

## ITEM 5

**Date:** 24 September 2018

**Subject:** Developing a SELEP pipeline of projects: Stage 1 of the Local Growth Fund (LGF) 3b Process

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### Summary

Following SELEP issuing a new open call for projects that are seeking capital grant funding, 45 expressions of interest were received on 31 August 2018 for projects in Kent and Medway.

### Recommendation

The KMEP Board is asked:

- To sift the expressions of interest and select projects worth up to a maximum combined value of £47.2m to proceed to stage 2.
  - To agree the principle that LGF existing schemes seeking a change in scope are prioritised ahead of new funding requests, in order to safeguard the investment made to date and to prevent abortive costs. This principle would then be put forward to the SELEP Strategic Board on 28 September for consideration.
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## 1. Introduction

1.1 On 29 June 2018, the South East LEP Strategic Board discussed 'Developing a SELEP pipeline of Local Growth Funding (LGF) projects'. The full SELEP board paper can be found in Appendix A. The SELEP Strategic Board endorsed the paper, and an open call was held between 29 June and 31 August 2018 for projects that are seeking capital grant funding

## 2. Funding Opportunity

2.1 As the KMEP paper of 16<sup>th</sup> July stated, the exact size of the funding opportunity for applicants to bid for is not yet known. However, it is known that there are three sources of funding:

- **Source A:** There is £8.33m of LGF available for investment in 2020/21, which has not yet been allocated to a specific project. This funding is therefore available for applicants to bid for.
- **Source B:** Any underspend which may arise from existing LGF projects being delivered under budget.

- **Source C1:** The reallocation of any LGF from projects that are unable to bring a business case to the SELEP Accountability Board for a funding decision by no later than 15th February 2019. The exact amount is not yet known but will range between £0m and a maximum of £38.9m.

### 3. The LGF3b process and timeline

- 3.1 The SELEP Strategic Board agreed a three-stage process to identifying the pipeline of projects. This process and its timelines are described below:

#### Stage One

- 3.2 Applicants wishing to bid for capital grant funding were asked to complete the expression of interest template by 31<sup>st</sup> August 2018. This opportunity was advertised openly on the SELEP and KMEP websites.
- 3.3 Applicants were asked to bid for an amount between **£250k** and **£8million** per project.
- 3.4 At today's meeting, the federated board (KMEP) is asked to sift the projects, making a yes/no decision for each project on whether it should proceed to stage 2. The total combined value of the projects that KMEP can put forward to SELEP for consideration in stage 2 cannot be greater than **£47.2m** (as stipulated by the SELEP Strategic Board).

#### Stage Two

- 3.5 For projects endorsed today by KMEP, applicants will be asked to complete a Strategic Outline Business Case (SOBC) by **26th October 2018**. This business case will then be sent to SELEP for assessment by its independent technical experts (ITE) called 'Steers'.
- 3.6 The SELEP Investment Panel will then meet on **7th December 2018** to receive the ITE's feedback and to then create the ranked pipeline of projects. The SELEP Strategic Board has agreed that the SELEP Investment Panel membership will consist of the following 13 representatives:
- SELEP Chairman (1)
  - The 3 SELEP Vice-Chairmen (3)
  - The 6 Upper-tier/Unitary Council Leaders (6)
  - A private sector member from Team East Sussex (1)
  - A private sector member from KMEP (1)
  - A private sector member from either Essex's federated board or Opportunity South Essex's federated board. (1)

#### Stage Three

- 3.7 The SELEP Accountability Board will then be asked to assess and endorse the full business case (as per the standard procedure) before funding can be drawn down by the applicant.

### 4. Eligibility & Assessment Criteria

- 4.1 The criteria to assess the applications have been set by SELEP. The criteria are:

	<b>Criteria</b>	<b>Evidence sought</b>
A)	Alignment with SELEP's objectives to support economic growth	Evidence provided that the scheme contributes to SELEP's economic growth objectives.
B)	Requires Capital Investment	LGF can only be used for capital investment and cannot be used as revenue
C)	The project can be delivered in line with legal requirements about the use of public funds	This includes consideration for the requirement to follow public procurement regulations to the extent which is applicable and demonstrate that the investment does not constitute as State Aid.
D)	The project will spend the LGF by <b><u>31<sup>st</sup> March 2021</u></b> .	The LGF will predominately be available in 2020/21. However, there may be the potential to accelerate the LGF spend in 2018/19 and 2019/20. Evidence is to be provided to demonstrate that LGF will be spent by 31st March 2021
E)	Support from relevant Federated Board	The Project must be supported by the relevant Federated Board. This should be evidenced through Federated Board meeting minutes.
F)	Support from the relevant Upper Tier Authority	Each funding bid must secure sign off from the S151 officer of the relevant Upper Tier Authority.
G)	Strategic fit	Evidence of a strategic fit with SELEP objectives to deliver economic growth, and evidence that the benefits will be delivered within the SELEP area.
H)	Option generation and sifting	Evidence that a broad option generation and sifting has been undertaken
I)	Evidence of stakeholder support	<p>Evidence of stakeholder involvement and/or wider public consultation/support.</p> <p>Please note SELEP expect engagement will take place at a local level with the following stakeholders as a minimum in developing a local list of Federated Board priorities:</p> <ul style="list-style-type: none"> <li>• Business Advisory Board</li> <li>• Network Rail</li> <li>• Train Operating Company</li> <li>• Highways England</li> <li>• Skills Advisory Group and</li> <li>• SELEP working groups</li> </ul>
J)	Rationale for funding request	Clear articulation of the rationale for requesting LGF funding including evidence that funding through the LGF is the most suitable available alternative.
K)	Deliverability and benefit realisation	Evidence regarding the projects deliverability and its readiness to move to delivery and benefit realisation stage within the timescales of the funding stream (including consideration of project design stage, planning consents, land acquisitions,

		relevant powers).
L)	Value for money	Evidence of the value for money potential and project benefits relative to the amount of LGF sought.
M)	Additional funding sources	Evidence of secured/committed additional funding from outside sources preferably from private contributions rather than public.
N)	Programme and risk management	Clear delivery schedule including evidence there is a comprehensive risk register and risk management plan in place.
O)	Monitoring & Evaluation	Provide a commitment that sufficient revenue resource will be made available to support project delivery and the ongoing monitoring and evaluation of the project.

## 5. Stage One – KMEP sifting the expression of interest.

- 5.1 The Open Call has elicited a strong response, with 45 expressions of interest originating in the KMEP area. The other 3 federated boards received a combined total of 58 expressions of interest.
- 5.2 The KMEP Board Members are asked to consider the expressions of interest and select those projects (up to a maximum combined value of £47.2m) that they wish to progress from stage 1 to stage 2.
- 5.3 To assist the federated board, SELEP's independent technical experts (ITE) called 'Steers' have undertaken a high-level assessment of each expression of interest (EOI). **It is strongly emphasised that this assessment is only for guidance**, and that the decision-making solely rests with the KMEP Board.
- 5.4 The high-level assessment was completed on the information within the expressions of interest (EOI). In stage 2, the assessments will be undertaken on the detailed Strategic Outline Business Cases (SOBC). There is **significant variance** in the level of information required in a SOBC in comparison to completing an EOI, so the KMEP board members are advised the strength of the schemes may vary between stage 1 and 2, as this is dependent on the information that comes forward in stage 2.
- 5.5 Steers has banded the applications into five categories, which are:
- Existing LGF schemes that are seeking a change of scope.
  - Strong expressions of interest
  - Good expressions of interest
  - Adequate expressions of interest
  - Expressions of interest that fail the stage 1 criteria.
- 5.6 It is suggested that in order to ensure a proportionate approach to the funding available, only projects categorised as either 'Existing LGF Schemes', 'Strong' or 'Good' should be recommended for progression to Stage 2".

5.7 The KMEP Board are asked to consider the principle that LGF existing schemes seeking a change in scope are prioritised ahead of new funding requests, in order to safeguard the investment made to date and to prevent abortive costs. This principle would then be put forward to the SELEP Strategic Board on 28 September for consideration.

## 6. The existing LGF schemes

6.1 The existing LGF schemes that are seeking a change of scope are shown below:

<u>Project name</u>	<u>Organisation</u>	<u>Amount Requested from LGF3b process</u>	<u>Amount ring-fenced for the project previously</u>
Innovation Park Medway (northern site) – Enabling infrastructure	Medway Council	£2,300,000	The Innovation Park is dependent on the Rochester Airport schemes, which received: £4.4m from LGF2 £3.7m from LGF3  The Innovation Park Medway (southern site) – Enabling infrastructure received £0.65m from GPF (loan).
Sturry Link Road	Kent County Council	£4,500,000	£5.9m from LGF1
Thanet Parkway	Kent County Council	£5,000,000 - £8,000,000*	£10m from LGF1
Wincheap off-slip	Canterbury City Council	£2,000,000	£4.4m from LGF3
<b>TOTAL</b>		<b>£13,800,000 - £16,800,000*</b>	

\*Kent County Council is in negotiations regarding match-funding (so has provided a range of £5m to £8m). KCC will update board members at the meeting on the latest position.

6.2 Information on the existing LGF schemes is shown in **Appendix B**. Steers did not provide a high-level assessment for these schemes, as the schemes will already be familiar to the federated boards.

## 7. New schemes: those rated ‘strong’ by Steers

7.1 Of the new projects assessed, Steers’ high-level assessment suggested the following seven schemes were ‘strong’ EOIs:

<u>Project name</u>	<u>Organisation</u>	<u>Amount Requested (LGF)</u>	<u>Views of Steers on the EOIs</u>
The Coachworks	Ashford Borough Council	£910,800	Strong EOI
Gillingham – Britton Farm redevelopment	Medway Council	£1,890,000	Strong EOI
Kent and Medway Medical School	University of Kent & Canterbury	£8,000,000	Strong EOI

	Christ Church University		
M2 J5 Improvements	Kent County Council	£1,600,000	Strong EOI
Romney Marsh Employment Hub	Folkestone & Hythe District Council	£2,570,737	Strong EOI
Sevenoaks Business Hub	Sevenoaks Town Council	£265,400	Strong EOI
Thameside Fire Training Ground	North Kent College	£400,000	Strong EOI
<b>TOTAL</b>		<b>£15,636,937</b>	

7.2 Steers did not prioritise projects within each category, so it is strongly emphasised that the projects are listed in alphabetical (not priority) order. Information on the 'strong' schemes is shown in **Appendix C**.

## 8. New schemes: those rated 'good' by Steers

8.1 Of the new projects assessed, Steers' high-level assessment suggested the following six schemes were 'good' EOIs:

<u>Project name</u>	<u>Organisation</u>	<u>Amount Requested (LGF)</u>	<u>Views of Steers on the EOIs</u>
Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub	Hadlow Group	£2,000,000	Good EOI
Flood Control Across the South East (FloCASE)	Kent County Council	£2,327,500	Good EOI
Maidstone East - Expansion of Station redevelopment	Kent County Council	£641,000	Good EOI
Maidstone East Urban Civic Quarter	Maidstone Borough Council & Kent County Council	£8,000,000	Good EOI
MKC Training services - Scaffolding Training Centre	MKC Training Services Ltd	£375,000	Good EOI
State-of-art plant growing facility for modern horticulture	NIAB EMR	£1,840,000	Good EOI
<b>TOTAL</b>		<b>£15,183,500</b>	

8.2 Once again, Steers did not prioritise projects within each category, so it is strongly emphasised that the projects are listed in alphabetical (not priority) order. Information on the 'good' schemes is shown in **Appendix D**.

## 9. New schemes: those rated 'adequate' by Steers

9.1 Of the new projects assessed, Steers' high-level assessment suggests twenty-six schemes are 'adequate' EOIs. Most of these EOIs were assessed as 'adequate' as they did not provide sufficient confirmation that the LGF could be spent before March 2021, which is a core criterion in both stage 1 and 2 of the process.

9.2 Of the twenty-six schemes that Steers assessed as adequate - four schemes appear to be able to produce a transformative step-change in terms of delivering jobs and houses, i.e. the EOIs

state that they will deliver or secure over 200 jobs or over 1,500 new homes if funded, and these benefits directly result from the scheme coming forward. Hence, if the KMEP Board Members have an appetite for risk in order to produce significant economic growth and place-making, they may wish to reflect on the following four schemes. It is noted that the deliverability of the scheme should be considered, as Steers did comment on the difficulty in spending LGF before March 2021 for most schemes listed in the table below:

<u>Project name</u>	<u>Organisation</u>	<u>Amount Requested (LGF)</u>	<u>Views of Steers on the EOIs</u>
A2/A251	Kent County Council	£2,200,000	Adequate EOI
Calverley Square	Tunbridge Wells BC	£5,000,000	Adequate EOI
Columbus Avenue Extension	Kent County Council	£7,880,000	Adequate EOI
Innovating, Creative & Enterprising Lab (iceLab)	University of Kent	£5,290,586	Adequate EOI
<b>TOTAL</b>		<b>£20,370,586</b>	

Scheme descriptions for these four schemes are shown in **Appendix E**.

9.3 The remaining twenty-two EOIs assessed as 'adequate' by Steers are shown below.

<u>Project name</u>	<u>Organisation</u>	<u>Amount Requested (LGF)</u>	<u>Views of Steers on the EOIs</u>
A20 between Coldharbour & A228 Junction Improvements	Kent County Council	£1,000,000	Adequate EOI
A21/A25 Westerham Road	Kent County Council	£1,721,000	Adequate EOI
A228/A264 Woodsgate Crossroads Junction Improvements	Kent County Council	£2,000,000	Adequate EOI
Beach Street Scheme	Canterbury City Council	£400,000	Adequate EOI
Bus Rapid Transit (TW)	Kent County Council	£550,000	Adequate EOI
Dover Town Centre - An economic renaissance	Dover District Council	£1,100,000	Adequate EOI
Electric Vehicle Charging Infrastructure	Kent County Council	£800,000	Adequate EOI
Fastrack Full Network	Kent County Council	£2,000,000	Adequate EOI
Fitted Rigging House – Phase 2	Chatham Historic Dockyard Trust	£984,200	Adequate EOI
Herne Relief Road – Bullockstone Road Improvement Scheme	Kent County Council	£4,580,000	Adequate EOI
Just Real Food Dartford: training and development kitchen & food hub	Healthy Living Centre Dartford	£300,000	Adequate EOI
Kent & Medway Industrial Biotechnology Facility and 'Research Hotel'	University of Kent	£1,606,000	Adequate EOI

Local Cycling and Walking Infrastructure Plan (LCWIP) scheme implementation	Kent County Council	£1,000,000	Adequate EOI
Maidstone District Heating Network	Kent County Council	£70,000	Adequate EOI
New Technical Education and Skills Facility at Folkestone College	East Kent College Group	£2,560,000	Adequate EOI
Park & Ride (TW)	Kent County Council	£100,000	Adequate EOI
Princess Christian's Farm - Skills Development Centre for Adults	Hadlow Group	£2,000,000	Adequate EOI
Project Miskin - New Creative Industries Production Corridor Centre	North Kent College	£2,000,000	Adequate EOI
Social Enterprise & Wellbeing Hub	Social Enterprise Kent	£350,000	Adequate EOI
South East Food Skills & Innovation Centre	University of Greenwich	£1,500,000	Adequate EOI
Swanley Overbridge	Kent County Council	£4,000,000	Adequate EOI
Swanley Transport Interventions Fund	Kent County Council	£5,000,000	Adequate EOI
<b>TOTAL</b>		<b>£35,621,200</b>	

## 10. New schemes: those deemed to have failed a criterion at stage one

Finally, two expressions of interest were deemed to have failed at least one of the stage one criteria.

- The first scheme was for a proposed Highways Depot on Ramsgate Road, Richborough. The reason this EOI did not pass stage one is that the applicant was unable to state how much local growth fund they wished to apply for, as the scheme was at a very early stage of design, and costs had not yet been determined.
- The second scheme was the Digital Skills & Community Café project, that sought £650k towards the purchase of a café in Tonbridge. The building would be used to host skills training for a fee. While the EOI said the project complied with state aid, Steers suggested concern whether that could be evidenced.

## 11. Recommendations

The KMEP Board is asked:

- To sift the expressions of interest and select projects worth up to a maximum combined value of £47.2m to proceed to stage 2.
- To agree the principle that LGF existing schemes seeking a change in scope are prioritised ahead of new funding requests, in order to safeguard the investment made to date and to prevent abortive costs. This principle would then be put forward to the SELEP Strategic Board on 28 September for consideration.



## Developing a SELEP pipeline of LGF projects

### 1. Purpose

- 1.1 The purpose of this report is to set out a proposed approach to the development of a SELEP single pipeline of LGF projects.

### 2. Recommendations

#### 3. The Strategic Board (the Board) is asked to:

- 3.1 **Agree** to the development of a short-term pipeline of projects for Local Growth Fund (LGF) investment to 31<sup>st</sup> March 2021 should funding be made available through one of the three sources set out in section 6 of this report.
- 3.2 **Agree** the proposed approach to the investment of LGF, including the project eligibility criteria, set out in Table 3 and the Assessment Criteria, set out in Table 4.
- 3.3 **Agree** one of the three timescale options, set out in Table 6, for developing the project pipeline:
- 3.3.1 Option 1 – Shorter Timescale – Pipeline to be agreed on the 16<sup>th</sup> November 2018
  - 3.3.2 Option 2 – Recommended Timescale – Pipeline to be agreed on the 7<sup>th</sup> December 2018
  - 3.3.3 Option 3 – Longer Timescale – Pipeline to be agreed on the 22<sup>nd</sup> March 2019

### 4. Context

- 4.1 The South East Local Enterprise Partnership (SELEP) has secured a total of £570m LGF from Central Government through the three rounds of LGF to date. This funding was allocated to SELEP through a six year Growth Deal with Government (from 1<sup>st</sup> April 2015 to the 31<sup>st</sup> March 2021).
- 4.2 Through the delivery of the programme to date SELEP has secured flexibilities and ‘programme privileges’ from Government to make changes to LGF projects and the allocations received by individual LGF projects through the Growth Deal, without requiring further approval from Government. This has seen the introduction of additional projects into the LGF programme where these have been supported by the relevant Federated Board and the project has been awarded funding by the SELEP Accountability Board.
- 4.3 Central Government has, however, made clear through its latest review of LEP Governance and Transparency, their expectation that each LEP should maintain a strong single pipeline of projects which require investment across each LEP area. Whilst SELEP has previously achieved a single list of priorities for specific calls for projects, such as LGF Round 3, this list is now outdated and a process has not been established for new priorities to be added to this list. As such, the Strategic Board agreed at its meeting on the 16<sup>th</sup> March 2018 to “*establish and maintain a single pipeline of priority projects which will be used to identify the projects which utilise underspends in the event that it becomes available*”.
- 4.4 This report sets out an intended approach to review our investment priorities, to ensure they remain up to date, are aligned with work which is underway in developing the new SELEP Strategic Economic Plan and aligned with SELEP’s strategic objectives to ensure we are able to maximise investment opportunities through the current Growth Deal programme to 31<sup>st</sup> March 2021.
- 4.5 In the first instance, the development of a new SELEP pipeline is intended to identify short-term priorities for any unallocated LGF or LGF underspends which may become available – by



considering SELEPs short term priorities to 31<sup>st</sup> March 2021. This call for projects will be referred to as LGF 3B.

- 4.6** The longer term aspiration will be to apply the prioritisation approach to develop a medium- long term pipeline of projects which will serve as a basis to inform priorities for future funding sources. The development of this medium to longer term pipeline will follow the development of the SELEP Strategic Economic Plan (SEP).

