3.7. Over 600 businesses will be supported through the Project, via engagement, training and access to the facilities.

4. Options Considered

- 4.1. During the development of the Project a number of options were explored. These options have been set out within the Business Case, and include:
- 4.1.1. **Do nothing and continue to operate without investment** – It is considered that the existing facilities cannot meet future market demand, meaning that without investment the College would be unable to provide further education provision in line with employer requirements or respond to SELEP strategic skills and employment growth requirements. In this scenario the College would become increasingly uncompetitive and therefore this option was discounted.
 - 4.1.2. **USP College develops the Centre of Excellence for Digital Technologies and Immersive Learning with no LGF support** - USP College is offering the maximum amount of affordable investment in the project (£900,000). Without the LGF funding this sum would not be enough to either remodel existing space or pay for the capital build and equipment costs required for a new building. The nature of the space and technology requirement does not allow for the Project to simply be scaled down, with the proposed design representing the minimum needed to make the Centre viable. As a result, this option was discounted.
 - 4.1.3. **Locate the Centre of Excellence at USP College Benfleet (Seevic Campus) with LGF support towards refurbishment of existing space** - There is significant pressure on existing space and the College

needs to consider how it can manage future growth within its existing footprint. Even if sufficient space was identified, the cost of remodelling that space and the disruption it would cause to College operations would be prohibitive. Therefore, this option was discounted.

- 4.1.4. **Locate the Centre of Excellence at USP College Benfleet (Seevic Campus) with LGF support towards provision of new purpose designed space** – This option allows for a purpose-designed technology rich Immersive learning and digital technology environment with appropriate scale and facilities. Offsite and modular construction will minimise operational disruption and de-risks the build programme and cost model.
- 4.1.5. **Find a new site for the Centre of Excellence** – This option would require substantial capital investment in order to buy or lease new property, in addition to both capital and equipment costs rendering this option undeliverable.
- 4.1.6. **Locate the Centre of Excellence at USP College Grays (Palmer's Campus)** - USP College Benfleet already has a small immersive learning room. USP College Benfleet staff are training in immersive learning technology, with the college offering education for adults, in addition to 16 to 19 year olds. USP College Grays offers education for 16 to 19 year olds only. Therefore, in order to maintain curriculum coverage establishing the Centre of Excellence at USP College Grays is not feasible.
- 4.2. The preferred option is to locate the Centre of Excellence at USP College Benfleet (Seevic Campus) with LGF support towards the provision of new purpose designed space. This option will see 600m² of newly-built, purpose-designed, technology rich and digitally enabled teaching and learning and business support space created. The project will employ cutting edge off-site, modular construction techniques, which will minimise operational disruption as well as significantly accelerating construction times.
- 4.3. To date planning consent has not been obtained for the preferred option which may present a risk to delivery. However, planning consent has previously been granted for a two storey building on the site proposed for the new centre of excellence. Whilst this planning permission has now elapsed, it has established a principle of development in the vicinity of the proposed site, which should reduce this risk.

5. Public Consultation and Engagement

- 5.1. A number of stakeholders who have involvement with or interest in the Project have been identified in the Business Case.
- 5.2. Table 1 provides a summary of the stakeholders identified.

Table 1 – Stakeholders involved in the USP College, Benfleet project

Castle Point Council	Huawei
Essex Skills Board – Logistics	AAT
Essex Skills Board – Engineering	Federation of Essex Colleges
SELEP	Anglia Ruskin University, Writtle University College, University of Hertfordshire
Careers College	Luton Sixth Form College, South Essex College, The King John School, The Deanes Academy, The Challenger Multi Academy Trust
Docklands Academy	Ajenta
The Skills Network	Railscape
Essex Provider Network	Diverse Interactive
Seymore House	Immersive Learning Research Network

- 5.3. Initial discussions have already been held with all the key stakeholders. Engagement will continue throughout delivery in order to maximise the benefit offered by the Project.

6. Project Cost and Funding

- 6.1. The total capital cost of the Project is estimated at £1.8m, as set out in Table 2 below.
- 6.2. The College is seeking a £900,000 LGF contribution towards the delivery of the Project. The remaining cost will be funded by the College through cash reserves. In line with the existing SLA the LGF funding will be allocated to Essex County Council, who will need to arrange for the funding to be transferred to the college in line with an agreed back to back funding agreement between the two parties.
- 6.3. The College has allocated funding to the project in their forward financial profiling for 2019/20 and this will be formally signed off by the College Corporation when the LGF funding award is approved.
- 6.4. The College has also set-aside £216,000 of revenue funding to cover project management and monitoring costs. These costs will only be accrued if the project progresses.

Table 2 – USP College, Benfleet Capital Spend Profile (£)

	2018/19	2019/20	2020/21	Total
SELEP LGF		800,000	100,000	900,000
USP College contribution	100,000	700,000	100,000	900,000
Total	100,000	1,500,000	200,000	1,800,000

7. Outcome of ITE Review

- 7.1. There is a requirement for projects to demonstrate Benefit Cost Ratio values of at least 2.0:1 unless they comply with one of the two exemptions outlined in the SELEP Assurance Framework.
- 7.2. As a part of the Business Case the benefits of the project have been considered in terms of the economic impact and the cost per output in comparison to the skills projects supported by SELEP to date. This method has been applied as an alternative to calculating a benefit cost ratio, given the low value of the project.
- 7.3. The Project can therefore be considered under exemption 1 of the Assurance Framework, as the LGF funding ask is under £2m.
- 7.4. Exemption 1 may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1) but has a Benefit Cost Ratio value of greater than 1.5:1 or where the project benefits are notoriously difficult to appraise in monetary terms. Exemption 1 will only apply if the following conditions are satisfied:
 - 7.4.1. The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
 - 7.4.2. Where there is an overwhelming Strategic Case (with minimal risk in the other cases); and
 - 7.4.3. There are qualitative benefits which, if monetised, would most likely increase the Benefit Cost Ratio above 2:1.
- 7.5. The ITE review confirms that the Project Business Case provides an overwhelming strategic case for the Project and that there is minimal risk associated with other sections of the Business Case.
- 7.6. A sensible and proportionate methodology has been applied, with the economic impacts quantified at a high level.
- 7.7. The impact of the Project will be assessed in line with the monitoring and evaluation plan, included as part of the Business Case. This will include an

assessment of the impact of the Project in terms of new learners supported, jobs created and businesses supported.

8. Project Compliance with SELEP Assurance Framework

- 8.1. Table 3 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 3 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The project objectives align with both national and regional policy, including the SELEP Skills Strategy. The objectives presented align with those identified in the Economic Strategy Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. Due to the low level of LGF funding required for this Project a full BCR assessment is not required.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates experience of delivering similar schemes. A comprehensive risk register has been developed which provides an itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two	Amber	The Project is subject to a Value for Money exemption, so a full monetised economic appraisal has not been completed.

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
Value for Money exemptions		<p>However, the Project complies with value for money exemption 1, as set out in the SELEP Assurance Framework.</p> <p>The economic impacts have been quantified at a high level, however, this approach offers less certainty around the value for money offered by the Project. The overall impact of the project will be monitored in line with the monitoring and evaluation plan, included as part of the Business Case.</p>

9. Financial Implications (Accountable Body comments)

- 9.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, and the funding has been received, however, funding for 2020/21 remains indicative.
- 9.2. Until confirmation of receipt of grant is received, any future year funding awards made by the Board remain at risk.
- 9.3. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.
- 9.4. The Funding Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the requirements of the grant or in accordance with the Decisions of the Board.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no legal implications arising out of this decision. The allocation will be released to the relevant Upper Tier Authority in accordance with the terms and conditions of the SLA already in place. It will be the responsibility of the Upper Tier Authority to ensure that there is a sufficient back to back

agreement in place with the College ensuring that the conditions of the SLA are reflected and formulate the basis of any agreement put in place.

11. Equality and Diversity implication

- 11.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

13. List of Background Papers

- 13.1. Business Case for the USP College Centre of Excellence for Digital Technologies and Immersive Learning.

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	

USP College, Benfleet LGF funding decision

Stephanie Mitchener	04/09/19
(On behalf of Nicole Wood, S151 Officer, Essex County Council)	

Independent Technical Evaluator - Local Growth Fund Business Case Assessment – Q2 2019/20 Report

Independent Technical Evaluator - Local Growth Fund Business Case Assessment – Q2 2019/20 Report

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1 Independent Technical Evaluation of Q2 2019/20 Growth Deal Schemes

Overview

- 1.1 Steer was reappointed by the South East Local Enterprise Partnership in April 2016 as Independent Technical Evaluator. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and decisions on investment to independent scrutiny.
- 1.2 This report is for the review of final Business Cases for schemes which are seeking funding through Local Growth Fund Rounds 1 to 3. Recommendations are made for funding approval on 13th September 2019 by the Accountability Board, in line with the South East Local Enterprise Partnership's own governance.

Method

- 1.3 The review provides commentary on the Business Cases submitted by scheme promoters, and feedback on the strength of business case, the value for money likely to be delivered by the scheme (as set out in the business case) and the certainty of securing that value for money.
- 1.4 Our role as Independent Technical Evaluator is not to purely assess adherence to guidance, nor to make a 'go' / 'no go' decisions on funding, but to provide evidence to the South East Local Enterprise Partnership Board to make such decisions based on expert, independent and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where value for money is not assessed as being high (i.e. where a benefit to cost ratio is below two to one and / or where information and / or analysis is incomplete).
- 1.5 The assessment is based on adherence of scheme business cases to Her Majesty's Treasury's *The Green Book: Central Government Guidance on Appraisal and Evaluation*¹, and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the DCLG/MHCLG Appraisal Guide. All of these provide proportionate methodologies for scheme appraisal (i.e. business case development).
- 1.6 Pro forma have been developed based on the criteria of *The Green Book*, a 'checklist for appraisal assessment from Her Majesty's Treasury, and WebTAG and DGLG/MHCLG Appraisal Guide.

¹ Source:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

- 1.7 Individual criteria were assessed and the given a 'RAG' (Red – Amber – Green) rating, with a summary rating for each dimension. The consistent and common understanding of the ratings are as follows:
- **Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
 - **Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment, but should be amended in future submissions (e.g. at Final Approval stage).
 - **Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before Gateway can be passed.
- 1.8 The five dimensions of a government business case are:
- **Strategic Dimension:** demonstration of strategic fit to national, Local Enterprise Partnership and local policy, predicated upon a robust and evidence-based case for change, with a clear definition of outcomes and objectives.
 - **Economic Dimension:** demonstration that the scheme optimises public value to the UK as a whole, through a consideration of options, subject to cost-benefit analysis quantifying in monetary terms as many of the costs and benefits as possible of short-listed options against a counterfactual, and a preferred option subject to sensitivity testing and consideration of risk analysis, including optimism bias.
 - **Commercial Dimension:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
 - **Financial Dimension:** demonstration of how the preferred option will be fundable and affordable in both capital and revenue terms, and how the deal will impact on the balance sheet, income and expenditure account, and pricing of the public sector organisation. Any requirement for external funding, including from a local authority, must be supported by clear evidence of support for the scheme together with any funding gaps.
 - **Management Dimension:** demonstration that the preferred option is capable of being delivered successfully in accordance with recognised best practice, and contains strong project and programme management methodologies.
- 1.9 In addition to a rating for each of the five dimensions, comments have been provided against Central Government guidance on assurance – **reasonableness** of the analysis, risk of error (or **robustness** of the analysis), and **uncertainty**. Proportionality is applied across all three areas.
- 1.10 Assessments were conducted by a team of transport and economic planning professionals, and feedback and support has been given to scheme promoters throughout the process through workshops, meetings, telephone calls and emails during June, July and August 2019.

Evaluation Results

- 1.11 Five outline business cases have been assessed for schemes seeking Local Growth Funding. Below are our recommendations to the Accountability Board, including key findings from the evaluation process and details of any issues arising.

Recommendations

- 1.12 The following LGF 3 schemes achieve high value for money with high certainty of achieving this. With all schemes at outline business case stage there remains a residual risk to value for money and deliverability until the contractor costs are confirmed, however this should not present a barrier to approval of funding at this stage.
- **Medway City Estate Connectivity Improvements (Phase 2 only) (£2.00m):** Medway City Estate is the largest employment site in Medway. Phase 1 of the project delivered a package of measures to improve movement to, from and within the site. This scheme will support further connectivity improvements in Phase 2, through delivering the Medway City Estate slip road. The business case analysis provides a proportionate assessment of the scheme costs and benefits and results in a strong benefit cost ratio representing high value for money. The analysis was robustly carried out based on WebTAG guidance and delivers high levels of certainty around this value for money categorisation.
 - **Marks Farm Roundabout (originally A131 Braintree to Sudbury) (£1.80m):** The project involves improvements to the Marks Farm roundabout including widening and a new left turn slip from the A120 to the east of Braintree. The business case analysis provides a proportionate assessment of the scheme costs and benefits and results in a strong benefit cost ratio representing high value for money. The analysis was robustly carried out using DCLG Land Value Uplift methodology and delivers high levels of certainty around this value for money categorisation.
 - **Tilbury Riverside Business Centre Expansion (£2.36m):** The project will deliver good quality managed workspace targeted at start-up, small and medium businesses. This will support economic growth and create new job opportunities. The business case analysis provides a proportionate assessment of the scheme costs and benefits and results in a strong benefit cost ratio representing high value for money. The analysis was robustly carried out based on WebTAG guidance and delivers high levels of certainty around this value for money categorisation. A Benefits Realisation plan not being as developed for the project and is expected to be completed to support the monitoring and evaluation of the project.
- 1.13 The following LGF 3b scheme achieves high value for money with a medium to high certainty of achieving this.
- Bexhill Creative Workspace (0.96m):** The project will facilitate the development of low cost creative workspace in Bexhill through the redevelopment of a former food production facility, with the purpose of attracting new creative industries to the town. The business case analysis provides a proportionate assessment of the scheme costs and benefits and results in a strong benefit cost ratio representing high value for money. The analysis was robustly carried out based on WebTAG guidance and delivers medium to high levels of certainty around this value for money categorisation. This medium to high rating is the result of deliverability uncertainty, as planning permission has not yet been secured. Revenue requirements could also be better evidenced.

- 1.14 The South East Local Enterprise Partnership Assurance Framework states that schemes may be eligible for exemption from quantified benefit cost analysis when the cost of the project is below £2.0m and there is an overwhelming strategic case (with minimal risk in the other cases). The following LGF 3 scheme is subject to this exemption and it is estimated that it will achieve high value for money:
- **USP College Centre of Excellence for Digital Technologies and Immersive Learning (CEDTIL) (£0.90m):** The project will deliver a new ‘state-of-the-art’ USP College CEDTIL which will be comprised of four suites of new teaching and learning and business support space. Since the funding request is less than £2m a full Value for Money assessment is not required and proportionate, high level analysis of economic benefits arising from the scheme has been undertaken. This analysis indicates high value for money. Although the assessment indicated an “amber” rating for some aspects of the Strategic Case, this is the result of deliverability uncertainty, as planning permission has not yet been secured. Further details have been provided and although the planning authority will not issue a dedicated letter of support (as this would prejudice the consideration of the planning application), evidence has been provided which demonstrates approved planning permission for a two-storey building on the site proposed for the CEDTIL building. This permission has since lapsed but established a principle of development in the vicinity of the proposed site. The proposed CEDTIL scheme is smaller and of less height than the previous scheme. Further, the Council has strongly supported the college in its growth, and also through its role as a leading further and growing higher education institution. Based on this additional information, we have revised our assessment to “green” to demonstrate the overwhelming strategic case for the scheme.
- 1.15 We are satisfied an overwhelming strategic case has been made for this scheme and that there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme. Without monetised benefit cost analysis we cannot assure this outturn value for money categorisation.

Table 1.1: Gate 1 & 2 Assessment of Growth Deal Schemes seeking Approval for Funding for Q2 2019/20

Scheme Name	LGF Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Dimension Summary	Economic Dimension Summary	Commercial Dimension Summary	Financial Dimension Summary	Management Dimension Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Outline business cases										
Medway City Estate Connectivity Improvements (Phase 2 only)	2.00	Gate 1: 3.31 (Phase 2 only)	Green	Amber	Green	Green	Green	A reasonable approach using WebTAG v1.12 has been used.	The methodology has been applied accurately. Justification for some assumptions in the Economic Case required.	The business case analysis provides assurance of the deliverability of the scheme.
		Gate 2: 3.31 (Phase 2 only)	Green	Green	Green	Green	Green	As above.	Justification has been provided which gives confidence that the approach is robust.	As above
Marks Farm Roundabout (originally A131 Braintree to Sudbury)	1.80	Gate 1: 3.13	Amber/ Green	Amber/ Green	Amber	Green	Amber	A reasonable approach has been adopted using DCLG Land Value Uplift methodology.	The methodology has been applied accurately.	Some uncertainty concerning the treatment of maintenance costs.
		Gate 2: 3.13	Green	Green	Green	Green	Green	As above.	As above.	Additional information around maintenance costs been provided removing uncertainty.
Bexhill Creative Workspace	0.96	Gate 1: 6.10	Amber/ Green	Green	Green	Amber/ Green	Green	A reasonable approach using WebTAG has been used.	The methodology has been applied accurately.	Some deliverability uncertainty regarding planning permission. Revenue requirements could also be better evidenced.
		Gate 2: 6.10	Amber/ Green	Green	Green	Amber/ Green	Green	As above.	As above.	As above.

Scheme Name	LGF Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Dimension Summary	Economic Dimension Summary	Commercial Dimension Summary	Financial Dimension Summary	Management Dimension Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Tilbury Riverside Business Centre Expansion	2.36	Gate 1: 5.55 (20-year appraisal)	Green	Amber/Green	Green	Green	Amber	A reasonable approach using WebTAG has been used.	The methodology has been applied accurately. Justification for some assumptions in the Economic Case required.	Some uncertainty concerning project management, the availability of suitable resources and benefits realisation.
		Gate 2: 5.55 (20-year appraisal)	Green	Amber/Green	Green	Green	Amber	As above.	As above.	As above.
USP College CEDTIL	0.90	Gate 1: Not derived	Amber	Amber/Green	Green	Amber	Amber	A sensible and proportionate methodology has been applied. The scheme is subject to an exemption from monetised economic appraisal.	Economic impacts have been quantified at a high level. This is appropriate and proportionate.	The economic approach results in less certainty around the Value for Money of the scheme. Some deliverability uncertainty regarding planning permission.
		Gate 2: Not derived	Amber	Amber/Green	Green	Green	Green	As above.	As above.	Additional details regarding planning permission have reduced uncertainty.

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Report to Accountability Board on 13th September 2019	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 16 th August 2019	For: Decision
Enquiries to: Helen Dyer, Helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £960,000 LGF to the delivery of the Bexhill Creative Workspace project (the Project). This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.
- 1.2 The Business Case for the Project has been considered through the Independent Technical Evaluation (ITE) process and the Project has been assessed as presenting high value for money with medium to high certainty of achieving this.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the award of £960,000 LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

3. Bexhill Creative Workspace

- 3.1. Rother District Council are seeking to redevelop a former food production facility at the Beeching Road industrial estate in Bexhill, to provide low cost creative workspace. Rother District Council will act as landlord for this workspace.
- 3.2. The site which will be redeveloped through the Project has remained largely unused since 2004, with little prospect of being let. The Project will use the footprint and shell of the existing building and will focus on redeveloping the interiors, roof and access points, in order to create 6 light industrial units specifically for the purpose of attracting new creative industries to the town.

- 3.3. The 6 light industrial units will range in size from 228sqm to 290sqm and will be divisible offering shared facilities and flexibility to accommodate up to 15 creative sector businesses. These businesses will be able to access business support via the De La Warr Pavilion which is situated 0.5miles away.
- 3.4. The LGF funding will be used to deliver the following works:
 - 3.4.1. Removal of internal partition walls and mezzanines;
 - 3.4.2. Levelling of raised floors and repairing brickwork;
 - 3.4.3. Reinstating internal walls and providing new roller-shutter doors;
 - 3.4.4. New toilets;
 - 3.4.5. Relining the gutters and clearing the drains; and
 - 3.4.6. Roof replacement.
- 3.5. As a result of transport infrastructure improvements, there is a growing rental market in Bexhill for small light industrial units. This has led to an increase in proposed development of this type, with a number of developments coming forward which will cater for a variety of different business types.
- 3.6. The concern is that low financial yield businesses, such as artists and other creative businesses, will suffer in the resultant competitive property market. Whilst the creative industry is an important growth sector, many businesses in the sector do not generate sufficient income to meet commercial rental rates. The Project seeks to address this issue through the provision of dedicated workspace for the creative industries which will be available at an affordable rental rate with ongoing support as required.
- 3.7. In addition, the area currently experiences the loss of a significant number of young creatives who head to London or Brighton to try and develop their career. Given its proximity to the De La Warr Pavilion, the proposed development site would offer the opportunity for artists and creative businesses to access a range of networks and contacts that would not be available in other towns.
- 3.8. The key strategic objectives of the Project are:
 - 3.8.1. To create 1,599sqm of B1 light industrial space across 6 units for the specific use of creative industry businesses;
 - 3.8.2. To create entry level and starter jobs for young creatives in the area; and
 - 3.8.3. Work with the De La Warr Pavilion to access local networks and create a programme of development for local creatives which includes low cost space to work.
- 3.9. It is expected that the Project will support 36 net additional jobs in the SELEP labour market.

4. Options Considered

4.1. During the development of the Project a number of options were explored. These options have been set out within the Business Case, and include a longlist of:

4.1.1. **Do nothing (Business as usual)** – This option would see no further public investment in the site. As a result, no additional support for would be provided for local creative sector businesses. Furthermore, as there has been minimal activity at the proposed development site since 2004 it is expected that under this scenario the site would remain unoccupied in the medium to long term.

4.1.2. **Provision of a business support programme only** – This option would involve enhanced provision of sector specific business support, building on existing South East Creative, Cultural and Digital Support (SECCADS). Business support has not been identified as the principal barrier to growth for local creative businesses, however, research does highlight demand for support to develop business management skills and commerciality. SECCADS was established in 2018 to support cluster development, market access, start-up and business growth in the sector. This is delivered locally through the De La Warr Pavilion. Establishing a new business support programme would bring risks around co-ordination and duplication of services already offered by SECCADS.

4.1.3. **Redevelop new business space** – This option would involve the refurbishment of an existing building to support local creative businesses. Under this option light industrial workspace would be created specifically for use by creative sector businesses. The units would be available at affordable rents of £5 per sq.ft. compared to typical market rates of approximately £7 per sq.ft. This option would support the growing creative sector.

4.1.4. **Build new business space** – This option would involve the provision of workspace to support local creative businesses through the construction of a new building. Investing in new build commercial workspace could potentially distort the local private property market by providing a product in direct competition with existing and ongoing developments. In addition, a new build development would cost significantly more than refurbishing existing premises, which could compromise the ambition to provide low cost workspace for the creative industry.

4.1.5. **New business space with in-house business support programme** – This option would provide a combination of workspace and enhanced business support. There is again a risk that provision of new business space with an in-house business support programme would overlap with current and planned future provision, i.e. SECCADS.

- 4.2. Following initial consideration of the above options, three options were ruled out, with options 1 and 3 being taken for appraisal.
- 4.3. Option 1 (Business as usual) was used as a reference case and is not considered to be a viable option as it would not benefit local creative sector businesses. In addition, it is likely under this option that the proposed site would continue to remain unused in the medium to long-term.
- 4.4. Option 3 was identified as the preferred option, however, two variations of option 3 were considered. The first being as outlined above, redevelopment of the existing building to provide light industrial floorspace for the creative sector. This option would include redevelopment of the interiors, roof and access points. The second variation of option 3 offered a £320,000 cost saving, through not replacing the roof on the proposed development site.
- 4.5. It has been identified that the roof of the building is in disrepair, however, the full extent of the required repair work is not yet known. It is considered that there are two potential outcomes of taking forward the reduced investment variation of option 3:
 - 4.5.1. Construction phase surveys indicate a new roof is needed. This would mean that the delivery programme would be delayed, and the cost would increase over budget;
 - 4.5.2. A new roof is required in the near future after the building is occupied. This would result in cost efficiencies of single-phase delivery being lost and will cause significant disruption to businesses occupying the site.
- 4.6. The preferred option is therefore to proceed with the complete redevelopment of the building, including the replacement of the roof. This will allow for all works to be undertaken in a single-phase and will ensure that there is no disruption once businesses are occupying the site.
- 4.7. The preferred option best serves to support the growing creative sector and aligns with the business support already provided through the De La Warr Pavilion.

5. Public Consultation and Engagement

- 5.1. A number of stakeholders who have involvement with or interest in the Project have been identified in the Business Case.
- 5.2. Table 1 provides a summary of the stakeholders identified.

Table 1 – Stakeholders involved in the Bexhill Creative Workspace project

Team East Sussex	SELEP including South East Creative Economy Network (SECEN)
Bexhill Town Centre Steering Group	Local Rother District Council and East Sussex County Council members
De La Warr Pavilion	Bexhill Contemporary
East Sussex County Council	Bexhill Residents' Association

- 5.3. Engagement with these stakeholders will continue throughout delivery in order to maximise the benefit offered by the Project.
- 5.4. In addition, the specification for the proposed workspace, including location, size and rent) has been developed in consultation with approximately 60 business owners and self-employed workers from the visual arts, crafts and design, film and television, architecture and performing arts industries.

6. Project Cost and Funding

- 6.1. The total capital cost of the Project is estimated at £1.76m, as set out in Table 2 below.
- 6.2. Rother District Council is seeking a £960,000 LGF contribution towards the delivery of the Project. The remaining cost will be funded by Rother District Council.
- 6.3. The funding from Rother District Council has been committed to the Project and has been utilised in the land acquisition process, which was completed in December 2018.

Table 2 – Bexhill Creative Workspace Spend Profile (£)

	2018/19	2019/20	Total
SELEP LGF		960,000	960,000
Rother District Council	800,000		800,000
Total	800,000	960,000	1,760,000

- 6.4. In addition, Rother District Council have submitted a bid to Arts Council England for a £100,000 grant to further develop the offer to creative sector businesses. If successful the grant will be used to facilitate the purchase of equipment for the building, such as welding equipment or a kiln, which would broaden the appeal to potential tenants.

7. Outcome of ITE Review

- 7.1. The ITE review confirms that the Project Business Case provides a proportionate assessment of the scheme costs and benefits and results in a strong Benefit Cost Ratio (BCR) representing high value for money.
- 7.2. The analysis was robustly carried out based on WebTAG guidance and delivers medium to high levels of certainty around this value for money categorisation. The medium to high rating is the result of uncertainty around deliverability, as planning consent has not yet been secured.

8. Project Compliance with SELEP Assurance Framework

- 8.1. Table 3 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 3 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The project objectives align with both national and regional policy. The objectives presented align with those identified in the Economic Strategy Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. Displacement, leakage and deadweight have been taken into account in the economic assessment.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the	Green	The Business Case demonstrates experience of delivering similar schemes. A risk register has been developed

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
costs of which must be clearly understood)		which provides an itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	A BCR of 6.1:1 has been calculated which indicates high value for money.

9. Financial Implications (Accountable Body comments)

- 9.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, and the funding has been received, however, funding for 2020/21 remains indicative.
- 9.2. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA; this sets out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the decisions of the Board.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no legal implications arising out of this decision. The allocation will be released to the relevant Upper Tier Authority in accordance with the terms and conditions of the SLA already in place. It will be the responsibility of the Upper Tier Authority to ensure that there is a sufficient back to back agreement in place with Rother District Council ensuring that the conditions of the SLA are reflected and formulate the basis of any agreement put in place.

11. Equality and Diversity implication

- 11.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
 - a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not;

- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

13. List of Background Papers

- 13.1. Business Case for the Bexhill Creative Workspace project.

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 04/09/19

Forward Plan reference number: FP/AB/232

Report title: Tilbury Riverside Business Centre Expansion LGF funding decision	
Report to Accountability Board on 13th September 2019	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 5 th August 2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.Mort@southeastlep.com	
SELEP Partner Authority affected: Thurrock	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £2.360m LGF to the delivery of the Tilbury Riverside Business Centre Expansion (the Project), Thurrock. This Project has been identified by the SELEP Investment Panel as a priority through the LGF3b pipeline development process.
- 1.2 The Business Case for the Project has been considered through the Independent Technical Evaluation (ITE) process and the Project is considered to present high value for money with medium to high certainty of achieving this.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the award of £2.360m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

3. Tilbury Riverside Business Centre Expansion

- 3.1. Tilbury Riverside Business Centre is part of Thurrock Council's Enterprise Units Programme which seems to support economic growth and create new job opportunities through the provision of good quality workspace targeted at start-up, small and medium businesses.
- 3.2. There is evidence of market failure in the supply of small business workspace in Thurrock. Whilst there is strong demand for small managed/serviced workshops in the area, private developers are deterred by poor returns. Generally higher capital investments are required for managed workspace. The Council's Enterprise Units Programme is part of the Council's intervention to address the disparity between the supply viability and demand for small business workspace.

- 3.3. In addition to providing the premises with specifications that meets the needs of small and medium sized businesses, the development also provides access to business facilities (such as receptionists, conference rooms and equipment), business support and advice (eg. finance, marketing, management skills and technical support) providing the best possible start for new and growing businesses.
- 3.4. Opened in 2005, the Riverside Business Centre provides around 2,544m² of lettable workspace comprising of offices, studios and workshop units alongside business facilities which include a boardroom, reception and breakout area. The centre is well used with occupancy levels consistently over 90%.
- 3.5. LGF is now sought by Thurrock Council to build a new 1,300m³ extension comprising 20 self-contained workshop units. The project will be delivered by Thurrock Council and will retain ownership of the commercial space.
- 3.6. The Project addresses issues identified within Thurrock's Economic Growth Strategy by providing the additional business pace required to enable the growth in businesses and jobs, set out within the Strategy. By 2026, the Project is expected to accommodate 48 net additional full time equivalent jobs.

4. Options Considered

- 4.1. Without LGF investment, Thurrock Council would be unable to progress with the Project and it would be placed on hold with no alternative funding currently available.
- 4.2. In the absence of LGF investment, there would be a missed opportunity to attract further inward investment in the area, create new job opportunities and support economic growth.
- 4.3. The preferred option, as set out in the Project Business Case, is for the investment of £2.36m LGF, matched with 2.76m from prudential borrowing raised by Thurrock Council. Once the new extension is completed it will be operated on Thurrock Council's behalf by Norfolk & Waveney Enterprise Services (NWES), who will provide a range of business support/advice services alongside the accommodation offer.
- 4.4. Thurrock Council has explored the potential to fund the entire development through its capital programme, however, this was not considered by Thurrock Council to be a feasible option given the budget pressures which local authorities are under, due to reductions in national government funding and increasing demands on local services.
- 4.5. Options to reduce the scope of the Project have also been considered but ruled out. The development site is constrained due to its proximity to Tilbury Fort. The site constraints mean that even a smaller scale extension would still

require the relocation of the car park to provide the land for the expansion of the business centre. Given the costs of relocating the car park, a reduction in the scale of the extension has been considered infeasible as it is not expected to present value for money.

5. Consultation

- 5.1. Full public consultation was undertaken as part of the original planning application for the site. Through the consultation, the Project received support from the local community and consultees.
- 5.2. The planning application for the development has since expired and will be resubmitted subject to the award of LGF to the Project. As part of the new planning application, further public consultation will be undertaken to help inform the development of the Project.
- 5.3. The final design for the Riverside Business Centre extension is the result of extensive research, consultation and feedback from Historic England, specialist local management operators and tenants. Information from this consultation and from the initial planning application process has fed into the design and viability assessment of the development.

6. Project Cost and Funding

- 6.1. The total cost of the Project is estimated at £5.118m, as set out in Table 1 below.
- 6.2. Thurrock Council is seeking a £2.360m LGF contribution towards the delivery of the Project. The remaining costs will be funded through prudential borrowing by Thurrock Council. This funding from Thurrock Council has been fully secured and can be drawn down as required.

