

Report title: Grays South Local Growth Fund decision	
Report to Accountability Board	
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Date: 15 th November 2019	For: Decision
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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 £7.1m Local Growth Fund (LGF) to the Grays South project (the Project).
- 1.2 Based on the Full Business Case, the Board agreed funding of £3.7m LGF at the meeting on 15 February 2019. This funding was awarded to support the capital development costs of the project, including initial land acquisition costs and professional fees associated with completion of Governance for Railway Investment Projects (GRIP) 2 and the commencement of GRIP 3.
- 1.3 It was also agreed that a further Full Business Case should be considered by December 2019, for the award of the remaining £7.1m LGF allocation to the Project.
- 1.4 The full business case has been developed and has been considered through the Independent Technical Evaluation (ITE) process. The ITE assessment confirms that the Project presents high value for money but with low/medium certainty. This uncertainty is fundamentally due to the early stage of project development. This creates a number of project risks, as detailed in the report.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** that there remain a number of risks associated with this Project, as detailed in the report. These include:
 - 2.1.1.1. The early stage of the Project’s development, creating uncertainty about the deliverability and affordability of the Project. The scheme design has not yet been confirmed, a planning application has not yet been developed and there are a number of GRIP stages to progress through prior to project delivery.
 - 2.1.1.2. Spend of the LGF allocation in advance of other funding contributions to the Project. The LGF will be spent in full before the

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construction of the Project starts. The Project is not expected to complete until February 2024.

- 2.1.1.3. No delivery programme having been prepared for the public realm works, as this is dependent on a schedule being provided by Network Rail for the completion of the underpass.
 - 2.1.1.4. Given the early stage of the Project's development, a 30% contingency has been applied to the Project cost rather than a Quantified Risk Assessment (QRA) having been produced. It is unclear whether this will be sufficient, given the early stage of the project's development, but Thurrock Council report that this is a prudent approach.
 - 2.1.1.5. The maintenance costs are not currently known and whilst it is expected that Network Rail will meet the operational costs relating to the railway, this has not been confirmed.
- 2.1.2. **Note** that if the total Project cost increases through the delivery of the Project, Thurrock Council are responsible for meeting any increase in costs. A S151 letter has been provided to confirm that Thurrock Council is aware of its responsibility to meet any increase in project costs.
- 2.1.3. **Note** that the LGF is due to be spent in full by the end of the growth deal period. If this cannot be achieved, the Project may not be able to satisfy all the conditions for spend of LGF beyond 31st March 2021.
- 2.1.4. **Approve** the award of £7.1m LGF to the delivery of the Project which has been assessed as presenting high value for money but with medium to low certainty.

3. Background

- 3.1. The Board were presented with a report in February 2019 and agreed the award of £3.7m LGF development funding towards the delivery of the Project.
- 3.2. Under the SELEP Assurance Framework there is a requirement for all projects with an LGF allocation in excess of £8m LGF to bring forward a Full Business Case, to secure the full LGF allocation to the project. The Board agreed that the Full Business Case to secure the remaining £7.1m LGF allocation to the Project should be considered by the Board, by no later than December 2019.
- 3.3. As such an updated Business Case has been completed and reviewed by the ITE.

4. Grays South (Project)

- 4.1. The Project forms part of Phase 2 of the Grays South Regeneration Area (GSRA) scheme.

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- 4.2. Phase 1 of the GSRA is the refurbishment and extension of Civic Offices. This is being bought forward by Thurrock Council, to increase the Council's presence in Grays and which will increase the footfall in the town centre. This part of the GSRA is outside the remit of the LGF Project.
- 4.3. Phase 2 is split into two parts, with the LGF being sought to support Phase 2a.
- 4.4. Phase 2a is for the creation of an underpass to replace the existing level crossing and for the creation of a public square at each end, designed to provide active urban spaces suited to a wide range of events, markets and similar activities.
- 4.5. Phase 2b is for the creation of new modern commercial/mixed use floorspace (c1300m²) and residential units above (c84 flats) on land created by Phase 2a. These will contribute towards generating additional footfall within the town centre, support the development of an evening economy, and respond to a lack of town centre facilities to serve the c4million passenger movements per year through the railway station.
- 4.6. The highways relocations and property demolitions required for the underpass and public squares (phase 2a) create the space required to unlock the development potential of phase2b.