**5. Investment to date**

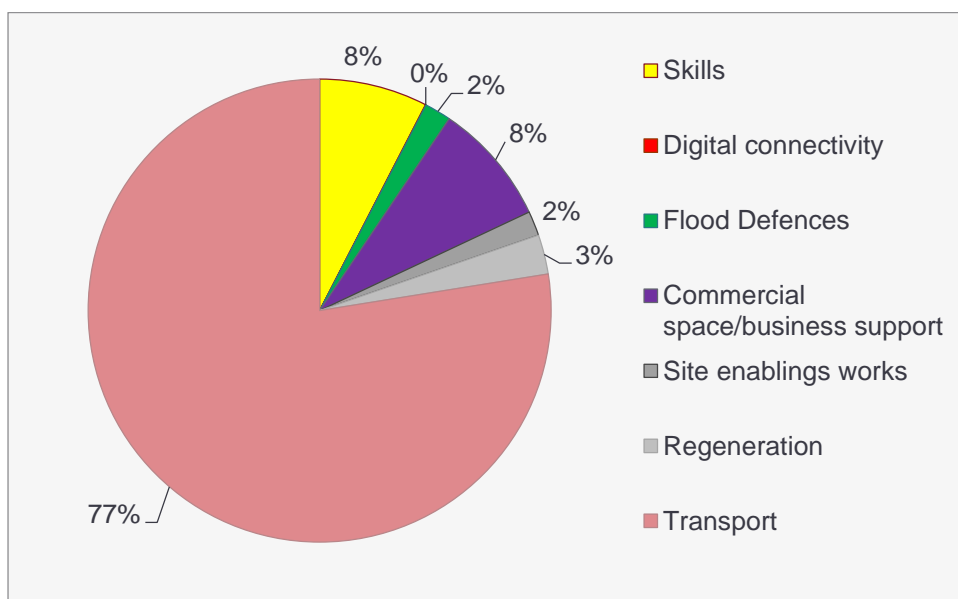
- 5.1** The first three years of the programme has seen spend of £228.733m LGF, including retained and non-retained schemes (*subject to confirmation through end of year 2017/18 reporting*).
- 5.2** The total amount of funding provisionally allocated to SELEP by Central Government totals £570m. Of this amount £561.6m has been allocated to a total of 97 LGF projects, with **£8.3m LGF remaining unallocated**.
- 5.3** LGF investment to date has focused predominantly on transport interventions, with the LGF programme currently including the allocation/award of £435.2m LGF to transport projects across SELEP; representing 77% of the LGF programme.

**Table 1 LGF investment by theme (£m)**

Theme	Skills	Digital connectivity	Flood Defence	Commercial space/business support	Site enabling works	Regeneration*	Transport	Total
LGF (£m)	42.6	0.2	10.4	48.1	9.6	15.5	435.2	561.6

\*Eg. Coastal community and visitor economy projects

**Figure 1 LGF Investment by theme (proportion of £561.6m allocated LGF)**





**6. LGF available**

- 6.1 There are three potential sources of LGF available to support the delivery of projects identified though this short term pipeline development:
  - 6.1.1 Source 1: £8.3m unallocated LGF
  - 6.1.2 Source 2: LGF which is currently allocated to projects, but which are unable to come forward within the timescales of LGF owing to project issues/delays; and
  - 6.1.3 Source 3: LGF underspends which are identified from projects which have been delivered to date.

**Source 1**

- 6.2 The LGF allocation for the 97 projects identified in the LGF programme totals £561.662m, whilst the allocation from the Ministry for Housing Communities and Local Government (MHCLG) and Department for Transport (DfT) currently totals £569.992m. As such, there is £8.330m LGF available for investment in 2020/21, as set out in Table 2 below. The difference is due to changes in projects since the original outline submission of projects in 2014.
- 6.3 There is currently forecast to be a slippage of £24.284m from 2018/19 to 2019/20, this is required to help mitigate the difference between the LGF available in 2019/20 and the forecast LGF spend in 2019/20. Should additional slippage be identified from 2019/20 to 2020/21 then there may be some flexibility to accelerate projects identified through LGF Round 3B. However, at this stage **projects are sought which are able to spend the LGF allocation in 2020/21.**

**Table 2 LGF allocation relative to LGF actual/forecast spend (£m)**

Current Forecast Position - Forecast spend v LGF available							
£m	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Actual spend or current forecast	55.562	69.730	80.732	105.272	90.808	57.900	460.005
LGF Allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	468.335
LGF Allocation b/fwd from earlier years		13.888	26.428	37.784	24.250	-11.642	
Total grant funding in year	69.450	96.158	118.516	129.523	79.165	66.231	
Over/ (under) allocation		26.428	37.784	24.250	-11.642	8.330	

**Source 2**

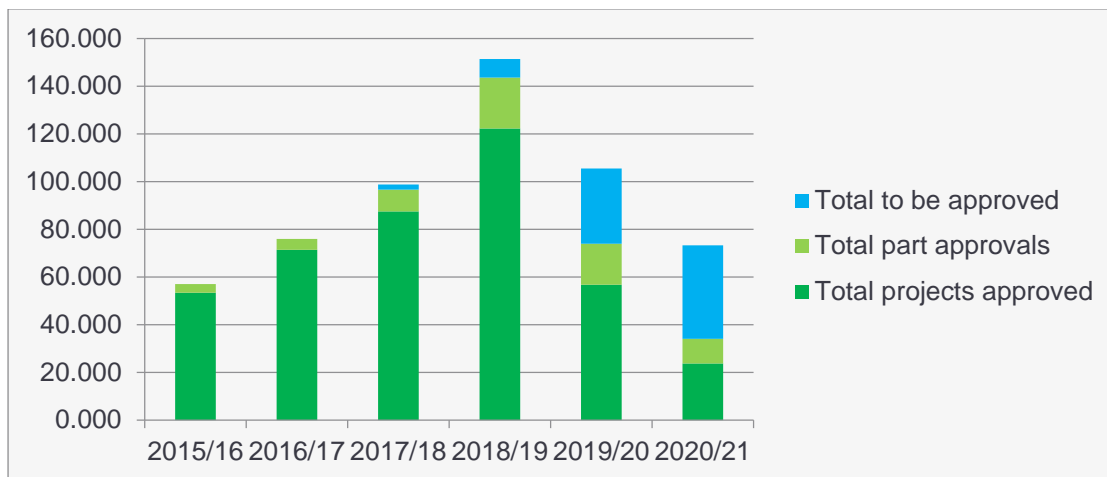
- 6.4 SELEP’s Growth Deal programme comprises 97 projects, which have either been allocated for funding by the Strategic Board or have now received a full funding award by the SELEP Accountability Board. A list of these projects is provided in Appendix 6b. These have been divided into projects in green, which have received a funding award by SELEP Accountability Board, light green are those projects with part approval and those in blue which have not yet come forward to the Accountability Board for funding.
- 6.5 Whilst it is expected that a majority of the projects listed in blue will come forward for a funding award from the SELEP Accountability Board in 2018/19, some projects may be unable to demonstrate an ability to spend the LGF contribution by 31<sup>st</sup> March 2021 due to project funding gaps or other causes of project delays.





- 6.6 At the last Board meeting, the Board agreed the Principles set out in Appendix 1, for the management of LGF underspend. This may result in LGF being identified for reinvestment. The amount of LGF which is currently allocated to projects which have not yet come forward for a final funding award by the SELEP Accountability Board currently totals £64.4m, as shown in Figure 2 below. However, funding which is allocated to Department for Transport retained projects, such as A127 The Bell and A127 Fairglen Interchanges junction improvements and link road<sup>1</sup>, is unlikely to be made available to SELEP for investment elsewhere in its capital programme. As such, **the maximum value of LGF which could be made available through Source 2 totals £38.9m.**
- 6.7 The £38.9m does not include projects which have received part funding to date or those more complex projects which have received a funding award by the Accountability Board in part, but where a full Business Case is being developed to secure the remaining funding allocation.

**Figure 2 LGF spend approved to date**



**Source 3**

- 6.8 To date, project underspends have been identified through project costs being lower than expected and efficiency measures being achieved through project delivery. It is Governments recommendation following the SELEP deep dive that *“SELEP should take steps to satisfy themselves that any underspend at a federated level is reallocated to the most promising and best value for money projects”*.
- 6.9 As such, it is expected that the pipeline of projects will be used as a basis to inform prioritisation by the Investment Panel about the use of any underspends which become available through LGF programme delivery.
- 6.10 Going forward, it is expected that LGF underspends will be reallocated to projects which are included within the SELEP LGF pipeline. Other emerging priorities may still be considered by the Accountability Board but local partners will need to justify why recommendations are being made to direct funding towards any project which is not included on SELEPs pipeline.

<sup>1</sup> Fairglen Interchange Link Road is not technically a Department for Transport (DfT) retained projects, but the intervention will be considered by the DfT as one overall Business Case for the Fairglen Interchange Junction Improvements and Link Road Project.



## **7. Development of SELEPs Pipeline - Call for projects**

- 7.1** The development of a new SELEP pipeline of high quality and deliverable projects which will have a tangible impact on our economy is a sizable challenge. As such, it is recommended to the Board that the call for projects should first focus on short term priorities for capital grant funding which are deliverable by 31<sup>st</sup> March 2021.
- 7.2** A further call for projects will take place to identify medium – long term investment priorities, aligned with the new Strategic Economic Plan and any funding criteria identified by Government. The proposed approach in this report will act as a pilot for the development of a medium – long term pipeline of projects during 2019/20.
- 7.3** It is proposed that a three stage process should be implemented, following a similar approach to the recent Growing Places Fund (GPF) prioritisation exercise, as follows:

Stage 1 – Expressions of Interest

Stage 2 – Scheme prioritisation

Stage 3 – SELEP Accountability Board funding decision

## **8. Stage 1 – Expressions of Interest**

- 8.1** The first proposed stage in the process will be to identify potential projects through an open call for projects publicised by SELEP, local authority and Federated Board. The opportunity will be publicised on the SELEP website, social media and through media releases with any bids received by SELEP directly being shared with to the relevant Federated Area. Likewise, the funding opportunity will also be publicised by Local Authorities and Federated Boards.
- 8.2** For all projects identified, the scheme promoter is required to complete an LGF Expression of Interest (EoI) template which will be made available on the SELEP website. The Federated Areas will then sift EoIs using the eligibility criteria set out in Table 3 below, to consider the projects suitability for LGF funding. Projects which fail to meet the key criteria should be discarded by Federated Boards.
- 8.3** Those projects which pass the initial sift against the eligibility criteria should then be considered and assessed based on the criteria set out in Table 4 below.
- 8.4** It should be noted that there is some overlap between the eligibility criteria set out in Table 3 and the assessment criteria set out in Table 4. This is to reflect the fact that eligibility criteria are binary (yes/no) but, for eligible schemes, there may be variation in their performance against these criteria. For example, while two schemes may both be able to spend LGF prior to 31<sup>st</sup> March 2021 (eligibility criteria), one scheme may have a greater certainty of doing so in advance of this date (assessment criteria).
- 8.5** In order to assist with Stage 1, the Independent Technical Evaluator (Steer Davies Gleave) will prepare a flexible assessment template based upon the criteria in Table 3 and Table 4 that Federated Areas must use to inform their own sifting exercise. In parallel, the ITE will undertake their own assessment using the same template, to inform a discussion with each Federated Area regarding the relative merits of each potential project, ahead of submission of their sifted proposals (and assessment by the Federated Area) to be taken forward into Stage 2.
- 8.6** At the stage of completing an EoI it is not expected that a quantified Value for Money assessment will have been completed. However, a Value for Money assessment will be required as part of Stage 3. Any available evidence regarding the potential Value for Money of proposals may also be used to inform the Stage 2 prioritisation exercise.



- 8.7 LGF 3B will operate as an Open Call for Projects. Federated Boards may wish to review previously unsuccessful LGF Round 3 bids and unsuccessful GPF bids. However, there is no intention for greater weight to be placed on previously submitted bids through the prioritisation process.
- 8.8 It is expected that funding requests per project should be between £250,000 and £8,000,000 in value. However, smaller or larger scale projects may be considered if there is an overwhelming strategic case and no substantial delivery risks.
- 8.9 To ensure a proportionate approach to the scale of funding available, no Federated Area should put forward projects to SELEP for Stage 2 which, in total, exceed the maximum potential amount of LGF available (**£47.2m**). For projects to progress to Stage 2 they must be nominated by a Federated Board and have support from the relevant Upper Tier Authority.

**Table 3 Project eligibility criteria**

Criteria	Evidence Sought	Scoring Guide
Align with SELEP’s objectives to support economic growth	Evidence provided that the scheme contributes to SELEP’s economic growth objectives.	Pass/fail
Requires capital investment	LGF can only be used for capital investment and cannot be used as revenue	Pass/fail
Demonstrate an ability to deliver the project following the legal requirements for investment of public funds	This includes consideration for the requirement to follow public procurement regulations to the extent which is applicable and demonstrate that the investment does not constitute as State Aid.	Pass/fail
Must be able to spend the LGF by 31 <sup>st</sup> March 2021	The LGF will predominately be available in 2020/21. However, there may be the potential to accelerate the LGF spend in 2018/19 and 2019/20. Evidence is to be provided to demonstrate that LGF will be spent by 31 <sup>st</sup> March 2021	Pass/fail

**9. PAN LEP projects**

- 9.1 For Pan LEP projects to be brought forward, they should seek endorsement from a Federated Board and County Council/ Unitary Authority, to act as the promoting authority. For Pan LEP projects, the promoting County Council/ Unitary Authority will be required to provide officer sign off to the Expression of Interest and provided S151 officer sign-off of the Strategic Outline Business Case (SOBC) to be submitted to SELEP.
- 9.2 Endorsement for the project by the Federated Boards of the other areas of SELEP involved in the Pan LEP project is also strongly encouraged, to ensure support as the project progresses to



consideration by the Investment Panel. As a minimum, the lead officer from the other Federated Areas should be made aware of the bid proposal.

## **10. Projects with existing LGF allocations**

- 10.1** Projects with an existing LGF allocation, but with a funding gap which is currently preventing the delivery of the project may be put forward for an additional LGF allocation through LGF Round 3b. These projects will be assessed alongside the emerging priorities for investment and will require Federated Board endorsement, as set out in Stage 1.
- 10.2** Where a Business Case has already been submitted for such a project, then the Business Case should be submitted alongside the EoI.

## **11. Stage 2 projects**

- 11.1** For projects which are identified as meeting the eligibility criteria, listed in Table 3 above, and which are endorsed by the relevant Federated Board, scheme promoters will be asked to prepare Strategic Outline Business Cases (SOBCs) that will be prioritised by SELEP Investment Panel.
- 11.2** An ITE assessment of the SOBC's will be completed for all projects promoted by the Federated Boards, to help inform decision making by Investment Panel. This assessment will be completed based on the proposed assessment approach, as set out in section 11.4, 11.5 and Table 4 below.
- 11.3** Once SOBCs have been submitted the SELEP ITE will undertake an initial sifting exercise to check that each promoter has submitted all evidence required to demonstrate compliance with the eligibility criteria. Following this, the SELEP ITE will proceed to assess the remaining applications for the technical quality of the SOBC.
- 11.4** The quality of the evidence provided under each section of the SOBC will be assessed on a three-point scale as follows:
  - 11.4.1** Red = unsatisfactory/poor quality evidence provided;
  - 11.4.2** Amber = somewhat satisfactory/moderate quality evidence provided; and
  - 11.4.3** Green = satisfactory/high quality evidence provided.
- 11.5** Table 5 sets out how the RAG rating will be applied against each of the assessment criteria.
- 11.6** Following the evaluation of each submission, the SELEP ITE will develop an initial prioritised list. Schemes will be ranked by their performance under sections:
  - 11.6.1** Strategic fit;
  - 11.6.2** Deliverability and benefit realisation;
  - 11.6.3** Evidence of stakeholder support; and
  - 11.6.4** Potential value for money.
- 11.7** Consideration will also be given to the remaining sections of the SOBC, listed in Table 4, especially where there are a large number of projects which score well based on the four criteria listed above.

**Table 4 – Assessment Criteria**

Assessment Criteria	Evidence Sought	Scoring Guide
Support from relevant Federated Board	The Project must be supported be supported by the relevant Federated Board. This should be evidenced through Federated Board meeting minutes.	Pass/fail
Support from the relevant Upper Tier Authority	Each funding bid must secure sign off from the S151 officer of the relevant Upper Tier Authority.	Pass/fail
Strategic fit	Evidence of a strategic fit with SELEP objectives to deliver economic growth, and evidence that the benefits will be delivered within the SELEP area.	Red/Amber/Green
Option generation and sifting (including evidence of stakeholder support)	Evidence that a broad option generation and sifting has been undertaken with evidence of stakeholder involvement and/or wider public consultation/support	Red/Amber/Green
Rationale for funding request	Clear articulation of the rationale for requesting LGF funding including evidence that funding through the LGF is the most suitable available alternative.	Red/Amber Green
Deliverability and benefit realisation	Evidence regarding the projects deliverability and its readiness to move to delivery and benefit realisation stage within the timescales of the funding stream (including consideration of project design stage, planning consents, land acquisitions, relevant powers).	Red/Amber /Green
Value for money	Evidence of the value for money potential and project benefits relative to the amount of LGF sought.	Red/Amber/Green
Additional funding sources	Evidence of secured/committed additional funding from outside sources preferably from private contributions rather than public.	Red/Amber/Green





Assessment Criteria	Evidence Sought	Scoring Guide
Programme and risk management	Clear delivery schedule including evidence there is a comprehensive risk register and risk management plan in place.	Red/Amber /Green



**Table 5 – Assessment Criteria**

Section	RAG Rating	Scoring Guide
Strategic Fit	Green	Awarded to business cases which: <ul style="list-style-type: none"> <li>clearly demonstrate the need for intervention; and</li> <li>demonstrate a close fit with SELEP objectives.</li> </ul>
	Amber	Awarded to business cases which: <ul style="list-style-type: none"> <li>clearly demonstrate the need for intervention; and</li> <li>demonstrate some alignment with SELEP objectives</li> </ul>
	Red	Awarded to business cases which: <ul style="list-style-type: none"> <li>do not clearly demonstrate the need for intervention</li> <li>do not fit with SELEP objectives</li> </ul>
Deliverability and benefit realisation	Green	Awarded to business cases which: <ul style="list-style-type: none"> <li>provide evidence that the planning status of the intervention is well advanced;</li> <li>describe the timescales associated with securing any additional approvals required;</li> <li>confirm that all land and property required to proceed has been acquired;</li> <li>provide a detailed programme for delivery; and</li> <li>describe any legal requirements that might delay the programme of delivery/development.</li> </ul>
	Amber	Awarded to business cases which: <ul style="list-style-type: none"> <li>provide evidence that the planning status of the intervention is well advanced;</li> <li>describe the timescales associated with securing any additional approvals required; but</li> <li>omit considerations regarding land ownership or any additional legal requirements that might have an impact on deliverability or which do not provide a detailed programme for delivery.</li> </ul>
	Red	Awarded to business cases which: <ul style="list-style-type: none"> <li>provide evidence that the planning status of the intervention is well advanced; but</li> <li>omit evidence regarding the additional approvals required, considerations regarding land ownership or any additional legal requirements that might have an impact on deliverability, or do not provide a detailed programme for delivery.</li> </ul>
Evidence of public	Green	Awarded to business cases which: <ul style="list-style-type: none"> <li>Demonstrate that a broad option generation and sifting has been</li> </ul>

support		<ul style="list-style-type: none"> <li>undertaken; and</li> <li>Provide detailed evidence of stakeholder involvement and/or wider public consultation/support.</li> </ul>
	Amber	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>Demonstrate that a broad option generation and sifting has been undertaken; and</li> <li>Provide some evidence of stakeholder involvement and/or wider public consultation/support.</li> </ul>
	Red	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>Cannot demonstrate that a broad option generation and sifting has been undertaken; or</li> <li><b>Do not provide evidence of</b> stakeholder involvement and/or wider public consultation/support.</li> </ul>
Potential value for money	Green	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>provide robust, well-evidenced analysis of the outputs, outcomes and impacts of the intervention; and</li> <li>can demonstrate benefit to cost ratio greater than 2:1.</li> </ul>
	Amber	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>provide some evidence of the outputs, outcomes and impacts of the intervention; and</li> <li>can demonstrate benefit to cost ratio greater than 2:1.</li> </ul>
	Red	<p>Awarded to business cases which:</p> <ul style="list-style-type: none"> <li>do not provide sufficient evidence of the outputs, outcomes and impacts of the intervention; or</li> <li>cannot demonstrate benefit to cost ratio greater than 2:1.</li> </ul>

## 12. Investment Panel

**12.1** The prioritisation of projects for investment is currently a responsibility of the SELEP Strategic Board. However, as stated in the Annual Conversation letter and re-iterated in the recommendations following the SELEP Deep Dive, Government has voiced support for the establishment of a SELEP Investment Panel (the Panel). The Panel will operate as a subcommittee of the Strategic Board.