Table 1 – Tilbury Riverside Business Centre Expansion Spend Profile (£m)

	2019/20	2020/21	2021/22	2022/23	Total
SELEP LGF	-	2.360	-		2.360
Thurrock Council	0.071	1.925	0.700	0.062	2.758
Total	0.071	4.285	0.700	0.062	5.118

7. Outcome of ITE Review

- 7.1. The ITE review confirms that the Project is expected to deliver high value for money with medium to high certainty of value for money being achieved. The project has a benefit cost ratio of 5.5:1.

- 7.2. The ITE has confirmed the economic appraisal approach has been completed in line with HM Treasury Green Book, following the appropriate guidance and with reasonable assumptions having been applied.
- 7.3. The scheme promoter will be required to complete a baseline monitoring and evaluation report, and post scheme evaluation following the completion of the Project.

8. Project Compliance with SELEP Assurance Framework

- 8.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The objectives presented align with the objectives identified in the Strategic Economic Plan, to accelerate business starts and support business growth.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. Additionality has been considered with sensitivity testing having also been undertaken for factors such as displacement and deadweight.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	A risk mitigation plan has been provided, the costs of which have been identified and included within the financial case under contingencies.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two	Green	The Project has a BCR of 5.5:1, demonstrating high value for money.

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
Value for Money exemptions		

9. Financial Implications (Accountable Body comments)

- 9.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, and the funding has been received, however, funding for future years is indicative.
- 9.2. Until confirmation of receipt of grant is received, any future year funding awards made by the Board remain at risk.
- 9.3. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.
- 9.4. The Funding Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the requirements of the grant or in accordance with the Decisions of the Board.
- 9.5. In considering the recommendations of the report, the Board are advised to note that this Project is part funded by Thurrock Council to the value of £2.758m; The Accountable Body has sought confirmation from Thurrock Council that there is no risk to this investment arising from the forecast overspend associated with the A13 Widening Project (see Agenda item 14); The s151 Officer from Thurrock Council has provided verbal confirmation that options for mitigating the overspend on the A13 Project are being considered and that there is no anticipated impact on the investment commitment in the Tilbury Riverside Project.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no legal implications arising out of this decision.

11. Equality and Diversity implication

- 11.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

13. List of Background Papers

- 13.1. Business Case for the Tilbury Riverside Business Centre Expansion

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Stephanie Mitchener	06/09/19
(On behalf of Nicole Wood, S151 Officer, Essex County Council)	

Forward Plan reference number: FP/AB/233

Report title: Medway City Estate LGF funding decision	
Report to Accountability Board on 13th September 2019	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 15 th August 2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.mort@southeastlep.com	
SELEP Partner Authority affected: Medway	

1. Purpose of Report

- 1.1 The purpose of this report is to bring forward the revised scope of the Medway City Estate (the Estate) connectivity improvements project (the Project) for a funding decision by the Accountability Board (the Board).
- 1.2 This Project was considered at the last Board meeting in light of the proposed change of scope. The Board agreed that a business case should be brought forward by Medway Council for the revised scope of the second phase of the Project.
- 1.3 This Business Case has now been reviewed by the SELEP Independent Technical Evaluator (ITE) and has been assessed as presenting high value for money with high certainty of achieving this.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Approve** the change of scope for the Project which was been assessed by the ITE as presenting high value for money with high certainty of this being achieved.
 - 2.1.2. **Note** the change of project outputs as details in section 4 below.
 - 2.1.3. **Note** the reallocation of £200,000 LGF from the Strood Town Centre Improvement to the Project.

3. Medway City Estate Project

Original project scope

- 3.1. The Project was awarded £2m LGF funding by SELEP on 20th March 2015, to deliver traffic and modal shift improvements, targeted at reducing congestion experienced by visitors and employees using the Estate. The Project was designed to be an integrated package of infrastructure developments

specifically aimed at addressing the existing barriers to movement to and from and within the Estate.

- 3.2. The Estate is the largest concentrated area of employment in Medway. Efficient and effective commuter travel to and from the Estate, is one of the main priorities for many of the businesses that operate on the Estate, and is likely to be a main driver for any future businesses looking to invest in Medway and locate themselves on the Estate.
- 3.3. The original Business Case for the Project sets out the Project's objectives, which outline that it would deliver commuter link improvements to the Estate, the central commercial and industrial area of Medway, resulting in shorter commuter times for the 6000 people (approximately) who work on the Estate, and instigating greener, more efficient modes of transport to the Estate. These improvements would assist with maintaining continued growth on Estate, a key employment area for Medway and beyond, as well as assist in reducing the impact of current high peak-time traffic flows on the Estate's existing entrance and exit road network.
- 3.4. The five main objectives of the Project, as set out within the original Business Case were to achieve:
 - 3.4.1. **Economic benefits** to local businesses through improving the accessibility for businesses to undertake their activities;
 - 3.4.2. **Connectivity improvements** – removal of congestion hotspots to improve connectivity with markets;
 - 3.4.3. **(To address) disconnect** in the public realm between Chatham railway station and the centre of Chatham;
 - 3.4.4. **Reputational improvements** to the Estate as a thriving business community; and
 - 3.4.5. **Addressing interdependence** with other related growth projects.
- 3.5. Phase 1 of the Project involved the installation of manually controlled traffic signals on the westbound entrance to Medway Tunnel to regularise flows through the Medway Tunnel and enable easier exit from the Estate, provision of a web based CCTV system allowing staff on the Estate to see the extent of congestion and make informed judgements as to when to depart work, and an extension of existing exit lanes on Anthony's Way on to the A289 / Anthony's Way roundabout to facilitate easier traffic movements out of the Estate.
- 3.6. Phase 1 transportation interventions were successfully completed by the end of the 2016/17 financial year and £500,000 LGF was spent on the Project to do so. Indications are that the anticipated improvement in journey times for vehicles leaving the Estate are now being realised, with the traffic signals

providing an average time saving benefit of 39 seconds per vehicle over the peak hour period.

- 3.7. In the original Business Case, Phase 2 of the Project included the delivery of infrastructure for a river taxi to support better links with Chatham town centre, and other sustainable modes of travel, to support modal shift of up to 500 people.
- 3.8. In March 2018, a survey of business owners was undertaken seeking views on improvements to ease congestion. Analysis of these results led to a further employee/visitor survey being undertaken in August 2018. Consultation revealed that the proposal for a river taxi did not hold support within the Estate community. In addition, there was only limited support for sustainable travel elements from users of the Estate. The river taxi output is, therefore, no longer a viable output of the Project.
- 3.9. The slip road is the proposed alternative measure to form Phase 2, as it reflects the expectations of businesses and users of the Estate that any interventions must be transport focussed and direct in tackling congestion.

4. Medway City Estate Phase 2

- 4.1. The revised scope of Phase 2 of the Project is for the construction of a free flow slip road, from Anthony's Way on the Estate onto Berwick Way.
- 4.2. The delivery of this slip road is to address congestion issues experienced in the evening peak as vehicles leave the Estate and tackle safety issues at Anthony Way roundabout.
- 4.3. The Phase 2 Project aims to reduce vehicle congestion at the exit of the Estate at PM peak time, resulting in improvements to journey time reliability in this area of the network. Improved journey times will also contribute to the growth of business activity at the Estate, as a key employment area in Medway for circa 6,000 employees.
- 4.4. The objectives of the Project align with the original project objectives, with the exception of improving connectivity between Chatham Railway Station and Chatham Town Centre.
- 4.5. The expected benefits detailed in the revised Phase 2 Project business case include:
 - Improved accessibility to the Estate, which will provide existing businesses located on the Estate with better long-term security and allow them to better plan and future proof their companies. This will also contribute towards the continued growth of businesses on the Estate;

- Connectivity improvements and removal of congestion hotspots will create economic benefits to businesses on the Estate;
- The Estate will become a more viable business location and will potentially attract new businesses to the area;
- Reduced congestion of commuter traffic in the PM peak will result in improvements to journey time reliability. Through minimised delays at the approach to Anthony's Way roundabout, commuters and business users will have more certainty regarding their journey times. Improved journey time reliability will help to improve efficiency for businesses within the Estate;
- Reduced congestion will reduce vehicle idling time which will result in positive air quality impacts;
- Reduced interaction at Anthony's Way roundabout is likely to have a positive impact on reducing the number of road traffic accidents at the roundabout;
- Improved journey times for users of the Anthony's Way exit from the Estate, which will result in the operation of more reliable bus services for users of the Estate and could possibly provide an opportunity for the provision of additional bus routes servicing the Estate. This would increase the uptake of public transport and provide a future opportunity for the development of additional sustainable transport modes;
- The Estate will benefit from reputational improvements delivered by the slip road, through eased congestion and improved access; and
- The Estate slip road will also enhance benefits of the planned A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvement works.

5. Options Considered

- 5.1. Since the Project was originally approved in 2015, a total of 11 options have been considered and assessed against the objectives of Medway's Local Transport Plan, the Project objectives and critical success factors.
- 5.2. The impact of doing nothing is also considered. There is currently congestion experienced in the PM peak. If future development is permitted, as considered likely under Medway's Local Plan, the problem will be further compounded and journey times will increase. Businesses located on the Estate or those looking to invest in Medway may have no option but to look for alternative premises outside Medway with more effective transport links.
- 5.3. Details of the options considered to address these existing and future problems are provided in the business case. The preferred option presented in

this report, for the delivery of a new dedicated free flow slip road, was identified as having the strongest fit with Medway and the overall Project objectives.

6. Project Cost and Funding

- 6.1. The total LGF allocation to the Project is £2m. With £502,365 LGF having been spent on Phase 1, this leaves a remaining £1,497,634m to spend on Phase 2.

6.2. Table 1 – Medway City Estate Phase 2 Spend Profile (£)

	2019/20	2020/21	Total
SELEP LGF	£621,038	£876,596	£1,497,634
LGF from Strood Town Centre Improvements		£200,000	£200,000
Local Transport Plan (LTB)	35,000		£35,000
Total	£656,038	£1,076,596	£1,732,634

- 6.3. A £35,000 contribution has been committed from the Medway Council Local Transport Plan funding pot.

6.4.

- 6.5. In addition to the remaining £1.498m LGF allocated to the Project, it is proposed that £200,000 LGF is reallocated from the Strood Town Centre Journey Time and Accessibility Enhancements project to Phase 2 of this project.

- 6.6. The Strood Town Centre project was originally allocated a total of £9.0m. To date, £200,000 has been reallocated to the Chatham Town Centre projects.

- 6.7. The Strood Town Centre project is nearing completion with over £5.6m having been spent to date and is due to complete by the end of 2019. The scope of the Strood Town Centre scheme will still be delivered as per the scope of the original business case but a further £200,000 underspend has been identified.

- 6.8. The reallocation of £200,000 LGF from the Strood Town Centre project to the Medway City Estate Phase 2 project is under the 10% per project threshold detailed within the SELEP Assurance Framework, under which Federated Areas are able to move LGF between SELEP approved projects. The Board is therefore asked to note this reallocation of funding.

7. Outcome of ITE Review

- 7.1. The ITE review confirms that the Project is expected to deliver value for money with high certainty of value for money being achieved. The benefit cost ratio for the revised scope of Phase 2 is 3.31:1. If the A289 Four Elms Roundabout to Medway Tunnel Journey Time project is delivered, as anticipated, the benefits of the Project are expected to increase. This project is also included within SELEP's LGF programme.
- 7.2. The ITE have commented that a proportionate and sensible approach has been provided to the development of the business case.
- 7.3. The scope of the business case includes the revised scope of the phase 2 Project only. The BCR for the original Project (including Phases 1 and 2) was 2.99. As such, the BCR for revised Phase 2 scope has increased relative to the original BCR value for the overall Project.

8. Project Compliance with SELEP Assurance Framework

- 8.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategy Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. Comprehensive value for money calculations have been undertaken.
Considers deliverability and risks appropriately, along with appropriate	Green	The Business Case includes a detailed Risk Register, Quantified Risk Assessment (QRA) and Risk Management

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
mitigating action (the costs of which must be clearly understood)		Strategy where the key risks likely to affect the Project's delivery are described and rated along with their likelihood of occurring and estimated impact. Actions taken to mitigate these risks are also explained and considered.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	A BCR of 3.31:1 has been calculated which indicates high value for money. The benefits of the project will also increase upon completion of the A289 Four Elms Roundabout to Medway Tunnel project.

9. Financial Implications (Accountable Body comments)

- 9.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, and the funding has been received, however, funding for future years is indicative.
- 9.2. Until confirmation of receipt of grant is received, any future year funding awards made by the Board remain at risk.
- 9.3. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.
- 9.4. The Funding Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the requirements of the grant or in accordance with the Decisions of the Board.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no legal implications arising out of this decision.

11. Equality and Diversity implication

- 11.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

13. List of Background Papers

- 13.1. Business Case for the Medway City Estate Phase 2 project
13.2. Accountability Board Agenda Pack 7th June 2019 – Medway City Estate Update Report

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	04/09/19

Forward Plan reference number: FP/AB/234

Report title: A131 Braintree to Sudbury	
Report to Accountability Board on 13th September 2019	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 8 th August 2019	For: Decision
Enquiries to: Helen Dyer, Helen.Dyer@southeastlep.com	
SELEP Partner Authority affected: Essex	

1. Purpose of Report

- 1.1 The purpose of this report is to bring forward the revised scope of the A131 Braintree to Sudbury Project (the Project) for a funding decision by the Accountability Board (the Board).
- 1.2 The Project was considered at the last Board meeting and the Board were in favour of a Business Case being brought forward by Essex County Council for the revised scope of the Project.
- 1.3 In June 2019, the Board agreed that the Project should be put on hold but the LGF remains allocated to the Project, subject to a change request and revised business case being brought forward to the September Board meeting to confirm that the revised project scope still offers value for money, to clarify the impact on the project outcomes of not delivering the other interventions and to confirm that there is a full funding package in place. If this project is unable to meet the September deadline the LGF will be automatically reallocated through the LGF3b process.
- 1.4 The Business Case for the revised scope of the Project has been considered through the Independent Technical Evaluation (ITE) process and the Project has been assessed as presenting high value for money with high certainty of achieving this. However, the full funding package has not yet been confirmed as the S106 contributions have not been agreed and are not expected to be confirmed until at least December 2019.

2. Recommendations

- 2.1. The Board is asked to agree one of two options:

Option 1

- 2.1.1. **Approve** the change of scope for the Project which has been assessed by the ITE as presenting high value for money with high certainty of achieving this, subject to confirmation from Essex County

A131 Braintree to Sudbury project change and LGF funding decision

Council by the 31st January 2020, that the S106 contributions are in place to deliver the Project; and

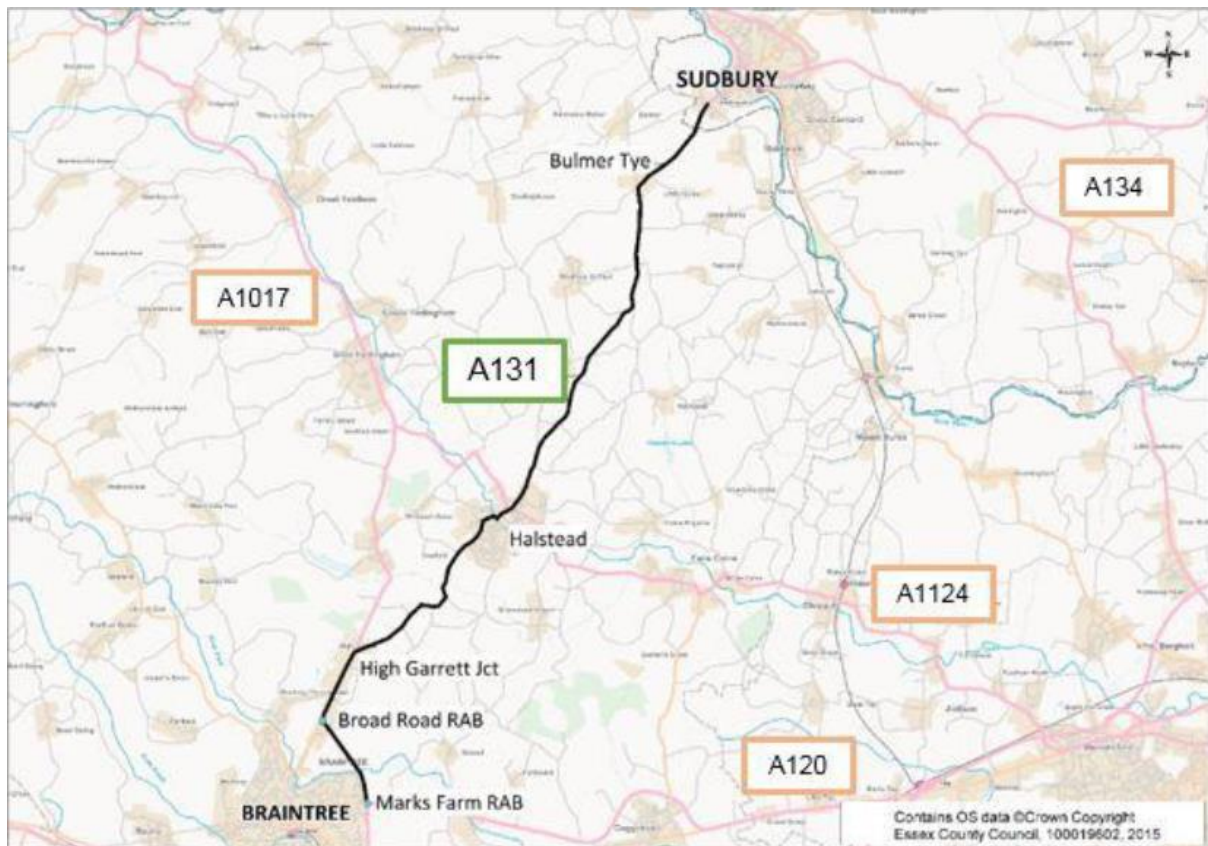
- 2.1.2. **Note** the change of project outcomes as detailed in section 6 of the report; or

Option 2

- 2.1.3. **Agree** that the £1.8m LGF allocation is reallocated through the LGF3b process.

3. A131 Braintree to Sudbury Route Based Strategy – original project scope

- 3.1. The Project was awarded £1.8m LGF by the Board in June 2018, with a total estimated Project cost of £3.6m.
- 3.2. The funding was awarded to allow delivery of a package of schemes to improve safety and reduce delays along the A131 corridor from Braintree to the Suffolk border, just south of Sudbury. As a result of significant growth planned in both Braintree and Sudbury, the A131 will be subject to increased pressure in terms of both capacity and performance.



- 3.3. The scope of the Project included interventions at the following four locations:

- 3.3.1. **Marks Farm roundabout** - widening of all four entry flares, introduction of a left turn slip from the A120 heading south and general improvements to the roundabout;
 - 3.3.2. **Broad Road roundabout** – improving entry flare from Broad Road and realignment to improve traffic flow;
 - 3.3.3. **High Garrett junction with A1017** – major improvements to layout, changes to signals, relocated and improved crossings and pedestrian facilities; and
 - 3.3.4. **Plaistow Green and Bulmer Tye** – safety improvements including improved signage and non-slip surfacing.
- 3.4. The delivery of the Project was set to achieve the following six outcomes:
- 3.4.1. Improve journey times and reliability for all vehicles;
 - 3.4.2. Improve safety, especially for cyclists and pedestrians;
 - 3.4.3. Improve sustainable transport;
 - 3.4.4. Support the completion of at least 1,550 new homes;
 - 3.4.5. Support economic growth and businesses; and
 - 3.4.6. Provide for incremental jobs associated with the new development.

4. A131 Braintree to Sudbury Route Based Strategy – revised project scope

- 4.1. As set out in the update report provided to the Board at the meeting on 7th June, following a comprehensive review of their Capital Programme Essex County Council took the decision to withdraw their £1.8m match funding contribution from the Project, leaving only the £1.8m LGF investment to deliver the proposed works. This in conjunction with an increase in forecast costs prompted a review of the Project scope and consideration of alternative potential funding sources to seek to ensure at least some elements of the Project could still be delivered.
- 4.2. Essex County Council concluded that the Marks Farm roundabout element of the Project should be delivered as it is considered to be the most strategically important element of the wider original Project scope. The other elements of the original Project have been removed from the Project scope.
- 4.3. Marks Farm roundabout is an important four-arm junction which provides a key link on the eastern side of Braintree, to the A131 northwards to Halstead and Sudbury, to the A120 southwards to Chelmsford, westwards to Bishops Stortford and Stansted, the A120 eastwards towards Coggeshall, Marks Tey and the A12, and the B1256 into Braintree.
- 4.4. The junction currently suffers from serious capacity issues, resulting in significant congestion on all approaches to the roundabout during morning and evening peak periods. There is significant development planned in the

local area, meaning that if the capacity issues at the Marks Farm roundabout are not addressed congestion issues at the junction will continue to escalate.

- 4.5. The proposed works at Marks Farm roundabout remain unchanged from the original Project scope and consist of:

- 4.5.1. widening of all four entry flares;
- 4.5.2. introduction of a left turn slip from the A120 heading south; and
- 4.5.3. general improvements to the roundabout.

- 4.6. These works, in conjunction with other improvements planned on the A120 between Braintree and Marks Tey, will make a significant difference to traffic flows and congestion.

- 4.7. The expected benefits of the revised Project include:

- 4.7.1. improved journey times and reliability for all vehicles;
- 4.7.2. supporting the completion of at least 10,300 new homes;
- 4.7.3. supporting economic growth and businesses; and
- 4.7.4. providing for incremental jobs associated with the planned new developments.

5. Project cost and funding

- 5.1. The total cost of delivering the new Project scope is expected to be £3.143m, as set out in Table 1 below.
- 5.2. Essex County Council are seeking to retain the £1.8m LGF allocation which was awarded by the Board in June 2018 against the original project scope. To date none of the LGF funding allocation has been spent.
- 5.3. The remaining cost is anticipated to be funded through S106 contributions and by Essex County Council as set out in the table below. It should be noted that the S106 contribution remains subject to agreement as part of the planning application. The applications are not due to be determined until at least December 2019. As such, the full funding package will remain unconfirmed until such time as the planning application has been determined.

Table 1 – A131 Braintree to Sudbury Route Based Strategy Spend Profile (£m)

	2019/20	2020/21	Total
SELEP LGF	0.502	1.298	1.800
S106 contributions (through Braintree District Council)	-	1.334	1.334
Essex County Council	0.002	0.007	0.009

Total	0.504	2.639	3.143
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- 5.4. The S106 contribution relates to the proposed Straits Mill development in Braintree. Braintree District Council have indicated that the Straits Mill site has a draft allocation for a residential led mixed-use development within Braintree's draft Local Plan. As a result, the authority is supportive of the proposed development.
- 5.5. Work is currently ongoing to finalise the terms of the S106 agreement, to incorporate the necessary mitigation works at the Marks Farm roundabout associated with the development.
- 5.6. Planning permission for the Straits Mill development may potentially be granted in late 2019, with a requirement for the works at Marks Farm roundabout to be undertaken at an early phase of the development.
- 5.7. The Essex County Council contribution will be used to undertake the required monitoring and evaluation of the Project. This funding has been provisionally agreed but still needs to be approved through formal governance processes.

6. Impact on Project outcomes

- 6.1. Within the original Project Business Case it was indicated that completion of the Project would support:
 - 6.1.1. Delivery of 1,550 new homes along the A131 Braintree to Sudbury corridor, with up to 4,000 new homes in and around Braintree and up to 10,000 new homes in the new Garden Development; and
 - 6.1.2. Creation of over 250 new jobs along the A131 corridor, with an annual incremental job forecast for Braintree of 490.
- 6.2. It was noted within the original Business Case that the 1,550 new homes referenced would be delivered across three sites: Straits Mill in North Braintree, Oak Road greenfield site in Halstead and The Sleights also in Halstead.
- 6.3. The stated jobs were linked to the developments listed above, with the Straits Mill development expected to create 118 jobs and the Oak Road greenfield site development creating 138 jobs.
- 6.4. The revised Business Case reflecting the new Project scope indicates that completion of the Project would support:

- 6.4.1. Delivery of 1,000 new homes at Straits Mill in North Braintree, with up to 4,000 new homes in and around Braintree and up to 10,000 new homes in the West Braintree Garden Village.
- 6.4.2. Creation of over 500 new jobs linked to the Straits Mill and West Braintree Garden Village developments, as well as an annual incremental job forecast for Braintree of 490.
- 6.5. The revised Project scope will support the delivery of 550 fewer homes than set out in the original Business Case. This difference has arisen as two of the developments referenced in the original Project Business Case, Oak Road greenfield site and The Sleights, are both situated in Halstead and are therefore no longer directly supported by the revised Project proposals.
- 6.6. Both the Straits Mill development and the West Braintree Garden Village developments are within a four-mile radius of the Marks Farm roundabout and will therefore still be supported by the revised Project. These developments also have the potential to have an adverse effect on the road network if the proposed improvements are not delivered.
- 6.7. The updated Business Case indicates that following the change in scope of the Project an additional 250 jobs will be created compared to those stated in the original Business Case. These additional jobs are associated with the West Braintree Garden Village development.

7. Outcome of ITE review

- 7.1. The ITE review confirms that the revised Project Business Case provides a proportionate assessment of the scheme costs and benefits and results in a strong Benefit Cost Ratio (BCR) representing high value for money.
- 7.2. The analysis was robustly carried out in accordance with Department for Transport guidance and delivers high levels of certainty around this value for money categorisation.
- 7.3. In the original Project Business Case the BCR for the wider project was calculated as 10.48:1, whereas the Business Case reflecting the revised Project scope shows a BCR of 3.134:1. Whilst the Project still represents high value for money, the change in BCR as a result of the change in scope is significant. It is important to note that there was some uncertainty over the robustness of the calculations in the original project Business Case.
- 7.4. The ITE has identified that the change in BCR is primarily as a result of the difference in the value of benefits. The ITE has concluded that one potentially significant reason for the difference in the value of benefits relates to the treatment of the proposed works on the A120 between Braintree and Marks Tey. These works were taken into account in both the original Business Case and the Business Case detailing the revised scope, however, the assessment

of the impact that these proposed works will have on the benefits offered by the works proposed as part of the Project differs.

- 7.5. In the original Business Case it was stated that the Project would continue to deliver benefits beyond the completion of the A120 improvements. However, in the updated Business Case there were no benefits assumed beyond 2030, when the A120 improvements are expected to be completed.
- 7.6. It is noted in the Business Case that the identified preferred option for the A120 improvements will divert some traffic away from the Marks Farm roundabout, thereby counteracting any further increase in traffic using the roundabout as a result of nearby developments and natural growth in traffic volume. For this reason, no benefit has been stated in the revised Business Case for the period beyond 2030. The assumption that the scheme provides no benefits beyond 2030 could be regarded as conservative.
- 7.7. Due to the wider scope of the original Project it was expected that, despite the A120 improvements diverting traffic away from the Marks Farm roundabout, benefits would continue to be seen beyond the completion of the A120 improvements. As a result, the original Project scope showed a higher value of benefits, leading to a significantly higher BCR.

8. Options

- 8.1. A business case has been brought forward for the revised scope of the Project which satisfies the ITE process and confirms that the revised project presents high value for money.
- 8.2. The impact of the revised scope on the outputs and outcomes of the Project has also been considered through this report. However, the full funding package remains unconfirmed and as such the Project does not satisfy all the conditions agreed at the last meeting of the Board.
- 8.3. As such, the Board is asked to agree one of two options.
- 8.4. Option 1 is for the Board to approve the change of scope for the Project which has been assessed by the ITE as presenting high value for money with high certainty of achieving this. This funding decision will be subject to confirmation from Essex County Council, by the 31st January 2020, that the S106 contributions are in place to deliver the Project.
- 8.5. This option provides additional time to secure the S106 contributions required to deliver the Project and Project benefits, as set out in this report.
- 8.6. The delay to confirming the full funding package will, however, increase the pressure on LGF spend in the final year of the LGF programme or for an alternative LGF3b project to progress if the local funding contributions are not confirmed.

- 8.7. Alternatively, as the full funding package has not been fully secured, the Board may choose to agree that the funding is returned to SELEP and reinvested in the LGF3b pipeline projects agreed by the Investment Panel on the 28th June 2019 (Option 2).
- 8.8. Under Option 2, if the LGF funding is no longer available to support the delivery of the Project, the impacts on the development along the A131 corridor and those developments contributing to the delivery of the Project will need to be considered by Essex County Council.

9. Project compliance with SELEP Assurance Framework

- 9.1. Table 2 below considers the assessment of the revised Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The project objectives align with both national and regional policy, including the SELEP Skills Strategy. The objectives presented align with those identified in the Economic Strategy Statement. The objectives remain largely inline with those of the original project scope.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Amber	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. Value for money calculations have been undertaken. The wider impacts of the scheme have not been considered.

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates experience of delivering similar schemes. A comprehensive risk register has been developed which provides an itemised and costed mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	A BCR of 3.134:1 has been calculated which indicates high value for money.

10. Financial Implications (Accountable Body comments)

- 10.1. With respect to option 1, it should be noted that all funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, and the funding has been received, however, funding for future years is indicative.
- 10.2. Until confirmation of receipt of grant is received, any future year funding awards made by the Board remain at risk.
- 10.3. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.
- 10.4. The Funding Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the requirements of the grant or in accordance with the Decisions of the Board.
With respect to option 2, all funding to be reallocated through the LGF3b pipeline of projects, will be required to adhere to the requirements of the SELEP Local Assurance Framework.

11. Legal Implications (Accountable Body comments)

- 11.1. There are no direct legal implications arising from the report.

12. Equality and Diversity implication

- 12.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 12.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

13. List of Appendices

- 13.1. Appendix 1 – Report of the Independent Technical Evaluator (as attached to Agenda Item 5)

14. List of Background Papers

- 14.1. Business Case for the A131 Braintree to Sudbury (revised scope)
- 14.2. Accountability Board Agenda Pack 7th June 2019 – A131 Braintree to Sudbury project update

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	05/09/19

Report title: Capital Programme Management of the Local Growth Fund	
Report to Accountability Board	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Meeting Date: 13 th September 2019	For: Decision
Date of report: 29 th August 2019	
Enquiries to: Rhiannon Mort, Rhiannon.Mort@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex, Kent, Medway, Thurrock and Southend	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.
- 1.2 The report provides an update on the spend forecast for 2019/20, delivery of the LGF programme and the main programme risks.
- 1.3 The updated spend forecast now includes the LGF3b projects which were prioritised by the Investment Panel on the 8th March 2019 and the 28th June 2019.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the changes to 2019/20 LGF spend forecast, as set out in Appendix 2.
 - 2.1.2. **Note** deliverability and risk assessment, as set out in Appendix 3.

3. LGF spend forecast

- 3.1. The planned LGF spend in 2019/20 has been updated to take account of the latest spend forecast provided by each local area during August 2019. Appendix 2 sets out the changes to LGF annual forecast spend for individual projects, whilst Appendix 3 provides a detailed update on project delivery timescales and risk.
- 3.2. The final 2018/19 LGF spend position was due to be reported to the Board at this meeting. However, signed LGF end of year declarations from partner authorities were not received by the deadline to enable sufficient time for an

audit to be completed before this meeting of the Board. As such, the final 2018/19 position will be reported to the Board in November 2019.

2019/20 spend forecast update

- 3.3. The expected LGF spend in 2019/20 now totals £96.093m, excluding Department for Transport (DfT) retained schemes (see Table 1) and £131.674m including DfT retained schemes.
- 3.4. A net slippage of £865,000 has been identified since the last meeting of the Board. This is despite the inclusion of new LGF3b projects within the LGF programme, as detailed in section 4 below. Two projects have reported an expected slippage of greater than £2m LGF spend between the planned LGF spend in 2019/20 at the outset of the year and the current spend forecast include:
- 3.4.1. A28 Chart Road (£3.119m slippage)** – The change to the LGF spend forecast is the result of the unspent LGF, which was previously awarded to this project, having been reallocated through the LGF3b process; and
- 3.4.2. A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements (£3.338m slippage)** – Project spend has been put on hold until the outcome of the Housing Infrastructure Fund bid has been confirmed.
- 3.5. A change to the spend forecast for 2019/20 on a project by project basis is shown in appendix 2.