5. Project Justification

- 5.1. The overall object of the Project is to address the gradual decline of Grays town centre since the opening of lakeside shopping centre in 1990. Despite this decline, the town centre continues to provide essential civic / educational functions for residents of Grays and wider Thurrock. The Retail and Leisure Study carried out in 2018 recommended that other town centre usage should build on these functions as they have the potential to support additional shops and retail services.
- 5.2. Following a series of expert reports and public consultation it was resolved that two key issues would need addressing:
 - 5.2.1. The appearance and perception of the town has been identified as a significant barrier to securing investment necessary to deliver new homes and jobs
 - 5.2.2. The railway line, which bisects the town, is a barrier to pedestrian movements between Grays South and the town centre to the north. This barrier results in low pedestrian flow along the southern part of the High Street. In addition, the frequency of closures to the level crossing is expected to increase going forward as a result of increased frequency of freight trains along the line, from 2020.
- 5.3. The Project has therefore been developed to address these issues.

6. Options

- 6.1. Network Rail has resolved to close Grays level crossing on safety grounds. Therefore to address the issue of safety whilst meeting the other objectives of the Project, there are three options that have been considered, in addition to the 'Do Nothing'. These options include:
- a. An underpass – working with Network Rail it was agreed that this option would allow uninterrupted movement across both the rail line and accessible usage north-south along the High St for pedestrians and cyclists.
 - b. A new bridge – It was resolved that this option would require more land to enable incorporation of ramps for access and would undermine the setting of adjacent Grade II listed buildings.
 - c. Refurbishment of existing bridge – any works carried out to the current bridge would only be temporary as the bridge pre-dates the current DfT Design Manual for Roads and Bridges. This would mean option c being the same as option b.
 - d. Do nothing – This would involve Network Rail removing the level crossing, with nothing to replace it. This option has been rejected because no reasonable alternative is available. Using the alternative bridge would mean people were diverted away from the High Street all together.
- 6.2. In the early stages of option testing, Thurrock Council worked in collaboration with Network Rail to assess each of these options and agree on a preferred option. In December 2012 Thurrock Council commissioned Ramboll and Coe Design to develop options for replacing the current arrangements for crossing the rail line whilst improving the appearance of the arrival point in to the town and the area between the rail station and the college.
- 6.3. The study followed three broad stages; baseline, development of options and the development of a preferred option. The proposals identified a range of public realm improvements coupled with options for enhancement of the rail crossing.
- 6.4. The proposals were discussed with Ward Members at the options stage and the underpass was considered to be the favoured option as it provided “the greatest opportunity to create a continual flow for pedestrians within a very high quality landscaped public realm which could be integrated with a redeveloped rail station that enhances the arrival point in the town centre”.
- 6.5. The options for a bridge were also considered, but it was decided that these “would require substantial above ground structures incorporating steps and lifts. Consequently these are not considered to offer the same benefits as an underpass.”
- 6.6. This referred option was consulted on as part of the Development Framework for Grays. Through this initial consultation there was strong public support with 72% of respondents either supporting or strongly supporting the pedestrian rail

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crossing and 85% of respondents supporting the overall approach for the town centre and rail station area.

- 6.7. Further consultation and engagement is planned through the planning process, to secure planning consent for the Project, and through ongoing delivery of the Project.