**12.2** The proposed Terms of Reference are set out under Agenda Item 9.

## 13. Engagement

**13.1** It is expected that engagement will take place at a local level with the following stakeholders as a minimum in developing a local list of Federated Board priorities. These organisations should be contacted through the open call for projects process to understand their priorities for investment and to consider any emerging project proposals. These organisations include:

- Business Advisory Board
- Network Rail
- Train Operating Company
- Highways England
- Skills Advisory Group and SELEP working groups
- Business Advisory Board

#### **14. Federated Area submission tick list**

**14.1** At the point of Business Case submission to SELEP (Stage 2) each Federated Area must confirm that the following processes have been followed.

**14.2** Each individual project bid must:

**14.2.1** receive S151 officer sign off from the upper tier authority; and

**14.2.2** have a letter of support from the relevant district authority, where applicable

**14.3** Each overall Federated Area submission must:

**14.3.1** Have endorsement for the relevant Federated Board, with the report and meeting minutes of the meeting being publically available;

**14.3.2** Have engaged with a range of stakeholders, including those relevant stakeholders mentioned in section 11 as a minimum;

**14.3.3** Have held an Open Call for Projects as promoted through the SELEP and Federated Area websites and ;

**14.3.4** Provide a commitment that sufficient revenue resource will be made available to support project delivery and the ongoing monitoring and evaluation of the project.

#### **15. Timescales**

**15.1** The proposed timescales for developing the LGF pipeline have been considered to take account of the need for a process to enable the development of a pipeline, whilst allowing sufficient time for the appropriate project development work to be undertaken to demonstrate to Government and local stakeholders that a robust process has been applied to identifying investment priorities.

**15.2** The option for a longer timescale has been identified as the preferred option, as it enables the pipeline to be developed once there is a greater of certainty as to the amount of LGF underspend which will be made available.

**15.3** Shorter timescale – Whilst the shorter timescale will enable SELEP to develop a pipeline at a faster pace, to meet the requirements from Government; however, this will involve the sifting

of projects by Federated Boards in advance of the new SEP having been agreed by the Strategic Board. It may also involve additional Federated Board meetings being scheduled.

- 15.4 Recommended Option – The preferred option will allow more time for Federated Boards to complete the sifting of projects, within Federated Boards agreed schedule of meetings and will enable additional time for the development of projects. However under this option the sifting will also take place by Federated Boards prior to the new SEP having been agreed.
- 15.5 Longer Timescale – This option provides additional time for projects to be developed and prioritised following the new SEP having been considered by the Board in September. In addition, the prioritisation of projects in March will take place once there is greater certainty as to the amount of LGF which will be available. However, the longer timescale will mean that the single pipeline will not be placed until the end of the financial year and may delay the delivery of emerging funding priorities.

**Table 6 – Proposed Timescales**

Milestones	Options		
	1) Shorter timescale	2) Recommended	3) Longer timescale
Approach agreed by the Strategic Board	29 <sup>th</sup> June 2018	29 <sup>th</sup> June 2018	29 <sup>th</sup> June 2018
Open Call for Projects (Completion of EoI)*	10 <sup>th</sup> August 2018	31 <sup>st</sup> August 2018	End of October 2018
Assessment and consideration of EoI by Federated Board*	7 <sup>th</sup> September 2018	End of September 2018	End of December 2018
Submission of SOBC to SELEP	5 <sup>th</sup> October 2018	26 <sup>th</sup> October 2018	1 <sup>st</sup> February 2019
ITE assessment of SOBC complete	26 <sup>th</sup> October 2018	16 <sup>th</sup> November 2018	1 <sup>st</sup> March 2019
Investment Panel	16 <sup>th</sup> November 2018  (Same day as Accountability Board)	7 <sup>th</sup> December 2018 (Same day as Strategic Board).	22 <sup>nd</sup> March 2019  (Same day as Strategic Board)

\*Exact timescales to be agreed locally



## 16. Accountable Body Comments

- 16.1 It is noted that the current proposal is to develop a short term pipeline for the allocation of the unallocated LGF to projects to meet the requirements of the SEP; the expectation from Government however, is that a pipeline for investment is maintained to reflect the requirements of the SEP.
- 16.2 As such, it is advised that work to establish a process for developing a longer term pipeline of investment is developed as soon as is practicable as this development doesn't need to wait for funding stream specific advice. The pipeline can then be aligned to the relevant funding streams as they become available.
- 16.3 This approach will also enable the identification of funding need to support future lobbying strategies and other bids for funding.

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Date: 18<sup>th</sup> June 2018

## **Appendix 6a - Principles agreed by the SELEP Strategic Board for the management of LGF underspend**

At the Board meeting on the 16<sup>th</sup> March 2018 the Board agreed the following three principles.

**Principle 1** - All projects identified in the LGF programme which have not been approved by the Accountability Board to date must come forward with a business case which can demonstrate deliverability, for a funding decision by the Accountability Board by the end of 2018/19 financial year. The final meeting for these projects to be considered is the Accountability Board meeting on the 15<sup>th</sup> February 2019.

Exemption to Principle 1 should only be made where:

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

**Principle 2** - If projects are unable to come forward for the award of funding by the end of 2019/20, then recommendations will be made to the Strategic Board for the re-allocation of funding.

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

## **Appendix 6b – Existing LGF projects, circulated separately**

APPENDICES B-E with details of the expressions of interests.



## **LGF3B - Appendix B - Existing LGF schemes**

Four expressions of interest were submitted by applicants for **existing LGF schemes**, rather than brand new projects. The projects are:

<b><u>Project name</u></b>	<b><u>Organisation</u></b>	<b><u>Amount of LGF3b requested</u></b>	<b><u>Jobs delivered*</u></b>	<b><u>Houses delivered*</u></b>	<b><u>Learners delivered*</u></b>	<b><u>Amount of SELEP funding ring-fenced for the project previously</u></b>
Innovation Park Medway (northern site) – Enabling infrastructure	Medway Council	£2,300,000	Helps bring forward 1,300 new jobs	0	0	The Innovation Park is dependent on the Rochester Airport schemes, which received: £4.4m from LGF2 and £3.7m from LGF3  The Innovation Park Medway (southern site) – Enabling infrastructure received £0.65m from GPF (loan).
Sturry Link Road	Kent County Council	£4,500,000	Helps unlock 1,700 jobs	Helps unlock 4,220 houses	0	£5.9m from LGF1
Thanet Parkway	Kent County Council	£5,000,000 - £8,000,000**	400 – 800 additional jobs from opening year to year 30.	1,600 – 3,200 additional homes delivered between opening year and year 30.	0	£10m from LGF1
Wincheap off-slip	Canterbury City Council	£2,000,000	Helps unlock 1,685 jobs	Helps unlock 1,150 houses	0	£4.4m from LGF3
<b>TOTAL</b>		<b>£13,800,000 - £16,800,000**</b>				

*\*Please see each scheme’s description to see details of the time period over which these outputs are achieved, any supplementary outputs (such as commercial floorspace delivered or improved journey times), and any schemes linked to delivery.*

*\*\*KCC is in negotiations on match-funding and will update board members at the meeting on the final position.*

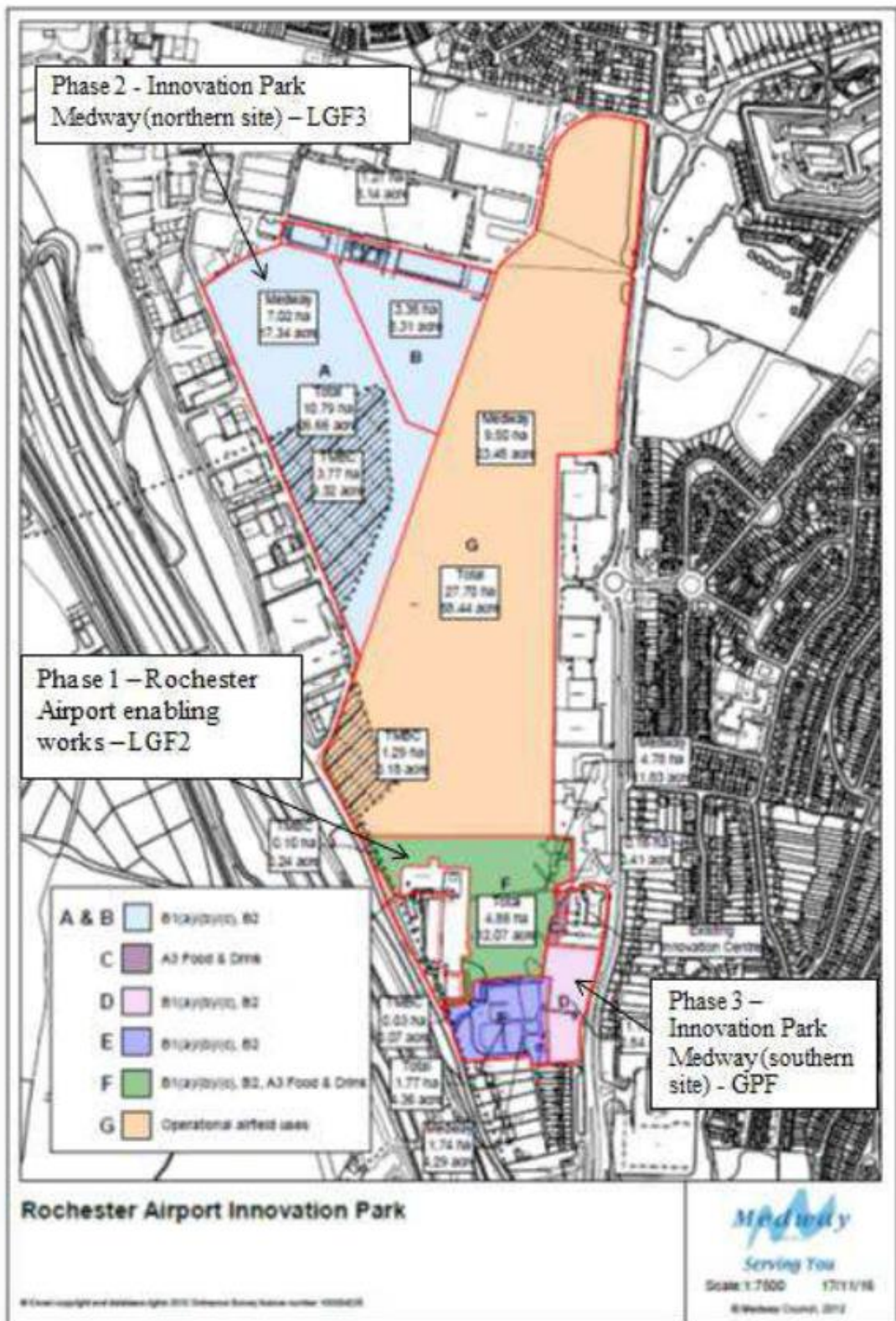
The four schemes have already been ranked by SELEP as high priority projects that will drive economic growth. The applicants have proceeded at risk in developing the LGF schemes so that a business case can be signed off by the SELEP Accountability Board by no later than 16 February 2019.

By applying for further LGF in this LGF3b process, the applicants wish to accelerate the delivery of the four projects, which will help evidence that LGF can be spent by no later than March 2021 – an important criterion to prove in the business cases going to the SELEP Accountability Board.

The KMEP Board is asked to agree the principle that LGF existing schemes seeking a change in scope are prioritised ahead of new funding requests, in order to safeguard the investment made to date and to prevent abortive costs. This principle would then be put forward to the SELEP Strategic Board on 28 September for consideration.

Information on each project is shown on the following pages. Steer did not provide a high-level assessment for these schemes, as the schemes will already be familiar to the federated boards.

<b>Name</b>	<b>Innovation Park Medway (northern site) – Enabling Infrastructure</b>
<b>Promoter</b>	Medway Council
<b>Location</b>	Innovation Park Medway, adjacent to Rochester Airport, Rochester. Access to be via Laker Road, Rochester.
<b>Scheme Summary</b>	<p>Innovation Park Medway is sited within the North Kent Enterprise Zone. The Innovation Park includes a southern site and a northern site, which is supported by this application. The Innovation Park is unique because it is situated alongside a fully operational airfield regularly used by light aircraft.</p> <p>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors. These businesses will deliver jobs in the area and contribute to upskilling the local workforce. This is achieved through general employment and the recruitment and training of apprentices.</p> <p>Phases 1 and 2 of the IPM development on the northern site, are being funded by £4.4m and £3.7m of LGF funding respectively. In addition £650,000 of Growing Places Funding has been sought to develop the southern site. It is vital to develop Innovation Park Medway as soon as possible to ensure that as many businesses as possible have the greatest opportunity to benefit from Enterprise Zone status. This bid will allow enabling infrastructure works to be extended on the northern site, which is required to bring forward development at pace to allow this to happen.</p> <p>This funding will allow the following works to be completed:</p> <ul style="list-style-type: none"> <li>• Extended access road/footpath;</li> <li>• New primary substation;</li> <li>• Secondary substations (tbc);</li> <li>• Gas;</li> <li>• Trenching for broadband;</li> <li>• Drainage;</li> <li>• Water main.</li> </ul> <p>Completion of works will make the site attractive to businesses looking to relocate to Medway. The site will be actively marketed during construction of the enabling works to attract companies looking to build their own premises on the site. Businesses investing in the site will benefit from being within the Enterprise Zone and from being able to custom design their own buildings (subject to site design guide compliance). Companies will occupy the site by 2021/22, prior to the end of the Enterprise Zone period.</p> <p>The image overleaf shows the Innovation Park site (both northern and southern sites):</p>



**Outputs & Outcomes**

The LGF3B investment draw down will be used to fund additional enabling infrastructure works on the northern site. These works are required to accelerate development on the site, in order to maximise the number of businesses which benefit from locating within the North Kent Enterprise Zone.

This funding will allow the following works to be completed:

- Extended access road/footpath;
- New primary substation;
- Secondary substations (tbc);
- Gas;
- Trenching for broadband;
- Drainage;
- Water main.

The site will be marketed to companies looking to build their own premises, whilst construction of the enabling works is underway. Construction of business premises will commence in 2020/21, or earlier depending on the marketing process adopted.

Medway Council have commissioned a consultancy to review and refresh the 2014 Rochester Airport Masterplan. As a result, it has become apparent that delivery of workspace and jobs can be achieved in excess of the levels previously stated in the LGF3 Business Case, which was submitted in July 2016.

Therefore, Medway Council expect to achieve the following additional benefits through this LGF investment:

- To bring forward 1,300 new highly skilled jobs in engineering and technology, with the first jobs being delivered in 2020/21. These jobs will facilitate the upskilling of the local workforce.
- Development on the site will deliver commercial workspace totalling approximately 38,500m<sup>2</sup> (gross external area).
- The site will be enabled for future occupants, enabling the site to be brought forward quicker to maximise the benefits offered by the Enterprise Zone. The site will be enabled by the end of 2020/21.
- The project will encourage businesses to the site where they can benefit from being within an Enterprise Zone. The site will be actively marketed in 2019, with an emphasis on the benefits available to companies who invest within an Enterprise Zone.

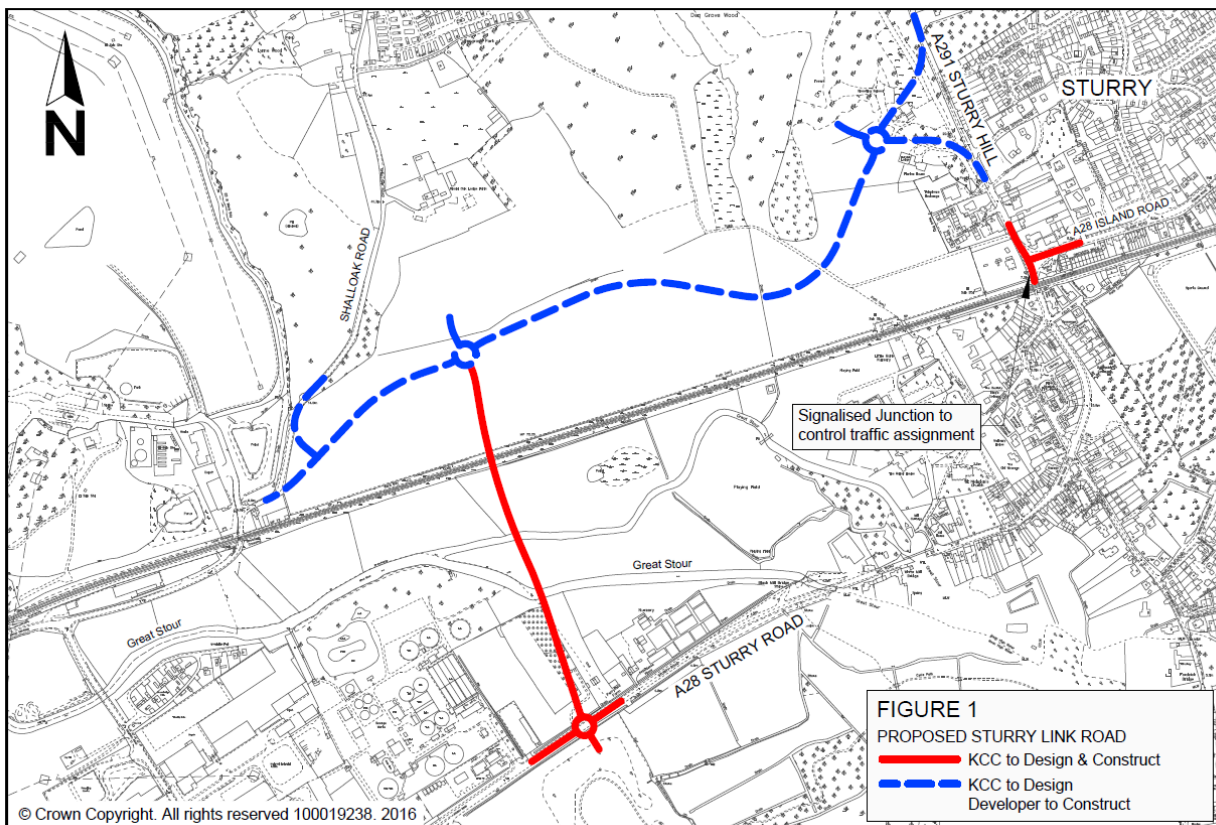
Initial benefits will be realised by 2021, with the vision that in the long-term the site is extended and works with the southern site to deliver a thriving innovation park.

These works will make the site more marketable to companies within the engineering and scientific fields who are looking to build their own premises. Medway Council's vision for the Innovation Park sees rapidly growing, cutting edge businesses establishing themselves on the site, offering the local labour force opportunities to become part of a highly skilled workforce.

Innovation Park Medway will become a hub for specialist high GVA businesses, which will significantly strengthen the local economy. In addition the presence of these businesses within the North Kent Enterprise Zone will generate a significant level of business rates which will allow for further investment in the site, leading to the creation of further jobs.