Table 1 LGF spend forecast 2019/20

LGF (£m)					Reasons for Variance	
	Planned spend in 2019/20	Total forecast spend in 2019/20 (as reported in August 2019)	Variance*	Forecast LGF spend relative to planned spend in 2019/20* (%)	Additional spend/slippage identified for 2019/20 since the last Board meeting	Additional spend/slippage previously considered by the Board
East Sussex	9.346	15.721	6.375	168.2%	-0.737	7.112
Essex	15.210	20.457	5.247	134.5%	1.989	3.258
Kent	18.289	23.717	5.428	129.7%	-1.267	6.695
Medway	16.555	13.040	-3.515	78.8%	-0.836	-2.679
Southend	15.693	13.444	-2.249	85.7%	-0.013	-2.236
Thurrock	4.410	9.715	5.305	220.3%	0.000	5.305
Skills	0.000	0.000	0.000	100.0%	0.000	0.000
M20 Junction 10a	0.000	0.000	0.000	100.0%	0.000	0.000
LGF Sub-Total	79.503	96.093	16.590	120.9%	-0.864	17.455
Retained	27.811	35.581	7.770	127.9%	-4.662	12.432
Total Spend Forecast	107.314	131.674	24.360	122.7%	-5.526	29.886

*Variance between the total planned spend in 2019/20 as reported at outset of the 2019/20 financial year and the total forecast LGF spend in 2019/20, as it currently stands.

** The slippage is shown as a negative value, whilst additional LGF spend is shown as a positive value.

- 3.6. In April 2019, SELEP received it's 2019/20 LGF grant allocation of £54.915m as anticipated. In addition, a total of £57.719m LGF was carried forward from previous financial years. As such, a total of £112.634m LGF was available at the outset of the 2019/20 financial year.
- 3.7. As detailed in the A13 Widening project update under agenda item 14, a further £8.492m has been identified as being owed to SELEP by the DfT. This funding was originally identified for the A13 widening projects within the Growth Deal but only £66.057m was sought as part of Thurrock Council's Business Case submission to the DfT. This additional LGF will be transferred by the DfT to SELEP as an un-ringfenced grant, but as detailed in agenda item 14, it is recommended that this funding remains allocated to the A13 widening projects.
- 3.8. As a result of this additional funding to be transferred by the DfT, the LGF available to spend this financial year will increase to £121.126m LGF, as set out in Table 2 below.

Table 2 LGF spend relative to LGF available in 2019/20 (excluding retained schemes)

	(£m)
LGF allocation in 2019/20 from MHCLG	54.915
LGF carried forward from 2018/19	57.719
Additional funding from DfT in 2019/20	8.492
Total LGF available in 2019/20	121.126
Total LGF spend in 2019/20	96.093
Total slippage from 2019/20 to 2020/21	25.033

- 3.9. The amount of LGF available in 2019/20 now exceeds the LGF spend forecast for projects currently included in the LGF programme by £25.033m, despite the new LGF3b projects having been included within the LGF programme. This forecast slippage of LGF from 2019/20 to 2020/21 increases the delivery pressure during the final year of the programme and increases the risk of LGF slippage beyond the end of the Growth Deal period.

4. Deliverability and Risk

- 4.1. Appendix 3 sets out a delivery update and risk assessment for all projects included in the LGF programme. This provides a detailed breakdown of the delivery progress for each LGF project, relative to the expected completion dates as set out in the original business cases. A total of 28 projects have been completed to date.

Outputs and outcomes

- 4.2. To date, it is reported that a total of 8,842 and 13,475 dwellings have been completed through LGF investment, as shown in Table 3 below. Since the last update report to the Board, the number of reported houses delivered through LGF investment has increased as a result of highway improvements along the A127 corridor.
- 4.3. The delivery of jobs and homes reported to date is lower than expected, relative to the 78,000 jobs and 29,000 homes committed through the Growth Deal. The latest forecast of the number of jobs and houses to be delivered across the SELEP area through LGF investment is higher than originally set out within the Growth Deal, as set out in Table 3 below. It is forecast that during 2019/20, a total of 12,661 jobs and 5,223 houses will be delivered.

- 4.4. It is likely that the output and outcomes of LGF investment to date is currently understated. A lag is also expected between the investment being made and the delivery of the project outcomes.

Table 3 Jobs and homes delivered through LGF investment to date, including DfT retained schemes.

	To date			Forecast in 2019/20		Total forecast through delivery of the LGF programme	
	Jobs	Homes	Other outputs	Jobs	Houses	Jobs	Houses
East Sussex	1,376	1,841	0.5km of newly built road and 3km of new cycle route built	2,350	409	4,916	2,708
Essex	5,684	6,240		3,554	1,950	52,817	46,300
Kent	169	3,094	7.0km of road resurfaced, 1.2km of newly built road and 18.6km of new cycle route built	5,670	1,177	25,197	23,454
Medway	1,433	1,144	1.145km of road resurfaced and 13.6km of new cycle route built	867	1,616	19,057	9,905
Southend	0	1156	3.432km of road resurfaced, 0.626km of newly built roads and 0.408km of new cycle route built	0	0	3,864	5,346
Thurrock	180	0	3.75km off-carriageway new cycle/shared use paths, 0.995km of on-carriageway cycle way, 7.5km of footways to off-carriageway cycle/shared used paths.	220	71	20,547	6,859
Total	8,842	13,475		12,661	5,223	126,398	94,572

- 4.5. Through the last few meetings of the Board, a number of high risk LGF projects have been removed from the LGF programme.

- 4.6. The projects which have been removed from the LGF programme to date in 2019/20 include the following five projects:

- 4.6.1. Chelmsford Flood Alleviation (£800,000);
- 4.6.2. A2 Wincheap off-slip (£4.4m);

- 4.6.3. East Peckham Flood Deference Phase 2 (£2.287m);
 - 4.6.4. A28 Sturry Integrated Transport Package (£300,000); and
 - 4.6.5. A28 Chart Road (£7.371m)
- 4.7. This has released a total of £15.158m LGF funding to enable new LGF3b projects to come forward which have been prioritised by the Investment Panel.
- 4.8. SELEP has also welcomed the news of the £317.9m Housing Infrastructure Fund (HIF) award to Essex County Council for the delivery of Beaulieu Park station and North East bypass and transport and site enabling infrastructure at Tendring Colchester Borders Garden Community. The bridging of the previous funding gap for the Beaulieu Park project through this positive HIF funding announcement substantially reduces the project deliverability risk. A further update will be brought back to the board on Beaulieu Park project once further details of the conditions of funding have been announced by MHCLG and to ensure that the conditions of SELEP's funding award to the project have been satisfied.

LGF3b projects

- 4.9. In March 2019, the Investment Panel met for the first time and agreed the allocation of £15.448m to nine LGF3b projects. The majority of these projects have now been approved by the Board, with the exception of the Innovation Park Medway, which is due to be considered by the Board in November 2019.
- 4.10. On the 28th June 2019, a second meeting of the Investment Panel was held, which agreed a further eight projects to progress utilising the £15.158m available at the time of the meeting, as set out in Table 4. The first two of these eight new projects are considered under agenda items six and seven, whilst the remaining projects are expected to be considered by the Board during 2019/20.

Table 4 LGF3b projects prioritised by Investment Panel March 2019 and June 2019

Project	Federated Area	LGF allocation (£m)
LGF3b projects agreed by the Investment Panel in March 2019		
Bexhill Enterprise Park North	East Sussex	1.940
Digital Technologies Campus	OSE	2.150
Colchester Institute	Greater Essex	0.100
Skills For Rural Businesses Post-Brexit	East Sussex	2.918
USP College CEDTIL	OSE	0.900
Thanet Parkway	KMEP	4.000
Flightpath Phase 2	Greater Essex	1.422
Sidney Little Road Business Incubator Hub	East Sussex	0.500
Innovation Park Medway (northern site) – Enabling infrastructure	KMEP	1.519
Subtotal		15.448
LGF3b projects agreed by the Investment Panel in June 2019		
M2 J5 Improvements	KMEP	1.600
Bexhill Creative Workspace	East Sussex	0.960
Kent and Medway Medical School	KMEP	4.000
Exceat Bridge Replacement	East Sussex	1.500
Tilbury Riverside	OSE	2.360
Southend Town Centre	OSE	0.868
Basildon Innovation Warehouse	OSE	0.870
University of Essex Parkside Phase 3	Greater Essex	3.000
Subtotal		15.158
Total LGF3b projects		30.606

4.11. In June 2019, the Investment Panel also agreed a ranked list of the pipeline projects to progress should additional LGF underspend become available. This includes a further eight projects, as set out in table 5.

- 4.12. If/when sufficient additional LGF is identified to fund the next project on this ranked list then this project will be able to progress to the Board for funding approval. Updates on any unallocated LGF will be provided to the Accountability and Strategic Board at each meeting, and the scheme promoter for the next project in line for funding will be informed.
- 4.13. Since June 2019, a further £72,591 unallocated funding has been identified. This funding has been identified from A28 Chart Road project, as spend on the A28 Chart Road projects in 2018/19 was marginally lower than reported to the Board in June 2019. As such, the amount of funding to be returned to SELEP has increased from £7.371m to £7.444m.
- 4.14. The £72,591 unallocated LGF will be held by SELEP until sufficient funding is available to support the next project on the LGF pipeline, set out in Table 5 below.

Table 5 Pipeline projects prioritised by the Investment Panel June 2019 (to be progressed if additional LGF unallocated funding is identified)

Project	Federated Area	LGF ask (£m)
University of Essex Parkside Phase 4	Greater Essex	2.000
Southend Town Centre Phase 2	OSE	0.632
Kent and Medway Medical School	KMEP	4.000
Exceat Bridge Replacement	East Sussex	0.611
Eastbourne Fisherman's Quayside & Infrastructure Development	East Sussex	1.080
New Construction Centre, Chelmsford	Greater Essex	1.295
Colchester Grow-on Space - Queen Street	Greater Essex	3.777
NIAB	KMEP	1.750
Total		15.146

- 4.15. The summary project risk assessment position is set out in Table 6 below. A score of 5 represents high risk whereas a score of 1 represents low risk.
- 4.16. The risk assessment has been conducted for the assessment of LGF projects based on:
- 4.16.1. **Delivery** – considers project delays and any delays to the delivery of project outputs/outcomes. SELEP has considered the delay between the original expected project completion date (as stated in the project business case) and the updated forecast project completion date.

To ensure consistency with MHCLG guidance on the assessment of LGF project deliverability risk, all projects with a

great than 3 month delay are shown as having a risk of greater than 4, unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.

- 4.16.2. **Finances** – considers changes to project spend profiles and project budget. SELEP has considered the certainty of match funding contributions, and changes to spend in 2019/20 between the planned spend (agreed with the Board at the outset of the financial year) and the updated forecast spend for 2019/20).
- 4.16.3. **Reputation** – considers the reputational risk for the delivery partner, local authority and SELEP
- 4.17. Since the end of the last financial year, the number of projects with an overall risk score of 5 has decreased, as a result of funding decisions having been made in relation to certain projects and other projects having been removed from the LGF programme. Furthermore, the Cities and Local Growth Unit (CLOG) provide a view that that LGF could be spent beyond the Growth Deal (31st March 2021) if a strong case could be made and justified. Spend of LGF beyond the 31st March 2021 is subject to the Board agreeing that five specific conditions have been met. This has reduced the risk for certain LGF projects.
- 4.18. The conditions which need to be satisfied for LGF spend to be permitted by the Board beyond the 31st March 2021 include:
- 4.18.1. A clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
 - 4.18.2. A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
 - 4.18.3. All funding sources identified to enable the delivery of the project. Written commitment will be sought from the respective project delivery partner to confirm that the funding courses are in place to deliver the project beyond the Growth Deal;
 - 4.18.4. Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31st March 2021; and
 - 4.18.5. Contractual commitments being in place with construction contractors by 31st March 2021 for the delivery of the project.

Table 4 LGF project delivery, financials and reputational risk (5 high risk, 1 low risk)

Score	Delivery	Financials	Reputation	Overall
5	11	12	3	5
4	15	13	5	15
3	9	9	13	16
2	11	9	15	20
1	60	63	70	50
Total	106	106	106	106

4.19. Five projects have been identified as having a high overall project risk (overall risk score of 5). These projects include:

- A131 Braintree to Sudbury, Essex

The project has been removed from Essex County Council's capital programme. However, £1.8m LGF currently remains allocated to the project. As such, a revised project has been brought forward for consideration under agenda item 9.

- A28 Chart Road, Kent

The delivery of the A28 Chart Road scheme in Ashford is currently on hold following the failure of the developer to provide the security bond required for Kent County Council to forward fund the delivery of the scheme. At the last meeting of the Board, the Board agreed to reallocate the unspent LGF allocation to this project. This funding has been reinvested through the LGF3b process. The project remains under review to ensure that the £2.756m LGF spend on the project to date remains a capital cost.

- A28 Sturry Link Road, Kent

The project was awarded £5.8m LGF by the Board in June 2016. However, the funding package to deliver the project is dependent on private sector developer contributions. The pace of residential development coming forward will impact the deliverability of the project and spend of the funding contributions within the Growth Deal period.

At the last meeting of the Board it was agreed that the £5.8m LGF award should remain allocated to the project, but that LGF spend on the project should remain on hold until the local funding contributions have been confirmed. The status of the project will be kept under review every six months.

The local funding contributions are expected to be made available through various sites in the vicinity of the project. The planning applications for these sites are due to be considered by Canterbury City Council in mid-September/October 2019. Whilst it was originally expected that the applications would be considered in June 2019, the timescales have been delayed until September 2019, to enable further engagement with statutory consultees such as Natural England.

In the meantime, Kent County Council has progressed work on the draft S106 agreements for the highway funding contributions towards the project. Kent County Council has also held meetings with the developers and the principles of the S106 agreements have been verbally agreed. Kent County Council is awaiting details of the financial bond and land charges to allow Kent County Council to forward fund the link road. A full update report will be provided to the Board in November 2019 on the determination of the

planning application for the project itself and for the private sector developments that are due to financially contribute to the delivery of the project.

- Medway City Estate Connectivity Improvement Measures, Medway

Medway City Estate project was approved by the Board in March 2015 for the award of £2m LGF. The Business Case includes measures for a direct river taxi from Medway City Estate to Chatham town centre, including a new landing stage on the River Medway at Medway City Estate. Further engagement with businesses on Medway City Estate has not demonstrated sufficient demand for the walking, cycling and river taxi options proposed within the original Business Case. As such, an amended proposal is being brought forward by Medway Council and a funding decision in relation to the revised proposal is sought under agenda item 8.

- A13 Widening

A full project update is provided under agenda item 14.

5. LGF Programme Risks

- 5.1. In addition to project specific risks, the following LGF programme risks have also been identified.

Government's funding commitment to future years of the LGF Programme

Risk: Currently Government has only given a provisional funding allocation for future years of the LGF programme. The transfer of £77.873m in 2020/21 for the final year of the programme remains dependent on full compliance with the requirements of the LEP review, National Local Growth Assurance Framework and successful outcome of the Annual Performance Review.

Mitigation: Agenda item 13, Operational Plan and Assurance Framework Implementation update, details the latest position in relation to compliance with the governance requirements from Central Government and actions to address these.

LGF spend within Growth Deal period

Risk: Whilst the Cities and Local Growth Unit have indicated some flexibility to spend LGF beyond the Growth Deal Period (31st March 2021), the full impact of failure to spend the LGF allocation by this date has not been clearly articulated by Government. There is a potential reputational risk in terms of our ability to successfully secure funding from Central Government for funding streams which follow on from the Local Growth Fund, such as the Shared Prosperity Fund, if SELEP continues to hold substantial LGF allocations beyond the Growth Deal.

Mitigation: New LGF3b projects have been included in the LGF programme following the last Investment Panel meeting on the 28th June 2019. A pipeline of future projects was also agreed, as set out in Table 5. This will enable new LGF3b projects to progress at pace should additional LGF become available through project underspend.

Slippage of LGF to future years of the programme

Risk: A slippage of £57.719m LGF has been reported from 2018/19 to 2019/20. Based on the current spend forecast for 2019/20, a slippage of £25.033m LGF is already anticipated from 2019/20 to 2020/21. The backloading of LGF spend will create delivery pressures during the final years of the Growth Deal programme.

The slippage of LGF spend also has a potential reputational impact for the SELEP area, as Central Government is currently using LGF spend as a performance measure to monitor SELEP's Growth Deal delivery.

Mitigation: There will be clear communication with Government about the successful delivery of LGF projects to date and justification provided where slippage of LGF spend is expected beyond 31st March 2021.

Evidenced delivery of project outputs and outcomes

Risk: Local partners have made substantial progress towards the delivery of projects included within the Growth Deal programme, including the outputs identified in the Project Business Cases. However, Government continues to seek evidence of the delivery of jobs and homes which SELEP committed to deliver within its Growth Deal with Government. Whilst this information has been sought through update reports from SELEP, evidence of jobs and homes delivery from some local partners has not been forthcoming. This has a reputational risk for SELEP and the robustness of our case to Government for further funding.

Mitigation: New templates have been prepared by SELEP's Independent Technical Evaluator (ITE), to help structure and provide a consistent approach to the monitoring of project outputs and outcomes following scheme completion. A series of workshop meetings have also been held with local areas to provide guidance on the completion of project monitoring and evaluation information.

The outputs delivered to date are also reported to each Strategic Board meeting to ensure clear oversight of project outcomes to date and oversight of the information reported back to Central Government.

S151 officer letter sign off of each Business Case includes a commitment for each local partner to allocate sufficient resource to the monitoring and evaluation of each LGF project.

6. Financial Implications (Accountable Body comments)

- 6.1. All funding allocations that have been agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have been confirmed, however, funding for future years is indicative.
- 6.2. Government has made future funding allocations contingent on full compliance with the revised National Local Growth Assurance Framework. Allocations are also contingent on the Annual Performance Review of SELEPs LGF programme by Government and assurance from the Accountable Body's s151 Officer that the financial affairs of the SELEP are being properly administered.
- 6.3. The DfT have confirmed that the additional £8.492m of LGF identified as owing to SELEP, as set out in paragraph 3.7, will be transferred in full to ECC, as the Accountable Body for SELEP, during 2019/20. This funding must be allocated in line with the SELEP's Assurance Framework, as is the case for all other LGF allocations.
- 6.4. A key assessment made in the Annual Performance Review is effective delivery of the Programme; it is noted that there was a high level of slippage from 2018/19 into 2019/20 totalling £57.719m; in addition, slippage in excess of £25.033m is already reported into 2020/21. This creates a risk to delivery in the remaining 18 months of the programme.
- 6.5. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 6.6. Should the funding not be utilised in accordance with the conditions, the Government may request return of the funding, or withhold future funding streams.

7. Legal Implications (Accountable Body comments)

- 7.1. There are no legal implications for this report.

8. Equality and Diversity implication

- 8.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

8.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

8.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

9. List of Appendices

- 12.1 Appendix 1 - LGF financial update
- 12.2 Appendix 2 - Changes to 2019/20 spend forecast
- 12.3 Appendix 3 - Project deliverability and risk update

10. List of Background Papers

- 13.1 None

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	04/09/19

Appendix 1 - LGF spend profile										
SELEP number	Project Name	Promoter	2015/16 (total)	2016/17 (total)	2017/18 (Total)	2018/19 (Total)	2019/20	2020/21	Future Years	All Years
East Sussex										
LGF00002	Newhaven Flood Defences	East Sussex	0.300	0.800	0.400		0.000			1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport	East Sussex	0.000	0.000	0.254	0.000	1.027	0.819		2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	0.600	0.370	1.630	0.498	1.846	1.656		6.600
LGF00036	Queensway Gateway Road	East Sussex	1.419	1.121	5.000	0.890	1.570			10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	0.505	0.895			0.000			1.400
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.530	1.170			0.000			1.700
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	6.410	4.600	5.590	2.000	0.000			18.600
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	0.000	0.000	0.345	0.796	4.228	3.631		9.000
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined)	East Sussex	0.000	0.000						
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	0.000	0.550	0.245	3.700	1.335	2.170		8.000
LGF00073	A22/A27 junction improvement package	East Sussex	0.000	0.000			0.000			
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.000	0.667	0.000	0.000			0.667
LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	0.000	3.550	4.350	0.300			8.200
LGF00099	Devonshire Park	East Sussex	0.000	0.000	5.000	0.000	0.000			5.000
LGF00108	Bexhill Enterprise Park North	East Sussex	0.000	0.000	0.000	0.000	1.940			1.940
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	0.000	0.000	0.000	0.000	2.134	0.784		2.918
LGF00110	Sidney Little Road Business Incubator Hub	East Sussex	0.000	0.000	0.000	0.000	0.381	0.119		0.500
LGF00116	Bexhill Creative Workspace	East Sussex	0.000	0.000	0.000	0.000	0.960			0.960
LGF00117	Exceat Bridge replacement	East Sussex	0.000	0.000	0.000	0.000		1.500		1.500
Essex										
LGF00004	Colchester Broadband Infrastructure	Essex	0.200	0.000	0.000	0.000	0.000			0.200
LGF00025	Colchester LSTF	Essex	0.911	1.489	0.000	0.000	0.000			2.400
LGF00026	Colchester Integrated Transport Package	Essex	1.527	0.673	1.400	1.400	0.000			5.000
LGF00027	Colchester Town Centre	Essex	0.955	2.849	0.796	0.000	0.000			4.600
LGF00028	TGSE LSTF - Essex	Essex	2.131	0.869	0.000	0.000	0.000			3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	5.870	2.130	2.000	0.487	0.000			10.487
LGF00032	A414 Maldon to Chelmsford RBS	Essex	1.000	1.000	0.000	0.000	0.000			2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	0.409	0.605	1.986	0.000	0.000			3.000
LGF00034	Basildon Integrated Transport Package	Essex	1.633	0.000	0.000	0.750	4.203	0.000		6.586
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	6.800	-1.000	0.000	0.000	0.000			5.800
LGF00048	A131 Chelmsford to Braintree	Essex	0.000	0.000	1.396	1.104	1.160			3.660
LGF00049	A414 Harlow to Chelmsford	Essex								
LGF00050	A133 Colchester to Clacton	Essex	0.000	0.000	0.000	0.525	2.215			2.740
LGF00051	A131 Braintree to Sudbury	Essex					0.502	1.298		1.800
LGF00063	Chelmsford City Growth Area Scheme	Essex	0.000	0.000	1.000	2.500	4.000	2.500		10.000
LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.000							
LGF00070	Beaulieu Park Railway Station	Essex	0.000	0.000	0.000	0.000	0.000	2.730	9.270	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.000	0.000	0.667	0.000	0.000			0.667
LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000	5.000	0.000	0.000			5.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	0.000	0.000	2.000	1.500	0.000			3.500
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	0.000	0.000	1.000	1.000	0.000			2.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	0.000	0.000	0.100	2.153	2.747			5.000
LGF00102	A127/A130 Fairglens Interchange new link road	Essex	0.000	0.000	0.000	1.700	0.673	3.862		6.235
LGF00103	M11 Junction 8 Improvements	Essex	0.000	0.000	0.000	1.800	0.900	0.034		2.734
LGF00105	Mercury Rising Theatre	Essex	0.000	0.000	0.000	0.000	1.000			1.000
LGF00111	Digital Technologies Campus, Basildon	Essex	0.000	0.000	0.000	0.000	1.150	1.000		2.150
LGF00112	Colchester Institute	Essex	0.000	0.000	0.000	0.000	0.050	0.050		0.100
LGF00113	USP College Centre of Excellence for Digital Technologies and Innovation	Essex	0.000	0.000	0.000	0.000	0.800	0.100		0.900
LGF00114	Flightpath Phase 2	Essex				0.000	1.058	0.364		1.422
LGF00118	Basildon Innovation Warehouse	Essex						0.870		0.870
LGF00119	University of Essex Parkside (Phase 3)	Essex						3.000		3.000
Kent										
LGF00003	I3 Innovation Investment Loan Scheme	Kent	0.000	0.389	2.951	0.941	1.153	0.567		6.000
LGF00006	Tonbridge Town Centre Regeneration	Kent	1.833	0.799	0.000	0.000	0.000			2.631
LGF00007	Sittingbourne Town Centre Regeneration	Kent	0.345	2.155	0.001	0.000	0.000			2.500
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	0.488	1.712	0.000	0.000	0.000			2.200
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Road)	Kent	0.603	0.189	0.049	0.315	0.249	0.395		1.800
LGF00010	Kent Thameside LSTF	Kent	2.051	0.480	0.720	0.252	0.453	0.544		4.500
LGF00011	Maidstone Gyratory Bypass	Kent	0.704	3.724	0.171	0.000	0.000			4.600
LGF00012	Kent Strategic Congestion Management programme	Kent	0.863	0.687	0.604	0.236	0.893	1.517		4.800
LGF00013	Middle Deal transport improvements	Kent	0.000	0.800	0.000	0.000	0.000			0.800
LGF00014	Kent Rights of Way improvement plan	Kent	0.193	0.056	0.137	0.177	0.150	0.286		1.000
LGF00015	Kent Sustainable Interventions Programme	Kent	0.143	0.406	0.529	0.394	0.647	0.608		2.728
LGF00016	West Kent LSTF	Kent	0.800	1.308	0.333	1.388	0.471	0.600		4.900
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.533	0.008	0.000	0.000	0.000			0.541
LGF00038	A28 Chart Road	Kent	0.885	0.984	0.887	0.000				2.756
LGF00039	Maidstone Integrated Transport	Kent	0.000	0.265	1.114	0.668	3.101	3.752		8.900
LGF00040	A28 Sturry Link Road	Kent	0.000	0.401	0.385	0.285	0.390	4.439		5.900
LGF00053	Rathmore Road	Kent	1.562	2.638	0.000	0.000	0.000			4.200
LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.022	0.005	0.056	0.000	-0.084			0.000
LGF00055	Maidstone Sustainable Access to Employment	Kent	0.131	1.869	0.000	0.000	0.000			2.000
LGF00059	Ashford Spurs	Kent	0.000	0.167	4.173	1.414	2.143			7.897
LGF00041	Thanet Parkway	Kent	0.000	0.000	0.000	0.000	4.000	10.000		14.000
LGF00058	Dover Western Dock Revival	Kent	0.000	4.915	0.085	0.000	0.000			5.000
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent								
LGF00062	Folkestone Seafront (non-transport)	Kent	0.000	1.967	3.033	0.000	0.000			5.000
LGF00072	A226 London Road/B255 St Clements Way	Kent	0.000	0.715	0.846	2.638	0.000			4.200
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.000	0.000	0.063	0.511	0.093			0.667
LGF00086	Dartford Town Centre Transformation	Kent	0.000	0.000	0.000	0.522	3.360	0.418		4.300

Appendix 1 - LGF spend profile										
SELEP number	Project Name	Promoter	2015/16 (total)	2016/17 (total)	2017/18 (Total)	2018/19 (Total)	2019/20	2020/21	Future Years	All Years
LGF00088	Fort Halsted (removed from Programme)	Kent								
LGF00092	A2500 Lower Road	Kent	0.000	0.000	0.299	0.966	0.000	0.000		1.265
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise	Kent	0.000	0.000	1.953	4.167	0.000	0.000		6.120
LGF00096	A2 off-slip at Wincheap, Canterbury (removed from Programme)	Kent								
LGF00094	Leigh Flood Storage Area and East Peckham - unlocking growth	Kent	0.000	0.000	0.000	0.983	1.366			2.349
LGF00106	Sandwich Rail Infrastructure	Kent	0.000	0.000	0.000	0.040	1.331	0.532		1.903
LGF00120	M2 J5 improvements	Kent	0.000	0.000	0.000	0.000	0.000	1.600		1.600
LGF00121	Kent and Medway Medical School (Phase 1)	Kent	0.000	0.000	0.000	0.000	4.000			4.000
Medway										
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and	Medway	0.298	0.402	0.347	0.393	0.937	3.500	5.224	11.100
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancement	Medway	0.200	1.772	0.944	1.384	4.500	0.000		8.800
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	0.870	0.945	0.881	0.747	0.756	0.000		4.200
LGF00021	Medway Cycling Action Plan	Medway	0.228	1.150	0.919	0.203	0.000	0.000		2.500
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	0.300	0.181	0.021	0.061	0.560	0.877		2.000
LGF00061	Rochester Airport - phase 1	Medway	0.000	0.179	0.182	0.260	3.778	0.000		4.400
LGF00089	Rochester Airport - phase 2	Medway	0.000	0.000	0.000	0.099	2.508	1.093		3.700
LGF00091	Strood Civic Centre - flood mitigation	Medway	0.000	0.000	1.122	2.378	0.000	0.000		3.500
LGF00115	Innovation Parkway Medway -Phase 3 Enabling Infrastructure	Medway	0.000	0.000	0.000	0.000	0.000	1.519		1.519
Southend										
LGF00005	Southend Growth Hub	Southend	0.018	0.702	0.000	0.000	0.000	0.000		0.720
LGF00107	Sothend Forum 2	Southend	0.000	0.000	0.000	0.470	1.030	4.500		6.000
LGF00029	TGSE LSTF - Southend	Southend	0.800	0.200	0.000	0.000	0.000	0.000		1.000
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	0.000	0.767	1.083	1.011	0.500	3.639		7.000
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including	Southend	0.000	2.366	2.076	4.127	11.164	3.356		23.090
LGF00122	Southend Town Centre (Phase 1)	Southend	0.000	0.000	0.000	0.000	0.750	0.118		0.868
Thurrock										
LGF00030	TGSE LSTF - Thurrock	Thurrock	0.569	0.162	-0.015	0.160	0.125	0.000		1.000
LGF00046	Thurrock Cycle Network	Thurrock	0.000	0.096	2.384	2.520	0.000	0.000		5.000
LGF00047	London Gateway/Stanford le Hope	Thurrock	0.000	0.663	1.592	2.514	2.731	0.000		7.500
LGF00052	A13 Widening - development	Thurrock	0.000	2.708	0.000	2.292	0.000	0.000		5.000
LGF00056	Purfleet Centre	Thurrock	0.000	0.645	1.000	0.196	3.159	0.000		5.000
LGF00104	Grays South	Thurrock	0.000	0.000	0.000	0.000	3.700	7.140		10.840
LGF00123	Tilbury Riverside	Thurrock	0.000	0.000	0.000	0.000	0.000	2.360		2.360
Managed Centrally										
LGF00001	Skills	Skills	9.923	11.980	0.071					21.975
LGF00071	M20 Junction 10a	Kent			8.300	11.400				19.700
	Unallocated (see A13 widening update report)									8.565
Sub Total			55.563	69.681	79.319	73.266	96.093	79.847	14.494	476.828
Provisional Funding Allocation from MHCLG			69.450	82.270	92.088	91.739	54.915	77.873		468.335
Additional DfT funding							8.492			8.492
LGF slippage 2015/16 to 2016/17			13.887							
LGF slippage from 2016/17 to 2017/18				26.476						
LGF slippage from 2017/18 to 2018/19					39.246					
Forecast LGF slippage 2018/19 to 2019/20						57.719				
Forecast LGF slippage 2019/20 to 2020/21							25.033			
Forecast LGF slippage 2020/21 to 2021/22								23.058		
DfT Retained schemes										
LGF00079	A127 Fairglens Junction Improvements	Essex	0.484	1.371	1.697	0.000	0.887	6.786		11.225
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience	Essex	0.513	3.487	0.000	0.000	0.000	0.000		4.000
LGF00081	A127 Kent Elms Corner	Southend	0.500	2.389	1.411	0.000	0.000	0.000		4.300
LGF00082	A127 The Bell	Southend	0.000	0.000	0.000	0.369	0.831	3.100		4.300
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	0.400	0.289	0.311	0.427	2.573	4.000		8.000
LGF00084	A13 Widening	Thurrock	0.000	0.000	13.408	11.507	32.177	8.965		66.057