7. Project Details & LGF Investment

7.1. The Project will:

7.2. Create an 8 metre wide pedestrian underpass to replace the existing pedestrian level crossing. This will address safety concerns shared by Network Rail and Thurrock Council, and tackle the significant severance the crossing creates within the town centre; and

7.3. Creation of new public squares at both ends of the underpass to create new public realm that provides a high quality arrival point and meeting place within the town centre, links to the existing College and High Street. These public squares will also provide the opportunity to host events within the town centre, thereby adding to its vibrancy and vitality and supporting local businesses.

7.4. The delivery of Project, including the underpass, its associated infrastructure and the public squares will help to:

- Address safety concerns identified by Network Rail;
- Integrate public and private transport to create a genuine multi-modal hub for pedestrians and cyclists together with bus and taxi passengers – including Disability Discrimination Act (DDA) compliant access to the station platforms;
- Redevelop plots around the public squares to create premises more conducive to attracting retail, cafés and restaurants with residential and office accommodation in upper floors – this has the potential to deliver up to 400 new homes;
- Create public squares that can better support community events; and
- Support the Council's refurbishment and development of the Civic Offices in Grays where it is proposed an extension to the main office will be built. This will help to maintain the Council's presence in Grays and enhance footfall for the town centre, as the extension will permit the consolidation of Council staff from other premises located throughout the borough and will also permit the co-location of other public services.



- 7.5. The Project seeks to achieve the following objectives:
 - 7.5.1. To improve public safety at the site of the level crossing by 2024, measured by Network Rail no longer allocating an All Level Crossing Risk Model (ALCRM) rating due to improved safety and the removal of the level crossing;
 - 7.5.2. To create an equalities act compliant, unimpeded route across the railway line from one side of Grays high street to the other by 2023;
 - 7.5.3. To deliver and create a high quality public realm at Grays by 2024;
 - 7.5.4. To improve connectivity between different modes of transport around Grays station by 2024; and
 - 7.5.5. To enable delivery of 84 homes and 1,279 sqm of retail floorspace to complete the Urban Realm at Grays by 2025
 - 7.5.6. To support commercial development in Grays by creating a more attractive town centre and higher quality commercial space. Measures to be used:
 - 7.5.6.1. Redevelopment of 1,279 sqm of commercial/mixed use floorspace by 2025

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- 7.5.6.2. Improved score relating to the quality of the commercial/mixed use experience in Grays obtained in a Grays public perception survey
- 7.5.6.3. Improved score relating to the attractiveness of Grays as a place to do business obtained in a Grays survey of local businesses

8. Update on project delivery

- 8.1. A total of £1.77m LGF has been spent on the delivery of the Project to date (to the end of Q2 2019/20). A further £1.93m LGF is due to be spent through the remainder of 2019/20, to complete spend of the £3.7m LGF awarded to the Project to date.
- 8.2. GRIP Stage 2 has been completed and work is now in progressing on GRIP Stage 3 (options selection). External consultants have been appointed to progress the design for the underpass and public realm works, as well as planning consultants having been appointed. The land acquisition process has also begun. A summary of the key Project milestones are set out in Table 1 and Figure 1 below.
- 8.3. In relative terms, the Project remains at a fairly early stage of development, as GRIP Stage 3 (option section) has not yet been completed. The Project still needs to progress through Network Rail GRIP Stages 3, 4 (single option development) and 5 (detailed design), before construction of the project can begin.
- 8.4. Projects are expected to be at a more developed stage at the point of the Full Business Case being considered. The ITE has commented that it is highly unusual for the scheme costs not to be finalised (and ideally based on tender prices) at the point of the Full Business Case being considered.
- 8.5. Based on the stage of the Project at the point of consideration by the Board, in February 2019, it was evident that the Project would not be in a position to confirm the tender cost of delivering the Project in 2019/20 and the Project would remain at a relatively early stage of development. However, the Board asked for the funding decision in relation to the remaining £7.1m LGF allocation to the Project to be considered by December 2019.
- 8.6. The Business Case states that more detailed costs will become available once Network Rail progress to GRIPS Stage 3. However, the current early stage of the Project means that there is greater uncertainty around Project cost, deliverability and the Projects value for money. This is risk is reflected in the 30% contingency cost which has been included to the total Project cost, set out in Table 2 below.
- 8.7. When the Board previously considered the Project in February 2019, it was understood by the Board that the Project was at a relatively early stage of development. It was previously expected that the Project would complete in