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£2,300,000</b>	7.1
<b>Public Match</b>	£200,000	0.6
<b>Private Leverage</b>	£30,000,000	92.3
<b>Total Match</b>	£30,200,000	92.9
<b>Total Project Value</b>	<b>£32,500,000</b>	100.0

<b>Name</b>	<b>Sturry Link Road</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	Sturry, Canterbury
<b>Scheme Summary</b>	<p>This scheme is to deliver a new road linking the A291 and A28 including bridges over railway line and river, to avoid Sturry level crossing and congested road conditions through Sturry. The Sturry Link road includes a westbound bus lane and a cycle lane and enables the expansion of the sustainable transport network.</p> <p>This request is for additional funding to support the Construction of the Sturry Link Road and to deliver the benefits outlined in the SELEP LGF business case approved by SELEP Accountability Board in June 2016.</p> <p>The scheme is intended to provide a highway network around Sturry which can cope with both current traffic flows and extra traffic from proposed development in the north-east quadrant of Canterbury district. The scheme aims to reduce congestion, improve journey reliability, and overcome poor elements of the existing highway network.</p> <p>A significant congestion problem currently exists at the Sturry level crossing and at the A28 / A291 junction. Queuing traffic affects adjacent junctions and can extend 1km in peak periods. The A28 road currently carries 20,000 vehicles per day, but the level crossing is closed for approximately 3 minutes and 30 seconds per train. With 6 trains passing per hour, this equates to the closure of the level crossing for 21 minutes/hour, causing severe congestion to trips along the A28. This level of congestion is a major constraint on development in Sturry, Hersden and Herne Bay. This will further deteriorate in the future, with negative consequences in terms of air quality, businesses productivity and quality of life. The width of the existing carriageway is also a constraint, with no potential to widen the carriageway to facilitate a bus lane or improved walking and cycling facilities.</p> <p>This project will deliver additional growth in development by removing a pinch point and by providing capacity for additional trips by all means of transport. The delivery of this scheme will not just provide additional vehicle trip capacity but will also encourage a modal shift to sustainable transport alternatives to the use of the private car. Through generating this additional capacity to support new trips generated by commercial and residential development, the scheme will unlock new development sites to the North East of Canterbury, delivering 4220 new houses and 1700 jobs.</p> <p>This combined approach in delivering improvements for vehicle traffic, bus priority measures and improvements to walking/ cycling routes will support the sustainable growth of these new residential and commercial developments. Whilst the scheme will have substantial positive impacts in supporting the delivery of economic growth with the Canterbury City Council area, the benefits of the scheme are expected to be widespread, supporting accessibility to the coastal towns of Herne Bay and coastal communities in Thanet.</p> <p>The image overleaf shows the scheme design:</p>



**Outputs & Outcomes**

The scheme will deliver a Sturry Link Road, which will

- Deliver substantial journey time improvements for the 20,000 vehicles and up to 230 buses on a term time weekday, which pass along the A28 and A291
- Unlock substantial development sites to the North East of Canterbury, delivering 4220 houses and 1700 jobs
- Improve access to Canterbury City Centre as a key employment, retail and educational centre in East Kent.
- Reduce CO2 emissions and improve air quality
- Improve rail and road safety

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£4,500,000</b>	15.2
<b>Public Match</b>	£5,900,000	19.9
<b>Private Lev.</b>	£19,200,000	64.9
<b>Total Match</b>	£25,100,000	84.8
<b>Total Value</b>	<b>£29,600,000</b>	100.0

**Addendum comment:**

This EOI is related to the original £5.9m LGF bid to implement a new road linking the A291 and A28, including bridges over the railway line and river, to avoid the Sturry level crossing. The new link road will unlock new housing development sites in Sturry, Broad Oak and North Hersden, and the wider area of North East Canterbury which would allow the developers to finalise the route. However, slower than anticipated progress is being made with these applications so the full scheme for £29.6m is at risk.

This LGF3B bid would allow KCC to deliver more of the road before March 2021; this would give more certainty to those housing sites being delivered and also make the development sites more viable. The KMEP Board are asked to note that the funding package for the entire scheme, although set out, is not confirmed until those housing sites are approved and the S106 contributions banked by KCC. The additional LGF3B funding would reduce the risk of the full link not being delivered by 2021 and the subsequent houses not coming forward. It should also be noted that the developers will still be asked to provide the same level of financial commitment, subject to viability demands on the developments.

<b>Name</b>	<b>Thanet Parkway</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	Near Cliffsend, Thanet, Kent
<b>Scheme Summary</b>	<p>Thanet Parkway Railway Station is a vital transport project in East Kent designed to unlock and accelerate economic and housing growth in an area that has historically been economically disadvantaged. Part of the original Growth Deal and Strategic Economic Plan, Thanet Parkway will bring East Kent to within one hour's travel time of London. A one-hour journey time to a London terminus has been shown to be a key threshold for those commuting, and therefore increase the attractiveness of the area as a place to do business. The new station will also enhance access to Discovery Park Enterprise Zone, a range of business parks in Thanet, and support the future of the former Manston Airport site (whatever form that takes).</p> <p>The station will provide two platforms to cater for 12-car rolling stock, with lifts and steps between platforms. The forecourt will include ticket vending machines, and there will be a set down area for buses, taxis and passenger drop-off. The car park will have 311 spaces, including 18 disabled bays and 16 for electric vehicle charging.</p> <p>The project has made significant and real progress in terms of deliverability since achieving Approval in Principle at GRIP 3 in August 2017. The planning application (including full Environmental Impact Assessment) has been submitted, archaeological works are underway, a contract for outline highway design has been awarded, and GRIP 4 design works for the station and car park will be undertaken directly by Network Rail. This is a very deliverable and high profile project.</p> <p>The project has £2.65m of capital funding from Kent County Council and an existing provisional allocation of £10m LGF. The project now requests an additional £5m-£8m of LGF so that its delivery can be completed.</p> <p>The Thanet Parkway scheme will address existing and future weaknesses in Thanet's rail and wider transport system to ensure that the development of the transport network keeps pace with the rate of economic growth predicted for the South East. The scheme will address these weaknesses by providing improved rail journey times, enhanced rail access, increased parking capacity, and reduced vehicle emissions in congested areas; thus improving the attractiveness of Thanet to residents, employers, visitors and potential investors. Further, the project has the potential to accelerate housing growth in the area.</p> <p>This directly accords with the objectives of SELEP, which aims to unlock potential through increasing the delivery of housing and commercial development, delivering transport infrastructure to unlock growth, and delivering the skills that the local economy needs. The County Council's aims for East Kent are to:</p> <ul style="list-style-type: none"> <li>• Improve journey times on the High Speed service;</li> <li>• Increase the attractiveness of East Kent to employers (particularly those who wish to relocate out of London);</li> <li>• Support the economy by unlocking new economic development opportunities;</li> <li>• Reduce environmental impacts for local residents; and</li> <li>• Improve accessibility and employment opportunities in Thanet (including by bringing prosperity out of London).</li> </ul> <p>Thanet Parkway directly supports these aims and so for these reasons is a catalyst for regeneration and so continues to be a regional priority for SELEP and the Kent and Medway Economic Partnership (KMEP). The investment in Thanet Parkway will support the steady and sustained growth of the South East economy.</p>
<b>Outputs &amp; Outcomes</b>	<p>The outputs from the project will be:</p> <ul style="list-style-type: none"> <li>• Two platforms of 252m length and 2.6m width to cater for 12-car, 20.2m rolling stock.</li> <li>• Each platform will have lighting columns with CCTV cameras and a public address system, two customer information displays and one help point, plus shelters/</li> <li>• Lifts, stairs and a footbridge to connect the platforms.</li> <li>• A car park for 311 cars, including 18 disabled bays and 16 spaces for electric vehicle parking. Ticket vending machines will be provided to minimise walking distance from the parking spaces.</li> <li>• Vehicular access is via a new junction on the A299 Hengist Way to a new direct access road to the station.</li> <li>• Pedestrian and cycle access will be provided via Clive Road on a new bridleway.</li> <li>• Whilst the station has been designed to be unstaffed, should the Train Operating Company choose to, there is passive provision for a 12m x 6m standard modular building. This would provide a</li> </ul>

covered waiting area, booking office, staff accommodation and public toilets.  
A station layout plan is shown below.



The expected outcomes and benefits are directly related to the project objectives and are detailed in the table below:

Outcomes Objective	Measurable Outcomes
1. Accelerate the pace of housing delivery in Thanet.	1,600 – 3,200 additional homes delivered between opening year and year 30.
2. Positively contribute to economic growth by attracting higher skilled workers to the area.	Measured by data from 2011, 2021 and 2031 census showing change in educational attainment of the population.
3. Stimulate the creation of additional jobs by encouraging business location and expansion decisions based on the existence of the new station and journey times to London of around 1 hour.	Measured by data from the Kent Invicta Chamber of Commerce, Locate in Kent and the district Local Planning authorities. 400 – 800 additional jobs from opening year to year 30. Reduced unemployment figures.
4. Generate over 50,000 new rail journeys from first full opening year (2022).	Measured by new ticket sales from the new station compared with ticket sales from the existing stations in the area.
5. Increase week day usage of the new station year on year from 412 in 2022, to 456 trips in 2026.	Measured by rail ticket receipts.
6. Provide rail access from Thanet to London with a journey time of around one hour.	Measured by checking new timetable (with Parkway station) compared with existing timetable (without parkway station) against published performance figures.
7. Provide commuters with alternative access to the area for journeys that might otherwise be made on the local and strategic highway network from opening year and increasing by 2031.	Measured by the utilisation of the 311 parking spaces, including 16 electric vehicle parking spaces and 40 cycle parking spaces, achieving 54% capacity use in 2021 increasing to 75% in 2031 which will be measured by car park ticket numbers.

The BCR (without consideration of potential level crossing works) is 2.29.

	Value	Percentage
<b>LGF Ask</b>	<b>£5,000,000 - £8,000,000</b>	28.3 – 38.7
<b>Public Match</b>	£12,650,000	71.7 – 61.3
<b>Private Lev.</b>	£0	0.0



<b>Total Match</b>	£12,650,000	71.7 – 61.3
<b>Total Project Value</b>	<b>£17,650,000 - £20,650,000</b>	100.0

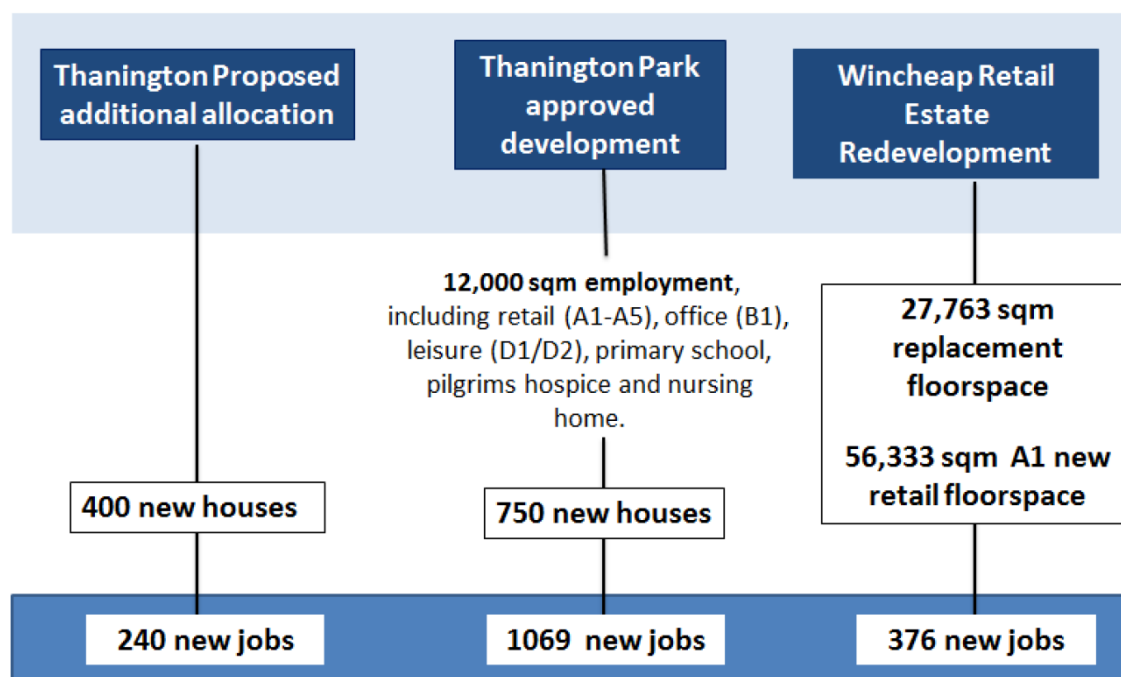
<b>Name</b>	<b>Wincheap off slip, relief road and traffic management scheme</b>
<b>Promoter</b>	Canterbury City Council
<b>Location</b>	Wincheap, Canterbury
<b>Scheme Summary</b>	<p>This bid is for additional funding towards the construction of an A28 Wincheap relief road through Wincheap retail estate in Canterbury, complete with bus and cycle lane. This offers the opportunity to remove all east bound traffic from the current A28 Wincheap by redirecting it onto the new relief road and to provide environmental improvements in the Wincheap area.</p> <p>This scheme complements the construction of the A2 off slip and the relocation and extension of Wincheap park and ride. The additional funding will ensure that a full package of transport measures can be provided which include:</p> <ul style="list-style-type: none"> <li>• A2 east-bound off slip;</li> <li>• Link road to Wincheap estate;</li> <li>• Gyratory through Wincheap Industrial Estate;</li> <li>• Wincheap transportation scheme; and</li> <li>• a city bound bus lane.</li> </ul> <p>Together this comprehensive package of measures will ensure that additional housing provision at nearby Thanington (1,150 new homes) can be accommodated onto the network and can demonstrate mitigation by air quality benefits and transportation improvements. The off slip, relief road and gyratory will help to relieve traffic coming into Canterbury along Harbledown bypass and will balance traffic flows on the north western side of the city by removing some of the right turning traffic onto Wincheap at Wincheap roundabout.</p> <p>The majority of the scheme is funded from two strategic developments at Thanington and a successful Round 3 LGF allocation for £4.4M towards the cost of the A2 off slip. Additional funding towards this package of measures will also help to bring forward the Wincheap Retail Area regeneration scheme which will deliver a significant amount of new retail space to complement the city centre shopping offer and to meet future commercial needs.</p> <p>The image below shows the site:</p> <div data-bbox="517 1167 1273 1621" data-label="Image"> <p>A satellite image showing the Wincheap area in Canterbury. The image highlights the Wincheap Industrial Estate, the A28 road, and the surrounding urban and green spaces. A red pin is placed on the site of the proposed relief road. Labels for 'THANINGTON', 'WINCHEAP INDUSTRIAL ESTATE', and 'A28' are visible on the map.</p> <p style="text-align: center;"><i>Satellite image of site (Google)</i></p> </div> <p><u>Since submitting the EOI, Canterbury City Council has provided this additional clarification about the scheme's purpose:</u></p> <p><i>The off slip is funded from developer contributions and either GHF funding from HE or from the original LEP bid. The scope of the scheme has now extended to include the western relief road and gyratory, which is the subject of this additional £2M bid, although the majority of it is funded by the developer (Quinn).</i></p> <p><i>Therefore the total bid for public funding is £6.4M of which £4.4M can come from HE or from LEP.</i></p>
<b>Outputs &amp; Outcomes</b>	The primary outputs from this project will be the construction of the Wincheap relief road and provision of an associated gyratory scheme.

The expected outcomes and benefits from this project match those from the LGF R3 funded A2 east-bound off slip scheme as these are all part of the same mitigation package. Specifically this package will:

- enable the delivery of **1,150 new houses** at Thanington and **68,333 sqm** (gross) employment floorspace;
- support the delivery of **1,685 jobs** through enabling new residential and commercial development in Thanington and South West Canterbury; and
- act as a catalyst in unlocking commercial development at Wincheap Retail Estate

These headline figures are made up as follows:

#### Directly Dependent Development



#### Other outcomes

Other benefits to Canterbury’s city centre ring road and inner radial routes include:

- Improvements in accessibility and movement which will help retain the city’s strong retail position in the retail, safeguard existing jobs and create desirable conditions for further private sector investment;
- Improvements to journey time reliability and reduced congestion; and
- Reduced vehicle emissions and improved air quality.

Of major benefit from the scheme is the relief brought to Wincheap Road eastbound as traffic is redirected onto the relief road. A significant number of the properties on the eastbound side of the road are conservation listed and would benefit from the reduction of traffic close by. This area of Wincheap is in an Air Quality Management Area. The removal of a considerable amount of traffic together with higher vehicle speeds should help to improve air quality. A children’s playground is in Wincheap within the AQMA.

The technical note on economic benefits prepared by PBA has demonstrated a financial benefit of £109,000 per annum of reliability benefits.

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£2,000,000</b>	11.4
<b>Public Match</b>	£4,400,000	25.0
<b>Private Lev.</b>	£11,200,000	63.6
<b>Total Match</b>	£15,600,000	88.6
<b>Total Proj. Value</b>	<b>£17,600,000</b>	100.0

**Addendum comment:**

This EOI is related to the original £4.4m LGF3 bid to implement an offslip on the A2 at Wincheap, Canterbury.

Highways England are still to decide on the **Growth and Housing Fund** bid for the same amount (£4.4m) which is to be confirmed on 25<sup>th</sup> September 2018 (subject to HE's staff availability).

In anticipation of this scheme, there has been a long-standing ambition to create a Wincheap Gyratory and significant developer contributions exist for both elements. The KMEP Board are asked to note that given the potential funding package available to deliver both the A2 off-slip and the Wincheap Gyratory, there may not be a need for additional funding under LGF3B.

## **LGF3B - Appendix C – ‘Strong’ LGF schemes**

Steers (the independent technical evaluator) was asked to provide a high-level assessment of the LGF3b expressions of interest.


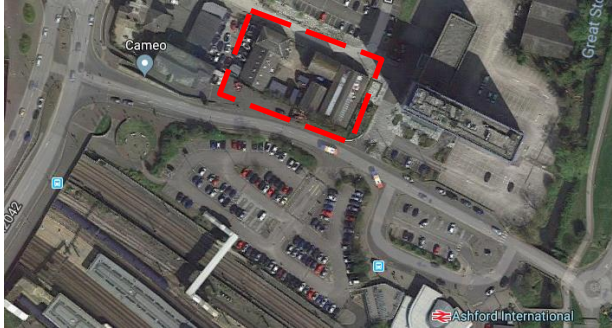
They assessed seven projects as ‘strong’. They did not indicate any prioritisation within each category, hence the seven projects should be viewed as having equal merit according to the independent consultant. The seven schemes (listed in alphabetical order) are:

<b><u>Project name</u></b>	<b><u>Organisation</u></b>	<b><u>Amount Requested (LGF)</u></b>	<b><u>Jobs delivered*</u></b>	<b><u>Houses delivered*</u></b>	<b><u>Learners delivered*</u></b>	<b><u>Views of Steer on the EOIs</u></b>
The Coachworks	Ashford Borough Council	£910,800	147	0	0	Strong EOI
Gillingham – Britton Farm redevelopment	Medway Council	£1,890,000	35	24	0	Strong EOI
Kent and Medway Medical School	University of Kent & Canterbury Christ Church University	£8,000,000**	20	0	100 by 20/21 880 by 2035/36	Strong EOI
M2 J5 Improvements	Kent County Council	£1,600,000	Key junction will help to unlock developments in Swale and Maidstone and Medway which could be of the order of 59k jobs and 65k homes			Strong EOI
Romney Marsh Employment Hub	Folkestone & Hythe District Council	£2,570,737	700 over 10 years	400	0	Strong EOI
Sevenoaks Business Hub	Sevenoaks Town Council	£265,400	16	0	0	Strong EOI
Thameside Fire Training Ground	North Kent College	£400,000	0	0	2,026 in 3 years	Strong EOI
<b>TOTAL</b>		<b>£15,636,937</b>				

*\*Please see each scheme’s description to see details of the time period over which these outputs are achieved, any supplementary outputs (such as commercial floorspace delivered or improved journey times), and any schemes linked to delivery.*

*\*\*Steers did suggest that the universities may wish to consider scaling back this ask to strengthen the economic case, assuming it did not create a funding gap.*

Information on each project is shown on the following pages. At the end of each project’s description is a summary of the commentary received during the meeting with Steer.