* LGF spend on A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements beyond 31st March 2021 requires approval as part of future decision to the Board

Appendix 2 - Changes to 2019/20 spend forecast							
SELEP number	Project Name	Promoter	2019/20 planned spend (at outset of 2019/20 financial year)	2019/20 Updated spend forecast (as reported in August 2019)	Difference between planned spend and updated spend forecast	Changes to 2019/20 spend previously considered by the Board	Changes to 2019/20 spend to be approved by the Board
East Sussex							
LGF00002	Newhaven Flood Defences	East Sussex	0.000	0.000	0.000	0.000	0.000
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport	East Sussex	1.782	1.027	-0.755	0.064	-0.819
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	1.779	1.846	0.067	0.223	-0.156
LGF00036	Queensway Gateway Road	East Sussex	0.000	1.570	1.570	1.570	0.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	0.000	0.000	0.000	0.000	0.000
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.000	0.000	0.000	0.000	0.000
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	0.000	0.000	0.000	0.000	0.000
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	4.280	4.228	-0.052	0.131	-0.183
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined)	East Sussex					
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	1.505	1.335	-0.170	0.000	-0.170
LGF00073	A22/A27 junction improvement package	East Sussex					
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.000	0.000	0.000	0.000
LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	0.300	0.300	0.300	0.000
LGF00099	Devonshire Park	East Sussex	0.000	0.000	0.000	0.000	0.000
LGF00108	Bexhill Enterprise Park North	East Sussex		1.940	1.940	1.940	0.000
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex		2.134	2.134	2.384	-0.250
LGF00110	Sidney Little Road Business Incubator Hub	East Sussex		0.381	0.381	0.500	-0.119
LGF00116	Bexhill Creative Workspace	East Sussex		0.960	0.960	0.000	0.960
LGF00117	Exceat Bridge replacement	East Sussex		0.000	0.000	0.000	0.000
Essex							
LGF00004	Colchester Broadband Infrastructure	Essex	0.000	0.000	0.000	0.000	0.000
LGF00025	Colchester LSTF	Essex	0.000	0.000	0.000	0.000	0.000
LGF00026	Colchester Integrated Transport Package	Essex	0.000	0.000	0.000	0.000	0.000
LGF00027	Colchester Town Centre	Essex	0.000	0.000	0.000	0.000	0.000
LGF00028	TGSE LSTF - Essex	Essex	0.000	0.000	0.000	0.000	0.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	0.000	0.000	0.000	0.000	0.000
LGF00032	A414 Maldon to Chelmsford RBS	Essex	0.000	0.000	0.000	0.000	0.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	0.000	0.000	0.000	0.000	0.000
LGF00034	Basildon Integrated Transport Package	Essex	4.203	4.203	0.000	0.000	0.000
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	0.000	0.000	0.000	0.000	0.000
LGF00048	A131 Chelmsford to Braintree	Essex	0.264	1.160	0.896	0.000	0.896
LGF00049	A414 Harlow to Chelmsford	Essex					
LGF00050	A133 Colchester to Clacton	Essex	1.370	2.215	0.845	0.000	0.845
LGF00051	A131 Braintree to Sudbury	Essex	0.000	0.502	0.502	0.000	0.502
LGF00063	Chelmsford City Growth Area Scheme	Essex	4.000	4.000	0.000	0.000	0.000
LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.800	0.000	-0.800	-0.800	0.000
LGF00070	Beaulieu Park Railway Station	Essex	0.000	0.000	0.000	0.000	0.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.000	0.000	0.000	0.000	0.000
LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000	0.000	0.000	0.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	0.000	0.000	0.000	0.000	0.000
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	0.000	0.000	0.000	0.000	0.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	3.000	2.747	-0.253	0.000	-0.253
LGF00102	A127/A130 Fairglens Interchange new link road	Essex	0.673	0.673	0.000	0.000	0.000
LGF00103	M11 Junction 8 Improvements	Essex	0.900	0.900	0.000	0.000	0.000
LGF00105	Mercury Rising Theatre	Essex	0.000	1.000	1.000	1.000	0.000
LGF00111	Digital Technologies Campus, Basildon	Essex	0.000	1.150	1.150	1.150	0.000
LGF00112	Colchester Institute	Essex	0.000	0.050	0.050	0.050	0.000
LGF00113	USP College Centre of Excellence for Digital Technologies and Innovation	Essex	0.000	0.800	0.800	0.800	0.000
LGF00114	Flightpath Phase 2	Essex	0.000	1.058	1.058	1.058	0.000
LGF00118	Basildon Innovation Warehouse	Essex	0.000	0.000	0.000	0.000	0.000
LGF00119	University of Essex Parkside (Phase 3)	Essex	0.000	0.000	0.000	0.000	0.000
Kent							
LGF00003	I3 Innovation Investment Loan Scheme	Kent	1.000	1.153	0.153	0.000	0.153
LGF00006	Tonbridge Town Centre Regeneration	Kent	0.000	0.000	0.000	0.000	0.000
LGF00007	Sittingbourne Town Centre Regeneration	Kent	0.000	0.000	0.000	0.000	0.000
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	0.000	0.000	0.000	0.000	0.000
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Road)	Kent	0.556	0.249	-0.307	-0.306	-0.001
LGF00010	Kent Thameside LSTF	Kent	0.379	0.453	0.073	0.073	0.000
LGF00011	Maidstone Gyrotory Bypass	Kent	0.000	0.000	0.000	0.000	0.000
LGF00012	Kent Strategic Congestion Management programme	Kent	0.800	0.893	0.093	0.093	0.000
LGF00013	Middle Deal transport improvements	Kent	0.000	0.000	0.000	0.000	0.000
LGF00014	Kent Rights of Way improvement plan	Kent	0.150	0.150	0.000	0.000	0.000
LGF00015	Kent Sustainable Interventions Programme	Kent	0.755	0.647	-0.108	-0.108	0.000
LGF00016	West Kent LSTF	Kent	0.700	0.471	-0.229	-0.230	0.001
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.000	0.000	0.000	0.000	0.000

Appendix 2 - Changes to 2019/20 spend forecast							
SELEP number	Project Name	Promoter	2019/20 planned spend (at outset of 2019/20 financial year)	2019/20 Updated spend forecast (as reported in August 2019)	Difference between planned spend and updated spend forecast	Changes to 2019/20 spend previously considered by the Board	Changes to 2019/20 spend to be approved by the Board
LGF00038	A28 Chart Road	Kent	3.119	0.000	-3.119	0.000	-3.119
LGF00039	Maidstone Integrated Transport	Kent	3.285	3.101	-0.184	-0.184	0.000
LGF00040	A28 Sturry Link Road	Kent	0.000	0.390	0.390	2.394	-2.004
LGF00053	Rathmore Road	Kent	0.000	0.000	0.000	0.000	0.000
LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.216	-0.084	-0.300	0.000	-0.300
LGF00055	Maidstone Sustainable Access to Employment	Kent	0.000	0.000	0.000	0.000	0.000
LGF00059	Ashford Spurs	Kent	1.632	2.143	0.511	0.511	0.000
LGF00041	Thanet Parkway	Kent	2.355	4.000	1.645	1.645	0.000
LGF00058	Dover Western Dock Revival	Kent	0.000	0.000	0.000	0.000	0.000
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent	0.000	0.000	0.000	0.000	0.000
LGF00062	Folkestone Seafront (non-transport)	Kent	0.000	0.000	0.000	0.000	0.000
LGF00072	A226 London Road/B255 St Clements Way	Kent	0.000	0.000	0.000	0.000	0.000
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.000	0.093	0.093	0.092	0.000
LGF00086	Dartford Town Centre Transformation	Kent	1.604	3.360	1.756	1.756	0.000
LGF00088	Fort Halsted (removed from Programme)	Kent	0.000	0.000	0.000	0.000	0.000
LGF00092	A2500 Lower Road	Kent	0.000	0.000	0.000	0.000	0.000
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise	Kent	0.000	0.000	0.000	0.000	0.000
LGF00096	A2 off-slip at Wincheap, Canterbury (removed from Programme)	Kent	0.000	0.000	0.000	0.000	0.000
LGF00094	Leigh Flood Storage Area and East Peckham - unlocking growth	Kent	0.500	1.366	0.866	0.865	0.001
LGF00106	Sandwich Rail Infrastructure	Kent	1.238	1.331	0.093	0.093	0.000
LGF00120	M2 J5 improvements	Kent	0.000	0.000	0.000	0.000	0.000
LGF00121	Kent and Medway Medical School	Kent	0.000	4.000	4.000	0.000	4.000
Medway							
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and	Medway	4.275	0.937	-3.338	-3.338	0.000
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	4.314	4.500	0.186	0.186	0.000
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	0.399	0.756	0.358	0.358	0.000
LGF00021	Medway Cycling Action Plan	Medway	0.000	0.000	0.000	0.000	0.000
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	1.396	0.560	-0.836	0.000	-0.836
LGF00061	Rochester Airport - phase 1	Medway	3.771	3.778	0.007	0.007	0.000
LGF00089	Rochester Airport - phase 2	Medway	2.400	2.508	0.108	0.108	0.000
LGF00091	Strood Civic Centre - flood mitigation	Medway	0.000	0.000	0.000	0.000	0.000
LGF00115	Innovation Parkway Medway -Phase 3 Enabling Infrastructure	Medway	0.000	0.000	0.000	0.000	0.000
Southend							
LGF00005	Southend Growth Hub	Southend		0.000	0.000	0.000	0.000
LGF00107	Sothend Forum 2	Southend	1.000	1.030	0.030	0.029	0.001
LGF00029	TGSE LSTF - Southend	Southend	0.000	0.000	0.000	0.000	0.000
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	2.000	0.500	-1.500	-0.581	-0.919
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including	Southend	12.693	11.164	-1.529	-1.684	0.155
LGF00122	Southend Town Centre	Southend		0.750	0.750	0.000	0.750
Thurrock							
LGF00030	TGSE LSTF - Thurrock	Thurrock	0.163	0.125	-0.038	-0.038	0.000
LGF00046	Thurrock Cycle Network	Thurrock	0.000	0.000	0.000	0.000	0.000
LGF00047	London Gateway/Stanford le Hope	Thurrock	0.547	2.731	2.184	2.184	0.000
LGF00052	A13 Widening - development	Thurrock	0.000	0.000	0.000	0.000	0.000
LGF00056	Purfleet Centre	Thurrock	0.000	3.159	3.159	3.159	0.000
LGF00104	Grays South	Thurrock	3.700	3.700	0.000	0.000	0.000
LGF00123	Tilbury Riverside	Thurrock		0.000	0.000	0.000	0.000
Managed Centrally							
LGF00001	Skills	Skills	0.000	0.000	0.000	0.000	0.000
LGF00071	M20 Junction 10a	Kent	0.000	0.000	0.000	0.000	0.000
Sub Total			79.503	96.093	16.590	17.455	-0.864
DfT Retained schemes							
LGF00079	A127 Fairglen Junction Improvements	Essex	0.000	0.000	0.000	4.662	-4.662
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience	Essex	0.000	0.000	0.000	0.000	0.000
LGF00081	A127 Kent Elms Corner	Southend	0.000	0.000	0.000	0.000	0.000
LGF00082	A127 The Bell	Southend	0.800	0.831	0.031	0.031	0.000
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	2.000	2.573	0.573	0.573	0.000
LGF00084	A13 Widening	Thurrock	25.011	32.177	7.166	7.166	0.000
Total			107.314	131.674	24.360	29.886	-5.526

Appendix 3 - Deliverability and Risk Update																					
Project	Accountability Board approval	Delivery Status	Deliverability				Financial						LGF spend 2019/20						Financials RAG rating	Reputational risk RAG rating	Overall
			Expected completion date (as stated in Business Case)	Updated expected completion date	Months delay incurred	Deliverability RAG rating	LGF allocation	LGF spend to date Up to end of Q1 2019/20	LGF spend to date (%) Up to end of Q1 2019/20	Original total project cost	Updated total project cost	% change	LGF planned spend (£m)	LGF planned spend	LGF updated forecast*	Difference **					
East Sussex																					
Newhaven Flood Defences	Jun-15	Construction in progress	01/02/2020	01/02/2020	0	1	£1,500,000	£1,500,000	100%	TBC	£19,000,000		0.000000	£0	£0	£0	1	1	1		
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	01/03/2020	01/03/2020	0	3	£2,100,000	£654,000	31%	£2,300,000	£3,530,000	53%	1.782000	£1,782,000	£1,027,000	£-755,000	5	1	3		
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	01/03/2021	01/03/2021	0	1	£6,600,000	£3,377,000	51%	£9,390,000	£10,560,000	12%	1.779000	£1,779,000	£1,846,000	£67,000	3	1	2		
Queensway Gateway Road	Mar-15	Construction in progress	01/03/2016	01/10/2019	43	5	£10,000,000	£9,300,000	93%	£15,000,000	£10,000,000	-33%	0.000000	£0	£1,570,000	£1,570,000	4	3	4		
Swallow Business Park, Hailsham	Feb-16	LGF project delivered	01/03/2017	01/03/2017	0	1	£1,400,000	£1,400,000	100%	£1,595,000	£2,800,000	76%	0.000000	£0	£0	£0	1	1	1		
Sovereign Harbour	Feb-16	LGF project delivered	01/03/2017	01/03/2017	0	1	£1,700,000	£1,700,000	100%	TBC	£1,700,000		0.000000	£0	£0	£0	1	1	1		
North Bexhill Access Road and Bexhill Enterprise Park	Nov-15	LGF project delivered	01/03/2018	01/12/2018	9	1	£18,600,000	£18,600,000	100%	£16,600,000	£18,600,000	12%	0.000000	£0	£0	£0	2	2	2		
Hastings and Bexhill Movement and Access Package	Feb-18	Construction in progress	01/03/2021	01/03/2021	0	1	£9,000,000	£1,641,000	18%	£9,000,000	£9,364,000	4%	4.280000	£4,280,000	£4,228,000	£-52,000	4	1	2		
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	01/03/2021	01/03/2021	0	2	£8,000,000	£4,745,000	59%	£9,736,000	£11,250,000	16%	1.505000	£1,505,000	£1,335,000	£-170,000	2	3	3		
Coastal Communities Housing Intervention Hastings	Feb-17	Construction in progress	01/04/2020	01/03/2020	0	1	£666,667	£666,667	100%	£3,370,000	£3,200,000	-5%	0.000000	£0	£0	£0	1	1	1		
East Sussex Strategic Growth Project	Jan-17	Construction in progress	01/03/2021	31/05/2021	2	2	£8,200,000	£8,200,000	100%	£21,200,000	£21,200,000	0%	0.000000	£0	£300,000	£300,000	1	1	2		
Devonshire Park	Mar-17	Construction in progress	01/03/2020	01/03/2020	0	1	£5,000,000	£5,000,000	100%	£16,000,000	£16,000,000	0%	0.000000	£0	£0	£0	1	1	1		
Bexhill Enterprise Park North	Jun-19	Design in progress	01/03/2020	01/03/2020	0	1	£1,940,000	£0	0%	£20,700,000	£20,700,000	0%		£0	£1,940,000	£1,940,000	1	1	1		
Skills for Rural Businesses Post-Brexit	Jun-19	Design in progress	01/03/2021	01/03/2021	0	1	£2,918,000	£0	0%	£7,037,020	£7,037,000	0%		£0	£2,134,000	£2,134,000	1	1	1		
Sidney Little Road Business Incubator Hub	Jun-19	Design in progress	01/03/2021	01/02/2021	0	1	£500,000	£0	0%	£2,773,686	£2,774,000	0%		£0	£381,000	£381,000	1	1	1		
Bexhill Creative Workspace	Pending	Approval pending	01/05/2020	01/05/2020	0	1	£960,000	£0	0%	£1,760,000	£1,760,000	0%		£0	£960,000	£960,000	1	1	1		
Exceat Bridge Replacement - phase 1	Pending	Approval pending	TBC	TBC		1	£1,500,000	£0	0%	TBC	£4,744,000			£0	£0	£0	1	1	1		
Essex																					
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	01/03/2016	01/03/2016	0	1	£200,000	£200,000	100%	£528,782	£529,000	0%	0.000000	£0	£0	£0	1	1	1		
Colchester LSTF	Mar-15	LGF project delivered	01/03/2016	01/12/2016	9	1	£2,400,000	£2,400,000	100%	£2,000,000	£2,720,000	36%	0.000000	£0	£0	£0	1	1	1		
Colchester Integrated Transport Package	Mar-15	Construction in progress	01/03/2021	01/03/2021	0	1	£5,000,000	£5,000,000	100%	£12,749,000	£12,000,000	-6%	0.000000	£0	£0	£0	2	1	2		
Colchester Town Centre	Mar-15	LGF project delivered	01/03/2016	01/01/2018	22	1	£4,600,000	£4,600,000	100%	£5,052,000	£5,510,000	9%	0.000000	£0	£0	£0	1	1	2		
TGSE LSTF - Essex	Mar-15	LGF project delivered	01/08/2016	01/03/2017	7	1	£3,000,000	£3,000,000	100%	£3,000,000	£3,044,000	1%	0.000000	£0	£0	£0	1	1	1		
A414 Pinch Point Package	Jun-15	LGF project delivered	01/03/2017	01/03/2019	24	1	£10,487,000	£10,487,000	100%	£14,924,000	£21,835,000	46%	0.000000	£0	£0	£0	1	1	2		
A414 Maldon to Chelmsford RBS	Jun-15	LGF project delivered	01/03/2017	01/12/2016	0	1	£2,000,000	£2,000,000	100%	£3,913,000	£3,500,000	-11%	0.000000	£0	£0	£0	1	1	1		
Chelmsford Station/Station Square/Mill Yard	Jun-15	LGF project delivered	01/12/2017	31/03/2019	15	1	£3,000,000	£3,000,000	100%	£2,921,000	£3,000,000	3%	0.000000	£0	£0	£0	1	1	1		
Basildon Integrated Transport Package	Mar-15, May-17 and Feb-19	Design in progress	01/03/2021	01/03/2021	0	1	£6,586,000	£2,883,000	44%	£11,672,000	£13,810,000	18%	4.203000	£4,203,000	£4,203,000	£0	4	1	2		
Colchester Park and Ride and Bus Priority measures	Mar-15	LGF project delivered	01/04/2015	01/04/2015	0	1	£5,800,000	£5,800,000	100%	£7,193,000	£7,500,000	4%	0.000000	£0	£0	£0	1	1	1		
A127 Fairglan junction improvements	Pending	Approval pending	01/09/2022	01/09/2022	0	3	£15,000,000	£0	0%	TBC	£19,348,000		0.000000	£0	£887,000	£887,000	3	4	4		
A127 capacity enhancements	Jun-15	Construction in progress	01/12/2020	01/03/2022	15	5	£4,000,000	£4,000,000	100%	£9,150,000	£9,977,000	-35%	0.000000	£0	£0	£0	1	4	4		
A131 Chelmsford to Braintree	Feb-17	Construction in progress	01/03/2020	01/03/2020	0	1	£3,660,000	£2,550,014	70%	£7,320,000	£7,320,000	0%	0.264000	£264,000	£1,160,000	£896,000	1	1	1		
A133 Colchester to Clacton	Nov-17	Design in progress	01/03/2020	01/03/2020	0	1	£2,740,000	£680,953	25%	£5,480,000	£2,925,000	-47%	1.370000	£1,370,000	£2,215,000	£845,000	1	1	1		
A131 Braintree to Sudbury	Jun-18	Design in progress	TBC	TBC		5	£1,800,000	£0	0%	£3,600,000	£3,600,000	0%	0.000000	£0	£502,000	£502,000	5	5	5		
Chelmsford City Growth Area Scheme	Dec-17	Construction in progress	01/03/2021	01/03/2021	0	2	£10,000,000	£4,500,000	45%	£14,913,000	£15,000,000	1%	4.000000	£4,000,000	£4,000,000	£0	1	2	2		
Beaulieu Park Railway Station	Feb-19	Design in progress	01/03/2024	01/12/2025	21	4	£12,000,000	£0	0%	£157,070,000	£157,070,000	0%	0.000000	£0	£0	£0	3	4	4		
Coastal Communities Housing Intervention Jaywick	Feb-17	Construction in progress	01/06/2019	01/06/2019	0	1	£666,667	£666,667	100%	£3,623,667	£3,623,667	0%	0.000000	£0	£0	£0	1	1	1		
Gilden Way upgrading	Dec-17	Design in progress	01/03/2021	01/12/2021	9	4	£5,000,000	£5,000,000	100%	£12,327,000	£12,327,000	0%	0.000000	£0	£0	£0	1	1	2		
Technical and Professional Skills Centre at Stansted Airport	May-17	LGF project delivered	01/09/2018	01/09/2018	0	1	£3,500,000	£3,500,000	100%	£10,480,000	£10,480,000	0%	0.000000	£0	£0	£0	1	1	1		
Innovation Centre - University of Essex Knowledge Gateway	Sep-17	LGF project delivered	01/01/2019	26/04/2019	3	1	£2,000,000	£2,000,000	100%	£13,000,000	£13,000,000	0%	0.000000	£0	£0	£0	1	1	1		
STEM Innovation Centre - Colchester Institute	Dec-17	Design in progress	01/01/2019	TBC		1	£5,000,000	£3,091,944	62%	£10,000,000	£10,000,000	0%	3.000000	£3,000,000	£2,747,000	£-253,000	1	1	1		

Project	Deliverability						Financial						LGF spend 2019/20						Reputational risk RAG rating	Overall
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Updated expected completion date	Months delay incurred	Deliverability RAG rating	LGF allocation	LGF spend to date Up to end of Q1 2019/20	LGF spend to date (%) Up to end of Q1 2019/20	Original total project cost	Updated total project cost	% change	LGF planned spend (£m)	LGF planned spend	LGF updated forecast*	Difference **	Financials RAG rating			
A127/A130 Fairglen Interchange new link road	Feb-19	Design in progress	01/09/2022	01/09/2022	0	3	£6,235,000	£1,773,000	28%	£9,844,000	£9,844,000	0%	0.673000	£673,000	£673,000	£0	3			
M11 junction 8 improvements	Nov-17	Design in progress	01/03/2021	01/03/2021	0	1	£2,733,896	£2,000,000	73%	£9,056,000	£9,056,000	0%	0.900000	£900,000	£900,000	£0	2			
Mercury Rising Theatre	Nov-17	Construction in progress	01/03/2020	01/03/2020	0	1	£1,000,000	£0	0%	£8,988,967	£8,988,967	0%	0.000000	£0	£1,000,000	£1,000,000	5			
Basildon Digital Technologies Campus	Jun-19	Design in progress	01/09/2020	01/09/2020	0	1	£2,150,000	£0	0%	£15,800,000	£15,800,000	0%	0.000000	£0	£1,150,000	£1,150,000	1			
Colchester Institute training centre (Groundworks and scaffolding)	Jun-19	Design in progress	01/01/2020	01/01/2020	0	1	£100,000	£0	0%	£250,000	£250,000	0%	0.000000	£0	£50,000	£50,000	1			
USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Jun-19	Design in progress	TBC	TBC	0	1	£900,000	£0	0%	£2,016,000	£2,016,000	0%	0.000000	£0	£800,000	£800,000	1			
Flightpath Phase 2	Pending	Approval pending	30/09/2020	30/09/2020	0	1	£1,421,500	£0	0%	£2,843,000	£2,843,000	0%	0.000000	£0	£1,058,000	£1,058,000	1			
Basildon Innovation Warehouse	Pending	Approval pending	TBC	TBC		1	£870,000	£0	0%	£1,700,000	£1,700,000	0%	0.000000	£0	£0	£0	1			
University of Essex Parkside (Phase 3)	Pending	Approval pending	TBC	TBC		1	£2,360,000	£0	0%	£10,011,000	£10,011,000	0%	0.000000	£0	£0	£0	1			
Kent																				
I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)	Nov-15	Project in progress	01/03/2021	01/03/2021	0	2	£6,000,000	£5,433,141	91%	£15,000,000	£15,000,000	0%	1.000000	£1,000,000	£1,153,000	£153,000	1			
Tonbridge Town Centre Regeneration	Mar-15	LGF project delivered	31/03/2017	30/04/2017	0	1	£2,631,269	£2,631,269	100%	£2,650,000	£2,931,000	11%	0.000000	£0	£0	£0	1			
Sittingbourne Town Centre Regeneration	Nov-15	Construction in progress	01/09/2016	01/01/2020	40	5	£2,500,000	£2,500,000	100%	£44,331,000	£4,700,000		0.000000	£0	£0	£0	1			
M20 junction 4 Eastern Overbridge	Mar-15	LGF project delivered	31/03/2015	28/02/2017	22	1	£2,200,000	£2,200,000	100%	£4,435,000	£6,195,000	40%	0.000000	£0	£0	£0	1			
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	Construction in progress	01/09/2019	TBC		3	£1,800,000	£1,157,818	64%	£2,050,000	£1,966,000	-4%	0.556000	£556,000	£249,000	-£307,000	4			
Kent Thameside LSTF	Mar-15	Construction in progress	31/03/2021	31/03/2021	0	3	£4,500,000	£3,530,651	78%	£5,584,000	£8,272,000	48%	0.379000	£379,000	£453,000	£74,000	2			
Maidstone Gytratory Bypass	Mar-15	LGF project delivered	01/02/2017	01/12/2016	0	1	£4,600,000	£4,600,000	100%	£5,700,000	£5,740,000	1%	0.000000	£0	£0	£0	1			
Kent Strategic Congestion Management programme	Mar-15, Apr-16, Feb-17 and Feb-18	Construction in progress	31/03/2021	31/03/2021	0	2	£4,800,000	£2,497,775	52%	£4,800,000	£5,024,000	5%	0.800000	£800,000	£893,000	£93,000	3			
Middle Deal transport improvements	Feb-16	Design in progress	01/12/2016	01/07/2020	43	5	£800,000	£800,000	100%	£1,800,000	£1,550,000	-14%	0.000000	£0	£0	£0	1			
Kent Rights of Way improvement plan	Mar-15	Construction in progress	31/03/2021	TBC		3	£1,000,000	£576,620	58%	£1,200,000	£1,288,000	7%	0.150000	£150,000	£150,000	£0	2			
Kent Sustainable Interventions Programme	Mar-15, Apr-16, Feb-17 and Feb-18	Construction in progress	31/03/2021	31/03/2021	0	3	£2,727,586	£1,505,170	55%	£3,000,000	£2,915,000	-3%	0.755000	£755,000	£647,000	-£108,000	4			
West Kent LSTF	Apr-16	Construction in progress	31/03/2021	31/03/2021	0	3	£4,900,000	£3,828,988	78%	£9,060,000	£9,135,000	1%	0.700000	£700,000	£471,000	-£229,000	4			
Folkestone Seafront: onsite infrastructure	Mar-15	LGF project delivered	30/09/2015	31/03/2016	6	1	£541,145	£541,145	100%	£500,000	£691,000	38%	0.000000	£0	£0	£0	1			
A28 Chart Road	Nov-15	Design in progress	01/03/2020	TBC		5	£2,756,409	£2,756,409	100%	£32,799,223	£4,239,000	-87%	3.119000	£3,119,000	£0	-£3,119,000	5			
Maidstone Integrated Transport	Nov-15 and Jun-18	Design in progress	01/02/2020	01/09/2020	7	4	£8,900,000	£2,191,318	25%	£13,900,000	£10,550,000	-24%	3.285000	£3,285,000	£3,101,000	-£184,000	3			
A28 Sturry Link Road	Jun-16	Design in progress	01/10/2021	01/10/2020		5	£5,900,000	£1,109,051	19%	£28,500,000	£29,600,000	4%	0.000000	£0	£390,000	£390,000	5			
Rathmore Road	Nov-15	LGF project delivered	01/11/2017	01/01/2018	2	1	£4,200,000	£4,200,000	100%	£9,200,000	£9,500,000	3%	0.000000	£0	£0	£0	1			
Maidstone Sustainable Access to Employment	Nov-15	LGF project delivered	01/03/2016	01/06/2017	15	1	£2,000,000	£2,000,000	100%	£3,000,000	£2,625,000	-13%	0.000000	£0	£0	£0	1			
Ashford Spurs	Sep-16 and May-17	Construction in progress	01/04/2018	01/04/2020	24	4	£7,896,830	£5,753,863	73%	£10,497,490	£8,597,000	-18%	1.632000	£1,632,000	£2,143,000	£511,000	4			
Thanet Parkway	Apr-19	Design in progress	01/12/2021	TBC		4	£14,000,000	£0	0%	£27,650,000	£27,650,000	0%	2.355000	£2,355,000	£4,000,000	£1,645,000	5			
Dover Western Docks revival	Feb-17	LGF project delivered	01/02/2017	01/04/2017	2	1	£5,000,000	£5,000,000	100%	£5,100,000	£15,000,000	194%	0.000000	£0	£0	£0	1			
Folkestone Seafront (non-transport)	Feb-16	LGF project delivered	31/12/2027	31/03/2018	0	1	£5,000,000	£5,000,000	100%	£337,000,000	£49,192,000	-85%	0.000000	£0	£0	£0	1			
A226 London Road/B255 St Clements Way	Nov-16	Construction in progress	01/03/2020	31/05/2019		1	£4,200,000	£4,200,000	100%	£6,900,000	£6,903,000	0%	0.000000	£0	£0	£0	1			
Coastal Communities Housing Intervention (Thanet)	Feb-16	Construction in progress	31/03/2021	31/03/2021	0	3	£666,667	£574,013	86%	£1,529,075	£1,531,000	0%	0.000000	£0	£93,000	£93,000	3			
Dartford Town Centre Transformation	Apr-18	Design in progress	31/03/2021	31/03/2021	0	4	£4,300,000	£523,051	12%	£12,000,000	£12,000,000	0%	1.604000	£1,604,000	£3,360,000	£1,756,000	5			
A2500 Lower Road	Sep-17	LGF project delivered	01/12/2019	01/03/2019	0	2	£1,264,930	£1,264,930	100%	£1,804,930	£1,805,000	0%	0.000000	£0	£0	£0	1			
Kent and Medway EDGE hub	Sep-17	Construction in progress	31/08/2020	30/09/2020	0	1	£6,120,000	£6,120,000	100%	£20,502,000	£21,000,000	2%	0.000000	£0	£0	£0	1			
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Design in progress	01/07/2023	01/07/2023	0	2	£2,348,500	£983,119	42%	£24,691,000	£15,574,000	-37%	0.500000	£500,000	£1,366,000	£866,000	2			
Sandwich Rail Infrastructure	Nov-17	Design in progress	31/03/2020	28/02/2020	0	1	£1,903,170	£39,861	2%	£4,299,200	£3,898,390	-9%	1.238000	£1,238,000	£1,331,000	£93,000	3			
M2 Junction 5	Pending	Approval pending	TBC	TBC		1	£1,600,000	£0	0%	TBC	£90,700,000			£0	£0	£0	1			
Kent and Medway Medical School	Pending	Approval pending	TBC	TBC		1	£4,000,000	£0	0%	TBC	£17,793,000			£0	£4,000,000	£4,000,000	1			