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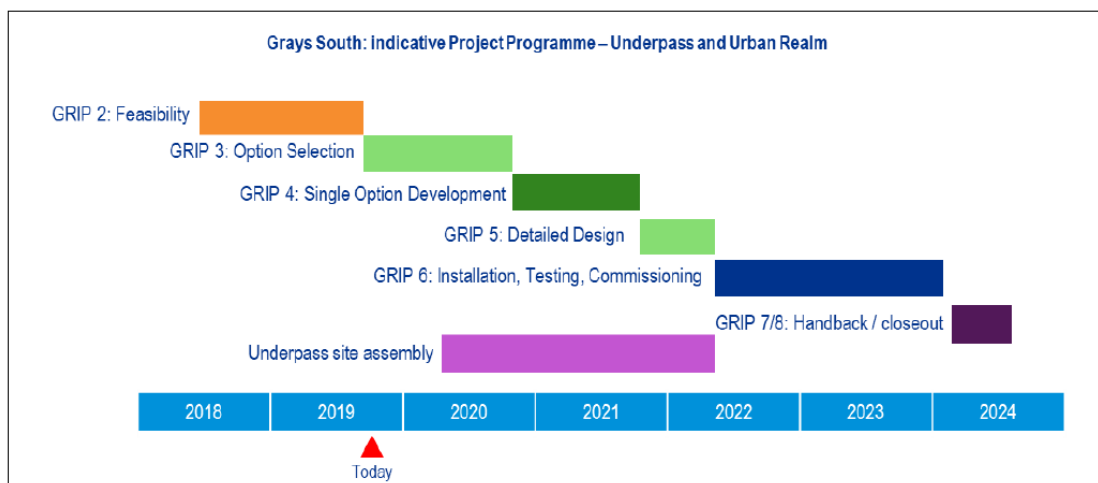
2022/23. However, Figure 1 below shows that the Project is now expected to complete in February 2024.

- 8.8. Delays have been experienced to the completion of the GRIP Stage 3. As this work is being undertaken by Network Rail, Thurrock Council is dependent on Network Rail's timescales. Thurrock Council intends to write to Network Rail to set out their concerns around the delays incurred to date on the delivery of the Project.

Table 1 Grays South - Key Milestones

Project Milestones	
Completed Milestones	
Initial Feasibility	Completed 2013
GRIP Stage 2 Design and Feasibility	Completed 2015
Development Appraisals	Completed 2016
Land Acquisition Strategy	Completed 2017
Client Requirement and Route Requirement Documents completed for GRIP 3	Completed 2018
Initial design and costing of concepts for Urban Realm works	Completed 2019
Work stages to be completed	
Agreement in Principle with Network Rail	Expected September 2020
GRIP 3 option selection	Expected November 2020
GRIP 4 single option development	Expected December 2021
GRIP 5 detailed design	Expected June 2022
Land acquisition	Expected February 2022
GRIP 6 installation, testing, commissioning	Expected February 2024