<b>Name</b>	<b>The Coachworks</b>
<b>Promoter</b>	Ashford Borough Council
<b>Location</b>	Commercial Quarter, Dover Place, Ashford, TN23 1HU
<b>Scheme Summary</b>	<p>The Coachworks is a third of an acre site situated opposite Ashford International Station. It comprises 3 vacant buildings:</p> <ul style="list-style-type: none"> <li>(a) former Youth Theatre</li> <li>(b) former Corn store, and</li> <li>(c) former Corn Mill,</li> </ul> <p>all of which are joined by a shared outdoor yard. The images below show the site:</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><i>The current site (Google street view)</i></p> </div> <div style="text-align: center;">  <p><i>Satellite image of site (Google)</i></p> </div> </div> <p>Ashford BC wishes to refurbish these existing vacant buildings to bring them into use to act as:</p> <ul style="list-style-type: none"> <li>(a) a food, drink, community &amp; events hub, selling locally sourced and made produce and hosting community events.</li> <li>(b) a 30,000 sq. ft. of flexible office and meeting space to act as business hub. The business hub will be marketed at the digital and Creatives Industries businesses.</li> <li>(c) a creative studios for local artists/designers to create and exhibit work. The outdoor space between the buildings will be landscaped and curated to provide part-covered dining, drinking and performance area.</li> </ul> <p>LGF funding is sought to meet cost of refurbishing whole site - although some elements will proceed regardless of outcome.</p>

<b>Outputs &amp; Outcomes</b>	In total, the site will create 147 jobs, calculated by using HCA employment densities:			
	<b>Building</b>	<b>Size of Space</b>	<b>Employment Density</b>	<b>Jobs Created</b>
	Corn Store – managed workspace and co-working space	16 office studios and 70 co-working spaces	1 per office or desk	86 jobs
	The Hothouse – retail and restaurants and café space	6 kiosks Upper Bar Lower Bar Market Stalls	4 per kiosk 8 FTE 4 FTE 8	44 jobs
	Corn Mill – Creative Studio and Maker Space	339sqm NIA	20 sqm per job	17 jobs
	<b>Total</b>			<b>147 jobs</b>
<p>The project will also help transform the place-making for Ashford Town Centre through the development of a new cultural destination and curation of a programme of events.</p> <p>The site’s proximity to Ashford International Railway Station will allow it to build upon the borough’s connectivity and existing business links to London and Europe.</p> <p>The creative economy in the south east accounts for approx. £2.5bn per annum GVA. The drift of creative professionals to the east of London offers major opportunities for Ashford to capture elements of this fast growing sector.</p>				

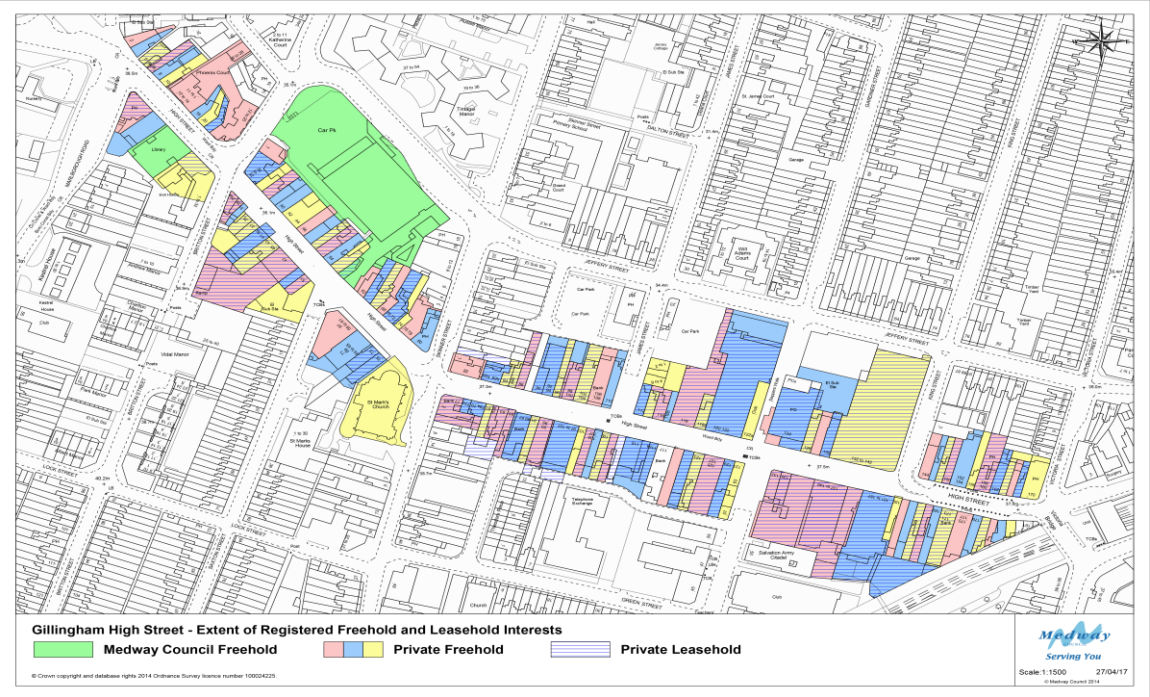
	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£910,800</b>	47.7
<b>Public Match</b>	£1,000,000	52.3
<b>Private Leverage</b>	£0	0.0
<b>Total Match</b>	£1,000,000	52.3
<b>Total Project Value</b>	<b>£1,910,800</b>	100.0

### Assessment comments - The Coachworks

#### High-level feedback & commentary

Overall, Steer assessed this as a **strong** expression of interest. It passed all stage 1 criteria.

- The EOI provided comprehensive information on the project's strategic fit – this project creates jobs, delivers business space, and supports the priority sectors of IT, Digital and Creative.
- Option generation and sifting had been undertaken. Without the LGF, some elements of the project will be delivered, however restoration of the Corn Mill building will fall out of scope.
- Stakeholders appear to be supportive – with letters attached to the EOI from interested business and Kent Invicta Chamber of Commerce. The Ashford Strategic Delivery Board of many partners (e.g. local MP, HE, KCC, Ashford College, etc) have agreed this is a priority project.
- The project appears to be deliverable in advance of March 2021 – the public has already been consulted, architect designs completed, and planning application submitted (with decision imminent). This is a refurbishment project rather than new build. If granted money in early 2019, the official launch of the Coachworks development should occur in December 2019.
- Project has a Benefit-Cost-Ratio of 3.6 (All BCRs must be greater than 2).
- 65% of match funding secured already, with remaining 35% awaiting Council approval in Autumn 18. Senior politicians and officers have already indicated their support, so expect full contribution to be secured before SELEP investment panel meet in December 2018.
- The project appears to be low risk, and the risk assessment appears to be proportionate for the scale of the project.

<b>Name</b>	<b>Gillingham – Britton Farm redevelopment</b>
<b>Promoter</b>	Medway Council
<b>Location</b>	Britton Farm Mall, High Street, Gillingham, Medway
<b>Scheme Summary</b>	<p>Britton Farm is an underused asset at the heart of Gillingham High Street. It spans from the western entrance to the High Street to over half-way along the western stretch of the road.</p> <p>The image below shows the site:</p>  <p style="text-align: center;"><i>Location of Britton Farm Mall (green area to the north)</i></p> <p>Following the withdrawal of the mall’s anchor tenant in 2017, the mall and western stretch have suffered reduced footfall and now experience some antisocial behaviour. Local traders have called on the council to act quickly to prevent further High Street decline, and the council has worked pro-actively to secure a new anchor tenant – Kent and Medway NHS Partnership Trust (KMPT).</p> <p>This partnership has led to a unique and time-bound opportunity to create a mixed-used regeneration site – with incubation/managed workspace on the first floor, and residential conversion of the former service area and surface car park. The incubation/managed workspaces would complement Medway’s suite of Innovation premises – the Innovation Centre and Innovation Studios, and the forthcoming Innovation Park.</p> <p>Specifically, LGF funding would be used to provide:</p> <ul style="list-style-type: none"> <li>• Conversion of the first floor to much-needed incubation workspace.</li> <li>• Removal of the dated canopy above the internal circulation space to provide enhanced and attractive public realm.</li> <li>• Internal public realm and safety works, principally to make the flooring usable in all weathers and the provision of new seating and signage.</li> <li>• Works to enable residential development at Britton Farm.</li> </ul> <p>The overall development will make a significant contribution towards:</p> <ul style="list-style-type: none"> <li>• increasing employment in the area;</li> <li>• accelerating housing delivery to accommodate the increasing population level projected for Medway;</li> <li>• delivering Medway 2035 - Medway’s Regeneration Strategy; and</li> <li>• retaining graduates from local universities by offering them the opportunity to develop their business ideas through the availability of high quality, reasonably priced incubation workspace.</li> </ul> <p>In addition, the mixed-use development will encourage a vibrant High Street where people will enjoy living and socialising, helping to grow and provide resilience for the local economy.</p>
<b>Outputs &amp; Outcomes</b>	<p>The outputs are:</p> <ul style="list-style-type: none"> <li>• <b>Commercial Units</b> – 450m<sup>2</sup> of commercial floor space will be created through the conversion of</li> </ul>



both the ground floor (via the Housing and Commercial Growth Fund) and the first floor (via the LGF funding). Subject to examining the breakdown of demand, up to 15 incubation workspace units could be created on the first floor.

- **Residential Units** – This project will directly deliver 24 homes on the Britton Farm site. These homes will be delivered by the Medway Development Company. The Medway Development Company is the Council’s managing agent in developing its owned sites.
- **Public Realm improvements** – This project will also deliver enhanced and attractive public realm (including provision of cycle stands, and installation of CCTV, along with other enhancements).



The outputs include:

- **New Jobs** – Through the delivery of the incubation workspace on the site an estimated **35 jobs** will be directly created.
- **Increased footfall leading to new jobs** - There will be increased footfall in the High Street, due to bringing KMPT staff into the High Street. It is expected that this will add impetus to the local economy and will encourage businesses to bring disused town centre premises back into use, thereby creating new jobs. In July 2018 there was a vacancy rate of 9.57% in Gillingham town centre. It is expected that through the LGF investment this figure will reduce over the two year period after project completion, bringing forward at least an **additional 25 jobs**.
- **Safeguarded Jobs** – This project will also directly safeguard a number of jobs in Gillingham town centre, through the increased financial sustainability of the High Street. It is expected that at least 50 jobs in this section of the High Street will be safeguarded as a result of these works.
- **High Street viability** – Completion of the works outlined in this Expression of Interest will lead to increased footfall on the western stretch of the High Street.
- **Additional residential units** – KMPT have been secured as the new anchor tenant for the existing business space at Britton Farm. KMPT are currently located at Canada House which is in Barnsole Road, Gillingham. Through the relocation of KMPT to Britton Farm, the land at Canada House will be released for development. Medway Council have been identified as the priority purchaser for the site, and therefore there is no need for the site to automatically go to the open market. Regardless of whether Medway Council or a third party acquire the land it is expected that residential development will be forthcoming on the site, with capacity for an estimated **26 homes**. This development is likely to take place within three years of the relocation of KMPT.
- KMPT will also see economic benefits as a result of seizing the opportunity to rationalise the set-up of their buildings by centralising their staff at Britton Farm.

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£1,890,000</b>	34.4
<b>Public Match</b>	£3,610,000	65.6
<b>Private Lev.</b>	£0	0.0
<b>Total Match</b>	£3,610,000	65.6
<b>Total Value</b>	<b>£5,500,000</b>	100.0

#### Assessment comments - Gillingham – Britton Farm redevelopment

<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>strong</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>• The EOI provided comprehensive information on the project’s strategic fit – this project creates jobs, delivers business space, accelerates housing development and supports place-making.</li> <li>• Option generation and sifting had been undertaken. The site has proactively been marketed by the Council. Despite significant efforts, no retail anchor tenant has come forward. Without the LGF, the incubation hub, and housing development will not come forward.</li> <li>• The scheme is supported by Medway Council and a Gillingham Traders.</li> <li>• The LGF should be spent in advance of March 2021 – with the construction works expected to complete in September 2020.</li> <li>• The project’s BCR has still to be calculated, but it appears that only £17k of LGF is required to assist the creation/safeguarding of one job. This is significantly less than the Steer-recommended £30k threshold.</li> <li>• Match-funding comes from One public Estate (already secured), the Business Rates Relief Pilot, and the remainder will come from borrowing by Medway Council.</li> <li>• The project has a relatively robust risk assessment.</li> </ul>
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<b>Name</b>	<b>Kent and Medway Medical School</b>
<b>Promoter</b>	Canterbury Christ Church University and University of Kent
<b>Location</b>	Canterbury Christ Church University and University of Kent campuses
<b>Scheme Summary</b>	<p>Local Growth Fund investment is sought for the establishment of the Kent and Medway Medical School (KMMS). This will provide an innovative centre for medical education and research to develop the health and social care workforce, drive productivity and innovation in the health economy and contribute to the development of the ‘medical corridor’ envisaged by the Thames Estuary 2050 Growth Commission.</p> <p>KMMS will be delivered by Canterbury Christ Church University (CCCU) and the University of Kent, together with local health providers via the Kent and Medway Sustainability and Transformation Partnership (STP). It will include new education and research facilities, located on two sites in Canterbury.</p> <p>The images below show the sites:</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="277 510 877 824">  <p>A satellite view of the Canterbury Christ Church University (CCCU) campus. The image shows several large buildings, green spaces, and a red pin marking the 'H.M. Prison Canterbury CLOSED' site. Labels include 'University Bookshop', 'St Martin's Church, Canterbury', and 'Barton Court'.</p> </div> <div data-bbox="906 510 1522 837">  <p>A satellite view of the University of Kent campus. The image shows a large complex of buildings, green spaces, and a road labeled 'Whitstable Rd'. Labels include 'Woolf College', 'School of Engineering and Digital Arts', 'Kent Sport', 'Essentials', 'The Archbishop's School', and 'St Stephen Hill'.</p> </div> </div> <p><i>Satellite image of CCCU site including former prison (Google)</i>      <i>Satellite image of UoK site (Google)</i></p> <p>LGF will part fund the construction and fit-out costs of:</p> <ul style="list-style-type: none"> <li>• 2,476 sq m of lecture theatre, classroom and surgical skills laboratory space at CCCU’s Science, Technology, Engineering and Medicine (STEM) facility. £4 million of LGF is requested alongside £5.7 million from CCCU to increase the scale of the planned building</li> <li>• 2,320 sq m of lecture theatre, IT suites, seminar rooms, meeting rooms and office space at the University of Kent campus. £4 million of LGF is requested alongside £8.5 million from University of Kent, to provide a new dedicated KMMS building</li> </ul> <p>All students at KMMS will use both sites. In broad terms, surgery and simulation facilities will be located on the CCCU site, and bioscience provision, including wet lab facilities, at University of Kent, linked with each university’s areas of academic strength.</p> <p>Establishing a new medical school requires Government approval. The Government approved an application for KMMS in 2018: this unlocks revenue funding in 2020/21 for an initial cohort of 100 home medical students, although is not accompanied by any capital funding.</p> <p>LGF, matched with University funds, will:</p> <ul style="list-style-type: none"> <li>• provide the capital investment for KMMS to proceed and for the planned vision to be delivered</li> <li>• enable the development of the KMMS clinical placement offer, distributed across the breadth of clinical provision in Kent and Medway</li> <li>• ensure that KMMS has the capacity to grow to a sustainable level over the medium term, scaling to an estimated 200 students by 2035</li> <li>• provide capacity to enable KMMS to expand its provision to include postgraduate and continuing professional development places</li> <li>• help to de-risk future university and Government investment</li> </ul> <p>KMMS is required: The Kent and Medway Sustainability and Transformation Partnership (STP), which brings together local NHS organisations and local authorities to address future health and social care needs, has identified an urgent need to grow the local healthcare workforce. Currently, the system faces significant challenges including:</p> <ul style="list-style-type: none"> <li>• insufficient GP numbers: currently, the ratio of GPs to population in Kent and Medway is just 79% of the national average. As the workforce ages, the number of GPs is declining (despite rising demand), and vacancy rates are high.</li> <li>• a 21% vacancy rate for consultants in acute and emergency medicine, impacting on service quality and standards.</li> <li>• a 31% vacancy rate among medical staff in mental health</li> </ul>

<b>Outputs &amp; Outcomes</b>	The outputs are:																																	
	<b>Output</b>	<b>Description</b>																																
	New educational floorspace	5,168 sq m. Calculated by architects and surveyors contracted by CCCU and University of Kent																																
	Students enrolled	Starting from an initial cohort of 100 in 2020/21, total students enrolled are anticipated to reach 880 by 2035 (assuming five-year courses and Government agreement to increase the cap):  <table border="1"> <tr> <td>2020/21</td> <td>100</td> <td>2028/29</td> <td>620</td> </tr> <tr> <td>2021/22</td> <td>200</td> <td>2029/30</td> <td>650</td> </tr> <tr> <td>2022/23</td> <td>300</td> <td>2030/31</td> <td>690</td> </tr> <tr> <td>2023/24</td> <td>400</td> <td>2031/32</td> <td>730</td> </tr> <tr> <td>2024/25</td> <td>500</td> <td>2032/33</td> <td>770</td> </tr> <tr> <td>2025/26</td> <td>530</td> <td>2033/34</td> <td>810</td> </tr> <tr> <td>2026/27</td> <td>560</td> <td>2034/35</td> <td>850</td> </tr> <tr> <td>2027/28</td> <td>590</td> <td>2035/36</td> <td>880</td> </tr> </table>	2020/21	100	2028/29	620	2021/22	200	2029/30	650	2022/23	300	2030/31	690	2023/24	400	2031/32	730	2024/25	500	2032/33	770	2025/26	530	2033/34	810	2026/27	560	2034/35	850	2027/28	590	2035/36	880
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2026/27	560	2034/35	850																															
2027/28	590	2035/36	880																															
Postgraduate enrolments	At this point the intention is to run UG medicine only, however there will be the option to apply for additional medical student numbers (which include PG entry) after 2025, when GMC approval has been granted																																	
CPD course completions	Potential PGCert/Dip from 2019; 20 per year Education/ Leadership/ Management/ Research / Simulation Potential MCh/MSc/PhD enrolments from 2023; 15 per year																																	
People engaged in outreach activities	Numbers to be identified at this stage, although there will be a significant number of beneficiaries from outreach activity.																																	
Direct jobs	<ul style="list-style-type: none"> <li>It is anticipated there will be a serial increase in direct jobs from this point forward. The figures below are indicative and specific to the university. 2018-19; 4FTE   2019-20; 7FTE   2020-21 10 FTE   2021-22 20FTE</li> <li>Additional roles are anticipated within the health sector to support and deliver the clinical content, which will also increase serially in line with student increases in their localities</li> <li>KMMS will also support indirect job creation, as well as jobs generated through additional student spending in the local economy.</li> </ul>																																	

The outcomes include:

- fewer vacancies in the primary and secondary sectors, especially in 'shortage' specialities, such as mental health.
- increased local recruitment and retention in Kent and Medway, leading to a more resilient workforce.
- increased workforce diversity, through efforts made to widen career and learning opportunities in medicine to those who would not previously have considered the subject.
- increased collaboration between providers in the health system
- increased medical research output,
- increased engagement (particularly among young people) in STEM subjects, with relevance to employment in medical research as well as healthcare delivery



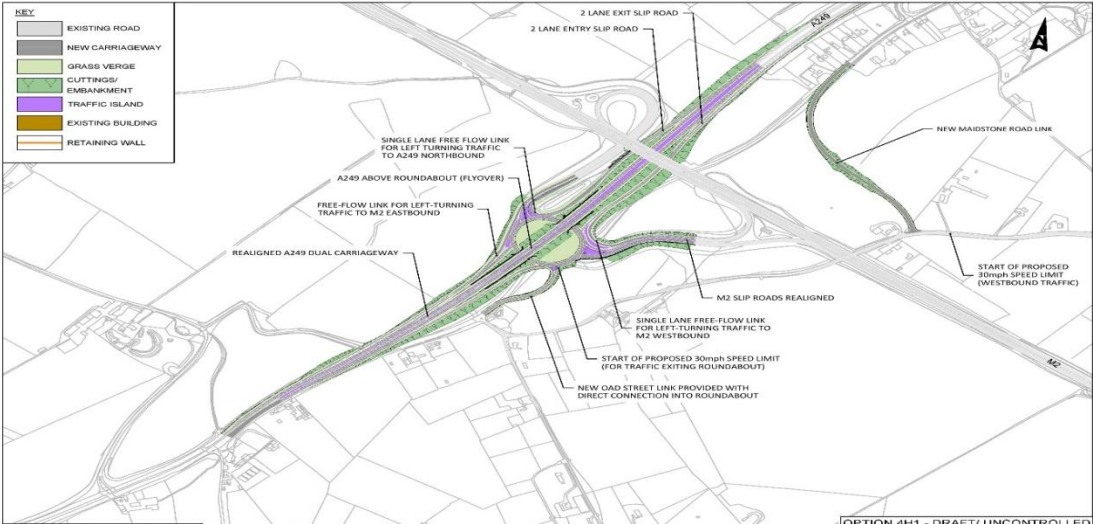
	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£8,000,000</b>	36.0
<b>Public Match</b>	£0	0.0
<b>Private Lev.</b>	£14,239,594	64.0
<b>Total Match</b>	£14,239,594	64.0
<b>Total Project Value</b>	<b>£22,239,594</b>	100.0

#### Assessment comments - Kent and Medway Medical School

<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>strong</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>The EOI provided comprehensive information on the project's strategic fit – this project creates jobs, delivers students learners, and supports a SELEP priority sector (healthcare).</li> <li>Option generation and sifting had been undertaken, such as consolidating on a single site, however, this would not substantially reduce costs. Consolidating on a single site would reduce the benefit of the two universities sharing their complementary strengths, hence the EOI proposal shows investment in both university campuses.</li> <li>Stakeholders are undoubtedly very supportive – with support from numerous bodies and</li> </ul>
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organisations across healthcare, government, and other sectors.