Project	Deliverability						Financial						LGF spend 2019/20								Overall
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Updated expected completion date	Months delay incurred	Deliverability RAG rating	LGF allocation	LGF spend to date Up to end of Q1 2019/20	LGF spend to date (%) Up to end of Q1 2019/20	Original total project cost	Updated total project cost	% change	LGF planned spend (£m)	LGF planned spend	LGF updated forecast*	Difference **	Financials RAG rating	Reputational risk RAG rating			
Medway																					
A289 Four Elms roundabout to Medway Tunnel	Mar-15	Design in progress	31/12/2020	01/03/2022	14	4	£11,100,000	£1,508,260	14%	£18,697,000	£11,564,000	-38%	4.275000	£4,275,000	£937,000	-£3,338,000	5	2	4		
Strood Town Centre	Mar-15	Construction in progress	30/06/2018	01/10/2019	15	4	£8,600,000	£5,108,373	59%	£12,750,000	£10,070,000	-21%	4.314000	£4,314,000	£4,500,000	£186,000	4	2	3		
Chatham Town Centre	Mar-15	Construction in progress	31/07/2017	01/10/2019	26	5	£4,200,000	£3,754,058	89%	£4,900,000	£5,129,000	5%	0.399000	£399,000	£756,000	£357,000	2	1	3		
Medway Cycling Action Plan	Mar-15	LGF project delivered	31/03/2018	31/03/2019	12	1	£2,500,000	£2,500,000	100%	£2,900,000	£2,800,000	-3%	0.000000	£0	£0	£0	1	1	2		
Medway City Estate	Mar-15	Design in progress	31/03/2018	31/03/2020	24	5	£2,200,000	£572,497	26%	£2,000,000	£2,094,000	5%	1.396000	£1,396,000	£560,000	-£836,000	5	3	5		
Rochester Airport - phase 1	Jun-16	Design in progress	31/03/2018	31/03/2020	24	5	£4,400,000	£625,424	14%	£4,400,000	£4,400,000	0%	3.771000	£3,771,000	£3,778,000	£7,000	4	3	4		
Innovation Park Medway (phase 2)	Feb-19	Design in progress	31/12/2020	31/12/2020	0	4	£3,700,000	£113,350	3%	£48,900,000	£48,670,000	0%	2.400000	£2,400,000	£2,508,000	£108,000	4	3	4		
Strood Civic Centre - flood mitigation	Feb-18	Construction in progress	30/04/2019	01/06/2019	1	1	£3,500,000	£3,500,000	100%	£92,000,000	£92,000,000	0%	0.000000	£0	£0	£0	1	1	1		
Innovation Park Medway (phase 3)	Pending	Approval pending	31/12/2020	31/12/2020	0	2	£1,518,500	£0	0%	£82,852,000	£82,852,000	0%	0.000000	£0	£0	£0	1	1	1		
Southend																					
Southend Growth Hub	2015	LGF project delivered	31/12/2016	01/03/2017	2	1	£720,000	£720,000	100%	£4,562,000	£7,092,000	55%		£0	£0	£0	1	1	1		
Southend Forum 2	Feb-18	Design in progress	01/09/2021	01/09/2021	0	1	£6,000,000	£600,000	10%	£17,298,000	£17,298,000	0%	1.000000	£1,000,000	£1,030,000	£30,000	1	1	1		
TGSE LSTF - Southend	Mar-15	LGF project delivered	01/08/2016	01/03/2017	7	1	£1,000,000	£1,000,000	100%	£1,000,000	£1,000,000	0%	0.000000	£0	£0	£0	1	1	1		
A127 Kent Elms Corner	Jun-16	LGF project delivered	19/05/2017	31/05/2019	24	4	£4,300,000	£4,300,000	100%	£7,150,000	£5,700,000	-20%	0.000000	£0	£0	£0	1	1	1		
A127 The Bell	Nov-18 and Feb-19	Design in progress	31/03/2021	31/03/2021	0	1	£4,300,000	£680,000	16%	£5,229,000	£5,020,000	-4%	0.800000	£800,000	£831,000	£31,000	2	1	3		
A127 Essential Bridge and Highway Maintenance	Sep-16, Nov-18 and Feb-19	Design in progress	31/03/2021	31/03/2021	0	2	£8,000,000	£1,438,000	18%	£8,000,000	£8,000,000	0%	2.000000	£2,000,000	£2,573,000	£573,000	3	1	2		
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	Construction in progress	31/03/2021	31/03/2021	0	2	£7,000,000	£2,860,757	41%	£7,600,000	£7,000,000	-8%	2.000000	£2,000,000	£500,000	-£1,500,000	5	2	3		
London Southend Airport Business Park	Feb-16, Sep-17 and Sep-18	Construction in progress	31/03/2021	30/09/2021	5	4	£23,090,000	£8,913,679	39%	£31,090,000	£31,070,000	0%	12.693000	£12,693,000	#####	-£1,529,000	4	2	3		
Southend Town Centre Phase 1	Pending	Approval pending	TBC	TBC		1	£867,708	£0	0%	TBC	£2,000,000			£0	£750,000	£750,000	1	1	1		
Thurrock																					
TGSE LSTF - Thurrock	Mar-15	Construction in progress	31/03/2016	31/03/2020	48	5	£1,000,000	£875,024	88%	£1,000,000	£1,243,000	24%	0.163000	£163,000	£125,000	-£38,000	4	2	4		
Thurrock Cycle Network	Apr-16	LGF project delivered	31/03/2019	31/03/2019	0	1	£5,000,000	£5,000,000	100%	£6,000,000	£6,000,000	0%	0.000000	£0	£0	£0	1	1	1		
London Gateway/Stanford le Hope	Feb-17	Design in progress	31/12/2018	30/09/2020	20	4	£7,500,000	£5,005,602	67%	£12,050,000	£15,090,000	25%	0.547000	£547,000	£2,731,000	£2,184,000	4	3	4		
A13 - widening development	Feb-17	Construction in progress	31/12/2019	31/12/2020	12	2	£5,000,000	£5,000,000	100%	£5,000,000	£5,000,000	0%	0.000000	£0	£0	£0	1	1	2		
Purfleet Centre	Jun-16	Design in progress	01/09/2027	01/01/2030	28	4	£5,000,000	£2,217,838	44%	£122,000,000	£122,000,000	0%	0.000000	£0	£3,159,000	£3,159,000	5	1	3		
Grays South	Feb-19	Design in progress	01/07/2022	01/02/2023	7	4	£10,840,274	£215,334	2%	£27,436,981	£27,440,000	0%	3.700000	£3,700,000	£3,700,000	£0	1	2	2		
A13 widening	Apr-17	Construction in progress	31/12/2019	31/12/2020	12	4	£66,057,600	£34,831,974	53%	£78,900,000	£73,867,000	-6%	25.011000	£25,011,000	#####	£7,166,000	5	5	5		
Tilbury Riverside	Pending	Approval pending	TBC	TBC			£2,360,000	£0	0%		£5,118,000						1	1	1		
Managed Centrally																					
Capital Skills	Mar-15	LGF project delivered	31/03/2017	31/03/2018	12	1	£21,974,561	£21,974,561	100%	TBC	TBC		0.000000	£0	£0	£0	1	1	1		
M20 Junction 10a	Feb-17	Construction in progress	31/09/2020	31/09/2020	0	1	£19,700,000	£19,700,000	100%	£104,400,000	£104,400,000	0%	0.000000	£0	£0	£0	1	1	1		
													* Updated forecast spend as reported in August 2019								
													** Difference between the planned LGF spend at outset of 2019/20 and current spend forecast for 2019/20								
													(Positive values shows increase in planned spend and negative values shows decrease in planned spend).								

Report title: Growing Places Fund update	
Report to Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 19 th August 2019	For: Decision
Enquiries to: Helen Dyer, helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1. To update the SELEP Accountability Board (the Board) on the latest position of the Growing Places Fund (GPF) Capital Programme.

2. Recommendations

- 2.1. The Board is asked to:

2.1.1. **Note** the updated position on the GPF programme;

2.1.2. **Approve** the amended repayment schedule for the Sovereign Harbour Project.

3. SELEP Growing Places Fund investments

- 3.1. In total, £49.21m GPF was made available to SELEP for investment as a recyclable loan scheme. To date, GPF has either been invested or has been allocated for investment in a total of 21 capital infrastructure projects, as detailed in Appendix 1. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and the remaining proportion (£2m) has been ring-fenced to support the activities of SELEP's Sector Groups (known as the Sector Support Fund); as agreed by the Strategic Board.
- 3.2. The allocation of GPF to the new projects within GPF Round 2 is on the condition that funding will only be awarded to these projects by the Board or transferred to the lead authority if sufficient GPF is available through the repayment of GPF loans from Round 1 projects. As such, on a quarterly basis, updates are provided to the Board on the latest position of the GPF projects in terms of delivery progress and any risks to the repayments of GPF loans.
- 3.3. As a result of repayments made to date it is intended that a further round of GPF investment will commence in 2019/20. A process for the next round of GPF investment will be considered by Strategic Board on 4th October 2019. Once the process has been approved an open call for projects will be issued.

4. GPF repayments

- 4.1. The loan repayment schedule for each GPF project is agreed within the credit agreement in place between Essex County Council, as Accountable Body, and the lead County/ Unitary Authority for each project. A copy of the expected repayment schedule is set out in Appendix 2.
- 4.2. Repayments are now being made on the initial GPF Round 1 investments, with £17.672m having been repaid to date. All repayments due in 2018/19 were received prior to the end of March 2019.
- 4.3. During 2019/20 repayments will continue to be made on initial GPF Round 1 investments, with some of the GPF Round 2 projects also starting to make repayments. In total, £10.024m is scheduled for repayment in 2019/20 as set out in Appendix 2. Should the Board agree to remove the Discovery Park project from the GPF programme repayments will increase to £15.324m as set out in Table 1.

5. GPF cash flow

- 5.1. Table 1 below sets out the current cash flow position based on the planned GPF investment and the GPF available for investment though loan repayments. This assumes that the repayments are made in accordance with the agreed repayment schedules and takes into account the proposed amended repayment schedule for the Sovereign Harbour Project (as set out in section 6 below) and the potential cancellation of the Discovery Park Project (as set out in a separate report) which the Board are being asked to consider at this meeting.
- 5.2. In the latest round of GPF reporting a risk was identified in relation to the agreed repayment schedule for the Workspace Kent project. This risk will continue to be monitored and if required a revised repayment schedule will be brought to the Board for consideration in November. This risk has not been taken into account in Table 1.

Table 1: GPF Cash Flow Position assuming all approved repayment schedules are met and taking into account proposed amended repayment schedule for the Sovereign Harbour project and potential cancellation of the Discovery Park project

£	2019/20	2020/21
GPF available at the outset of year	13,663,002	24,776,602
GPF Round 1 planned investments	63,000	-
GPF Round 2 planned investments	4,147,000	1,130,000
Position before GPF repayments are made	9,453,002	23,646,602
GPF repayments expected*	15,323,600	6,034,000
Carry Forward	24,776,602	29,680,602

* This includes repayment of the £5.3m GPF allocation to Discovery Park in 2019/20, which is currently being held by Kent County Council

- 5.3. Table 1 reflects the cash flow position if the Board agree the removal of the Discovery Park project from the GPF programme. If this approach is adopted it is expected that the £5.3m GPF funding allocation currently held by Kent County Council will be returned to SELEP during 2019/20, thereby increasing the amount of GPF available for reallocation through the next round of GPF investment.
- 5.4. Should the Board decide to continue to support the Discovery Park project and agree the proposed revised repayment schedule, the GPF repayments expected in 2019/20 will reduce by £5.3m to £10.024m as no repayments will be due against the project until 2021/22. This in turn will mean a reduction of £5.3m in the amount of funding available for re-allocation through the next round of GPF investment.
- 5.5. As shown in Table 1 total GPF drawdown of £4.21m is forecast for 2019/20, with a further £1.13m expected to be drawn down in 2020/21. It is expected that by the end of 2020/21 all currently approved GPF projects will have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix 3.
- 5.6. As all GPF repayments were made in line with the approved repayment schedules during 2018/19 there will be no gap between the amount of GPF available in 2019/20 and the project drawdown schedules (as set out in Appendix 3).

6. Sovereign Harbour

- 6.1. The Sovereign Harbour project was awarded £4.6m GPF in 2014, for the delivery of high quality office space in Eastbourne. This development was to be the first major development in the Sovereign Harbour Innovation Park and was expected to facilitate up to 299 jobs.
- 6.2. The Project is now complete and has delivered 2,345sqm of office space in Pacific House, of which 81% is currently occupied. This has facilitated delivery of 220 jobs to date.
- 6.3. To date repayments totalling £525,000 have been made against the Project, leaving an outstanding balance of £4.075m which is still to be repaid.
- 6.4. Through the latest round of GPF reporting SeaChange Sussex have brought forward a proposed revised repayment schedule. The revised repayment schedule is set out in Table 2 below.

Table 2: Repayment schedule for the Sovereign Harbour project (£m)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Original schedule	0.025	0.2	0.3	0.475	0.4	3.2	4.6
Revised schedule	0.025	0.2	0.3	0.3	0.3	3.475	4.6

- 6.5. SeaChange Sussex have indicated that this change to the repayment schedule is required due to ongoing difficult trading conditions, which have resulted in several companies occupying office space in Pacific House going into administration. The loss of these companies has resulted in the occupancy rate of Pacific House dropping from 90% earlier in 2019, to 81% at the current time.
- 6.6. Under the original schedule a repayment of £475,000 was due to be made in 2019/20. It was expected that this repayment would be made using rental income received. However, as a result of the recent change in occupancy levels there will be a reduction in rental income achieved during 2019/20, with rental income of £360,000 now expected. In addition to covering the GPF repayments the rental income will also need to be used to cover any charges that cannot be recovered from the tenants who have entered administration, thereby further reducing the funding available to repay the GPF loan resulting in the revised repayment schedule being put forward.
- 6.7. There is an expectation from SeaChange Sussex that as a result of the stagnant market rental income in 2020/21 will remain at a similar level.
- 6.8. SeaChange Sussex have indicated that despite the difficult market conditions they are confident that the updated repayment schedule will be met. They have also reaffirmed their intention to sell Pacific House in order to meet the

final repayment which is due in 2021/22. Repayments made to date using rental income have reduced the loan balance, meaning that the sale of the building should generate sufficient income to cover the final proposed repayment of £3.475m.

- 6.9. It is expected that, despite the issues encountered by the Project, the forecast number of jobs will still be created as a result of the development. The number of jobs created to date stands at 220, which reflects 81% occupation of the building. It is anticipated that once the building is fully let, the expected 299 jobs will be created. It is, however, noted by SeaChange Sussex that these jobs may be facilitated over a longer period of time than initially anticipated.
- 6.10. The Board are asked to approve the new repayment schedule put forward for the Project.

7. Growing Places Fund Project Delivery to Date

- 7.1. A deliverability and risk update is provided for each GPF project in Appendix 1. Discovery Park has the highest risk RAG rating due to the delays in delivering the project and the risk to be repayment schedule. A full update is provided for the Discovery Park project under agenda item 12.
- 7.2. A delivery risk has also been identified for the Innovation Park Medway (southern site enabling works) project, as the adoption of the Local Development Order (LDO) is required prior to commencement of the GPF southern site works. Adoption of the LDO is subject to statutory consultee comments being satisfactorily addressed, including any comments raised by Highways England. An update on the delivery of the Innovation Park Medway, including the GPF and Local Growth Fund aspects of the project will be presented to the Board in November 2019, following consideration by KMEP federated board.
- 7.3. Ten GPF projects have now been completed, with the benefits of this infrastructure investment starting to be realised. It is reported that 1,877 jobs have been delivered through investment in commercial space and new business premises, as set out in Table 3 below.
- 7.4. Additional benefits are expected to be delivered through the completion of the remaining GPF projects and through the follow-on investment which has been unlocked through the infrastructure delivered with GPF investment. It is expected in many cases that there will be a time lag between spend of the GPF investment and benefit realisation due to the use of the GPF funding to enable wider development at the project location.
- 7.5. A RAG rating is being used to assess how the completed projects are progressing towards delivering the jobs and homes outcomes stated within the Business Case. To date, it can be seen that the Parkside Office Village project has exceeded the number of jobs stated within the project Business

Case, and that the Charleston Centenary project has met the forecast jobs figure for the project.

- 7.6. North Queensway and the Centre for Advanced Engineering projects have both been completed, however, no job outcomes have been reported to date. It is understood that the jobs figures for both projects are still been calculated.
- 7.7. There are also a number of completed projects which are demonstrating progress towards meeting the outcomes defined in the Business Case but have not yet reached the forecast, including Harlow West Essex and Sovereign Harbour.
- 7.8. These RAG ratings will be updated in advance of each Board meeting, based on the GPF project update reports submitted by local areas.

Table 3 - Monitoring of GPF project outcomes

Name of Project	Outcomes defined in Business Case		Outcomes delivered to date	
	Jobs	Houses	Jobs	Houses
Round 1 GPF Projects				
Priory Quarter Phase 3	440	0	240	0
North Queensway	865	0	0	0
Rochester Riverside	1004	374	25	94
Chatham Waterfront	211	159	211	0
Bexhill Business Mall	299	0	98	0
Parkside Office Village	127	0	270	0
Chelmsford Urban Expansion	600	4000	0	919
Grays Magistrates Court	200	0	144	0
Sovereign Harbour	299	0	220	0
Workspace Kent	198	0	91	0
Harlow West Essex	4,000	1,200	390	200
Discovery Park	130	250	0	0
Live Margate	0	66	0	32
Round 2 GPF Projects				
Colchester Northern Gateway	81	450	0	0
Charleston Centenary	6	0	6	0
Eastbourne Fisherman	4	0	0	0
Centre for Advanced Engineering	56	0	0	0
Fitted Rigging House	300	0	170	0
Javelin Way Development	311	0	0	0
Innovation Park Medway	307	0	0	0

Name of Project	Outcomes defined in Business Case		Outcomes delivered to date	
	Jobs	Houses	Jobs	Houses
No Use Empty Commercial	16	28	12	7
Totals	9,454	6,527	1,877	1,252

Key:

	Projects which have been completed and which have delivered the jobs or homes outcomes as defined in the Business Case.
	Projects which have been completed and which have shown some progress towards delivering the jobs or homes outcomes as defined in the Business Case.
	Projects which have been completed but which have not yet shown any progress towards delivering the jobs or homes outcomes as defined in the Business Case.
	Projects which are ongoing/yet to start and would therefore not be expected to be delivering jobs and homes outcomes in line with the figures defined in the Business Case.

- 7.9. It is apparent from Table 4 that benefits are also now being realised for some of the GPF round 2 projects, including Charleston Centenary and the Fitted Rigging House project.

8. Financial Implications (Accountable Body Comments)

- 8.1. The 2019/20 forecast cashflow position indicates that there is sufficient funding available to meet the agreed investments due in this financial year. This assumes that all repayments are made as planned.
- 8.2. Although non-repayment of the majority of loans has been identified as low risk, it should be noted that any repayments not made in line with their approved profile will put at risk the funding required for the GPF programme to be maintained as an effective recyclable loan scheme. As such, it is recommended that all GPF repayment risks continue to be monitored as part of the regular GPF updates reported to the Board.
- 8.3. It is noted that the £5.3m funding for the Discovery Park project is recommended for reallocation in agenda item 12 and that the return of this funding is assumed within this report; should the Board choose not to approve this recommendation, then the funding available for reinvestment in the next funding round will be reduced by this amount; also, the reinvestment profile will also be detrimentally impacted due to the delays in repayments, compared to the current profile.
- 8.4. It is noted that actual delivery of jobs and homes reported remains out of line with the expected levels identified in the business cases for most completed projects and there has been some evaluation of why delivery of outcomes is lower than expected. This should continue to form part of the on-going

monitoring with reasons for under delivery explained fully to the Board. Where appropriate, these reviews should be used to inform future business case estimations of growth to ensure there is not a pattern of over-ambition.

- 8.5. It is noted that it is intended to commence the next round of funding allocations during 2019/20, to enable the reinvestment of either £20.724m or £23.992m, depending on the outcome of the decision in relation to Discovery Park GPF project under agenda item 11.

9. Legal Implications (Accountable Body Comments)

- 9.1. Each award of GPF approved by the Board is supported by a Loan Agreement between Essex County Council, as Accountable Body and the respective local authority with responsibility for the delivery of the project. Where changes to the project are made it is essential that these are reflected within those Agreements. Accordingly if approved the change proposed within this report will be subject to a Deed of Variation which will be prepared by the Accountable Body.

10. Equality and Diversity implications (Accountable Body Comments)

- 10.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3. In the course of the development of the project Business Case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

- 11.1. Appendix 1 – Growing Places Fund Project Summary
- 11.2. Appendix 2 – Growing Places Fund Repayment Schedule

11.3. Appendix 3 – Growing Places Fund Drawdown Schedule

12. List of Background Papers

12.1. Accountability Board Agenda Pack 31st March 2017

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	05/09/19

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Growing Places Fund Round One									
Priory Quarter Phase 3	East Sussex	The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m ² of high quality office space with the potential to facilitate up to 440 jobs. The Priory Quarter has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.	The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m ² of high quality office space. To date the project has created 240 jobs, with the forecast of 440 jobs still achievable when the building is fully occupied. The Priory Quarter has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.	Project Complete	Project Complete	Priory Quarter has been sold enabling full repayment to be made in 2018/19.			
North Queensway	East Sussex	The project has delivered the construction of a new junction and preliminary site infrastructure in order to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000m ² (gross) of high quality industrial and office premises.	GPF invested, project complete and repayments are being made.	Project Complete	Project Complete and GPF funding spent in full	Continued slow take up in land sales. One new business is to begin development which it is anticipated will catalyse interest in the other plots, which will enable the final repayment to be made in 2019/20.	Once the development of the first plot is underway and further interest is stimulated the delivery of outputs will begin to flow.		
Rochester Riverside	Medway	The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways. This development is to be completed over 7 phases and should take approximately 12 years. The scheme will include: 1,400 new homes (25% of which are affordable), a new 1 form entry primary school, 2,200 sqm of new office & retail space, an 81 bed hotel and 10 acres of public open space.	The marketing suite, show flat and station square opened on 3rd November, with the first show home opening in December 2018. Further show homes opened in February and April. There was a topping out ceremony on 7th March 2019. The first housing is due to be completed in Q2 2019/20. Construction of the hotel started on site in September 2018 and will be completed by September 2019. Work is due to commence on the school in August 2019.	This project is already on site and the S106 agreement was signed at the end of January 2018.	The GPF Funding has already been spent	Medway Council is happy with the current repayment programme and has made the first two repayments.	The contractor is on site and will be delivering 1,400 homes, 1,200sqm of commercial space, a new school, hotel and various new open spaces. The scheme is now delivering more than was originally intended and there are no delivery risks.		Overall the project is on track to deliver outputs and outcomes.
Chatham Waterfront	Medway	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development. A waterfront development site that can provide up to 115 homes over 6 storeys with ground floor commercial space and 115 parking spaces.	Construction Management route chosen for delivery of project. Initial design stage works taking place as well as work to clear pre-commencement planning conditions such as archaeology boreholes. S106 agreement being finalised.	Three key areas of delivery risk identified but work is underway to mitigate these risks to ensure the project is delivered according to programme.	The GPF Funding has been spent.	Medway Council is comfortable with the current repayment schedule.	Development project will deliver 175 new homes and additional commercial space.		Project currently on time and any risks are being mitigated
Bexhill Business Mall	East Sussex	The Bexhill Business Mall (Glover's House) project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.	The building is 100% let to a single occupier. Whilst job numbers are currently lower than anticipated there is space for the occupants to grow.	Project Complete	Project Complete	Building sold in April 2019, allowing full repayment to be made in mid 2019/20	Building 100% let and currently housing 98 jobs, which is less than originally anticipated, however this does provide space for the tenant to grow over time.		
Parkside Office Village	Essex	SME Business Units at the University of Essex. Phase 1, 14,032 sqft.; 1,303sqm lettable space, build complete June 2014. Phase 1a 3,743 sqft.; 348 sqm - complete September 2016.	Project complete and GPF funding repaid in full. 270 jobs created through the project.	Project Complete	Project Complete	Project Complete and loan repaid in full.	All units fully occupied with enquiry waiting list. Expected job outcomes realised.		Project Complete

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Chelmsford Urban Expansion	Essex	The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, improving cash flow and the simultaneous commencement of two major housing schemes.	GPF invested, project complete and GPF has been repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	Project Complete		Project Complete
Grays Magistrates Court	Thurrock	The project has converted the Magistrates Court to business space as part of a wider Grays South regeneration project which aims to revitalise Grays town centre.	GPF invested, project complete and repayments are being made. The refurbished building is now in use and having a positive impact in the town centre.	Project Complete	GPF funding spent in full	Final repayment will be made in 2019/20	The project has now delivered 144 jobs (including those currently at the Courthouse and businesses which have occupied space in the building but which have now grown in size and moved on).	The only significant risk to the project now is a significant economic down turn which impacts on occupancy. Currently, however, demand across the borough is strong and targets are being achieved	
Sovereign Harbour	East Sussex	The Pacific House project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Sovereign Harbour Innovation Park in the A22/A27 growth corridor.	The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2,345m ² of high quality office space. This development has delivered 220 jobs. Revised repayment schedule put forward as a result of uncertain economic environment which has resulted in a number of businesses occupying space in Pacific House going out of business, therefore impacting on income from rental receipts.	Project Complete	Project Complete	Revised repayment schedule submitted for Board consideration.			
Workspace Kent	Kent	The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.	There are four projects within this programme. Of these, one project has been completed and has repaid in full, two projects are meeting their repayment schedule and one project is behind on their targeted repayment schedule. A decision on the final project within this programme is expected to be made on 18th October, allowing the remaining GPF funding to be used by the end of 2019.	There is a risk to defrayment of the final amount of funding, however, a full application is expected to be received from a company soon. If this application is successful as elements of the project will be underway by the end of 2019.	There is a risk to defrayment of the final amount of funding, however, a full application is expected to be received from a company soon. Assuming this application meets the Panel's agreement, the full amount of funding will be spent by the end of 2019.	There is a slight delay on repayment from one of the loan applicants. Loan agreement being renegotiated in line with income received from business.	Some job numbers have been delayed for approximately one year due to a new project build not completing in accordance with the agreed programme. However, the remainder of the project is on schedule for delivery and outcomes will be realised.		
Harlow West Essex	Essex/Harlow	To provide new and improved access to the London Road site designated within the Harlow Enterprise Zone.	Project delivered to a reduced scope and GPF funding repaid	Project Complete	Project Complete	Project Complete and loan repaid in full.	Enterprise zone is operational with 85% of space let.		Further works in the programme ongoing in Harlow that help improve the overall viability and attractiveness of the Enterprise Zone.
Discovery Park	Kent	The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.	Work has been ongoing to discharge pre-commencement planning conditions. A full project update report is provided as part of the agenda pack. The report sets out the requirement for a new repayment schedule to be implemented due in part due to a change in intended delivery method for the wider project.	Full project update report provided in agenda pack. Subject to the Board supporting the continued allocation of GPF to the project there are no significant identified risks to delivery.	Full project update report provided in agenda pack. GPF funding will be spent significantly later than initially planned, however, a revised spend profile and project programme have been provided.	Full project update report provided in agenda pack. Approach to repaying GPF funding has been amended, with residential development now being taken forward by the scheme promoter, rather than land being sold to a developer. This requires an amended repayment schedule as repayment will now not be possible until the first phase of houses has been completed and sold.	Full project update report provided in agenda pack. Assuming the funding remains allocated to the Project it is expected that the project outcomes will be met.	Full project update report provided in agenda pack. Board may choose to reallocate the GPF funding through the upcoming GPF process.	Full project update report to be considered during the Accountability Board meeting.

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Live Margate	Kent	Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.	"Phase 1" has been completed. "Phase 2" is underway. Contracts have been exchanged on a property, which once developed has the potential to create approximately 27 dwellings. Other poorly managed multiple occupancy dwellings and other poor quality building stock properties that accord with the loan agreement criteria are being refurbished to bring them back into use. To date the GPF funding is being used to support the creation of 52 new homes. To date 23 units have been completed and occupied.	Offers have been accepted on two properties, with exchange of contracts complete for one property and anticipated for the second. Other potential investment opportunities are also being examined, that accord with the loan agreement objectives and criteria.	Spend delays would be primarily caused by delays in the acquisitions completing due to nature of the property market, profile of private landowners in the area and the council needing to ensure best consideration is achieved.	Subject to exchanging successfully, the repayment profile should be met.	From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 66 homes will be achieved by 24/25.	As with any development project, there is a planning risk, although for the identified properties this is considered to be low risk.	
Revenue admin cost drawn down	n/a		n/a						
Harlow EZ Revenue Grant	n/a		n/a						
Growing Places Fund Round Two									
Fitted Rigging House	Medway	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit space initially providing a base for eight organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School. The project also provides expansion space for the future which has the potential to enable the creation of a high tech cluster based on the work of one core tenant and pre-existing creative industries concentrated on the site. The conversion will provide 3,473m ² of office space.	Building works to the project are now mostly complete. Seven tenants have taken occupation of their spaces with the final tenant due to move into the building in August 2019. The building will then be fully occupied. Works to Chatham Historic Dockyard Trust Archive, Library and Volunteer Centre have been delayed slightly due to issues with the installation of lifts. However, the project is on track for completion by the end of October 2019.	Delay in delivery of main lift for stair core but an additional platform lift has been installed (at no cost to CHDT) to mitigate.	GPF allocation spent in full.	Low risk - any shortfall in income received from tenants to be offset by charitable reserves. Tenant spaces now fully let.	Realisation of outcomes dependent upon space being occupied by tenants. As all contracts are now in place for all tenant spaces this is considered to be low risk.		Project is nearing completion

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Innovation Park Medway (southern site enabling works)	Medway	<p>The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together forms the North Kent Enterprise Zone.</p> <p>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors – particularly engineering, advanced manufacturing, high value technology and knowledge intensive industries. These businesses will deliver high value jobs in the area and will contribute to upskilling the local workforce. This is to be achieved through general employment and the recruitment and training of apprentices including degree-level apprenticeships through collaboration with the Higher Education sector.</p> <p>The Project will bring forward site enabling works on the southern site at the Innovation Park.</p>	<p>Demolition of the disused building is now complete.</p> <p>Consultants have been appointed to undertake design work in line with the Masterplan and draft Local Development Order. The design work is in progress and is on track to meet the programme. Once the Local Development Order has been adopted, the final design will be taken through the self-certification process and work will subsequently begin on site.</p> <p>There remains a risk to the adoption of the LDO as any comments submitted by statutory consultees must be satisfactorily addressed before the LDO can be taken forward. Formal comments from Highways England on the proposals for the wider Innovation Park Medway site are awaited, however, a number of initial queries have been addressed.</p>	Adoption of the Local Development Order is required prior to commencement of the GPF southern site works. Adoption of the LDO is subject to statutory consultee comments being satisfactorily addressed, including any comments raised by Highways England.	GPF spend is not expected to be delayed providing work starts on site by April 2020. This is still achievable as long as the adoption of the LDO is not delayed.	A tender process is currently underway to appoint a marketing consultant to select occupants for the site. Soft market testing to date indicates a high level of interest with businesses ready to take up plots as they become available. Capital receipts/business rates will then become available for repayments. Development of the site is dependent upon the LDO being adopted.	Delivery of Project outcomes is dependent upon the LDO being adopted. Once the LDO is in place there will be minimal risk to the realisation of Project outcomes as there has been significant interest in the site.		
Centre for Advanced Engineering	Essex	Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on an industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.	Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget.	Project delivered	GPF funding spent in full	No risk.			
Colchester Northern Gateway	Essex	<p>This development is located at Cuckoo Farm, off Junction 28 of the A12. The overall scheme consists of: relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes including 260 extra care and up to 100 bed Nursing home providing in total around 35% affordable units and on site infrastructure improvements facilitating the development of the Sports and Leisure Hub.</p>	<p>Main contract commenced on 29th April following approval of relevant planning conditions. The first phase includes construction of access and sports buildings.</p> <p>Highways design work underway in consultation with County and Highways England over safety improvements to parts of the highways network including Junction 28 across the A12.</p> <p>GPF legal agreement between Colchester Borough Council and Essex County Council has now been signed, allowing drawdown of funding to commence.</p>	Agreement between Colchester Borough Council and Essex County Council is now in place, reducing risk to delivery.	Spend on the project will be later than originally forecast due to delays in finalising the GPF funding agreement between Colchester Borough Council and Essex County Council.	There is no risk to the repayment schedule.	Project delivery is at an early stage	Slight delay to practical start on site whilst await determination of relevant planning conditions but haul road, site setup and site investigation works undertaken during Q4 2018/19. Completion of project will align with readiness of last three grass pitches in autumn 2020.	
Charleston Centenary	East Sussex	The Charleston Trust have created a café-restaurant in the Threshing Barn on the farmhouse's estate. This work is part of a wider £7.6m multi-year scheme – the Centenary Project – which aims to transform the operations of the Charleston Farmhouse museum.	The GPF funded works on the café-restaurant are now complete and the café-restaurant is open.	Project complete	GPF funds spent	Repayment schedule is factored in to the cash flow forecasting and risk register which are regularly reviewed.			