Figure 1 – Indicative Project Programme



9. Project Cost and Funding

- 9.1. The total Project cost is £28.739m. In addition to the £10.840m LGF allocation to the Project, funding contributions have also been identified from Thurrock Council (£10.4m), S106 funding (£1.2m), Network Rail (£0.75m) and through development receipts (£5.59m). The breakdown of the cost is set out in Table 2 and 3 below.
- 9.2. The contribution from Network Rail has been reduced from £800,000 to £705,000 due to the time constraints on the Network Rail funding contribution, but Thurrock Council has increased its funding allocation to the Project to offset this.
- 9.3. All Thurrock Council contributions are fully secured and can be drawdown as required. The Business Case is supported by a S151 officer letter which confirms that funding is in place to deliver the Project and that Thurrock Council is responsible for meeting the cost of any Project overspends incurred through the delivery of the Project.
- 9.4. The funding in relation to the development receipts is a risk effectively borne by Thurrock Council. In the event that these development receipts are not produced in time to support the Project, Thurrock Council have confirmed that they will provide the additional funding required through their own funds.
- 9.5. The breakdown of costs has been slightly amended from those presented in February 2019 and are set out below. Table 2 includes a 30% contingency cost, as advised by Network Rail. However, a detailed Quantified Risk Assessment (QRA) has not been completed, as the information to inform the QRA is not yet available from the GRIP Stage 3 work.
- 9.6. The spend profile has also been amended to reflect the delay to the expected completion date of the Project from 2022/23 to February 2024.

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- 9.7. Since the Project was considered by the Board in 2019, the total cost of the Project has increased. Total costs now stand at £28.739m relative to £27.437m previously stated. Thurrock Council commissioned Volker Fitzpatrick to provide an estimated total project costs. One of the changes to the project cost since the last update is the increase in land cost from £5.388m to £6.500m.
- 9.8. The ITE has commented that far greater detail has been added to the scheme cost since the Business Case was previously considered by the Board. However, as the scheme design has not been confirmed, these costs are at risk of changing.
- 9.9. The sensitivity testing on costs provides reassurance that the Project costs can increase by 30% before the Project would no longer present value for money. This is in addition to the 30% contingency cost which is already included as part of the cost estimate.

Table 2 High level breakdown of project costs (Phase 2a only)

Item	Cost
Volker Fitzpatrick estimate (Underpass, steps and ramps, structures, public squares, Station Rd diversion)	£15,985,699
Highway diversions, contribution to maintenance of routes used for construction traffic	£250,000
Network Rail works	£705,000
Crown Rd	£2,750,000
Public Realm beyond red line	£858,000
Land acquisition (assuming CPO)	£6,500,000
Professional fees	£1,690,000
Total	£28,738,699

Table 3 Project Funding Sources (£m) - Phase 2a only

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
LGF	0	3.7	7.1	0	0	0	10.8
Thurrock Council Capital, S106 funding and development receipts	0.5	1.4	0.4	6.9	5.3	2.7	17.2
Network Rail	0.7	0	0	0	0	0	0.7
Total	1.2	5.1	7.5	6.9	5.3	2.7	28.7

- 9.10. The latest spend forecast provided by Thurrock Council for the Project indicates that all the LGF can be spent within the Growth Deal period, ending 31st March 2021. This will be achieved through spend of the LGF allocation on land acquisition and professional fees associated with GRIP Stage 3 and the start of GRIP Stage 4, in advance of other funding contributions.

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- 9.11. The construction of the Project is expected to commence in 2022, for Project completion by 2024.
- 9.12. Thurrock Council have not raised any risks to the spend of the LGF allocation in full by 31st March 2021, but the Board has previously agreed that for LGF to be spent beyond 31st March 2021 it must meet the five requirements, as set out below.
- 9.13. The requirements for LGF spend beyond 31st March 2021 include:
 - 9.13.1. A clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
 - 9.13.2. A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
 - 9.13.3. 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;
 - 9.13.4. Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31st March 2021; and
 - 9.13.5. Contractual commitments being in place with construction contractors by 31st March 2021 for the delivery of the project.