- The project appears to be deliverable in advance of March 2021 – The planned opening date is September 2020, and significant work has already been completed on designing the scheme. The planning approval already exists for the CCCU site. An application has yet to be made for the University of Kent site (although pre-application discussions with Canterbury City Council are underway).
- On value for money, Steer did suggest that the universities consider reducing their funding ask, so it is lower than £8million. The independent consultants believe this is a very strong scheme, however they did suggest the economic case could be strengthened by scaling back the LGF ask (if it would not result in a funding gap). This suggestion has been fed back to the universities for consideration. The EOI did say the scheme could be scalable to some extent.
- On match funding, while both universities will seek alternative sources of funding, both are able to borrow or will use existing cash reserves to cover the shortfall in funding.
- The project has comprehensive risk management with clear mitigation plans in place.

<b>Name</b>	<b>M2 Junction 5</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	The M2 junction 5 roundabout – where the A249 joins.
<b>Scheme Summary</b>	<p>The scheme consists of a major junction improvement at the junction of the A249 with the M2 (Junction 5). The A249 is on the Department for Transport's (DfT) indicative Major Road Network (MRN), as a road managed by the Local Authority carrying substantial vehicle volumes and serving strategic traffic. It is a key link between the two motorways (M20 and M2) for traffic heading from the Midlands and North to the Channel ports, and the A249 leads to the Port of Sheerness at its easternmost extent (which is part of the Strategic Road Network or SRN). Furthermore, the A249 links the two major economic hubs of Maidstone and Sittingbourne.</p> <p>An improvement scheme at this junction was a commitment in Road Investment Strategy 1 (RIS1) and consequently Highways England held a public consultation on scheme options in September 2017. An at grade 'hamburger' roundabout junction was promoted as the only option within budget that met the scheme objectives (Option 12A). However, Kent County Council (KCC) and other stakeholders (the local MP, Local Planning Authorities, and the Local Enterprise Partnership) all stated a preference for a discounted option (Option 4), including a flyover arrangement to permit free-flow on the A249. This would unlock future housing and employment growth, as well as provide additional safety benefits (the junction is one of the top 50 national casualty locations on Highways England's network).</p> <p>Consequently, Highways England reviewed Option 4 and produced a revised scheme (Option 4H1) that meets the RIS1 objectives, increases safety benefits, and ensures free-flow on the A249. The scheme represents very high value for money with a Benefit to Cost Ratio (BCR) of 4.5 and was the subject of the DfT's Preferred Route Announcement; however, it remains above allocated budget.</p> <p>The estimated total scheme cost is £90.7m and there remains a funding gap of which £20.5m has been sought from the National Roads Fund (outcome of bid expected shortly). Swale Borough Council has also committed £0.9m, however LGF of £1.6m is required to fill the remaining funding gap, and thus complete the funding package to enable the delivery of this junction upgrade.</p> <p>The images below show the site:</p>
	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><i>The current site (Google street view)</i></p> </div> <div style="text-align: center;">  <p><i>Proposed road layout (option 4H1) – Above is artist's impression, below is layout.</i></p> </div> </div>
	 <p style="text-align: right;"><b>OPTION 4H1 - DRAFT/ UNCONTROLLED</b></p>

<b>Outputs &amp; Outcomes</b>	<p>The key outputs of Option 4H1 are:</p> <ul style="list-style-type: none"> <li>Existing roundabout replaced with a new grade-separated interchange, a flyover, to provide free-flowing movement on the A249.</li> <li>Two new dedicated free-flowing slip roads: a left turn for traffic travelling from the A249 southbound to the M2 westbound and a left turn from the A249 northbound to the M2 eastbound.</li> <li>The existing connection from the Maidstone Road to the A249 Stockbury Roundabout to be closed, and Maidstone Road to be re-routed to link with Oad Street.</li> <li>The existing junction of Oad Street with the A249 to be closed. A new link to be provided south of the existing Oad Street to connect directly with the A249 Stockbury Roundabout.</li> <li>The Honeycrock Hill junction with the A249 to be closed for safety reasons.</li> </ul> <p>The key outputs are:</p> <ul style="list-style-type: none"> <li>The scheme will support housing growth and improve access to new or existing employment sites. This scheme will have large scale benefits to both the SRN and MRN and enable housing and employment growth in Sittingbourne, the Isle of Sheppey, Maidstone, Canterbury and Medway. Collectively this will help to deliver an increase of 65,800 homes and 59,000 jobs.</li> <li>The scheme will relieve congestion.</li> <li>The scheme will improve access to gateways (ports and airports): The A2/M2 is a key freight corridor to the Port of Dover, and the A249 is the route to the Port of Sheerness. The revised scheme will improve journey times to both ports. This is particularly important with the opening of the new Lower Thames Crossing and consequent creation of new strategic corridor from Dover Port to the Midlands.</li> <li>The scheme will make journeys safer: Currently this junction is one of the top 50 national casualty locations on England's major 'A' roads and motorways. There were 111 personal injury accidents between January 2011 and December 2015 and nearly half occurred during morning and evening peak periods.</li> <li>The scheme will support all road users (including cyclists, pedestrians and disabled people).</li> <li>The scheme supports the Strategic Road Network (SRN): The scheme is at a key junction with the SRN and will improve journey times on both the SRN and MRN, as well as improving the interchange between the two networks and between SRN corridors (M2 and M20).</li> </ul>	

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£1,600,000</b>	<b>1.8</b>
<b>Public Match</b>	£89,100,000	98.2
<b>Private Lev.</b>	£0	0.0
<b>Total Match</b>	£89,100,000	98.2
<b>Total Proj. Value</b>	<b>£90,700,000</b>	<b>100.0</b>

<b>Assessment comments - M2 Junction 5</b>	
<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>strong</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>The EOI provided comprehensive information on the project's strategic fit – this project supports a key junction on the highways network, and in turn helps accelerate job creation and housing delivery. It improves safety, reduces congestion, and supports traffic wishing to access the ports – which are of national importance.</li> <li>Option generation and sifting had been undertaken. It is clear there is a need for the junction improvements as, in 2016, nearly 45,000 vehicles travelled on average in the 12-hour period from 7am to 7pm. The scheme cannot progress until the funding gap is closed.</li> <li>Stakeholders appear to be supportive – with the local MP and other stakeholders supporting option 4.</li> <li>Assuming the national roads funding is granted by early 2019, the LGF can be spent in advance of March 2021 – the project is at an advanced stage of design, and the preferred route announcement was made in spring 2018. Construction should start in March 2020, and complete in December 2021 (although all LGF will be spent in 20/21).</li> <li>Project has a Benefit-Cost-Ratio of 4.5 (All BCRs must be greater than 2).</li> <li>77% of match funding secured already, with remaining 23% awaiting the announcement of the National Road Fund announcement (due late 2018/early 2019).</li> <li>The project would be delivered by Highways England, who would bear the risk.</li> </ul>

<b>Name</b>	<b>Romney Marsh Employment Hub</b>	
<b>Promoter</b>	Folkestone & Hythe District Council	
<b>Location</b>	Mountfield Road Industrial Estate, New Romney, TN28 8LH	
<b>Scheme Summary</b>	<p>The project will provide a high-quality business innovation hub and infrastructure to unlock the remaining undeveloped 6 hectares of employment land on the Mountfield Road Industrial Estate at New Romney.</p> <p>The business hub will comprise 751 sq. metres (GEA) divided into 13 rooms of varying sizes, with offices built for businesses that will range from 2-10 employees. The planned flexibility of the space within the hub will mean that it could also lend itself to potentially providing space for skills training. A detailed planning application has been submitted for the hub and it is anticipated that this will be determined in September 2018.</p> <p>The project also includes the development of an access road and the servicing of the remaining Council-owned land in accordance with a masterplan for the site that was completed in March 2018. This will open up land to the west of New Romney town centre that has been proposed for the development of 400 new homes.</p> <p>The image below shows the site:</p>  <p style="text-align: center;"><i>Satellite image of site (Google)</i></p> <p>The development of the employment hub and the unlocked employment land will enable up to 700 jobs to be created in the Romney Marsh area. This major opportunity to re-invigorate the economy of the Romney Marsh area will mitigate against the loss of more than 1000 jobs arising from the closure of Dungeness A Nuclear Power Station and programmed closure of Dungeness B Power Station in 2028.</p> <p>The need for the LGF funding arises from the low investment returns currently being achieved in the Romney Marsh area and the failure of the market to deliver new high-quality business space which a number of recent studies suggest there is demand for amongst the local business community. This development will also provide an opportunity to attract new businesses into the Romney Marsh area to help diversify and grow the local economy.</p>	
<b>Outputs &amp; Outcomes</b>	<p>The major outputs expected include:</p> <ul style="list-style-type: none"> <li>• The project will deliver 751 sq. metres (GEA) high quality business accommodation and the infrastructure to unlock 6.1 hectares of employment land, including an ecology corridor.</li> <li>• The project will provide space to create up to 700 jobs over a 10 year period.</li> <li>• The provision of infrastructure and service road to open up Phase 4 land to provide employment plots will secure an additional £20m + of private sector investment.</li> <li>• The service road and related infrastructure will open up access to land that could provide up to 400 homes.</li> </ul>	
	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£2,570,737</b>	36.6
<b>Public Match</b>	£1,874,250	26.7
<b>Private Lev.</b>	£2,570,737	36.6
<b>Total Match</b>	£4,444,987	63.4
<b>Total Proj. Value</b>	<b>£7,015,724</b>	100.0

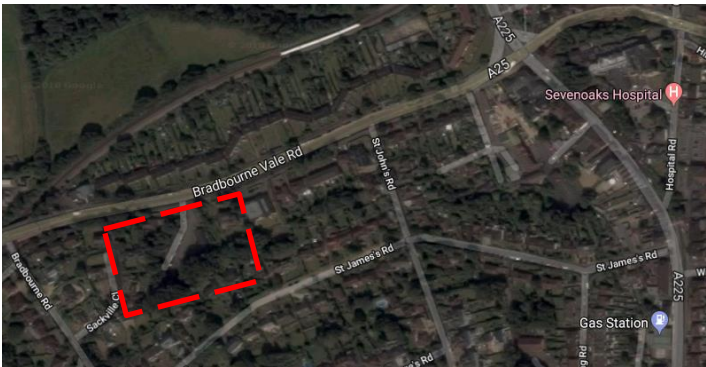
### Assessment comments - Romney Marsh Employment Hub

#### High-level feedback & commentary

Overall, Steer assessed this as a **strong** expression of interest. It passed all stage 1 criteria.

- The EOI provided comprehensive information on the project's strategic fit – this project creates jobs, delivers business space, helps accelerate housing delivery and supports the priority sectors of IT, Digital and Creative.
- Option generation and sifting had been undertaken. There is a commitment on the part of the private company, Magnox Industries, to support the communities affected by de-commissioning. The Magnox Socio-Economic Plan 2016-19 relates to areas throughout the UK where Magnox operate(d) nuclear power stations and an aim is to enhance economic diversification and open new employment opportunities. The Magnox socio-economic fund seeks to help build sustainable communities and support transformational projects that mitigate the impact of de-commissioning Magnox sites (as is the case at Dungeness) Without LGF, the opportunity to use the Magnox funding will likely be lost and could result in economic decline in the area.
- Stakeholders appear to be supportive – with minutes attached from the Romney Marsh Partnership which comprises representatives from local government, business, education, voluntary and community organisations.
- The project appears to be deliverable in advance of March 2021 – there is a formal public consultation nearing completion on the planning application for the business hub, and no objections have been raised. Attached to the EOI was a Road and Hub infrastructure Report produced by Martello Building Consultancy, and an itemised cost plan. The site is zoned for employment uses, and therefore granting of detailed planning consent should be straightforward. All construction should complete by no later than December 2020.
- The project's BCR has still to be calculated, but it appears that only £3.6k of LGF is required to assist the creation of one job. This is significantly less than the Steer-recommended £30k threshold.
- 42% of match funding secured already, with remaining 58% awaiting Magnox/NDA approval. Magnox meets quarterly, and has been involved in the project since its inception some 2 years ago, and are receptive to an application being submitted for match-funding.
- The project's risk assessment appears to be proportionate for the scale of the project, and has appropriate mitigation actions outlined were any risks to materialise.




<b>Name</b>	<b>Sevenoaks Business Hub</b>
<b>Promoter</b>	Sevenoaks Town Council
<b>Location</b>	Bradbourne Vale Road, Sevenoaks, Kent, TN13 3QG
<b>Scheme Summary</b>	<p>Sevenoaks Town Council (STC) has inherited the former Red Cross building that currently sits, disused and derelict, on the town council site in Bradbourne Vale Road, Sevenoaks. STC would like to renovate the building to make it, once again, valuable to the surrounding community and in particular local businesses.</p> <p>The proposed solution is to create a Business Hub which will create affordable office space for self-employed professionals and small businesses as well as offering incubator activities to contribute to economic development in the area by promoting business growth.</p> <p>Initial plans envision office space with desks for hotdesking and dedicated desk services; a meeting room that sits 8-10 people that can be hired out; a kitchen with a communal eating space; toilets; storage of personal items and mail, and a number key lock for secure access.</p> <p>The proposal is for the Sevenoaks Business Hub to be a direct operation of STC. The Town Council operates a variety of public buildings and hires facilities. It also has very close links with the Sevenoaks Town Partnership whose membership comes from a variety of business organisations including the Chamber of Commerce.</p> <p>The LGF investment would go towards refurbishing the building for its new purpose as well as appropriately furnishing the building. There is adequate free car parking at the site.</p> <p>The image below shows the site:</p>  <p style="text-align: center;"><i>Satellite image of site (Google)</i></p> <p>In Sevenoaks parish self-employment is higher than both the national and Kent average (9.8% national; 10.9% Kent; 12.6% Sevenoaks parish). The market in Sevenoaks principally consists of serviced office space that is considered very expensive even for more established companies and they are accompanied with long contracts that are inflexible for small start-up companies. STC's Business Hub would provide affordable co-working space for this self-employed market as well as small and start-up businesses, where customers pay a fixed price each month depending on their usage and the services they need without having to worry about overhead costs or signing into a long contract. Many businesses struggle in raising the finance for their expansion plans and this gives them an affordable space in which they can save and receive support for their expansion plans.</p> <p>STC's initial market research indicated a clear demand for not only affordable office space, but for a Business Hub that is designed to encourage networking and business growth.</p>
<b>Outputs &amp; Outcomes</b>	<p>The major outputs expected include:</p> <ol style="list-style-type: none"> <li>1. Restoration of derelict building and made available for public and business use.</li> <li>2. Creation of Sevenoaks Business Hub</li> <li>3. Business Hub for 16 desks. 12 dedicated and 4 for desk share – It is anticipated that the project would therefore support the creation of at least 16 jobs.</li> <li>4. Meeting room for local businesses</li> <li>5. Provision for a minimum of 24 small and start-up businesses</li> <li>6. Creation of a 'co-operative' businesses using the Sevenoaks Business Hub supporting each other – helping with cross-fertilisation of ideas.</li> <li>7. Facility to enable additional benefits to be delivered e.g. training, presentations.</li> </ol>

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£245,400</b>	<b>90.8</b>
<b>Public Match</b>	£25,000	9.2
<b>Private Lev.</b>	£0	0.0
<b>Total Match</b>	£25,000	9.2
<b>Total Project Value</b>	<b>£270,400</b>	<b>100.0</b>

#### **Assessment comments - Sevenoaks Business Hub**

<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>strong</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>• The EOI provided comprehensive information on the project's strategic fit – this project creates jobs, delivers business space, and supports SME/freelancers.</li> <li>• Option generation and sifting had been undertaken. Without the LGF, it would not be possible to provide a business hub. Sevenoaks Town Council has explored options since 2011, but all other buildings considered have not been economically viable.</li> <li>• Stakeholders appear to be supportive – Sevenoaks Town Council has held focus groups with mainly start-up businesses and self-employed professionals who live or work in Sevenoaks, and the reaction from the group was very positive. The project has been a Sevenoaks Town Partnership strategic aim since 2011.</li> <li>• The project appears to be deliverable in advance of March 2021 – with the official opening in September 2019.</li> <li>• The project's BCR has still to be calculated, but it appears that only £15k of LGF is required to assist the creation of one job. This is significantly less than the Steer-recommended £30k threshold.</li> <li>• 100% of match funding secured already, coming from Sevenoaks Town Council.</li> <li>• The project appears to be low risk, and the risk assessment appears to be proportionate for the scale of the project.</li> </ul>
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<b>Name</b>	<b>Thameside Fire Training Ground</b>																												
<b>Promoter</b>	North Kent College																												
<b>Location</b>	Thameside Campus, off Mark Lane, Denton, Gravesend, DA12 2HR																												
<b>Scheme Summary</b>	<p>North Kent College has the largest, specialist maritime training centre in the SELEP area known as The National Maritime Training Centre (NMTC).</p> <p>After 25 years of operation the Fire Training Ground requires major updating and high cost maintenance so it's fit for purpose and to raise it to the standards expected of an employer-led facility. LGF investment of £400,000 will pay for:</p> <ul style="list-style-type: none"> <li>• Removal and replacement of fabricated containers reconfigured to enable trainees to experience carbonaceous fire training (live as opposed to LPG Gas) in a confined environment.</li> <li>• Installation of heat panel sensors and emergency lighting.</li> <li>• Land clearance to build a car park for trainees and employers</li> <li>• Security fencing.</li> </ul> <p>There are no planning issues with the project.</p> <p>The replacement of the fire containers will enable the college to continue to respond to the needs of the maritime sector including delivering maritime apprenticeship training. There are no other specialist area offering this complete service in the SE LEP area. In addition, as the only carbonaceous fire training centre in the area, we work closely with a range of employers who require a realistic fire experience: local fire brigades and Prometheus (forensic fire investigation) to cover their training needs. Shore-based businesses undertake training at NMTC including basic fire awareness, confined space training, and fire warden training. We currently provide maritime apprenticeship training to companies such as P&amp;O, DFDS and Svitzer.</p> <p>The upgrade of facilities are essential if we are to continue in the sector. There are no other specialist area covering this complete service in the South East and there are only five FE colleges in the UK that deliver maritime training.</p> <p>The image below shows the site:</p>  <p><i>Satellite image of site (Google)</i></p>																												
<b>Outputs &amp; Outcomes</b>	<p>As a result of capital investment we will deliver the following outputs over 3 years:</p> <ul style="list-style-type: none"> <li>• 1,500 employees undertaking a range of fire training courses including: basic fire awareness, confined space training, STCW Advanced Fire Fighting, STCW Fire Prevention and Fire Fighting, Fire Safety training, Fire Warden training.</li> <li>• 106 maritime apprentices will utilise the facility as part of their framework/standard</li> <li>• 420 16-18 year olds per year on Public Services Study Programmes undertaking fire training and prevention in readiness to progress into a public service career.</li> </ul> <p>The breakdown of the learner outputs benefiting from the project are shown below:</p> <table border="1"> <thead> <tr> <th>Learner Level</th> <th>Learner numbers 2018/19</th> <th>Learner Numbers 2019/20</th> <th>Learner Numbers 2020/21</th> </tr> </thead> <tbody> <tr> <td>Level 2 Adults*</td> <td>300</td> <td>500</td> <td>600</td> </tr> <tr> <td>Level 2 16-18 years</td> <td>100</td> <td>150</td> <td>150</td> </tr> <tr> <td>16-18 Apprenticeships</td> <td>12</td> <td>14</td> <td>16</td> </tr> <tr> <td>19+ Apprenticeships</td> <td>16</td> <td>20</td> <td>24</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>428</b></td> <td><b>684</b></td> <td><b>780</b></td> </tr> </tbody> </table>	Learner Level	Learner numbers 2018/19	Learner Numbers 2019/20	Learner Numbers 2020/21	Level 2 Adults*	300	500	600	Level 2 16-18 years	100	150	150	16-18 Apprenticeships	12	14	16	19+ Apprenticeships	16	20	24					<b>Total</b>	<b>428</b>	<b>684</b>	<b>780</b>
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	* Gradual increase due to mandatory updating of training for STCW every five years (follows historical trend).	
	The project will have an impact on the maritime, transport and logistics sectors in particular from Levels 2 to 4. The training that takes place at the Fire training Ground is at Level 2. However, for anyone to progress at sea to higher levels, this is an integral part of their training – they cannot progress without this.	
	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£400,000</b>	<b>80.0</b>
<b>Public Match</b>	£0	0.0
<b>Private Lev.</b>	£100,000	20.0
<b>Total Match</b>	£100,000	20.0
<b>Total Project Value</b>	<b>£500,000</b>	<b>100.0</b>