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Eastbourne Fishery	East Sussex	This capital project has secured £1,000,000 European Maritime and Fisheries Fund (EMFF) grant funding to build a Fishermen’s Quay in Sovereign Harbour to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne’s inshore fishing fleet.	<p>Work on the project has been delayed due to a number of issues, including the original appointed contractor going out of business.</p> <p>The heads of terms were agreed for the lease by the Premier Board (landowner) in February 2019. This was followed by a number of discussions which were needed to reach a consensus over the definition of some of the terms in the agreement, which has caused further delay to the project. There is an expectation that a final agreement will be reached by the end of August. Work on site will then commence in September 2019, with a projected end date of May 2020.</p>	There has been a delay in beginning work on the project, however, the project is still deliverable and work will commence onsite in the near future.	Project has experienced a number of delays which have resulted in delayed start of GPF spend. Once the agreement is in place with the landowner work on the project can commence and the GPF funding will be spent in full.	Repayment schedule will be met.	Objectives and deliverables are still as per the original business case.	The short term possible effects of a no-deal Brexit on small fishing fleet is unclear, although in the longer term there should be a possibility for increased quotas.	
No Use Empty Commercial	Kent	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	<p>The project has contracted with 8 projects in Dover, Folkestone and Margate. All projects have commenced.</p> <p>Two further potential projects have been identified and are in the final stages of processing and are expected to be in contract by September 2019.</p> <p>These projects will provide 11 commercial units and 27 residential units.</p>	All GPF funds have been drawn down by March 2019. Contracts are now in place to deliver 75% of the homes as stated in the Business Case.	The No Use Empty Commercial project has currently allocated £540,000 of the £1,000,000 drawn down.	The individual projects currently supported by No Use Empty Commercial have repayment dates which will fulfil the requirement to repay back the first £500,000 by March 2021.	The number of commercial units in contract exceed the total stated in the Business Case. 75% of the homes required are in contract.	No other risks identified. The number of commercial units in contract exceed the total stated in the Business Case. 75% of the homes required are in contract.	

Appendix 2 - Growing Places Fund Repayment Schedule

Name of Project	Upper Tier	Total Allocation	Total Drawn Down to date	Total Spent to Date	Total Repaid by 31st March 2019	2019/20 total	2020/21 total	2021/22 total	2022/23 total	2023/24 total	2024/25 total	2025/26 total	2026/27 total	Total
Revenue admin cost drawn down	n/a	2,000	2,000	2,000										2,000
Harlow EZ Revenue Grant	n/a	1,244,000	1,244,000	1,244,000										1,244,000
Round 1 Projects														
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	7,000,000	7,000,000									7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	1,500,000	1,000,000	500,000								1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	4,410,000	240,000	1,650,000	2,520,000							4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042	2,999,042	-	1,000,000	1,000,000	999,042						2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000	6,000,000	1,025,000	4,975,000								6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000	3,250,000	3,250,000									3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000	1,000,000	1,000,000									1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	1,400,000	1,100,000	300,000								1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	4,600,000	525,000	300,000	300,000	3,475,000						4,600,000
Workspace Kent	Kent	1,500,000	1,437,000	1,437,000	1,032,433	145,600	78,000	8,400	8,400	8,600	9,600	11,200	197,767	1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	1,500,000	1,500,000									1,500,000
Discovery Park	Kent	5,300,000	5,300,000	-	-	-	-	1,325,000	3,975,000					5,300,000
Live Margate	Kent	5,000,000	5,000,000	1,877,000	-		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000			5,000,000
Sub Total		46,705,042	46,642,042	38,219,042	17,672,433	8,870,600	4,898,000	6,807,442	4,983,400	1,008,600	1,009,600	11,200	197,767	46,705,042
Round 2 Projects														
Colchester Northern Gateway	Essex	2,000,000	-	-	-			2,000,000						2,000,000
Charleston Centenary	East Sussex	120,000	120,000	120,000	-	53,000	36,000	31,000						120,000
Eastbourne Fisherman	East Sussex	1,150,000	-	-	-	900,000	250,000							1,150,000
Centre for Advanced Automotive ar	South Essex	2,000,000	2,000,000	2,000,000	-			2,000,000						2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	-	200,000	300,000	50,000						550,000
Javelin Way Development	Kent	1,597,000	1,597,000	-	-			1,597,000						1,597,000
Innovation Park Medway	Medway	650,000	120,000	35,300	-		50,000	600,000						650,000
No Use Empty Commercial	Kent	1,000,000	1,000,000	690,000	-		500,000	500,000						1,000,000
Sub Total		9,067,000	5,387,000	3,395,300	-	1153000	1136000	6778000	-	-	-	-	-	9,067,000
Total		55,772,042	52,029,042	41,614,342	17,672,433	10,023,600	6,034,000	13,585,442	4,983,400	1,008,600	1,009,600	11,200	197,767	55,772,042

Appendix 3 - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier	Total Allocation	Total drawn down to end 2018/19		2019/20 total	2020/21 total	2021/22 total	Total drawdown schedule
Round 1 Projects								
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000					7,000,000
North Queensway	East Sussex	1,500,000	1,500,000					1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000					4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042					2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000					6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000					3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000					1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000					1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000					4,600,000
Workspace Kent	Kent	1,500,000	1,437,000		63,000			1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000					1,500,000
Discovery Park	Kent	5,300,000	5,300,000					5,300,000
Live Margate	Kent	5,000,000	5,000,000					5,000,000
Sub Total		45,459,042	45,396,042		63,000	-	-	45,459,042
Round 2 Projects								
Colchester Northern Gateway	Essex	2,000,000	-		1,350,000	650,000		2,000,000
Charleston Centenary	East Sussex	120,000	120,000					120,000
Eastbourne Fisherman	East Sussex	1,150,000	-		1,150,000			1,150,000
Centre for Advanced Automotive an	South Essex	2,000,000	2,000,000					2,000,000
Fitted Rigging House	Medway	550,000	550,000					550,000
Javelin Way Development	Kent	1,597,000	-		1,597,000			1,597,000
Innovation Park Medway	Medway	650,000	120,000		50,000	480,000		650,000
No Use Empty Commercial	Kent	1,000,000	1,000,000					1,000,000
Sub Total		9,067,000	3,790,000		4,147,000	1,130,000	0	9,067,000
Total		54,526,042	49,186,042	4,210,000	1,130,000	-	54,526,042	

Forward Plan reference number: FP/AB/239

Report title: Discovery Park Growing Places Update Report	
Report to Accountability Board on 13th September 2019	
Report author: Rhiannon Mort	
Date: 20.08.2019	For: Decision
Enquiries to: Rhiannon.Mort@southeastlep.com	
SELEP Partner Authority affected: Kent	

1. Purpose of Report

- 1.1 This report provides the Accountability Board (the Board) with an update on the delivery of the Discovery Park project (the Project).
- 1.2 The Project was awarded £5.3m Growing Places Fund (GPF) capital loan funding in September and December 2014, but the GPF has not been invested to date. An update report has been provided by Discovery Park Limited in Appendix 3.
- 1.3 The Board is asked to consider whether it wishes to approve an amended repayment schedule requested by the promoter or if the funding should be made available for reinvestment as part of the latest round of GPF prioritisation.

2. Recommendations

- 2.1. The Board is asked to agree one of two options:

Option 1

- 2.1.1. **Agree** that the £5.3m GPF which has been transferred to Kent County Council for the delivery of the Project should be returned in 2019/20 to Essex County Council, as the Accountable Body for SELEP, for reallocation through the next round of GPF investment; or

Option 2

- 2.1.2. **Agree** the updated repayment schedule for the Project, as set out in Table 2; and
- 2.1.3. **Note** the intention for Kent County Council to seek a legal charge over the development to ensure the completion of the Project and the timely repayments of the GPF, as per the profile in Table 2; and
- 2.1.4. **Agree** that if Kent County Council have not entered into a legal agreement with the project promoter by 31 January 2020, the GPF must be returned in 2019/20 to Essex County Council, as the Accountable Body for SELEP, for investment in new GPF pipeline projects; and

2.1.5. **Agree** that before entering into a legal agreement with the Midos Group for the transfer of the loan, Kent County Council must provide the SELEP Accountable Body with confirmation that:

- 2.1.5.1. The £5.3m loan will only be spent on capital; and
- 2.1.5.2. the expenditure of the GPF does not constitute as State Aid; and
- 2.1.5.3. the GPF will be spent on contracts which are competitively procured in accordance with the UK and EU procurement guidelines and regulations, to the extent reasonable expected by a private sector company.

3. Discovery Park Update

- 3.1. In 2014, SELEP launched a call for GPF projects. In response, the former owners of the Discovery Park approached Kent County Council (KCC) and SELEP with a proposal to build 250 homes on part of the site.
- 3.2. The Discovery Park is as a multi-business science park, which benefits from Enterprise Zone status, but with plans for delivery of residential development to also be provided at the site.
- 3.3. The SELEP Strategic Board met in September and December 2014 and approved a total of £5.3m GPF to be spent on enabling infrastructure to support the residential development on Discovery Park Enterprise Zone site.
- 3.4. It was agreed by the Strategic Board that the Project should be considered through KCC's own Expansion East Kent processes for the assessment, evaluation and monitoring of the programme, rather than through SELEP's own processes. This flexibility for the oversight of the Project by KCC was agreed as SELEP's current governance processes and procedures were not in place. The Accountability Board had not yet been established and there was no Local Assurance Framework in place, to set out the SELEP processes for funding decisions to be made and investments to be monitored.
- 3.5. A legal agreement has been entered into between Essex County Council, as the SELEP Accountable Body, and KCC, under which the £5.3m GPF was transferred to KCC during 2017/18. However, the GPF has not yet been spent and is currently held by KCC.

4. Chronology and Change in Ownership

- 4.1. Since the Project was considered by the Strategic Board in September 2014, the ownership of Discovery Park Enterprise Zone has changed. The table below provides the chronology of events:

Discovery Park Growing Places Fund update

Date	Event
September 2014	<ul style="list-style-type: none"> • SELEP Strategic Board awards £4.6m of GPF to the Project.
December 2014	<ul style="list-style-type: none"> • SELEP Strategic Board awards an additional £0.7m of GPF to the Project, bringing the total to £5.3m.
January 2015	<ul style="list-style-type: none"> • Discovery Park Limited submit a business case to Kent County Council (KCC). • KCC request additional documentation and for planning permission to be confirmed.
Sept 2015	<ul style="list-style-type: none"> • Outline planning permission granted (DOV/14/00058) by Dover District Council for the redevelopment of the site including demolition of some existing buildings, change of use of some existing buildings, provision of new commercial uses and the development of 250 homes.
November 2015	<ul style="list-style-type: none"> • KCC offer in principle (with conditions) following a decision-making meeting of the Expansion East Kent board.
Early 2016	<ul style="list-style-type: none"> • KCC becomes aware of talks to sell the site to a third party and it was not possible to conclude the agreement.
November 2016	<ul style="list-style-type: none"> • Discovery Park Limited was sold to new investors (The Midos Group). This transaction concluded in November 2016 but this sale only included the commercial land and buildings on Discovery Park, it did not include the residential land.
Feb 2017	<ul style="list-style-type: none"> • Due to split in ownership of the site, it was necessary for both sets of owners (i.e. the new owners of the commercial land and buildings on Discovery Park, and the existing owners of the residential land) to fully support the application. An extension was agreed by KCC and additional due diligence was undertaken.
July 2017	<ul style="list-style-type: none"> • A second KCC offer in principle letter issued (with conditions). • However, KCC becomes aware of talks to sell the residential site and it was not possible to conclude the agreement.
June 2018	<ul style="list-style-type: none"> • The residential land was initially retained by the former owners under the company name of Discovery Park (South) Ltd. The company was sold in June 2018 to the Midos Group. The new owners were informed by the previous owners that £5.3m loan funding had been secured to develop this land for residential use.
June 2018 - May 2019	<ul style="list-style-type: none"> • The new owners inherit the business case to develop homes on the residential site, and work up plans to bring this plan to fruition. There is an Environment Agency planning objection relating to

Date	Event
	the proposal. The new owners appoint experts to see what mitigation must be put in place to remove EA's concerns and to conclude a Flood Risk Strategy, which involved extensive modelling. The mitigation is factored into the design.
May 2019	<ul style="list-style-type: none"> The Environment Agency concerns over flood protection related to DOV/14/00058 are addressed, and planning conditions were discharged.
June 2019	<ul style="list-style-type: none"> The new owners approach SELEP and Kent County Council to request that the loan should be finalised with an updated repayment schedule.

5. Scope of the Project

- 5.1. According to the update provided by the Midos Group, the scope of the Project is the same as was originally considered and approved by KCC. This includes the intention for the GPF to be spent on the delivery of the spine road through the site to unlock residential development at Discovery Park Enterprise Zone.
- 5.2. Outline planning consent has been granted by Dover District Council for the delivery of 500 homes at Discovery Park Enterprise Zone site. The completion of the spine road forms part of the infrastructure enabling works which are required to enable the delivery of these homes.
- 5.3. According to the breakdown of the costs provided by the Midos Group, the GPF allocation to the project exceeds the capital construction cost of delivering the spine road. Clarification has been sought from the Midos Group on a number of occasions to confirm exactly what the GPF grant will be spent on. However, this information has not been forthcoming, as set out further in section 6 below.
- 5.4. Since the purchase of the site by the Midos Group, the main constraint for the delivery of the residential development has been the sites flood risk and the discharge of planning conditions which were attached to the award of outline planning consent, as a result of the flood risk. Issues in accessing the data required to assess the flood risk of the site have caused delays to the discharge of planning conditions. In May 2019, these planning conditions were discharged.
- 5.5. Flood risk no longer presents a constraint to the pace of development at the site and Midos Group's intention is to progress with the development at full speed. The timeline for the development of the site is in Appendix 3. The Midos Group forecast that the spine road will be completed in line with the first phase of residential development (between July 2020 and August 2021). This is two years later than the original proposal from the previous owners.

6. Expected Project Benefits

- 6.1. The original business case for the Project identifies the intention for the Project to deliver up to 250 homes.
- 6.2. This scale of development has now increased, as outline planning consent has been granted for the delivery of up to 500 homes. However, these homes will be delivered in phases based on market demand. It is expected that between 25 and 107 homes will be delivered in Phase 1 by August 2021. The proposed timescales for the completion of future phases is set out in Appendix A.

7. Dover District Council's view

- 7.1 The view of the planning authority (Dover District Council) has been sought by KCC in August 2019. Dover District Council state that:

"Since 2011, Discovery Park has evolved from a single occupier pharmaceutical research and development and manufacturing site, to become one of the UK's most successful Enterprise Zones and a thriving part of South East's life science community, with over 160 tenants and 3,500 employees based on site.

"Dover District Council supports the ambitions of the new owners of Discovery Park to strengthen and expand the science and pharma role to create a world leading science site park as part of a wider, comprehensive destination.

"The provision of housing on the site represents an important part of a wider master-planned approach and is also a critical component in the Council's wider housing needs across the district. It is recognised that, through a combination of matters, the housing proposals have not advanced as originally anticipated. However, now that the acquisition of the housing land has been completed by the new owners of Discovery Park complex flood risk issues have also been addressed with the Environment Agency in liaison with the Council.

"In conclusion, the Council looks forward to working with the owners of Discovery Park, through a Planning Performance Agreement, to start to bring forward the housing allocation at the earliest opportunity."

8. GPF spend profile

- 8.1. The GPF must only be spent on capital expenditure. A breakdown of the GPF spend has been sought from the Midos Group on a number of occasions but has not been provided.
- 8.2. The information from the Midos Group has set out their proposal to spend to the GPF on the construction of the new spine road through the development. However, the £5.3m GPF allocation to the project exceeds the capital construction cost of the spine road.
- 8.3. The total forecast cost of delivering the spine road is £6.436m. However, this cost also includes fees and commuted sums. As GPF can only be spent on capital costs, if the Board continue to support the Project, KCC must take

appropriate measures to ensure that the GPF is only spent as capital expenditure, in accordance with KCC's own capitalisation policy.

- 8.4. KCC have confirmed that payment of the loan would be conditional on evidence on constructions works being in progress on site, but it is essential that information is provided by the Midos Group as to how the funding will be applied in order for KCC to track appropriate spend of the grant.
- 8.5. The update report from the Midos Group also states that there are, "other major infrastructure works required to satisfy the proposed masterplan", but no information has been forthcoming to set out exactly how the GPF will be applied and the timescales for the spend of the GPF, relative to the funding contributions from the Midos Group.
- 8.6. Without clarification of the exact infrastructure that the Midos Group intend to spend the GPF loan, there are also concerns that the GPF expenditure on the Project may constitute as State Aid.
- 8.7. If the Board continue to support the Project, KCC must ensure that the GPF expenditure does not constitute as State Aid. This will require confirmation from the Midos Group as to the exact type of infrastructure that the GPF will be spent on.
- 8.8. The total costs of delivering the enabling infrastructure for the site totals £12m. The remaining £6.7m cost of completing the site enabling works has been committed by the Midos Group.
- 8.9. The GPF loan must be spent on contracts which are competitively procured in accordance with the UK and EU procurement guidelines and regulations, to the extent reasonable expected by a private sector company.

9. GPF repayment scheme

- 9.1. Table 2 below sets out the original repayment schedule for the Project, as agreed within the repayment schedule included in the legal agreement between Essex County Council, as SELEP Accountable Body, and KCC. This shows the requirement for the first GPF repayment of £408,000 to be made by the 31st March 2020. Table 2 also sets out the alternative proposal for repayment.

Table 2 – GPF repayment schedule (£m) – original and updated

	31 st March 2020	31 st March 2021	31 st March 2022	31 st March 2023	31 st March 2024	31 st March 2025	Total
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Repayment schedule (as agreed in legal agreement)	0.408	1.624	1.738	1.53			5.3
Midos Group's proposed alternative repayment schedule			0.795	4.505			5.3
Variance	-0.408	-1.624	-0.943	2.975	0	0	0

- 9.2. As the GPF has not yet been invested and the delivery the residential development has not progressed to the timescales originally anticipated, it is no longer feasible to meet the repayment schedule included within the loan agreement. Table 2 sets out the proposal to complete the GPF payments by 31st March 2023, but with no repayments being made until 2021/22.
- 9.3. The risks to meeting the revised repayment schedule have been considered by the Midos Group and include:
- 9.3.1. Delayed contractor completion;
 - 9.3.2. A housing demand slow down;
 - 9.3.3. Competing projects and oversupply; and
 - 9.3.4. Changing buyer expectations that could involve specification changes mid-development.
- 9.4. To mitigate these risks, the build out of the 500 homes will be completed in phases. The first phase is expected to generate sufficient funding to enable the GPF repayment, as set out in Appendix 2.
- 9.5. The repayment schedule has been based on consideration for the average house sale price from nearby local developments. Market analysis has been undertaken by the Midos Group which shows that there is market demand in the Sandwich area for 85 homes per year. The development finances will be structured so that the GPF repayment carry first priority from incoming sale proceeds.
- 9.6. Should the sales pace not perform as expected, it is intended that the homes will be let and refinanced. The proceeds of which will be used to repay the GPF.
- 9.7. At a meeting between the Midos Group, SELEP and KCC on 14th August, the Midos Group agreed that KCC can take a legal charge over the development and appropriate other assets of the Midos Group to ensure the completion of the Project and the timely repayments of the GPF. Were the board to approve option 2, this will be a condition of funding.

10. Options available

- 10.1. Given the delays to the delivery of the Project, the concerns raised in section 8 as to how the GPF will be spent and the agreement by the Strategic Board to commence the next round of GPF prioritisation in Autumn 2019, the Board is presented with two options.

Option 1

- 10.2. At the last Strategic Board meeting, it was agreed that a GPF Round 3 would be launched during 2019/20. The exact process for the prioritisation of new GPF projects will be discussed at the Strategic Board on the 4th October 2019.
- 10.3. Given that detailed information about how the GPF will be applied on the Project has not been forthcoming, it is recommended that the £5.3m GPF currently allocated to the Project is reallocated through the GPF Round 3 process. This will increase the amount of GPF available for investment through the next round of GPF prioritisation to £23.992m.
- 10.4. The Project may be put forward as a new bid through GPF round 3 but the Project will be considered on its merit relative to other new GPF projects which are brought forward for the funding opportunity.
- 10.5. Option 1 provides the opportunity to compare the benefits of investing in Discovery Park Enterprise Zone with new GPF projects. Given the amount of time that has passed since the original application was prioritised by SELEP, the Board may wish to consider the importance of the Project relative to emerging strategic priorities.
- 10.6. However, based on the likely timescales for new GPF projects to be considered by Federated Boards and to be prioritised across SELEP, it is unlikely that any new projects will be able to invest the GPF at a faster pace based on the GPF spend forecast set out for the Project in Table 1.

Option 2

- 10.7. Alternatively, the Board may wish to continue to support the delivery of the Project and agree the alternative repayment schedule proposed by the Midos Group for the Project.
- 10.8. If the Board agrees the alternative repayment schedule, this will reduce the amount of GPF available, in the short term, for reinvestment in new projects to £20.724m.
- 10.9. As indicated, KCC will seek a security charge to ensure that the GPF repayments are made to the expected timescales. This will be a condition of the funding agreement between KCC and the Midos Group.
- 10.10. Under Option 2, to help ensure that progress is made as per the updated delivery timescales, it is recommended that the Board's continued support for the Project should be subject to KCC entering into a legal agreement with

Discovery Park Limited by 31 January 2020. If this agreement has not been entered into by this date, the funding will be returned to SELEP for reinvestment through GPF Round 3.

10.11. There are also still outstanding concerns as to how the GPF will be applied, which creates uncertainty over the suitability of GPF investment in the Project. For KCC to enter into a legal agreement with the Midos Group for the transfer of the loan, KCC must provide the SELEP Accountable Body with confirmation that:

- 10.11.1. The £5.3m loan will only be spent on capital,
- 10.11.2. the expenditure of the GPF does not constitute as State Aid; and
- 10.11.3. the GPF will be spent on contracts which are competitively procured in accordance with the UK and EU procurement guidelines and regulations, to the extent reasonable expected by a private sector company.

11. Financial Implications (Accountable Body comments)

During 2017/18, £5.3m was transferred to Kent County Council (KCC) to deliver the Discovery Park Project in accordance with the loan agreement in place between Essex County Council (ECC), as the Accountable Body for SELEP and KCC.

Under Option 1, the funding would be required to be returned to ECC and reallocated through the next round of GPF investment, due to be initiated during 2019/20.

Should the Board choose to approve Option 2, then under the terms of the loan agreement, the funding must be applied by KCC as Capital expenditure, in accordance with local government accounting procedures and in line with any State Aid requirements. This requirement should be reflected within any legal agreement implemented between KCC and Discovery Park in relation to use of the Funding, in addition to the agreed repayment profile.

12. Legal Implications (Accountable Body comments)

- 12.1. A legal agreement is in place between Essex County Council, as SELEP Accountability Board, and KCC. If the Board agree to continue supporting the Project and agree the updated repayment schedule, a deed of variation will be agreed between the two parties.

13. Equality and Diversity implication

- 13.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

13.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

14.1. **Appendix A - Project Timeline**

14.2. **Appendix B - Repayment Schedule**

14.3. **Appendix C - Update report from Discovery Park Limited**

15. List of Background Papers

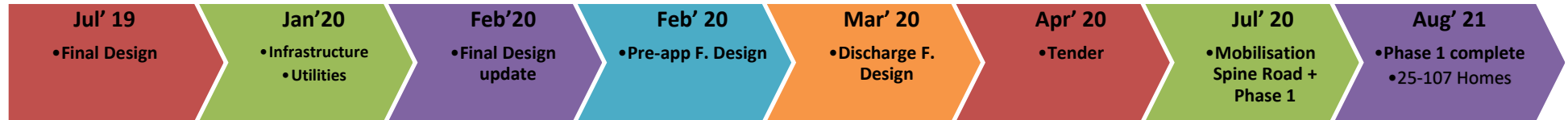
15.1. Business Case for the Discovery Park project

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	06/09/19

Appendix A

Project Timeline / Phase One.



GPF Spend Profile

		2019				2020				2021			
		1	2	3	4	1	2	3	4	1	2	3	4
Cashflow		-	-	685	482	507	426	2250	2250	2550	2850	-	-
Cumulative				685	1167	1674	2100	4350	6600	9150	12000		

Timeline for further phase deliveries.



Appendix B

Repayment Schedule SELEP / KCC - GPF	£ 5,300,000.00	Home Sales to repay	
Q2 - 2021 Phase one completion	-		
Q3 - 2021 Home Sales	£ 315,000.00	0.7	
Q4 - 2021 Home Sales	£ 480,000.00	1.1	
Q1 - 2022 Home Sales	£ 530,000.00	1.2	
Q2 - 2022 Home Sales	£ 1,325,000.00	3.0	
Q3 - 2022 Home Sales	£ 1,325,000.00	3.0	
Q4 - 2022 Home Sales	£ 1,325,000.00	3.0	
Total	£ 5,300,000.00	12.2	13

Appendix C – Update report provided by Discovery Park Limited

Scheme description

Being that Discovery Park is of national significance, the need for housing and the urgency of delivering it remains important to Discovery Park Limited (DPL) as suitable housing is fundamental to the delivery of future expansion plans, in the short and long-term.

Outline planning permission to redevelop parts of the site to create 500 residential homes has been achieved and Discovery Park have been working through the stages to progress the planning and get the development under way.

To get the development underway Discovery Park would need to develop the detail design to update the site infrastructure to enable and future proof the development of the 500 homes achieved in the master planning consent and in the same time progress with the development of phase one; developing 1-3 zones (to be determined within detail design) which will deliver the first batch of much needed homes to the market for freehold sale.

The enabling and infrastructure works will include a new road layout (Spine / Link Road) and associated infrastructure changes as required to set out the development zones whilst ensuring continued accessibility to Discovery Park and the associated car parking and infrastructure changes.

What will the GPF be spent on?

The Project is for the construction of the new spine road through the Discovery Park site to serve the proposed residential development.

There are also other major infrastructure works required to satisfy the proposed masterplan and to future proof this development for the full delivery.

These works will be integrated within the same project and are constantly being adapted to ensure that the required results are achieved so that the development for all 500 homes can be handled and no renewed infrastructure obstacles would halt development for the future phases.

As an example, the newly proposed legislation for each new build home to include a car-charging point is now also being considered for this development as are the added energy and infrastructure loadings.

The acquisition of the Abird [Caravan] site, as part of the masterplan is also included within this projects budget.

The budget and spend details remain the same as per the original [approved] application.

What are the benefits/outcomes of the project, including the number of jobs and houses you're expecting to deliver

The clear first benefit of the development is to allow the further expansion of Discovery Park (enterprise zone), provide confidence to businesses to join and create further jobs & opportunities on site.

The infrastructure works would directly create a further 120 - 130 FTE jobs.

With the home's development of phase 1 each home built will create 7 FTE jobs. Jobs split by construction, back office, suppliers, site professionals, marketing roles, estate agencies and professionals.

The infrastructure jobs are expected to be rolled into the home developments jobs where the total number of jobs will increase to 175 jobs during the build of the first parcel of 25 homes but could drastically pick up to 749 total jobs, should 107 homes (3 parcels) be developed within the first construction phase.

1. Update on the delivery of the Project

- Reasons for the project delay and how these issues have been resolved.

The current owners (DP) have acquired the residential development site in Q2 2018 and have immediately set out to further develop the sites planning consent and its conditions to bring the planning forward to fruition.

The key obstacle in allowing the development to progress was the sites flood risk status where although the flood defense-infrastructure surrounding Sandwich has been updated in 2012 the changes made have not been reflected in an official capacity by the Environment Agency on its data for the town and subsequently the site and as a result showed the site being in a no-development zone.

The flood conditions attached to the planning consent needed to be discharged before the development could be brought forward.

In our best efforts to bring the development forward, extensive flood defense modeling has been undertaken via our engineers which involved creating our own data and to map out new infrastructure changes within it and then to model those to try and identify the worst case flood breach location which could then be used to model the sites development as well as map out flood compensatory storage and to submit a clear development plan which could be brought forward to discharge the flood conditions halting the development from progressing.

Climate change and its effect on sea levels have also needed to be considered as this has a direct implication on the lifespan of the current flood defense infrastructures in place.

On the basis of this data several consultations with the EA have been held but it has become clear to us that in spite of the heavy expenditure we would need to await the EA's official release of the data for the site before being able to progress with development, as the development option for the site on the pre-release data were few and complicated and have presented high-risk and indeed at that time we were advised by our consultants that this only way to progress with the development – to wait for the new data.

Any Further modeling correspondence with the EA would have also been unsuccessful as they would have merely pointed us to the new data being imminently released, as is standard practice.

The data from the EA, despite being advised that its released was imminent has constantly been pushed back until it has finally been released in December 2018.

Post the release of the data, it was clear that the data has indeed concurred that the site currently, due to the newly updated flood defenses, is currently afforded a 1:200 year protection status which is valid for the next 64 years, after which, should the defenses not be updated, the site would fall back into a flood risk zone.

Being that new built homes, to be saleable must have a minimum lifespan of 100 years and that the current flood protection status, as things stand is only valid for the 64 years we have concluded that the best way to discharge and progress with the development would be to progress with discharging the condition on the basis of building flood-adaptive homes, this would ensure that the homes built are good for a minimum 100 years at the point of completion regardless of updated flood defense changes or not.

An application for discharge of the flood conditions has been approved in May 2019 and on this basis the development has become fully viable and able to resume its course at full speed.

We are confident that there are no other remaining delaying factors from obstructing the developments timeline.

Please provide details of the expected delivery timescales for:

1) The delivery of the spine road

The spine road and associated infrastructure will be delivered in line with the completion of the first phase of the residential development in **August 2021**, please see detail timeline in Appendix A.

This has been set up as the most efficient way to complete the first phase, since changes and amendments to the first phase's utility routes and infrastructure will be able to be implemented within the initial infrastructure project and works.

Discovery Park is now powered by renewable energy from a biomass CHP plant on site. There is ample opportunity for this to power the new homes as well as provide steam to heat the homes via a steam network, which will add a positive and unique element to these homes.

There are some changing legislation that we are following in this regard as well as the advancements of the setup of Discovery Park's Energy Service Company [ESCO], which all impact the likeability of the methods of power for the plots and subsequently its connection routes hence the reason for the Spine Road works to be most efficient when developed in conjunction with phase 1.

2) Delivery of wider enabling infrastructure

As per point 1, in line with the delivery of phase 1, in August 2021

3) When the houses are expected to be built

During Phase 1, between July 2020 and August 2021

2. Spend profile

The GPF will be spend between Q3 2019 and Q2 2021, Please see GPF spend profile in Appendix A.

GPF funds will be spent as a proportion to other funds, with GPF funds being 44% of the project funding and will be used to provide the spend items within the same proportions.

Please provide details of the other funding contributions to the project

Funding committed via Midos Group.

Please provide details about how the GPF repayments will be made.

Repayments will be made via sales of the new homes.

We expect to begin pre-sales in July 2020.

The average home sale price will be £435,000 and as per supporting sales data from local developments and sales history we are confident to have a significant percentage of pre-sales ready to complete inline with phase 1 completion, thus releasing funds for GPF repayments.

The development finances will be structured so that the GPF repayments carry first priority from incoming the incoming sales proceeds.

As per the sales prices, we anticipate the first 13 house sales to produce the funds to repay the GFP in full. Timing reflected in the repayment schedule.