10. Outcome of ITE Review

- 10.1. The ITE review confirms that the project Business Case demonstrates high value for money with an initial Benefit Cost Ratio (BCR) of 2.3:1 and an adjusted BCR of 2.4:1, as explained below. However, the certainty of the economic appraisal is considered to be medium/low.
- 10.2. The economic appraisal of the Project has been conducted using a blend of recognised appraisal tools and bespoke analysis. The 'initial' BCR considers the following items:
 - Safety benefits of reduced incidents as a result of level crossing closure
 - Active mode appraisal to capture the impacts of changes in walking and cycling demand
 - Public realm benefits capturing the benefits to pedestrians of improved infrastructure
 - Journey time benefits of the underpass compared to the a scenario where the level crossing is closed
 - Changes to Vehicle Operating Costs (VOCs) and external costs associated with driving due to modal shift
- 10.3. In addition, the impact of the Project on Land Value Uplift (LVU) has also been considered as part of the 'adjusted' BCR for the Project.

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- 10.4. The ITE assessment has highlighted that the case made that the project will increase land value is weak. The Business Case sets out plans for Phase 2b of Grays South regeneration which will deliver residential units and commercial space on the land unlocked by the underpass.
- 10.5. The level of dependency between the delivery of the underpass and public realm works, as part of this Project, and the future delivery of residential development is not proven. As such, there is uncertainty as to the 'adjusted' BCR.
- 10.6. Whilst there are currently no guarantees that this will take place, Thurrock Council have commented that the plots are located in a strategic location in the town centre and therefore unlikely to be left vacant.
- 10.7. Since the submission of the Business Case to SELEP and following the submission of an Expression of Interest to the Future High Street Fund for projects in Grays, the Ministry for Housing, Communities and Local Government has invited the Thurrock Council to submit a full business case for up to £25m (most town centres are expected to receive £5-£10million) from the fund to support projects falling within the investments themes for the fund.
- 10.8. Grays has also qualified for up to £25 million from the Towns Fund, the prospectus for this fund was issued on the 1st November 2019.
- 10.9. The potential further investment in the town through the Future High Streets Fund and Towns Fund will help to enhance the benefits delivered through the LGF Project.
- 10.10. Despite this uncertainty around the Land Value Uplift benefits, the Business Case indicates that the Project presents high value for money, based on the assessment of the benefits listed in 10.2, which are considered in the initial BCR.
- 10.11. The ITE comments that the requested changes have been made to the Business Case compared to the earlier iteration. These improvements primarily relate to the provision of more detailed cost estimates, detailed work programme and risk register.
- 10.12. It is noted that there is still a level of uncertainty supporting these documents due to the early stage of the Project and the lack of detailed specification of the preferred option.
- 10.13. A programme that reflects the Network Rail GRIP process is included in the Business Case, this will be updated as timings from Network Rail become more certain.
- 10.14. Initial design work has been carried out, but cost estimates are still being used. A tender price will not be available until the Project is further developed. The programme for the delivery of the public realm works is also dependent on a programme being prepared by Network Rail for the completion of the

underpass. As such, this creates uncertainty about the scope, costs and overall completion date for the Project.

10.15. Appendix 1 sets out the detailed analysis which has been completed by the ITE for the Project. The main outstanding concerns for the Board to consider are that:

- The detailed preferred option for the Project has not been identified, as the Project is currently at GRIP Stage 3 (option selection stage).
- A greater level of detail has been provided about the scheme costs since the previous iteration of the Business Case. However, as the scheme design has not been confirmed, these costs are at risk of change.
- A 30% risk allowance has been included. However, a detailed Quantified Risk Assessment (QRA) exercise has not been undertaken at this stage. The sensitivity testing on costs provides reassurance that the Project costs can increase by 30% before the Project would no longer present value for money.
- No maintenance costs have been included for the scheme, as Thurrock Council have stated in the Business Case that ‘it is difficult to estimate the size/cost/responsibility of the maintenance regime before design progresses further. In terms of maintenance liability/risk allocation it is expected that Network Rail will be responsible for the maintenance of the asset that, once constructed, provides access under the operational railway, including steps and ramps’. The cost of maintaining the public realm will be absorbed by Thurrock Council.
- The Business Case further adds that a maintenance strategy will be developed through the GRIP Stage 3 process. Without the maintenance costs having been confirmed, and agreement as to who will bare these costs, this adds to the cost risk to Thurrock Council, should the total project cost increase. Thurrock Council is aware of this risk.
- The concluding comment from the ITE assessment states that, “The scheme still appears to be a good scheme for SELEP to invest in, but that investment needs to be considered in the context of the limited certainty around the outturn cost estimates, the programme and the resultant impact that may have on affordability and value for money.