<b>Assessment comments - Thameside Fire Training Ground</b>	
<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>strong</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>• The EOI provided comprehensive information on the project’s strategic fit – this project secures the future of a key asset, not only for the South East LEP, but for the wider region. It enables the continuation of skills provision, safeguards jobs, and supports businesses in the coastal communities. It produces learner numbers.</li> <li>• Option generation and sifting had been undertaken. Without LGF, the result is catastrophic according to applicant, as NKC would have to close the fire training ground down as it would be a severe health and safety risk to try and deliver any training other than cold ware (basic fire awareness not needing any fire). NKC would not be able to deliver an integral part of the maritime apprenticeship training.</li> <li>• Asked why NKC could not fund the project given the significance of the project, it is clear that NKC has already reached its maximum safe borrowing limit at 40% of income, and cash reserves are very limited.</li> <li>• Stakeholders appear to be supportive – NKC has had discussions with MCA, Port of London Authority, Kent Fire Brigade, Prometheus and other major employers that they deliver training to. They say that the existing configuration of containers are what is required to emulate a ship. They would like the facility to have dedicated parking.</li> <li>• The project appears to be deliverable in advance of March 2021 – the project does not require planning, and a significant proportion of the works is simply procurement of new facilities that are brought to the site (and old facilities removed). NKC expect the works can be completed in less than 6 months, once funding has been transferred.</li> <li>• On value for money, a BCR still has to be calculated, but is expected to be positive, given the relatively low amount of LGF requested versus the number of learners supported.</li> <li>• 100% of match funding secured already.</li> <li>• The project appears to be low risk, and the risk assessment appears to be proportionate for the scale of the project.</li> </ul>

## **LGF3B - Appendix D – ‘Good’ LGF schemes**

Steers (the independent technical evaluator) was asked to provide a high-level assessment of the LGF3b expressions of interest.

They assessed six projects as ‘good’. They did not indicate any prioritisation within each category, hence the six projects should be viewed as having similar merit according to the independent consultant. The six schemes (listed in alphabetical order) are:

<b><u>Project name</u></b>	<b><u>Organisation</u></b>	<b><u>Amount Requested (LGF)</u></b>	<b><u>Jobs delivered*</u></b>	<b><u>Houses delivered*</u></b>	<b><u>Learners delivered*</u></b>	<b><u>Views of Steers on the EOIs</u></b>
Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub	Hadlow Group	£2,000,000	150+ jobs by end 2021.	0		Good EOI
Flood Control Across the South East (FloCASE)	Kent County Council	£2,327,500	350 businesses supported	0	0	Good EOI
Maidstone East - Expansion of Station redevelopment	Kent County Council	£641,000	To be calculated at SOBC stage	A 4 storey, 5 storey and 6 storey housing development.	0	Good EOI
Maidstone East Urban Civic Quarter	Maidstone Borough Council & Kent County Council	£8,000,000	581	413	0	Good EOI
MKC Training services - Scaffolding Training Centre	MKC Training Services Ltd	£375,000	0	0	2150	Good EOI
State-of-art plant growing facility for modern horticulture	NIAB EMR	£1,840,000	3	0	0	Good EOI
<b>TOTAL</b>		<b>£15,183,500</b>				

*\*Please see each scheme’s description to see details of the time period over which these outputs are achieved, any supplementary outputs (such as commercial floorspace delivered or improved journey times), and any schemes linked to delivery.*

Information on each project is shown on the following pages. At the end of each project’s description is a summary of the commentary received during the meeting with Steers.

<b>Name</b>	<b>Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub</b>
<b>Promoter</b>	Hadlow Group
<b>Location</b>	The former Betteshanger Colliery in ownership of Hadlow College Group on that part of the site for a proposed Business Park, education campus and eco village as a key component of a 9640 sqm complex for advanced business in health and well-being and green technologies.
<b>Scheme Summary</b>	<p>LGF investment would be used to contribute significantly to the construction of the Betteshanger Preventative Health Enterprise Incubation Hub - an 1874 sq. m Hub to support &amp; incubate SMEs in preventative health care, a vital industry for the SELEP area. Match-funding to a total of £2.2m from ESIF and Hadlow College Group is confirmed.</p> <p>With reception, meeting spaces and café, the Hub will support c.230 entrepreneurs by 2021 and create c.60 SMEs &amp; 150+ jobs in preventative healthcare &amp; health innovation by end 2021. Supported by key Kent and South-East organisations, it will offer ground floor workshop /manufacturing space with two upper floors of office space. Enterprises will cover conventional to alternative health care, sports and sports technologies, healthy eating &amp; food production, and health innovation R &amp;D, especially that combatting obesity and Alzheimer’s.</p> <p>Professional business support offered initially will develop both expanding business and start- ups, with assessment diagnostics, business planning, mentoring, marketing, financial management, digital development, taxation, project/people management and collaboration.</p> <p>The Hub will be a pan-LEP project located at Betteshanger Business Park. Linked to a 11,248-sq. m. eco village, a 9640-sq. m advanced business complex and a 4488-sq. m Education campus, providing education training &amp; skills linking business &amp; the HE/FE sector, the Hub will market the newly created SME products and services through the Betteshanger complex.</p> <p>Site infrastructure site is fully completed with infrastructure and serviced plots and connected A258 roundabout access. Planning permission is confirmed, and the Hub will fully operational from June 2020 funding permitting. Betteshanger Parks is served by new road infrastructure with the East Kent Access road scheme (2012) providing direct dual carriageway access to motorway networks, with proximity to High Speed One daily rail services.</p> <p>The new Visitor Centre and Kent Mining Museum on the Country Park will open 30 March 2019.</p> <p>The images below show the site:</p> <div data-bbox="616 1279 1106 1697" data-label="Image"> </div> <p><i>Satellite image of site (Google)</i></p>
<b>Outputs &amp; Outcomes</b>	<p>The direct project outputs will be:</p> <ul style="list-style-type: none"> <li>• The creation of a bespoke 1874 sq. m Preventative Health Care Enterprise Incubation Hub as part of a wider business complex, specialising in preventative health care and well-being.</li> <li>• Business support offered to c 106 entrepreneurs p.a. to create c141 SMEs &amp; 176+ jobs in preventative healthcare &amp; health innovation by end 2021.</li> </ul> <p>Target beneficiaries will be those seeking to establish SMEs &amp; already established SMEs from across the SELEP area and developing social enterprise as well as commercial companies.</p> <p>The strategic project benefits will be</p> <ul style="list-style-type: none"> <li>• Development of clustering of connected specialist health care areas to create supply chains, ‘smart’ specialization &amp; collaborative projects, including social enterprise as well as commercial</li> </ul>

	<p>companies, thereby assisting development of a sector rather than one off small initiatives.</p> <ul style="list-style-type: none"> <li>• Closer links between business &amp; the HE/FE sector through the bringing together of local and national business support.</li> <li>• Contributing to the priority focus East Kent High speed growth corridor to expand East Kent long-term opportunities.</li> <li>• Assisting Dover District face the economic challenges faced by coastal towns and the rural economy.</li> <li>• The development, over time, of a Centre of Excellence for the SELEP region in the preventative health- care field- rapidly becoming one of the leading-edge market areas worldwide. The Hub will incubate SMEs in the preventative health field, expanding a vital industry cluster for the region. It will offer SME development with access to University and HE links in a field not provided for except at the very high-end level in the South East.</li> </ul>	
	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£2,000,000</b>	47.6
<b>Public Match</b>	£1,829,939	43.6
<b>Private Leverage</b>	£370,061	8.8
<b>Total Match</b>	£2,200,000	52.4
<b>Total Project Value</b>	<b>£4,200,000</b>	100.0

<b>Assessment comments - Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub</b>	
<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>good</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>• The EOI provided comprehensive information on the project's strategic fit – this project creates jobs, delivers business space, helps regenerate coastal communities, and supports the priority sector of healthcare.</li> <li>• While option generation and sifting could have provided greater detail on the other options that have been pursued to date, the EOI makes it clear that there are proven viability issues at the site, as the former Homes and Communities Agency spent many years trying to utilise the potential of the Betteshanger Colliery site through commercial routes without success. Now in Hadlow Group's ownership, other options for development of the site focussing on more commercial development have not proved compatible with either national/regional or local planning policies and economic plans. This is only the EOI stage, however, at SOBC stage, Steer would welcome a greater understanding of why Hadlow Group could not contribute above the current value suggested.</li> <li>• Stakeholders appear to be supportive: Applicant has consulted Homes England, Discovery Park, the Health and Europe Centre, SELEP Growth Hub, Kent County Council Public Health Team, Medway Community Health NHS Foundation Trust, the Healthy Weight Team Manager from Kent Community Health NHS Foundation Trust. Applicant has also consulted each of the Growth Hubs in Essex, Kent and East Sussex. They confirm that the proposed project adds value to and doesn't duplicate their existing arrangements. They are keen to collaborate with the BSP Enterprise Incubation Hub.</li> <li>• LGF may be able to be spent by 2021 – Planning permission is confirmed. Site infrastructure is completed and roundabout access already there. However, milestone show still need to complete RIBA stage 3-6, so there is a question on deliverability in timeframe. This is more complex than some other EOI schemes.</li> <li>• The project's BCR is still to be calculated. However, using HCA employment densities, if the full site were used as co-working space in a small business hub, then the model suggests a maximum job number of 184 is achievable,. The cost per job is therefore likely to be in the range of £20k to £30k per job – in line with Steers' vfm threshold.</li> <li>• 100% of match funding secured already.</li> <li>• A more in-depth risk management analysis with mitigation plans will be required if a SOBC is submitted.</li> </ul>

<b>Name</b>	<b>Flood Control Across the South East (FloCASE)</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	350 different locations across SELEP (businesses apply pan-LEP)
<b>Scheme Summary</b>	<p>FloCASE will deliver an innovative programme to support businesses across the South East LEP to manage and reduce their vulnerability from floods.</p> <p>Flooding poses significant and increasing risk to economic prosperity in the South East with over 6000 businesses, employing ~140,000 people, at high risk of flooding. FloCASE will provide South East businesses technical and financial assistance to facilitate over £1.3 million of private investment in Property Level Resilience (PLR, also known as PLP/PFR) flood defence schemes. PLR is a proven and cost-effective way to manage and reduce flood risk by fitting resilience measures such as barriers (doors/gates), de-watering pumps and water-resistant materials to properties. Project activity includes:</p> <ul style="list-style-type: none"> <li>• Identification and surveying of at-risk properties appropriate for PLR schemes</li> <li>• Targeted promotion and business recruitment</li> <li>• Installation and evaluation of PLR schemes</li> <li>• Administration of project and payment of financial assistance</li> </ul> <p>There is clear market demand and need for this type of assistance. Businesses, who are not eligible for national flood risk management grants for PLR, do not have the necessary capital to invest in effective flood resilience, leading to few acting to decrease their flood risk.</p> <p>To enable this needed investment, FloCASE will provide a proposed financial assistance package of 50% of total PLR scheme costs (up to a £5000) per business on 350 business premises. The result of FloCASE will be over £4.8 million in gross value losses from flooding avoided as businesses improve their physical and financial resilience to flooding and climate change. This will lead to increased economic viability, investment, job creation and growth across Kent, Medway, East Sussex, Essex, Southend and Thurrock.</p> <p>In partnership with pan-SELEP local authorities, FloCASE will utilise proven delivery mechanisms established by other business support projects and domestic PLR grant programmes. This will help ensure effective project management, administration, claim/reporting and expenditure by March 2021.</p>
<b>Outputs &amp; Outcomes</b>	<p>The measurable output for FloCASE is the number of business premises having a reduced risk of flooding. The project proposes an output target of <b>350</b> business premises across Kent, Medway, East Sussex, Essex, Southend and Thurrock.</p> <p>In addition, this project is expected increase private sector access to technical expertise and establish an innovative mechanism for businesses to invest in flood defence measures. This will result in a number of case studies to be published nationally as exemplars of private-public partnerships to deliver flood resilience.</p> <p>FloCASE is expected to help businesses across the SELEP:</p> <ul style="list-style-type: none"> <li>• Avoid an estimated £4.8 million in gross value losses</li> <li>• Secure 8,050 jobs</li> <li>• Invest over £1.3 million into flood resilience</li> </ul> <p>As with many risks, prevention is less costly than repair. Loss due to damages alone costs each flooded business in the SELEP area an average £7,600 per flood, with some experiencing flooding every 3 to 5 years. PLR can offer benefit to cost ratios of between 6.5 and 13 for a property which is at high risk from flooding. In addition, PLR investment is focused on the properties receiving the scheme, thus directly benefiting the business financially.</p> <p>By supporting businesses to invest in flood defence measures (PLR), FloCASE will lead to the promotion of growth, increased investor confidence, safeguarding of jobs and improved quality of life across Kent, Medway, East Sussex, Essex, Southend and Thurrock. This will lead to increased economic viability in some of the South East's most at-risk areas over the next 25 years (the average lifespan of a PLR scheme).</p>



	Value	Percentage
LGF Ask	£2,327,500*	59.8
Public Match	£250,000	6.4
Private Lev.	£1,312,500	33.7
Total Match	£1,562,500	40.2
Total Value	£3,890,000	100.0
*There is flexibility in this amount depending on LGF available. Flexibility would come from increasing or reducing levels of financial assistance, rates of private investment and/or number of target businesses.		

Assessment comments - Flood Control Across the South East (FloCASE)	
High-level feedback & commentary	<p>Overall, Steer assessed this as a <b>good</b> expression of interest.</p> <ul style="list-style-type: none"> <li>The EOI provided comprehensive information on the project's strategic fit – this project supports growth and safeguard jobs across the SELEP by <i>investing in coastal and rural economies, encouraging growth and addressing challenges associated with them</i>, such as flooding. Upgrading flood defence infrastructure (such as PLR) is one of the ten pillars of the UK Government's Industrial Strategy and will <i>provide infrastructure to boost jobs and businesses</i> aligning to SELEP priorities. The conclusion of this assessment was that the ratio of financial assistance (up-to £5000 with 50% private investment per business) for a target of 350 businesses provided the greatest efficiency, impact and value for money for the project. This ratio was deemed most realistic to ensure delivery of measures, full expenditure and project completion by 31<sup>st</sup> March 2021.</li> <li>Option generation and sifting had been undertaken. In the development of the EOI, different levels of financial assistance, rates of private investment and number of target businesses were assessed</li> <li>Stakeholders appear to be supportive: Kent, Medway, East Sussex, Essex, Southend-on-Sea and Thurrock Councils have shown interest in FloCASE as the market failure to support businesses to invest in flood resilience infrastructure affects the whole of the South East. The Environment Agency has been engaged and will play an important role in providing expertise and support but is unlikely be a delivery partner as private-sector engagement in PLR is likely to be outside their remit. In addition, initial discussions have been held with Districts, local Chambers of Commerce and Members of Parliament resulting in interest in and support for the project.</li> <li>The LGF should be spent in advance of March 2021 – so long as there is interest shown by businesses in applying for the grant. It is felt that this is a low risk.</li> <li>The project's BCR has still to be calculated, and the economic case will need to be clarified in a SOBC is submitted.</li> <li>The overwhelming majority of the costs detailed in the EOI require capital funding. However, there are a few smaller costs that appear to require revenue funding. The applicant has been notified that if a SOBC were submitted, the applicant would have to remove the revenue costs.</li> <li>Match-funding comes through two sources: public and private. The contribution through public funding is 100% secured. The second source of funding contribution is from the private sector. This will be provided by the businesses accessing the financial assistance. This project will rely on businesses providing private contributions to the financial assistance awarded to PLR schemes at an expected 50% contribution rate. This will not be secured at the commencement of the project as it will be collected during the lifetime of the project through established awarding and payment mechanisms. This has been successfully achieved by other SELEP business support programmes with financial assistance, such as LowCarbonPlus, LoCASE, and SEBB.</li> <li>The project has a very comprehensive risk management with clear mitigation plans in place.</li> </ul>

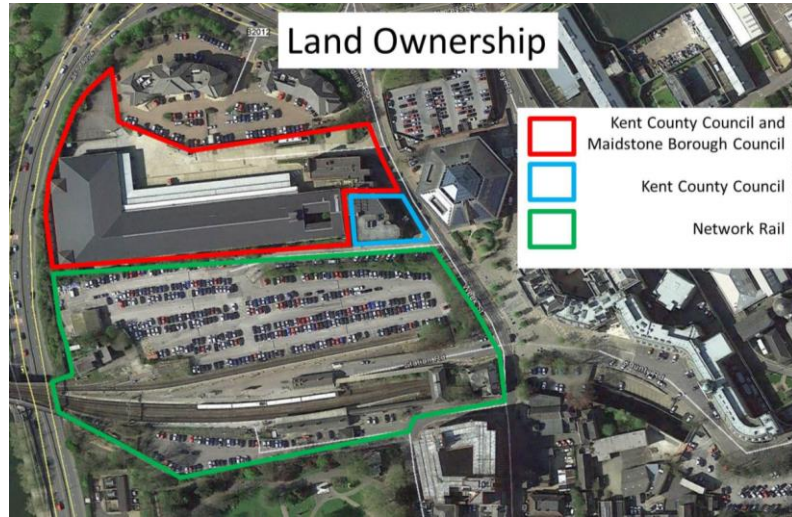
<b>Name</b>	<b>Maidstone East - Expansion of Station Redevelopment</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	Maidstone East, Sandling Road, Maidstone, Kent, ME14 1QN (On both London- and Coast-bound sides)
<b>Scheme Summary</b>	<p>To maximise the benefits of the current Maidstone East scheme (Funded through the West Kent LSTF Programme), this expansion would deliver measures not currently included in the scheme as identified below:</p> <ul style="list-style-type: none"> <li>• a canopy and improved lighting on the access road to the coast bound platform to promote walking as well as use of the taxis - Figure 1.</li> <li>• EV charging infrastructure to be installed to serve the taxi ranks – Figure 1.</li> <li>• improved walking route to the London bound platform incorporating a minimum of 7 drop off bays, 5 DDA parking spaces with level access (current spaces are located on uneven ground which poses issues for those with reduced mobility) - Figure 2.</li> <li>• removal of the mobile buildings (this will unlock significant potential for housing development to the west of the station) and improved walking route to the footpath connecting the station to Maidstone Barracks and western Maidstone to further encourage walking and cycling to the station – Figure 2.</li> <li>• a cycle hub on the London bound platform with secure cycle parking with fob access for at least 20 cycles.</li> </ul> <div style="display: flex; justify-content: space-around;"> <div data-bbox="279 772 805 1713"> </div> <div data-bbox="845 772 1532 1713"> </div> </div> <p><i>Fig. 1 - Coast-bound platform access improvements</i>                      <i>Fig. 2 - London bound platform access improvements</i></p>
<b>Outputs &amp; Outcomes</b>	<p>The outputs are listed in the description above.</p> <p>The outcomes include:</p> <ul style="list-style-type: none"> <li>• Increased access to jobs, education and health by public transport, therefore reducing road congestion</li> <li>• Improved air quality around Maidstone East Station</li> <li>• Stimulate the EV (electric vehicle) market in Maidstone, and provide an opportunity for the roll out of ULEVs for taxis.</li> <li>• Increase in rail passengers walking or cycling to Maidstone East Station, therefore leading to</li> </ul>

	improved health for those passengers	
	<ul style="list-style-type: none"> <li>Housing growth unlocked to the west of the station – at present the proposal is for a 4 storey, 5 storey and 6 storey housing development.</li> </ul>	
	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£641,000</b>	58.9
<b>Public Match</b>	£80,000	7.3
<b>Private Lev.</b>	£368,000	33.8
<b>Total Match</b>	£448,000	41.1
<b>Total Project Value</b>	<b>£1,089,000</b>	100.0