Should the sales pace not perform to expectation, the homes will be let and refinanced, the proceeds of which used to repay the GPF. There is sufficient time within the repayment schedule to allow for this scenario, hence we are comfortable that timeframe will work well in both scenarios.

Are there any risks to this repayment schedule?

Risk scenarios that could delay repayments are:

- Delayed contractor completion
- A housing demand slow down
- Competing projects and oversupply
- Changing buyer expectations that could involve specification changes mid-development.

3. Project risk/ issues

The risk in this development are utilities & infrastructure, final design elements as well house prices, demand & competition which could factor into the margins and the viability of the greater scheme.

We are confident that these risks are manageable within the scope and timeframe of the project.

Security for the GPF.

We anticipate a legal charge to be placed on the development land as well as to provide a guarantee to fund timely repayments for the GPF as per the repayment schedule.

Forward Plan reference number: (N/A)

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Suzanne Bennett Chief Operating Officer	
Date: 7 August 2019	For: Information
Enquiries to: Suzanne.bennett@southeastlep.com	
SELEP Partner Authority affected: – Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to be updated on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report includes a financial update on the revenue budget by the Accountable Body, an update on risk management and updates on items of governance.

2. Recommendations

- 2.1. The Board is asked to:

2.1.1. **Note** the current forecast **underspend** of £301,000 against total revenue budget for 2019/20, and that this is offset by an equivalent reduction in the planned drawdown in reserves;

2.1.2. **Note** the risk register at Appendix A; and

2.1.3. **Note** the update on the LEP Review and Assurance Framework

3. Finance Update

2019/20 revenue budget update

- 3.1. The 2019/20 SELEP revenue budget was set by Accountability Board at its November 2018 meeting and updated in May 2019 to incorporate the specific revenue grants that had been subsequently confirmed. The latest forecast outturn position is an under spend of £301,000, this represents a movement of £123,000 from the position reported to the Board in May 2019; details can be seen in Table 1 overleaf.
- 3.2. The under spend is mainly due to the expected receipt of £400,000 additional grant funding from Government to support the implementation of the LEP review requirements. This is offset in part due to increased staffing requirements to support the implementation of the LEP review, although delays in recruitment have reduced the impact of this, when compared to the forecast position in May 2019

3.3. Implementation of the LEP Review requirements has also resulted in a forecast movement of £64,000 in other expenditure, primarily due to an increase in the forecast for spend associated with project activity and meeting expenses.

Table 1 – Total SELEP Revenue Budget Outturn Forecast – July 2019

	Forecast Outturn £000	Latest Budget £000	Variance £000	Variance %	Previous reported Forecast £000	Forecast Movement £000
Staff salaries and associated costs	888	744	144	19%	1,002	(115)
Staff non salaries	55	39	16	41%	39	16
Recharges (incl. Accountable Body)	126	158	(32)	-20%	169	(43)
Total staffing	1,068	941	128	14%	1,210	(141)
Meetings and admin	114	66	48	73%	82	32
Chairman's allowance	20	20	-	0%	20	-
Consultancy and project work	854	1,026	(172)	-17%	821	32
Local Area Support	150	150	-	0%	150	-
Grants to third parties	1,626	1,626			1,626	-
Total other expenditure	2,764	2,888	(124)	-4%	2,700	64
Total expenditure	3,832	3,829	3	0%	3,909	(77)
Grant income	(2,766)	(2,390)	(376)	16%	(2,790)	24
Contributions from partners	(200)	(200)	-	0%	(200)	-
Other Contributions	(4)	-	(4)	0%	(4)	-
External interest received	(763)	(839)	76	0%	(693)	(70)
Total income	(3,733)	(3,429)	(304)	9%	(3,687)	(46)
Net expenditure	99	400	(301)	-75%	222	(123)
Contributions to/from reserves	(99)	(400)	301	-75%	(222)	123
Final net position	-	-	-	0%	-	-

3.4. Currently it is forecast that external interest received will be £76,000 lower than budgeted, however, this is an improved position compared to the May forecast of £70,000. This is due to a combination of a forecast interest rate rise (although this is now due to be later than expected when compared to the original budget) and slippage in the LGF programme meaning more funds than expected, when the budget was set, are available for investment.

3.5. There is considerable uncertainty with regards to the impact that Brexit may have on interest rates and as such the forecast position may continue to change in this respect; this position is being closely monitored by Essex County Council's Treasury Management function who oversee the investment of the funds held.

Revenue Grant Summary 2019/20

3.6. Table 2 sets out the forecast position for the SELEP revenue grants; the forecast indicates that all grants are forecast to be spent in line with budget, with the exception of the Skills Analysis Panels grant and the Local Digital Skills Partnership Grant. For both of these grants, there has been a delay in recruiting to the respective posts that the grants are funding; there is no risk to

the grant as a result as the funding can be utilised in next financial year, although there will be a resulting slippage in the delivery of the planned outcomes.

Table 2 – 2019/20 Grant Income Summary

	Forecast Outturn £000	Latest Budget £000	Variance £000	Variance %
General Grants (Secretariat Budget)	(900)	(500)	(400)	21%
<u>Specific Grants:</u>				
GPF Revenue Grant	(1,000)	(1,000)	-	0%
Growth Hub	(656)	(656)	-	0%
Skills Analysis Panels (SAP) Grant	(62)	(75)	13	-18%
Local Digital Skills Partnership Catalyst Grant	(64)	(75)	11	-14%
Careers Enterprise Company (CEC)	(35)	(35)	-	0%
Energy Strategy Grant	(49)	(49)	-	0%
Total Grant Income	(2,766)	(2,390)	(376)	15.7%

Reserves Summary

3.7. The current forecast position for the general reserve at the end of financial year 2019/20 can be found below at Table 3.

Table 3 – Forecast Reserves

	Forecast Outturn £000	Latest Budget £000
Opening balance 1st April 2019	(748)	(748)
Planned Utilisation		
Planned withdrawal 19/20	(99)	(400)
Total	(99)	(400)
Balance remaining	(649)	(348)
Minimum value of reserve		165

3.8. The Government has announced its one-year Spending Review for 2020/21. It is currently unclear whether there is funding included to support LEPs beyond the current financial year, and if there is, whether there will be any additional stipulations to receive that funding beyond those currently in place.

3.9. A minimum expectation of any funding allocated is for full compliance with the requirements of the National Local Growth Assurance Framework and specifically in relation to the implementation of the LEP review requirements.

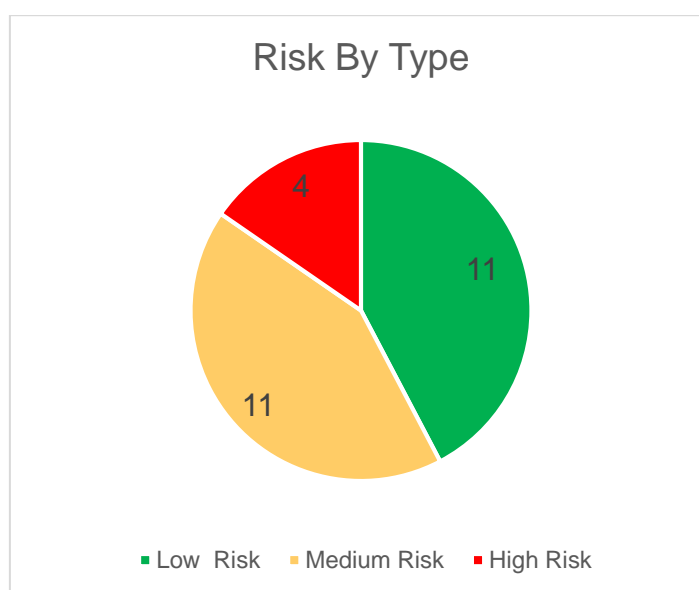
- 3.10. The risks arising from the lack of certainty of future funding arrangements and the impact of Brexit are mitigated, in part, by the forecast reserves position, which is higher than budgeted. The minimum level of reserves stated allows for the closure costs of the LEP, should this be required, whereas the amounts held in reserve above this amount supports the continued operation of the SELEP into next financial year.
- 3.11. The Board is asked to note the latest revenue forecast outturn position of £301,000 under spend; this is offset by an equivalent reduction in the planned drawdown in reserves.

Financial Implications (Accountable Body comments)

- 3.12. This section of the report has been authored by the Accountable Body and the recommendations are considered appropriate.

4. Risk Register

- 4.1. The risks of the Local Growth Fund have been reported to Board as part of the Capital Programme Management process. However, this reporting does not pick up the wider set of risks that apply to the activities of the Secretariat.
- 4.2. The Risk Register was last reported to Board in June. There are currently 26 live risks and 1 risk to be removed, Those 26 risks are classified as follows:



- 4.3. Accountability Board has requested that they manage only the medium and high risks and these risks can be found at Appendix A. Those risks ranked as 'low' will be managed by the Secretariat.
- 4.4. The current highest ranked risk on the register continues to be the potential impact of the high workload that currently faces the Secretariat. Some recruitment has already taken place and has been successful and further recruitment is in hand. Additionally, Secretariat staff are employees of Essex County Council as part of the Accountable Body arrangements. As such they are able to access the wellbeing services that ECC have in place and the team will be encouraged to do so.
- 4.5. Three other risks are categorised as 'high' and are currently equally scored. Firstly, there is a risk that all the LEP Review requirements are not implemented in line with Government's requirements, including the requirement for all changes to be implemented by the end of the financial year. There are a large number of changes to be made, some of which are very complex and have impacts on partner organisations. The nature of this type of fundamental change brings an inherent risk. Action plans are in place and this continues to be the top priority of the team over the year.
- 4.6. The third high category risk is linked to the above and is the risk that a preferred option on SELEP board size and composition can't be found. This

links to the above, but there is a specific risk concerning the make-up of the Board. At time of writing there is a planned meeting of the two sub-groups who have been charged by Strategic Board to make recommendations on both Board Composition and Legal Personality. This group will need to consider how this risk can be mitigated and a verbal update can be provided at the meeting of Accountability Board.

- 4.7. The remaining high category risk is the likelihood of a change in policy direction at national government level. Whilst this is always possible, a change in leadership or administration makes this more likely. When Parliament resumes after summer recess it is hoped that potential changes to policy will become clear. The Secretariat will continue to work closely with officials in Whitehall to ensure we are informed of any changes in policy as soon as possible.

- 4.8. Changes to the risk register can be seen in the table below.

Risk Ref	Risk	Change	Reason
8	LIS isn't produced in line with Government requirements and/or deadlines	Down-graded	Appointment of 2 Strategy and Intelligence Managers mean work on the LIS is being driven apace. Current Govt indication is that they are comfortable with our plans for submission
13	LGF Profiling gap in 19/20 – funding is not available to support all projects in year	Removed	Now forecasting underspend for year
18	Brexit – impact on Whitehall	Upgraded	No deal Brexit now looks more likely and therefore it is expected that Whitehall resources will be diverted to work on this
22	Growth Hubs – current model may restrict progress in changing service shape to comply with Govt	Down-graded	Continued conversations on Growth Hub between the sub-hubs are ensuring more of a joint approach on areas of work where that is appropriate. No large-scale changes to the Growth Hub model have been communicated from C Govt.
27	LEP Review Incorporation	Down-graded	Workstream is broadly in agreement on structures and options for membership
28	Hadlow College	New risk added	Hadlow College has gone into educational administration. Considerable funding from SELEP (£11m) has been invested in the college and

			there is a risk that outcomes from that investment will not be delivered
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- 4.9. The following risk has now abated and can be removed from the register. The risk that the 2019/20 LGF grant would not be sufficient to cover the levels of investment planned in the year no longer exists. The latest forecast of planned spend by partners is lower than grant available and based on previous years, planned spend only reduces through the year rather than increases.
- 4.10. One new risk has been added to the register. Hadlow College is now in Educational Administration. £11m of SELEP funds have been invested in the college across a number of projects. SELEP Secretariat and the Accountable Body have been in contact with the Administrators and have requested confirmation from them that the funds transferred have been applied in accordance with the legal agreements put into place with the college. There is a risk that if the college is not able to continue operations that the outcomes that were to be delivered through the investment will not be recognised.

5. Local Assurance Framework Implementation Plan

- 5.1. The revised version of the Local Assurance Framework (LAF) was agreed by the Strategic Board on the 28th June 2019.
- 5.2. It is the role of the Accountability Board to oversee the implementation of the requirements of the LAF. To receive grant funding from central government, SELEP must have in place a LAF which demonstrates full compliance with the National Assurance Framework, published by central government in January 2019. The LAF Implementation Plan, included at Appendix B sets out the actions required to ensure that SELEP is fulfilling its commitments under the LAF.
- 5.3. The most challenging but pressing actions detailed in the Implementation Plan relate to the recommendations of the LEP Review. Specifically, the requirement for incorporation and the changes to board composition. Government is keen to see these requirements of the LEP Review incorporated as soon as possible, so it is crucial that SELEP maintains momentum with this work.
- 5.4. These changes must be implemented by the end of 2019/20 financial year in order to receive SELEP's grant and core funding in 2020/21. As such, the implementation of these changes remains a priority for SELEP. A decision will be sought on SELEP Board structure in October 2019 to enable work to progress in establishing a company limited by guarantee, developing the articles of association and considering future board recruitment. As such, the agreement of the revised board composition is flagged in the Implementation Plan as a high risk.
- 5.5. To take forward the work required to implement the changes necessitated by the LEP review, two governance sub-groups of Strategic Board members

have been established. The two sub-groups have now both met twice to discuss their respective work streams (the composition of the Board and creating a legal personality). A joint meeting of both sub-groups scheduled for the 11th September 2019, to enable the two groups to discuss and co-ordinate the recommendations to be made to the Strategic Board meeting in October 2019.

- 5.6. The LAF Implementation Plan includes actions around an independent review of the Strategic Board, and a resulting final report to be presented to the Strategic Board in October 2019. This action will not be completed as no bids were received from consultants to complete this piece of work. However, the sub-groups were of the view that the work to review options for board composition can be completed in house and a report will still be presented to the Strategic Board in October 2019, to set out the recommended option developed by the board composition sub-group.
- 5.7. In addition to the work on board composition and incorporation, progress has been made towards the completion of all actions included within the LAF Implementation Plan. This includes work to develop a Board Member Induction Pack, which will be drafted in advance of the next Strategic Board meeting.
- 5.8. On the 17th July 2019, SELEP also held its Annual General Meeting (AGM) and conference, focused on productivity and economic growth. Whilst SELEP is required by Government to hold an AGM meeting, this proved a very successful event, which attracted 160 attendees, including businesses across the SELEP area. The SELEP Annual Report was also published for the event. Copies of the SELEP Annual Report can be found [here](#).
- 5.9. At a Federated Board level, the Essex Federated Board has been through an open and transparent board recruitment process. The first meeting of their new board will be on the 30th September 2019. The Kent and Medway Economic Partnership (KMEP) and Opportunity South Essex (OSE) are also expected to agree their board recruitment process during 2019/20.
- 5.10. In addition to the LAF Implementation Plan, Appendix C provides a list of the Governance and Transparency Key Performance Indicators (KPI). The KPI's show that any Declarations of Interest made in meetings have been captured within the published minutes and all Registers of Interest are in place.
- 5.11. For the last meetings of the Accountability Board, Strategic Board and Investment Panel, held in June 2019, papers and minutes were all published to the agreed timescales. Progress has been made towards the publication of Federated Board reports and minutes within the required timescales but not all areas have met the required publication deadlines. There will be communication with the officers of the Federated Boards to discuss addressing this before the next wave of Federated Board meetings in September 2019.

- 5.12. Female representation on the Strategic Board has increased to 21% following the appointment of Professor Karen Cox as the higher education representative. Strategic Board diversity will continue to be reviewed as part of the review of board composition and the local Federated Area board recruitment in order to meet the requirement from Government for one third female representation by the end of 2019/20 financial year.
- 5.13. The Cities and Local Growth Unit announced in August that they would be carrying out mid-year performance reviews of LEPs. These reviews will be less formal than the year end process but will make an assessment across the same three categories of strategy, governance and delivery. The SELEP meeting is currently arranged for the end of September and any reported assessment will be shared with Accountability Board at its next meeting.
- 5.14. In January 2019, SELEP was rated as Good for Delivery and Governance, but required improvement under the Strategy category. The SELEP has made progress against the required actions of the 2018/19 Annual Performance Review.
- 5.15. The top priority action highlighted through the 2018/19 Annual Performance Review was the production of a Local Industrial Strategy (LIS). Two new officers have joined the team to lead on this work, and there is a clear plan in place to enable this work to progress. It is intended that the Strategic Board will meet in January 2020 to agree the LIS prior to submission to government.

6. Accountable Body Comments

- 6.1. It is a requirement of Government that the SELEP agrees and implements an assurance framework that meets the revised standards set out in the LEP National Assurance Framework.
- 6.2. The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.
- 6.3. A requirement for the release of the Local Growth Fund (LGF) grant to SELEP for 2019/20, was that the S151 officer of the Accountable Body had to provide confirmation to the Government, by the 28th February 2019, that the SELEP has the following in place:
 - 6.3.1. the processes to ensure the proper administration of its financial affairs;
 - 6.3.2. compliance with the minimum standards as outlined in the National Assurance Framework (2016) and the Best Practice Guidance (2018); and
 - 6.3.3. whether or not SELEP was expected to be compliant with the new National Local Growth Assurance Framework (2019) by 1 April 2019.

- 6.4. This confirmation was provided to the Government, by the S151 Officer, on the basis that the revised SELEP Local Assurance framework was agreed by the Board at its March 2019 meeting, with a caveat that the requirement to adopt a legal entity by April 2019 is exempt by Government; this requirement is expected to be met by April 2020.
- 6.5. The S151 Officer of the Accountable Body is required, by the revised Assurance Framework, to ensure that their oversight of the proper administration of financial affairs within SELEP continues throughout the year.
- 6.6. In addition, the S151 Officer is required to provide an assurance statement as part of the Annual Performance Review and, by 28 February each year, they are required to submit a letter to the MHCLG's Accounting Officer. This must include:
- Details of the checks that the S151 Officer (or deputies) has taken to assure themselves that the SELEP has in place the processes that ensure proper administration of financial affairs in the SELEP;
 - A statement outlining whether, having considered all the relevant information, the S151 Officer is of the opinion that the financial affairs of the SELEP are being properly administered (including consistently with the National Local Growth Assurance Framework and SELEP's local Assurance Framework); and
 - If not, information about the main concerns and recommendations about the arrangements which need to be implemented in order to get the SELEP to be properly administered.
- 6.7. At present, no significant issues are arising with regards to the financial affairs of SELEP. It should be noted, however, that as SELEP transitions to becoming an incorporated entity, the arrangements with the Accountable Body will be reviewed and formalised as appropriate, to reflect the chosen arrangements agreed by the Strategic Board.

7. Financial Implications (Accountable Body comments)

- 7.1. The 2019/20 Core funding and LGF grant payments were confirmed and received in full by the Accountable Body in April 2019.
- 7.2. Given that future grant payments are reliant on continued assurances from the S151 Officer of the Accountable Body, it is essential that efforts continue to be made to ensure appropriate consideration and prioritisation is given to implementing the Assurance Framework in full.
- 7.3. Currently, no significant financial risks have been identified for 2019/20 as the majority of the funding anticipated from Government has been received and planned funding profiles for projects are expected to be met. In addition, SELEP has more than sufficient reserves to offset its revenue commitments

should this be required.

- 7.4. The main funding risk relates to the receipt of future funding from Government as funding continues to be confirmed on an annual basis, undermining future planning and is counter-intuitive to the expectations of Government within the National Assurance Framework.
- 7.5. Essex County Council, as the Accountable Body for the SELEP, is only able to meet funding commitments made by the SELEP, where it is in receipt of sufficient funding to do so and any spend is in line with the requirements of the Local Assurance Framework and any conditions associated with individual funding allocations.

8. Legal Implications (Accountable Body comments)

- 8.1. There are no legal implications in this report.

9. Equality and Diversity implication

- 9.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 9.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 9.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

10. List of Appendices

- 10.1. Appendix A – Risk Register
- 10.2. Appendix B – LAF Implementation Plan
- 10.3. Appendix C – Governance and Transparency KPIs

11. List of Background Papers

11.1. None

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	04/09/19

South East LEP

Risk Register - medium and high risks only

Ref	Risk Description and impact	Likelihood	Impact	Score	Rank	Mitigation	Risk Owner	Dates/ Deadlines	Notes
9	Increase in scope of work and requirements from Government overwhelm team. Stress increases and with a consequent increase in staff turnover and sickness. Further impacting the ability to achieve deadlines	5	5	25	High	Additional staff taken on and support from partners taken up. SB and AB to develop plan to ensure stress levels are manageable and how high workloads can be managed. Non core tasks are dropped	AB/SB	Ongoing	
3	LEP Review recommendations (those agreed by Board) not implemented in line with Govt requirements. Potentially impacts on future years funding, including core funding, LGF, UKSPF and APR	4	5	20	High	Action plan put into place. Priority given to implementation of recommendations above other tasks using current resource, still a large amount of work required in a limited time period	AB/SB	Various	
4	Current Board unable to agree on preferred option for revised Board that complies with Board Size and Composition requirements in LEP Review - endangering future allocations of funding from Government	4	5	20	High	Meeting of both sub-groups planned for 11 Sept following the publication of these papers that may settle the issue. Being actively managed by SELEP Secretariat management and Chair. Decision on Board composition to be put to Board on 4 October	AB	04/10/2019	
25	Change in national government or change in policy direction requires wholesale changes to work plans and direction of travel during the year	4	5	20	High	New administration is in place. Currently no details on emerging policy direction whilst parliament is in recess	AB/SB	Ongoing	
20	Future funding levels change	4	4	16	Med	Current funding levels are boosted by the interest being earned on LGF/GPF balances held. As those balances run down the interest paid will reduce. This may be mitigated by further funding being made available by Govt and/or UKSPF being held. It is now unlikely that BoE interest rates will increase in the short term	AB/SB	31/03/2021	LGF is due to be completed by this time
8	LIS isn't produced in line with Government requirements and or deadlines. Potentially impacts on future funding allocations and reputation of LEP	3	4	12	Med	Appointment of 2 Strategy and Intelligence Managers is driving forward the LIS work. Conversations with Government on when the draft LIS must be submitted are continuing	AB	31/03/2020	LIS to be agreed by this date
16	Brexit - no deal impact on staff road/access etc	3	4	12	Med	Impact on staff, meetings and general ability to travel in the area - limited scope to influence but contingency plans can be put into place - homeworking etc. Risk has increased following revised approach by HMG. Currently impact is still uncertain and mitigation is therefore difficult or impossible. Worst case of impact is assumed for planned purposes	AB/SB	31/10/2019	

South East LEP

Risk Register - medium and high risks only

Ref	Risk Description and impact	Likelihood	Impact	Score	Rank	Mitigation	Risk Owner	Dates/ Deadlines	Notes
17	Increased expectations from Govt dept for information on impact of Brexit	4	3	12	Med	Current requests have decreased following revised timeline. This may increase over the summer in the run up to revised withdrawal date	AB/SB	31/10/2019	
18	Brexit - policy paralysis in Whitehall	4	3	12	Med	Whitehall and Government are currently distracted by Brexit and this will continue until it is clear what the exiting arrangements are. If it is a no-deal situation then this may continue beyond exit date	AB/SB	31/10/2019	
19	Achievement of Growth Deal outcomes	4	3	12	Med	The outputs that were agreed in the LGF may not be deliverable due to changes to the economic environment on a national or sub-national basis. Whilst this is fairly likely, it is probably unlikely that there will be much impact as long as we can demonstrate the reasons for non-delivery	RM	Ongoing	
29	Hadlow College educational administration. Hadlow College has entered into educational administration. £11m of SELEP funding has been invested in the college. There is a risk that grant funding may not have been correctly applied. If the grant funding has been correctly applied there is a further risk that the benefits related to the project may not be realised. If grant funding has not been correctly applied there may be a requirement for SELEP to repay grant monies to Government	3	4	12	Med	Currently working with the administrators to confirm that grant monies have been correctly applied. Will continue to work with partners to support enabling the college to continue functioning to ensure that the facilities supported by the grant are properly utilised	RM	Ongoing	
7	LGF Programme slips beyond agreed programme end date of 31/03/2021	5	2	10	Med	Capital Programme Manager liaising with both CLoG and DfT to forewarn. If funding is available, impact should be limited but may impact on future funding allocations such as UKSPF	RM	Ongoing	
27	LEP Review - Incorporation, workstream unable to agree on recommended structure for the new company or unable to agree in the timeline available	2	5	10	Med	Workstream on Legal Personality is broadly in agreement on structures and options for membership	SB	31/03/2020	
10	End of Chair's term. Sourcing replacement adds additional load to Secretariat team and right candidate might be difficult to find	3	3	9	Med	Work with LEP Network to identify good process. Have process planned in advance. Use Accountable Body where possible	AB	31/03/2020	

South East LEP

Risk Register - medium and high risks only

Ref	Risk Description and impact	Likelihood	Impact	Score	Rank	Mitigation	Risk Owner	Dates/ Deadlines	Notes
21	Economic shocks impacting on business engagement	3	3	9	Med	Economic shocks whether from Brexit or otherwise could impact on our business representatives capacity and capability to engage with our agenda. In part this can be mitigated by more engagement with larger employers who have more capacity	ZG	Ongoing	



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

LEP REVIEW IMPLEMENTATION PLAN 2019-20

Updated September 2019



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INTRODUCTION

This is a working document which will log, plan and update the SELEP's progress in implementing the LEP Review.

There are 3 sections:

1. The first section is for changes not fully implemented which will require the involvement of the Strategic Board.
2. The second section is for changes not fully implemented that can be actioned by officers.
3. The third section is for changes that have already been implemented and are either complete or require ongoing maintenance.

CHANGES REQUIRING BOARD OVERSIGHT AND/OR APPROVAL

INCORPORATION

Creating a legal personality

To have a legal personality in place.
The Strategic Board has agreed in principle to a 'nil return' company.

Deadline: 31st March 2020

Risk: **MEDIUM/HIGH**

Status: **IN PROGRESS**

Task	Expected Completion Date	Risk factors	Status
To agree that SELEP will incorporate by March 2020 per Government requirements	March 2019		COMPLETE Agreed by the board at March 2019 Strategic Board meeting.
Agree to establish sub-group(s) for this work	March 2019		COMPLETE Agreed at March 2019 Strategic Board meeting.
Circulate further definition for sub groups including composition and structure of meetings.	May 2019		COMPLETE Document circulated by CEO on 14/05/19 outlining the proposal of 2 sub-groups, one for board composition (see below requirement) and one for legal personality. This included details of membership and outlined the function of these sub-groups
To agree the type of company to register.	June 2019	Page 142 of 177	COMPLETE The Strategic Board agreed at their June 2019 board meeting to form a company limited by guarantee.

<p>To agree who will be members and who will be directors of the company.</p>	<p>October 2019</p>	<p>Delivery risk: MEDIUM Reliant on the Strategic Board making a decision at the October 2019 meeting. A joint meeting of the two sub-groups is being held on September 11th as an opportunity to develop the recommendations to be presented to the Strategic Board in October 2019.</p> <p>Impact of non-delivery: HIGH A decision on the 4th October is necessary to form the company limited by guarantee by the end of the financial year. If a decision cannot be made on October the 4th, this may cause delays in incorporation and other actions rely on this decision (e.g. creating the suite of documents).</p>	<p>IN PROGRESS The Legal Personality sub-group has now met twice and will present options to the Strategic Board at the October 2019 meeting. A draft report will be presented at the joint sub-group meeting on September 11th 2019 setting out the options which have been discussed by the working groups to date. The working groups will then help finalise this report ahead of the October 2019 Strategic Board meeting. The options will be presented at the October meeting by members of the sub-group, for a decision to be taken by the Strategic Board.</p>
<p>To create and agree the articles of association.</p>	<p>December 2019</p>	<p>Delivery risk: MEDIUM Reliant on Strategic Board decision around board composition and will require support from Essex Legal Services. It has been made clear by the sub-group that these articles must be very thorough in defining the function of the different parts of SELEP. Requires approval process for any changes so no margin for error.</p> <p>Impact of non-delivery: HIGH Cannot incorporate without articles of association.</p>	<p>PREPARATIONS IN PROGRESS Essex Legal Services are supporting the SELEP with this work. A final version cannot be completed until after the membership and directors of the company has been decided.</p>

To register the company on Companies House.	January 2019	Delivery risk: HIGH Dependent on membership of the company, board composition and articles of association being agreed. Impact of non-delivery- HIGH Would cause non-compliance with the requirements of the LEP review and therefore put future funding at risk.	NOT YET STARTED Can only be actioned once articles of association and the suite of documents have been agreed.
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BOARD COMPOSITION

Changing size and public/private sector ratio

The Strategic Board must have no more than 20 members, with an option for five co-opted members, with at least two thirds from the private sector.

Deadline: 28th February 2020

Risk: MEDIUM/HIGH

Status: IN PROGRESS

Task	Expected completion date	Risk factors	Status
To agree that SELEP will change board composition by March 2020 per Government requirements	March 2019		COMPLETE Agreed by the board at March 2019 Strategic Board meeting.
Agree to establish sub-group(s) for this work	March 2019		COMPLETE Agreed at March 2019 Strategic Board meeting.
Circulate further definition for sub groups including composition and structure of meetings.	May 2019		COMPLETE Document circulated by CEO on 14/05/19 outlining the proposal of 2 sub-groups, one for board composition (see below requirement) and one for legal personality. This included details of membership and outlined the function of

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			these sub-groups
To tender an Independent review of the Board to inform Board Composition sub-group discussions and to present a final report to the Strategic Board in October 2019.	June 2019		ABANDONED There were no bids for this work. The sub-group has decided that this work is not necessary, and the report will be written by officers.
To agree the composition of the new board.	October 2019	Delivery Risk: MEDIUM The decision itself is reliant on agreement at the Strategic Board meeting. The proposal has been developed through the sub-groups to incorporate member's views throughout the process. Impact of non-delivery: HIGH If a decision cannot be taken at the October Board meeting, then this will delay the implementation of the LEP review. Recruitment of the new Board needs to happen as soon as possible in order to meet the March deadline, and any delay within this will make this a much tighter deadline. Other actions are also reliant on this decision. The articles of association required to incorporate the Board cannot be written if the board composition is not decided. This would have a knock-on effect for the entire suite of documents.	IN PROGRESS The Board Composition sub-group has now met twice and has a working draft of a board composition proposal. Officers are preparing a proposal document for the joint sub-group meeting on the 11 th September. After this date, the proposal will be finalised for presentation at the Strategic Board meeting on the 4 th of October, for a decision to be taken at this meeting.

Increasing Diversity

To improve the gender balance and representation of those with protected characteristics on the Board.

Deadline: 28th February 2020

Risk: MEDIUM

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
Recruit at least 6 (if just private sector) or 9 (if across entire board) women to the board and improve representation of those with protected characteristics.	March 2020 Strategic Board meeting	<p>Delivery risk: MEDIUM It is not clear whether this statistic includes the Local Authority members or not. Clarification has been sought from Government on multiple occasions but has not been provided. If this figure includes Local Authorities, the risk is increased even further as the SELEP does not have control over who is selected as the Local Authority members, who are currently all male.</p> <p>Impact of non-delivery: MEDIUM SELEP is committed to achieving the target of improving diversity on its Board and will do all that is possible to meet this requirement. The Government does not use absolute language when referring to this requirement. If the target is not met, there is no explicit risk to funding, however the SELEP will need to evidence the steps taken to try and improve diversity. The Government has also indicated increasing this target to achieve an equal gender balance by 2023, so this is obviously a long-term direction for the SELEP and may become a strict requirement in the future.</p>	<p>IN PROGRESS The number of female representatives on the Strategic Board has increased, such as through changes to the Higher Education representative. Discussions around diversity have been held within both sub-group meetings, particularly around targeted advertising and strategic wording to increase inclusivity. Federated Boards, although not required under the LEP review, will need to replicate this requirement as far as possible, in order to enable the SELEP to nominate members from the Federated Boards up to the Strategic Board. The number of female board members is included on the governance KPI report to the Accountability Board to assist in monitoring progress towards meeting this expectation.</p>

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BOARD RECRUITMENT

Recruiting transparently and consistently

To have an open and transparent recruitment process which is consistent across all boards (including Federated Boards). This will also include an appointment process for chairs and deputy chairs.