11. Project Risks

11.1. The ITE assessment sets out a number of risks due to the relatively early stage of the Project’s development. These risks may impact on the total cost of the project and the delivery times. The next stage of work by Network Rail is not due to complete until November 2020 and therefore delaying the funding decision until the next meeting of the Board will not provide any greater cost certainty over the delivery of the Project.

- 11.2. Thurrock Council has provided confirmation of its commitment to meet any cost increases incurred through the delivery of the Project. As such, no showstopper issues have been identified through the ITE assessment of the Business Case to suggest that the Project cannot progress to delivery or to prevent the Board agreeing the award of funding to the Project. However, it recommended that the Board consider the risks set out in section 10, as part of their consideration of the Project.
- 11.3. In light of the risk to the delivery of the Project (set out in section 10) and the amended timescale for the completion of the Project (set out in section 8), the Board may wish to seek a view from the SELEP Strategic Board prior to considering the Project for the award of a £7.1m LGF.
- 11.4. According to the latest spend forecast provided by Thurrock Council, the remaining £7.1m LGF is not required until 2020/21. As such, a delay to the funding decision should not create a cash flow issue. However, a delayed funding decision will create uncertainty over the future delivery of the Project and Thurrock Council may need to consider how much further work can be undertaken at risk whilst the funding package remains incomplete.
- 11.5. To date, a total of £1.77m LGF been spent on the Project (by the end of Q2 2019/20), with a total of £3.7m LGF due to be spent on the Project by the end of 2019/20.
- 11.6. If the Board do not support the award of the remaining £7.1m allocation to the Project, there is a risk that the £3.7m LGF spend will become an abortive cost, if Thurrock Council is unable to progress with the delivery of the Project.

12. Project Compliance with SELEP Assurance Framework

- 12.1. 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 sets out how the project aligns with the delivery of the Strategic Economic Plan
Clearly defined outputs	Amber	The outputs and expected

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and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		outcomes are defined. The ITE raises concerns around Land Value uplift and the viability of the developments
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Amber	A risk register has been prepared for the Project but a Quantified Risk Assessment has not yet been completed to consider the cost should the project risks materialise. Although Thurrock Council are taking responsibility for any additional funding needs.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Amber	The Project Business Case demonstrates an initial BCR value of 2.3:1 and an adjusted BCR of 2.4:1. These both represent High Value for Money. However, there is a medium/low level of certainty around the value for money for the Project due to the risk highlighted in section 10 of the report.

13. Financial Implications (Accountable Body comments)

- 13.1. 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.
- 13.2. Until confirmation of receipt of grant is received, any future year funding awards made by the Board remain at risk.
- 13.3. 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. Given the complexities of this project a separate funding agreement will be put in place to ensure appropriate monitoring and oversight of delivery.
- 13.4. 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.

14. Legal Implications (Accountable Body comments)

- 14.1. As set out in detail in this report, this Project is complex, and the detailed arrangements and risks cannot be accurately assessed at this stage given the status of the Project and the Full Business Case.
- 14.2. The SELEP 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. Should the funding not be utilised in accordance with the conditions the Government may request return of the funding or withhold future funding streams. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear 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.
- 14.3. The Project is dependent on a number of required approvals including that of Network Rail, the Local Planning Authority and the Highways Authority. There are also other complex matters such as the land arrangements, possible compulsory purchase orders and construction works.

15. Equality and Diversity implication

- 15.1. 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.

16. List of Appendices

- 16.1. Appendix 1 - Report of the Independent Technical Evaluator

17. List of Background Papers

17.1. Grays South Project Business Case

(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)	7/11/19