Deadline: 28th February 2020

Risk: MEDIUM/HIGH

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
To agree a recruitment policy for the Chair	June Strategic Board Meeting		COMPLETE The Chair Recruitment Policy was agreed by the Board on the 28 th of June 2019, including defined term limits.
To agree a recruitment policy for the Deputy Chair	December Strategic Board meeting	<p>Delivery risk: MEDIUM The board composition needs to be decided before this policy can be written. Due to this interdependency, there is a medium risk to the agreeing this policy.</p> <p>Impact of non-delivery: HIGH This is a requirement of the LEP review, and the SELEP would be non-compliant without this in place. The policy is also required in order to recruit the Deputy Chair, without whom the new Board would not be complete.</p>	NOT YET STARTED Once board composition has been decided, this policy can be written and presented to the Strategic Board for approval. If the board composition decision is taken in October as expected, then this policy can be considered at the December Strategic Board meeting. This must contain defined term limits.

<p>To recruit openly and transparently to the Strategic Board, through the Federated Boards.</p>	<p>Board to be in place by March Strategic Board meeting.</p>	<p>Delivery Risk: MEDIUM The main risk associated with this will be ensuring consistency across the four Federated Board, however their approach does not need to be identical, just a consistently high standard which meet SELEP's minimum expectations, as set out in SELEP's Board Recruitment Policy. Mitigating factors will be the Secretariat supporting the Federated Areas with their recruitment.</p> <p>Impact of non-delivery: HIGH This recruitment is necessary to implement the changes to the board composition. If the recruitment is not successful, this may delay the implementation of the new board and the required diversity requirements.</p>	<p>IN PROGRESS The North Essex (name pending) Federated Board has successfully conducted a recruitment exercise, with a member of the secretariat on the panel. KMEP will be recruiting business members Autumn 2019, and OSE will also need to recruit during 2019-20. TES have already agreed their board recruitment policy and have conducted an open and transparent board recruitment process to refresh their federated board.</p>
<p>To recruit openly and transparently to the Strategic Board through SELEP appointment.</p>	<p>Board to be in place by March Strategic Board meeting.</p>	<p>Delivery Risk: MEDIUM The main risk associated with this will be that the process cannot start until the Strategic Board has decided on the composition of the Board.</p> <p>Impact of non-delivery: HIGH This recruitment is necessary to implement the changes to the board composition. If the recruitment is not successful, this may delay the implementation of the new board and the required diversity requirements.</p>	<p>IN PROGRESS The main period for this direct recruitment to the new board will commence upon agreement of the new board composition. Agreement of the board composition will also inform how many roles will be direct SELEP appointments.</p>

Agreeing a succession plan

To identify and agree limitation of terms for board members, vice-chairs and federated board members. This will include plans around wider engagement and succession planning.

Deadline: 31st March 2020

Risk: MEDIUM/HIGH

Status: NOT YET STARTED

Task	Expected Completion Date	Risk factors	Status
To agree a succession plan.	December Strategic Board meeting	<p>Delivery Risk: MEDIUM The creation of the succession plan must precede the decision on board composition. Due to this interdependency, the risk to the completion of a succession plan is currently considered to be medium.</p> <p>Impact of non-delivery: HIGH This is a requirement of the LEP review, so the SELEP would be non-compliant without this document.</p>	<p>NOT YET STARTED Once the decision on board composition has been taken, the succession plan can be formulated by officers. If the decision around board composition is taken as expected at the October Board meeting, then this plan will be considered at the December Board meeting.</p>

Creating a board member induction

To establish a formal induction process for Board members.

Deadline: 30th Nov 2019

Risk: MEDIUM/HIGH

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
To create a formal induction process for Board members.	October 2019	<p>Delivery Risk: MEDIUM The creation of the induction process can be actioned before any decisions around board composition or legal personality are taken at Strategic Board level. However, the document will remain live to ensure the information remains up to date and reflects the changes to the SELEP Strategic Board.</p> <p>Impact of non-delivery: HIGH This is a requirement of the LEP review, so the SELEP would be non-compliant without this process. Other implications would be under-informed Board members and potential dis-engagement of Board members. This is particularly important due to the upcoming incorporation of the SELEP, as the Board Members will need to understand their new role as company directors.</p>	<p>IN PROGRESS The Board Recruitment Policy sets out the induction process for the new board member to meet with the SELEP Chief Exec and Governance Officer in advance of their first Strategic Board meeting, they must provide a Register of Interest (RoI) within 28 days of becoming a Board member and must review the Board Member Induction Pack/Handbook.</p> <p>The outstanding action for SELEP is to complete the Board Member Induction Pack. A first draft of the induction handbook will be circulated to Federated Board officers during September. This will include a space for Federated Areas to add their own localised information, and to receive feedback. The induction handbook will explain the role and support offer of the independent secretariat. The induction pack will be finalised by the end of October.</p>

To implement the Board member induction process for new members and LEP officers	<p>November 2019</p>	<p>Delivery Risk: MEDIUM The induction process will need to be implemented for all new board members and LEP officers, particularly following the review of the Strategic Board membership.</p> <p>Impact of non-delivery: HIGH This is a requirement of the LEP review and therefore SELEP would be non-compliant without implementing this process. Other implications would be under-informed Board members and potential dis-engagement of Board members. This is particularly important due to the upcoming incorporation of the SELEP, as the Board Members will need to understand their new role as company directors.</p>	<p>IN PROGRESS Introductory meetings are already being held between new board members and senior officers from the SELEP team. Once the induction pack has been completed this will be circulated to all board members and will be kept as a live document to ensure that the changes to the SELEP through incorporation are reflected in the induction pack.</p>
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POLICIES AND PROCEDURES

Reviewing the Assurance Framework

Review of Assurance Framework to be a standing item on the last Strategic Board meeting of each calendar year.

Deadline: 31st March 2020

Risk: HIGH

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
<p>To agree revised version of the Assurance Framework for 2019.</p>	<p>June Strategic Board meeting.</p>		<p>COMPLETE The revised Assurance Framework was agreed at the Strategic Board meeting on the 28th of June 2019.</p>

To agree new Assurance Framework on incorporation	March 2020 Strategic Board meeting	<p>Delivery Risk: HIGH Reliant on incorporation in March 2020, which is dependent on high-risk tasks being completed. Also relies on the Strategic Board agreeing this Framework at the March 2020 Strategic Board meeting; the previous Assurance Framework had to be re-revised between March and June 2019.</p> <p>Impact of non-delivery: HIGH This document evidences the SELEP's compliance with government's requirements, and therefore without this document up to date and in place in March 2020, SELEP's future year funding will be put at risk.</p>	<p>IN PROGRESS A working copy of the Assurance Framework is currently under development. The main changes in this document are dependent on the decisions taken by the Strategic Board around board composition, legal personality and other policies, therefore key progress will be made once these decisions have been made.</p>
To review the Assurance Framework on an annual basis.	Ongoing	<p>Delivery risk: LOW This item can be added to the agenda on an annual basis for review.</p> <p>Impact of non-delivery: HIGH It is important to have a current Assurance Framework that contains up to date information in order to receive funding.</p>	<p>ONGOING/COMPLETE The Assurance Framework will be reviewed at the beginning of 2020-21 and will be added to the agenda at the beginning of 2021-22.</p>

Creating a Local Industrial Strategy

Develop an evidence-based Local Industrial Strategy that sets out a long-term economic vision.

Deadline: January 2020

Risk: MEDIUM/HIGH

**Status: IN
PROGRESS**

Task	Expected Completion Date	Risk factors	Status
Stage 1: Evidence base creation & review	September 2019	<p>Delivery Risk: MEDIUM Two members of staff (part-time job share) are dedicated to this work solely. This is a large piece of work with many elements, including evidence gathering and consultations, but is currently on schedule.</p> <p>Impact of non-delivery: HIGH This is a key priority from the Government, and the SELEP would be non-compliant with Government, with a real risk to funding, without this strategy.</p>	<p>IN PROGRESS The evidence base is being finalised and the first draft of the evidence base report is now being written.</p>

<p>Stage 2: Developing Propositions/Intervention (wide consultation, drafting of the LIS and finalising evidence base)</p>	<p>December 2019</p>	<p>Delivery Risk: MEDIUM Two officers (part-time job share) are dedicated to this work solely. This is a large piece of work with many elements, including evidence gathering and consultations, but is currently on schedule.</p> <p>Impact of non-delivery: HIGH This is a key priority from the Government, and the SELEP would be non-compliant with Government, with a real risk to funding, without this strategy.</p>	<p>IN PROGRESS Consultations have been held with Local Authorities and officers, with private sector Board members meeting on the 4th of October to share their views with the relevant officers.</p>
<p>Stage 3: Government co-design</p>	<p>Presented for approval at January 2020 Strategic Board meeting, to be finalised/published with Government by March 2020.</p>	<p>Delivery Risk: MEDIUM Two members of staff (part-time job share) are dedicated to this work solely. This is a large piece of work with many elements, including evidence gathering and consultations, but is currently on schedule.</p> <p>Impact of non-delivery: HIGH This is a key priority from the Government, and the SELEP would be non-compliant with Government, with a real risk to funding, without this strategy.</p>	<p>NOT YET STARTED This work is due to start in January 2020.</p>

Revising scrutiny arrangements

To revise the current scrutiny arrangements of the Strategic Board within the new incorporated model

Deadline: 30th March 2020

Risk: MEDIUM/HIGH

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
To agree new scrutiny arrangements.	March 2020	<p>Delivery risk: MEDIUM To be proposed to the Board at the October 2019 meeting.</p> <p>Risk of non-delivery: HIGH This is a requirement of the LEP review, and without this the SELEP would be non-compliant.</p>	<p>IN PROGRESS To be decided in principle at the October 2019 Strategic Board meeting, for any further tweaks to be taken to the December 2019 meeting.</p>

Refreshing the Joint Committee Agreement

To refresh the Joint Committee agreement.

Deadline: 31st March 2020

Risk: **MEDIUM**

Status: **IN PROGRESS**

No changes are being proposed to the structure of the Accountability Board.

Task	Expected Completion Date	Risk factors	Status
Create a new refreshed version of the Joint Committee Agreement.	March 2020	<p>Delivery risk: MEDIUM This will require approval from all the upper tier authorities, which may potentially cause delays.</p> <p>Impact of non-delivery: MEDIUM The current Joint Committee Agreement is valid, but it would be appropriate to update the agreement as it is 5 years old and contains some out-of-date language and information.</p>	<p>IN PROGRESS Essex Legal Services are supporting the SELEP with this work. This document should align its language with the articles of association, and therefore cannot be completely finalised until the articles are near completion, which Essex Legal Services are also supporting with.</p>

Reviewing the Communication Strategy

To refresh, review and implement a revised Communications Strategy to reflect the Economic Strategic Statement.

Deadline: 31th March 2020

Risk:
MEDIUM/LOW

Status: **IN
PROGRESS**

Task	Expected Completion Date	Risk factors	Status
<p>Creation of a revised Communications Strategy to ensure full compliance with government branding and to develop publicity around LGF projects</p>	<p>June 2019 (Updated- September 2019)</p>	<p>Delivery risk: MEDIUM Recruitment has not been successful so far for the Communications Officer role. This person will be responsible for the creation of this strategy, and therefore will not happen until this post is filled.</p> <p>Impact of non-delivery: MEDIUM/LOW A Communications Strategy is a requirement of the SELEP Assurance Framework. SELEP must ensure the appropriate use of Government's Growth Deal branding. The development of a communication strategy is important to advise partners on the use of this branding.</p>	<p>IN PROGRESS Recruitment to the Communications Officer role was unsuccessful therefore the expected completion date has now been pushed back. Interviews occurred on the 28th of August 2019.</p>

Reviewing the Terms of Reference

To ensure that the Terms of Reference for the SELEP and Federated Boards have been updated to reflect the requirements of the Assurance Framework.

Deadline: 31st March 2020

Risk: HIGH

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
Review the 2019-20 SELEP Terms of Reference	June 2019		COMPLETE The Terms of Reference 2019-20 were agreed at the June 28 th 2019 Strategic Board meeting.
Agree the 2020-21 SELEP Terms of Reference	March 2020	<p>Delivery Risk: HIGH This is reliant on the decisions around board composition and legal personality being made on time in October 2019. Once decided, this risk factor can be reduced to reflect the risk of this being agreed by the Board in March 2020.</p> <p>Impact of non-delivery: HIGH The Terms of Reference are required to evidence compliance to the LEP review, and to enshrine the practices of the SELEP.</p>	IN PROGRESS A new version of the Assurance Framework is currently under development by officers. Key progress will be enabled after the decisions of the Strategic Board around board composition and legal personality. This will be taken to the first meeting of the new Strategic Board in March for approval.

<p>Ensure that the 4 Federated Areas each have appropriate Terms of Reference</p>	<p>March 2020</p>	<p>Delivery Risk: HIGH As well as being reliant on the decisions of the Strategic Board in October as above, this is also reliant on agreement from each of the four Federated Boards of their individual Terms of Reference. Mitigating factors is maintaining effective communication with the Federated Board officers.</p> <p>Impact of non-delivery: HIGH The Terms of Reference for the Federated Areas are important to demonstrate how the boards function and how they recruit. As many of the Strategic Board members will be recruited through a Federated Board then appointed up, it's crucial that the Federated Boards are able to evidence an open and transparent recruitment process.</p>	<p>IN PROGRESS The Governance Officer has started conversations with the Federated Areas around their terms of reference. The same barriers as above will affect this process but to a lesser extent. The Federated Areas must have these in place before March 2020, but it is expected for this to be completed earlier to enable recruitment.</p>
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Reviewing all policies on an annual basis

To ensure that all policies are refreshed annually according to the requirements in the Assurance Framework.

Deadline: 31st March 2020

Risk: MEDIUM

Status: NOT YET STARTED

Task	Expected Completion Date	Risk factors	Status
Ensure that all policies are reviewed on an annual basis	March 2020	<p>Delivery Risk: Low This piece of work will be prepared by officers for approval at Strategic Board. Other than the requirement of the LEP review, there are no significant policy changes anticipated, and for 2020 this will be primarily ensuring that all policies correlate to the updated Assurance Framework, Terms of Reference and Articles of Association.</p> <p>Impact of non-delivery: HIGH This is a requirement of the National Assurance Framework, therefore the LEP would be non-compliant without this completed. There would also be the risk of confusion and lack of transparency in the functioning of the LEP if these documents are incorrect or out of date.</p>	<p>NOT YET STARTED Before the end of September 2019, the Governance Officer will create a tracker for all policies to identify a review schedule for each policy. This plan will then be updated to reflect the progress in each individual policy as a separate task.</p>

CHANGES ACTIONABLE AT OFFICER LEVEL

SUPPORTING THE BOARD

Formalising the independent Secretariat

The independence of the Secretariat needs to be reflected and enshrined in the governance documentation.

Deadline: 31st March 2020

Risk: MEDIUM

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
Include the independence of the secretariat in the Assurance Framework.	June 2019		COMPLETE A section on the independent secretariat is included in the Assurance Framework June 2019.
Put in place a formalised agreement between the Accountable Body and the Secretariat	March 2020	<p>Delivery Risk: MEDIUM It is part of the incorporation workstream and is therefore reliant on the membership/legal personality workstream decisions being made, however this work can commence before the decision is taken so the risk of delay is reduced.</p> <p>Impact of non-delivery: HIGH This is a crucial document to enshrine the relationship between the Accountable Body and the SELEP as a new legal personality. Although this document is not explicitly requested by the LEP review, it is fundamental in the running of the SELEP and has been identified as an action by ECC audit.</p>	<p>IN PROGRESS Essex Legal Services are supporting the SELEP with this work. A draft will be presented at the September 11th joint sub-group meeting, to be taken for a decision at the October Strategic Board meeting.</p>

<p>Make sure the Articles of Association for the Board include the independence of the SELEP Secretariat.</p>	<p>March 2020</p>	<p>Delivery Risk: LOW Reliant on the Strategic Board making the decision around the details of the legal personality in October 2019. Adding this element is low risk in itself, but the articles of association themselves are currently at a high-risk status.</p> <p>Impact of non-delivery: MEDIUM It is important to enshrine the independence of the secretariat in the articles of association, as a requirement of the National Assurance Framework. The impact of non-delivery is considered a medium risk due to the low margin of error for the articles of association, as any amendments would need to go through the full approval process.</p>	<p>IN PROGRESS The articles of association are being developed by Essex Legal Services.</p>
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Creating a Skills Advisory Panel

A Skills Advisory Panel needs to be created to convene local employers, learning providers and other partners to achieve a better alignment of the local employment and skills offer.

Deadline: September 2019

Risk: LOW

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
<p>Recruit the members of the panel</p>	<p>August 2019</p>		<p>COMPLETE The Panel has been recruited to represent a wide range of industry and geography.</p>

Hold first meeting of the Panel	September 2019	<p>Delivery Risk: LOW The meeting has been arranged for the 5th of September 2019 in London, with good attendance expected.</p> <p>Impact of non-delivery: MEDIUM This is a requirement of the National Assurance Framework, designed to assist in the production of the Local Industrial Strategy. There are no stated deadlines, however if this panel is to be useful for the LIS, it needs to meet ideally in September.</p>	<p>IN PROGRESS The meeting has been arranged for the 5th of September in London.</p>
Agree the Terms of Reference for this Panel	October 2019	<p>Delivery Risk: LOW This will be discussed at the first meeting of the Panel and will largely be a discussion around practical details.</p> <p>Impact of non-delivery: LOW This document will be important to the running of the Panel, but the principles of the Panel are already enshrined in the National Assurance Framework.</p>	<p>IN PROGRESS The Governance Officer will be attending this meeting to assist with the discussion around the Terms of Reference. A draft Terms of Reference will be circulated in advance of the meeting.</p>

PUBLISHING INFORMATION

Publishing key decisions

To publish all key decisions of the Strategic and Accountability Boards on the Forward Plan, SELEP website and upper tier authority websites.

Deadline: 28th Feb 2020

Risk: LOW/MEDIUM

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
To ensure the website is up to date with all key decisions from the Strategic and Accountability Boards.	October 2019	<p>Delivery Risk: LOW The information is kept up to date.</p> <p>Impact of non-delivery: MEDIUM This is information that is available on the SELEP website, however it can be made clearer by being collated within a separate document. SELEP must ensure this information is easily accessible to be compliant with the National and SELEP Assurance Framework.</p>	<p>IN PROGRESS This is currently being developed by the Governance Officer, with an expected completion date of the end of October. This includes finalising the records from all previous meetings, as well as recent meetings.</p>

ONGOING ACTIONS/CHANGES ALREADY IMPLEMENTED

All completed actions will be kept under review on a quarterly basis to ensure this information is up to date.

DECLARING INTERESTS

Requirement	Status
To publish all Registers of Interest on the SELEP website for all Strategic Board, Accountability Board and Federated Board members, with signatures redacted.	COMPLETE/ONGOING
Declarations of interest must be noted for the outset of each meeting.	COMPLETE/ONGOING
All members of the Strategic Board, Accountability Board and Federated Boards are required to complete a Register of Interests form.	COMPLETE/ONGOING
All senior members of staff or staff involved in advising on decisions must also have a valid register of interests, reviewed the same as for board members.	COMPLETE/ONGOING

CAPITAL PROJECTS

Requirement	Status
To have a named individual/postholder with overall responsibility for ensuring value for money for all projects and programmes.	COMPLETE
To include a value for money section in the standard reporting template for Accountability Board reports for funding approvals or changes.	COMPLETE
To include a section in the standard business case template for promoters to explain how they will maximise social value.	COMPLETE
To use the SELEP Business Case Template for all strategic outline business cases.	COMPLETE/ONGOING
To inform the Accountability Board where there are concerns around a project, including presenting the Board with legal options around recovering funding	COMPLETE/ONGOING

POLICIES AND PROCEDURES

Requirement	Status
To include a diversity statement in the SELEP Assurance Framework to provide the approach to diversity.	COMPLETE
For each Federated Board to apply the prioritisation process as approved by the Strategic Board.	COMPLETE/ONGOING
To have an annual report and delivery plan in place for the year.	COMPLETE/ONGOING
To include in the Business Case Template a section for project promoters to explain how the project is compliant with the Equality Act 2010.	COMPLETE
To create and maintain a log of SELEP engagement activities.	COMPLETE/ONGOING
To hold Annual General Meetings open to the public to attend	COMPLETE/ONGOING (24 th June 2020)
To collaborate across boundaries, with other LEPs and the LEP network, and be open to peer review	COMPLETE/ONGOING
To make an open offer to attend Local Authority Scrutiny Committees in their area and attending where requested.	COMPLETE

ACCOUNTABLE BODY

Requirement	Status
To extend invitations to the Section 151 Officer or representative to all board meetings.	COMPLETE/ONGOING
To include in the Business Case Template assurance from the Section 151 Officer of the promoting authority that the value for money statement is true and accurate.	COMPLETE

PUBLISHING INFORMATION

Requirement	Status
To publish Strategic and Accountability Board papers to agreed timescales	COMPLETE/ONGOING
To publish the Local Assurance Framework on the website	COMPLETE
To create, maintain and publish a register of all board member expenses and hospitality costs.	COMPLETE/ONGOING
To publish the Gate 2 outline business base at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish the Gate 4 and 5 full business cases for relevant projects at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish information around the process for applying for funding on the SELEP website, as agreed by the Strategic Board.	COMPLETE/ONGOING
To publish on the SELEP website a rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funding designated by year.	COMPLETE/ONGOING
To publish on the SELEP website the Terms of Reference, calendar of dates and papers of the Working Groups.	COMPLETE/ONGOING
To use Government and SELEP branding on all marketing.	COMPLETE/ONGOING

Governance Key Performance Indicators 2019-20

Forward Plan of Decisions

Is the Forward Plan of Decisions, including any associated business cases, published at least 28 days in advance of the meeting?

Board	Meeting date	Met (Y/N)?
Accountability Board	7 th June 2019	Yes
Strategic Board	28 th June 2019	Yes

Publication of Papers

Are all papers published on the SELEP website 5 clear working days in advance of the meeting?

Board	Meeting date	Met (Y/N)?
Accountability Board	7 th June 2019	Yes
Strategic Board	28 th June 2019	Yes
Investment Panel	28 th June 2019	Yes
EBB	24 th June 2019	No
KMEP	25 th June 2019	No
OSE	25 th June 2019	No
TES	24 th June 2019	No

Draft Minutes

Are all draft minutes published within 10 clear working days following the meeting?

Board	Meeting date	Actual- Met (Y/N)?
Accountability Board	7 th June 2019	Yes
Strategic Board	28 th June 2019	Yes
Investment Panel	28 th June 2019	Yes
EBB	24 th June 2019	No
KMEP	25 th June 2019	No
OSE	25 th June 2019	No
TES	24 th June 2019	No

Final Minutes

Are final minutes published within 10 clear working days following approval?

Board	Meeting date	Actual- Met (Y/N)?
Accountability Board	12 th April 2019	Yes
Strategic Board	22 nd March 2019	Yes
Investment Panel	8 th March 2019	Yes
EBB	18 th March 2019	Yes
KMEP	25 th March 2019	No
OSE	13 th February 2019	No
TES	18 th March 2019	Yes

Registers of Interest- Board Members

Are registers of interests in place for all board members?

Board	Percentage completed	Comments
Accountability Board	100%	New board members have 28 days to submit.
Strategic Board	100%	As above
Investment Panel	100%	As above
EBB	100%	As above
KMEP	100%	As above
OSE	100%	As above
TES	100%	As above

Registers of Interest- Officers

Are registers of interest in place for all officers?

Category	Percentage completed
SELEP Secretariat	100% (awaiting some new staff within grace period)
Accountable Body	100%
Federated Board Lead Officers	100%

Declarations of interests in meetings

Are all interests declared and recorded in the meeting minutes with a note of any actions taken?

Board	Date	Actual- Met (Y/N)?
Accountability Board	7 th June	Yes
Strategic Board	28 th June	Yes
EBB	24 th June	Yes
KMEP	25 th June	Minutes missing
OSE	25 th June	Yes
TES	24 th June	Yes

Business Case Endorsement

Have all new and amended projects/business cases been endorsed by the respective Federated Board in advance of submission to any of the SELEP boards?

Board	Actual- Met (Y/N)?	Comments
LGF	Yes	Through prioritisation process for LGF3b
GPF	n/a	No GPF prioritisation has been undertaken in last year
SSF	Yes	Applications are considered by Federated Boards in advance of being brought forward for Strategic Board endorsement.

Publication of Business Cases

Are all business cases published 1 month in advance of funding decisions?

Board	Meeting date	Actual- Met (Y/N)?
Accountability Board	7 th June	Yes

Monitoring Board Diversity

Progress towards having a board with one third of members being women

Board	Date	Percentage of female board members
Strategic Board	24/05/19	18%
Strategic Board	05/08/18	21%

Report to Accountability Board	Forward Plan reference number: FP/AB/236
Date of Accountability Board Meeting:	13 September 2019
Date of report:	15 August 2019
Title of report:	A13 widening interim report
Report by:	Anna Eastgate Thurrock Council
Enquiries to:	Anna Eastgate – aeastgate@thurrock.gov.uk
Confidential Appendix This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.	

1. Purpose of report

- 1.1 The purpose of this report is to provide the Accountability Board (the Board) with an interim update on the A13 widening project (the Project), as a consequence of new information which could affect the delivery of the Project.
- 1.2 A verbal update will also be provided to the Board on the 13th September 2019 to inform board members on the outcome of the external audit of the Project.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the interim update report on the A13 widening Project

3. Background

- 3.1 The Project involves widening the A13 Stanford le Hope Bypass from 2 to 3 lanes in both directions, from the junction with the A128 (Orsett Cock roundabout) in the west and the A1014 (the Manorway) to the east. Once the Project is completed, there will be a continuous three lane carriageway from the M25 to Stanford le Hope, reducing congestion, improving journey times and supporting further economic growth.

4. A13 Project Delivery Interim Update

- 4.1 Since the last Board update, progress has been made however, there have been a number of issues which have arisen that have had an impact on the cost and programme of the Project. The trenchless drainage is complete;

chamber finishing work and cross carriageway drainage is underway; the piling for Horndon Road Bridge is complete; topsoil strip and bulk earthworks is ongoing; archaeological investigations have been completed and National Grid has successfully completed the micro tunnel beneath the A13 and the A1013, Stanford Road and installed the pipework for the diversion of NTS Feeder 5. Further design reviews have been completed and drawings issued for construction.

4.2 It is often the case with projects of scale and complexity that a start on site reveals issues that impact on the anticipated delivery of the project and which cannot readily be anticipated and planned for. A risk register is reviewed and updated with contractors on a monthly basis.

4.3 In this regard, some of the key issues that have arisen and previously reported can be summarised as follows:

1. Diversion and protection of statutory undertakers' assets impacted by the Project has been delayed for a variety of reasons including unknown ownership, inadequate asset data, necessary re-designing of the diversions due to specific site constraints and issues, issues with the statutory undertakers' authorised contractors and necessary outage windows to undertake the works on the various networks;
2. Ground investigation works in particular locations along the route has revealed a need to adapt and change construction methodology and change specifications;
3. Topographical study work was found to be unreliable and had to be repeated to obtain a single source of truth;
4. The substructure and wing walls at the Orsett Cock east and west bridges had to be redesigned to overcome concerns about public safety and buildability;
5. Change requests which have been driven by the need to satisfy key stakeholders (in particular local residents and landowners) have needed to be considered and where possible incorporated into the design;
6. A number of these issues has impacted on the ability of the Project to bring forward the design in a timely way resulting in works being undertaken in parallel as opposed to sequentially;
7. Delays in finalising the detail design of the bridges and structures and obtaining Technical Approval Authority approval for the AIPs and check certificates.

5. Update on Project expenditure

5.1 As a consequence of the above issues including a number of compensation events, the Project is no longer within the budget envelope and the rate of spend has increased over the course of the last couple of months. The Project burn rate currently is in the region of £3m to £3.5m per month. This will clearly vary according to work programme and activity. Further details are provided within Appendix 1.

5.2 The potential options available to bridge the forecast funding gap are currently being explored and have not been confirmed. It is likely that a combination of funding sources will be required to meet the funding gap. The main options under consideration include:

5.2.1 A requirement of the contractor to deliver the project within budget

5.2.2 An increase in grant funding towards the delivery of the Project, as detailed in appendix 1;

5.2.3 funding contributions from the private sector; and

5.2.4 funding contributions from Thurrock Council.

5.3 Thurrock Council recognises its responsibility for overspends on the project and will underwrite shortfalls. This will include seeking alternative funding through whatever route is available to the Council and the use of its own funds.

6. Update on programme

6.1 The June Report to Accountability Board stated that the project was expected to complete in mid-January 2021. Since then the further issues arising with the Project and highlighted in this report have meant that the timeframe for delivery has been extended. Programme reviews are underway as part of the mitigation identified below, but it is highly probable that the completion of the Project will be delayed until the end of April 2021.

6.2 The Department for Transport (DfT) has been notified about the revised programme, spend profile and Project cost via the Local Growth Fund Portfolio Schemes and Large Local Majors 2018/19 Q4 return and through a face to face update meeting.

7. Mitigation

7.1 Given the issues set out in this report, Thurrock Council and the contractors have undertaken a number of steps to mitigate any further impacts. These mitigation measures include:

- Usual project management tools are being used including risk registers, change logs, approvals, clear systems and processes and ways of working etc.
- Appointment of external auditors – Thurrock Council has appointed expert transport infrastructure auditors to undertake a detailed review of the scheme. An early draft of the report is to be provided to the Council in September 2019 and a verbal update will be provided to the Board accordingly.
- Programme challenge workshop – a report identifying ways in which time and cost can be saved. This is already identifying efficiency savings in particular with regard to costs.

- Collaborative planning – the parties are undertaking collaborative planning to understand the inter-dependencies on the project and how they can be effectively managed to avoid impacts on critical path
- Ways of working – co-location of contractors on site to ensure efficient agreement on issues which can then be quickly resolved
- A monthly dashboard reporting mechanism to track blockers and identify ways of relieving them
- Elements of parallel working which can ensure the workforce and plant and equipment is being utilised to maximum effect
- Early warnings and improvements to communication to ensure efficiency

8. Financial Implications (Accountable Body comments)

- 8.1 It is noted that Thurrock Council have identified a significant overspend since the previous update provided to the Board in May 2019.
- 8.2 This forecast overspend takes into account utilisation of the £20m contingency allocated to the Project (previously reported to the Board in March 2018) and represents a significant risk to the delivery of the Project. It is noted that options are being reviewed to mitigate this risk and that Thurrock Council recognises its responsibility for overspends on the project and will underwrite any shortfalls arising.
- 8.3 The Accountable Body will be seeking to understand the outcome of the Audit of the Project that Thurrock Council have commissioned to confirm whether any additional risks are arising, in particular, any potential further increase to the identified overspend.
- 8.4 It is advised that Thurrock Council should seek to provide details of the planned mitigation for addressing the overspend at it's earliest opportunity, also to include indicators of any further additional risks arising that may impact on the delivery of the agreed scheme.
- 8.5 Should any additional LGF funding be sought to address the budget gap, this will need to be prioritised and allocated in line with the requirements of the SELEP Local Assurance Framework.

9. Legal Implications (Accountable Body comments)

- 9.1 There are no legal implications arising from this report

10. Staffing and other resource implications (Accountable Body comments)

- 10.1 None at present.

11. Equality and Diversity implication

- 11.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3 In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Background Papers

- Business Case for A13 Widening Project

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	06/09/19