<b>Assessment comments - Maidstone East - Expansion of Station Redevelopment</b>	
<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>good</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>The EOI provided comprehensive information on the project's strategic fit – Objectives are clearly aligned with national and local policies. The scheme is aligned to national policies which aim to reduce congestion, deliver better environmental outcomes, improve conditions for vulnerable groups (cyclists, pedestrians, other), and support modal shift from private car towards public transportation and active travel. The schemes also respond to the Cycling and Walking Investment Strategy set out by Government and the vision of 'Cutting Carbon, Creating Growth. At a regional scale, the scheme aligns with the South East LEP: Growth Deal and Strategic Economic Plan 2014 and at a local level it is aligned with the Local Transport Plan 4, focusing on minimising congestion, providing affordable and door to door journeys, increasing travel safety, enhancing the environment and improving health and wellbeing.</li> <li>Option generation and sifting had been undertaken, including considering the 'do nothing' (which does not help to tackle the Air Quality or stimulate rail growth and unlock housing and jobs) and the 'do maximum' (which was deemed to expensive for the respective benefits). The current stage of the project – Network Rail – Grip Stage 1-3 provides confidence that the current design option is the most cost-effective way to achieve the desired outcomes for the project.</li> <li>On value for money, Steers said for the brand-new transport projects that have been proposed, this would be the new transport project that would probably have the strongest economic case and deliverability case (excluding the M2 Junction 5 EOI).</li> <li>On match funding, Network Rail have provided £300k from NSIP to allow the scheme to be expanded. This is secure and confirmed. Southeastern has bid for funding to install a cycle hub on the London Bound platform which would further enhance the scheme and significantly improve the offer for cyclists at the station. This is a bid only and so will not be confirmed until October 2018.</li> <li>The project's risk assessment appears to be proportionate for the scale of the project, and has appropriate mitigation actions outlined were any risks to materialise. The project does involve Network Rail and UKPN but it is still felt that the LGF ask should be spent in advance of the March 2021 deadline.</li> </ul>

<b>Name</b>	<b>Maidstone East Urban Civic Quarter</b>
<b>Promoter</b>	Maidstone Borough Council & Kent County Council
<b>Location</b>	Land adjacent to Maidstone East, Sandling Road, Maidstone, Kent, ME14 1QN (Ashford-bound side)

**Scheme Summary**  
Maidstone East is located to the north of Maidstone Town Centre and comprises of three sites in public ownership.



The scheme is approximately 4.2 hectares and includes the former Royal Mail Sorting Office and warehouses, Cantium House and Network Rail’s adjacent commuter car park. The combined sites presents a major opportunity to create a comprehensive, high-quality, mixed use development that offers a strong sense of arrival to the County Town and makes a major contribution to the wider regeneration of the town centre. Support for this development is set out in the recently adopted Local Plan Policy RMX1(2), which envisages a mix of retail, residential and office uses on the site.

Savills have been appointed to masterplan the site, produce different development scenarios and test market interest alongside viability appraisals. A preferred scheme has now been agreed (shown below).



Their findings demonstrate that the key to unlocking the preferred scheme is to convert the surface level commuter car park into a multi-storey car park (MSCP) freeing up the surrounding land for development. This, together with some ground and demolition works, will de-risk the development and make it attractive for private sector investment.

	However the income from the MSCP cannot be used to offset its construction costs as this revenue must be returned to Network Rail. As a result there is a viability gap in the development appraisals for which LGF funds are requested. It should be noted that LGF has been used to fund this type of enabling work elsewhere in the Country e.g. Plymouth.		
<b>Outputs &amp; Outcomes</b>	The project will fund the construction of a multi-storey car park (MSCP) freeing up the surrounding land for development. Subject to attracting subsequent private investment, the outputs for the entire site will be:		
	Output		
	Residential units	Mix of 1, 2 and 3 bed apartments	413
	Office space	Office complex for One Public Estate partners	6,313 sq.m.
	Retail Space	Convenience store together with food and beverage	998 sq.m.
	Jobs *	Office jobs at 1 job per 12 sq.m. and retail jobs at 1 job per 18 sq.m.	581
	Construction Jobs*	At 16 jobs per £1m (£118m)	1,888
	MSCP	Green wall on the south side of the MSCP will visually soften this aspect from the Railway	600 spaces
	Other associated car parking to support offices and residential units	This will be delivered in two MSCP, and under croft car park as well as some surface level parking.	Circa 655 car parking spaces
	Significant improvement to street scene, public realm and biodiversity	The design for area transform the largely barren, disjointed urban environment, with green spaces	
	<i>Value</i>	<i>Percentage</i>	
<b>LGF Ask</b>	<b>£8,000,000</b>		11.7
<b>Public Match</b>	£44,197,155		64.7
<b>Private Lev.</b>	£16,150,000		23.6
<b>Total Match</b>	£60,347,155		88.3
<b>Total Proj. Value</b>	<b>£68,347,155</b>		100.0

#### Assessment comments - Maidstone East Urban Civic Quarter

<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>good</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>The EOI provided comprehensive information on the project's strategic fit – this project and subsequent investment will create jobs, deliver business space, help accelerate housing delivery and provide transport infrastructure.</li> <li>A very comprehensive option generation and sifting had been undertaken.</li> <li>Close project management will be required to ensure that the LGF is spent prior to March 2021. The project does involve working with Network Rail. A letter of support, showing that Network Rail is engaged in discussing potential delivery routes was included with the EOI. The letter reads:</li> </ul> <p>“Network Rail (NR), and through its joint venture vehicle, Solum Regeneration (Solum), has been working with the Kent County Council (KCC)/Maidstone Borough Council (MBC) Partnership on the viability and potential delivery routes to achieve regeneration of the property each owns in the vicinity of Maidstone East station.</p> <p>The mix of uses currently under consideration includes a new station multi-storey car park (MSCP), commercial, retail, hotel, care home, residential and associated. Two routes to deliver this scheme are currently being discussed. One would involve Solum as a joint venture partner with KCC/MBC to enable a</p>
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wholesale re-development of the combined land ownerships. The second would involve transfer of NR land to KCC/MBC in exchange for delivery of a new MSCP for the station. Before NR can commit to either of these scenarios a viable and deliverable scheme needs to be agreed between the parties on a 'subject to planning' basis.

High level figures shared between the parties currently suggest that there is a shortfall of at least £8m in the viability for a mixed-use development scheme. NR therefore strongly supports the Local Growth Fund bid by KCC I MBC and looks forward to working with all stakeholders to deliver the next stage of this transformation project for the County Town of Kent.”

- The project’s BCR has still to be calculated, but the significant outputs delivered for full scheme suggest that the BCR will be above the 2:1 threshold.
- On match-funding, please see the funding breakdown shown below:

<b>Funding breakdown</b>						
<i>The funding profile should include all project costs including risk contingency and consideration for project inflation costs.</i>						
Source	Prior to 2018/19	2018/19	2019/20	2020/21	2021/22 onwards	Total
LGF 3B			£2,000,000	£6,000,000		£8,000,000
<i>Other sources of funding (please list below)</i>						
MBC	£2,800,000	£2,100,000				£4,900,000
KCC	£2,800,000	£100,000				£2,900,000
Private Sector					£16,150,000	£16,150,000
KCC/MBC partnership					£36,397,155	£36,397,155
<b>Total</b>	<b>£5,600,000*</b>	<b>£2,200,000</b>	<b>£2,000,000</b>	<b>£6,000,000</b>	<b>£52,547,155</b>	<b>£68,347,155</b>

\*£5.6m is the site acquisition costs.

- This EOI is one of the strongest in terms of providing additional documentation to show that feasibility studies have been completed, and the costs of the projects have been assessed. The risk assessment recognises the need to deliver by 2021, and includes suggested mitigation actions where any risks to materialise. In terms of timelines, the applicant does list key stages such as contractor procurement (etc) in contrast to several of the other EOIs submitted.
- A letter of support from Helen Grant, the local MP, is included with the bid. It relates to the HIF bid made in 2017 that was unsuccessful. Helen Grant MP writes:

<b>Name</b>	<b>MKC Training services - Scaffolding Training Centre</b>
<b>Promoter</b>	MKC Training Services Ltd (A subsidiary of Mid-Kent College)
<b>Location</b>	Chatham, Medway
<b>Scheme Summary</b>	<p>MKC Training Services Limited (MKCTS), a subsidiary of MidKent College, is seeking LGF investment to expand the provision of scaffolding apprenticeships in the SELEP region.</p> <p>The investment would support the capital costs required to set up a new scaffolding training centre in Chatham, Medway, Kent. The main areas of investment relate to building modifications to facilitate training, training equipment, IT and utility infrastructure, internal training structures, classrooms, trainee welfare areas and car parking facilities.</p> <p><u>Project summary</u></p> <p>The most recent analyses of Construction sector skills gaps and areas of employment growth, from the Construction Industry Training board (CITB), highlight a need for increased numbers of Scaffolders in both the South East and Greater London.</p> <p>Current scaffolding training centres in the SELEP region are at full capacity and so additional capacity is required. This position is likely to be exacerbated by the closure of the CITB training centre in Erith (expected in 2019) in line with the Government announcement that CITB will withdraw from training by 2020.</p> <p>MKCTS aim to transfer their expertise, gained in delivering scaffolding training to the Royal Engineers in Chatham on behalf of the MOD, to a new training centre in the Chatham Docks area.</p> <p>A suitable building has been identified which complies with the stringent rules set out by the Construction Industry Scaffolders Record Scheme (CISRS). Building modifications are planned to commence in January 2019 and complete in March 2019. Internal fitting out will complete by the end of March 2019. Training would start in mid-April 2019 and gradually scale up to offer a full range of CISRS approved training by 2020.</p>
<b>Outputs &amp; Outcomes</b>	<p>The main outputs which will be achieved through LGF investment are:</p> <ul style="list-style-type: none"> <li>• By 2020 MKCTS will expect to output 250 scaffolding apprentices per annum</li> <li>• Up to 1,900 students will also be supported on related shorter construction courses</li> <li>• MKCTS currently achieves 96% success rates in construction training and with our current, and future links, to local construction employers MKCTS will support the vast majority of these apprentices to find local employment</li> <li>• MKCTS plan to at least replicate the output of trainees currently delivered by the existing CITB centre in Erith by the time of its closure expected in 2019</li> </ul> <p>The main expected benefits would be delivery of the Project Objectives which are:</p> <ul style="list-style-type: none"> <li>• Expansion of the provision of apprenticeships in construction</li> <li>• An increase in number of trained scaffolders in the SELEP region and Greater London area so helping to address the construction industry skills shortage in this trade</li> <li>• Excellent working partnerships with MidKent College, Medway Council and others to promote scaffolding as a career to young people</li> <li>• Improvements in productivity in the construction industry by raising skills levels and providing upskilling opportunities for existing scaffolders</li> <li>• Protection for the region from the risk arising from the closure of the existing CITB centre</li> <li>• Promotion of safe working practices within the scaffolding industry in conjunction with the National Access and Scaffolding Confederation (NASC) and CISRS</li> <li>• Local employment opportunities for teaching and support staff</li> <li>• Closer links with existing employer partners such as Redrow Homes, and new partners, to provide pathways for apprentices into work</li> <li>• Increased re-settlement opportunities for Service personnel into construction</li> <li>• Provision of a suitable facility for End Point Assessment Organisations (EPAO's) to deliver EPA's</li> </ul> <p>Additionally we would be using a "Brownfield" underutilised site to deliver the training.</p> <p>The training centre will be self-funding after the initial investment phase and so the benefits will be produced on an ongoing basis.</p>

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£375,000</b>	40.0
<b>Public Match</b>	£0	0.0
<b>Private Lev.</b>	£562,600	60.0
<b>Total Match</b>	£562,600	60.0
<b>Total Project Value</b>	<b>£937,600</b>	100.0

#### Assessment comments - MKC Training Services - Scaffolding Training Centre

<b>High-level feedback &amp; commentary</b>	<p>Overall, Steer assessed this as a <b>good</b> expression of interest. It passed all stage 1 criteria.</p> <ul style="list-style-type: none"> <li>• The EOI provided comprehensive information on the project's strategic fit – it is clear that there is a need for additional scaffolding apprentices in this area given the forthcoming closure of the CITB facility in Erith, that other providers have reached capacity, and given that construction is the largest sector for employment in the South East LEP.</li> <li>• Option generation and sifting had been undertaken, including considering 'do nothing' (which leaves the skills gap), considering other commercial buildings (but only one suitable building has been identified to date, which meets CISRS criteria, and does not have a prohibitive rental level), and also extending MKCTS' current site at the Royal School of Military Engineering, subject to agreement from the MOD (but the cost, security and planning considerations again make this unworkable). Traditionally FE colleges have not delivered scaffold training and MKCTS are not aware of any local college with the staff capacity, building space or subject matter expertise to provide the training required.</li> <li>• CITB is supportive of skills provision being made available - MKCTS has engaged with CITB to confirm the current level of capacity for scaffolding training and the skills shortage reported by them in this trade. The main finding of this engagement was that there is insufficient capacity to meet current demand from the sector for this type of training and that the skills shortage is likely to remain unless action is taken.</li> <li>• To establish the viability of the project and to confirm compliance with industry norms we have also engaged with other stakeholders including CISRS, Redrow Homes, SELEP (Louise Aitkin – Skills lead), MidKent College, MOD and the Career transition Partnership. Each of these engagements confirmed the need for additional scaffolding training to meet demand in the Kent and Medway region.</li> <li>• The project appears to be deliverable in advance of March 2021 – with the full training offer due to be delivered from September 2020.</li> <li>• The project's BCR has still to be calculated, but the project requires a relatively low level of LGF investment to produce a significant number of new apprentices.</li> <li>• On match funding, 60% of the planned capital expenditure will be provided by the company which equates to £562,500; this is secured. Total capital expenditure for the project currently stands at £937,500 and does not include any revenue costs. The investment will be made in Year 1 as start-up costs.</li> <li>• The project appears to be low risk, however board members should be made aware that the applicant is seeking LGF to fund building modification and internal fit-out of a building that will be leased by MKCTS, rather than in their freehold ownership. It is recommended that if this project is selected to progress to stage 2, the applicant is made aware that the terms of the lease would need to ensure to the greatest extent possible that the facility must retain in use as a scaffolding training centre for an appropriate length of time. SELEP may wish to add a condition to any LGF investment, that the sum must be repaid if the training centre does not continue to operate in the leased premises (for an appropriate length of time).</li> </ul>
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<b>Name</b>	<b>State-of-the-art plant growing facility for modern horticulture at NIAB EMR</b>
<b>Promoter</b>	NIAB EMR
<b>Location</b>	East Malling Site (NIAB EMR)
<b>Scheme Summary</b>	<p>NIAB EMR proposes to develop a modern <b>plant growing system</b> at the East Malling site with state-of-the-art greenhouse designs in which they will host and deploy imaging, robotics, precision irrigation rigs, research LED lighting and CO2 systems with the purpose of advancing horticulture agronomy in the region.</p> <p>They also propose to establish <b>infrastructure to improve the provision of sustainable energy</b> with enough capacity to support the demands of the new growth facility and the future development of the site. This facility will provide a high-density growing system for soft fruit and ornamental crops that will allow a range of innovative research projects to be delivered in a commercially relevant setting.</p> <p>This facility will be fully integrated into the strategic masterplan for the development of the East Malling site which sets out a strategy to create a new innovation campus; a focal point for research and business in the heart of the leading horticultural growing region of the UK. This strategy includes an early development phase for crops growth facilities (including polytunnels and glass houses), which is an immediate requirement to meet the standards demanded by a very competitive sector and provide capacity for a growing volume of research and commercial projects.</p> <p>The need for the acceleration of the investment on the East Malling Site is a priority that will allow NIAB EMR and its partners to remain at the cutting edge and continuing to access UK Research &amp; Innovation funds as well as the support from industry. Since the creation of NIAB EMR, the NIAB group has made substantial investment to purchase scientific equipment (ca. £700K) as well as investment in the promotion of current staff and the creation of new senior roles (ca. £150K pa).</p> <p>The access to the most advanced research facilities is essential to attract and retain high-calibre staff and ensure <b>Kent and Medway</b> remains a <b>global leader and a point of reference</b> for horticulture innovation.</p> <p>The strategic aim of the project is to develop a <b>modern plant growing facility</b> that will enable NIAB EMR and its partners to build upon its existing strengths in horticulture research and innovation to deliver significant business growth with particular emphasis in the commercialisation of innovation with industrial partners, the generation of new products and services and value-add for the fresh produce supply chain. The outcomes will contribute to the improvement of the scale and resilience of the regional and national economy including the creation of opportunities for import substitution and to place the region at the centre of a globally significant biotechnology cluster.</p> <p>The specific objectives to deliver this aim are:</p> <ul style="list-style-type: none"> <li>• to expand and enhance NIAB EMR’s capabilities to support innovation that will drive local and national businesses in the horticulture sector and fresh produce supply chain;</li> <li>• to develop a platform for the evaluation, configuration and deployment of new data-driven technologies for high-throughput analysis of crop performance data; to support the direct creation of <b>high-skill jobs</b> directly to manage the new facility; and</li> <li>• to enable the development of <b>new research projects</b> and ensure that NIAB EMR and its local partners remain at the cutting edge.</li> </ul> <p>These objectives will directly contribute to the SELEP’s aims to create new businesses and attract skilled professionals to the region.</p>
<b>Outputs &amp; Outcomes</b>	<ul style="list-style-type: none"> <li>• <b>Plant growing facility for research and commercial usage.</b> The main output of this project is the construction of two glasshouses and an efficient and sustainable energy centre. The energy centre will be suitable for future plans of expansion of the plant growth facilities and to also support other initiatives at the site (see letter of support from Driscoll’s in the assessment commentary). The construction will also prepare the land and build the foundation for a glasshouse footprint of ca. <b>2500 m2</b> that will facilitate the expansion of the plant growth space in a modular fashion (as other investments are made available).</li> <li>• <b>Greater access to research and innovation investment for the region.</b> A current limitation for the opportunities for the site is access to modern plant growing facilities. A successful implementation of this project will be a catalyst to attract further investments, which will contribute to cement the leadership of the region in food innovation.</li> </ul>

- **Direct job creation.** The successful implementation of this project will also promote the creation of at least 3 new roles at NIAB EMR to manage the new equipment and deliver innovative research.
- **Indirect job creation and skills retention.** The access to state-of-the-art plant growth facilities will support the submission of project bids to public bodies such as UK Research & Innovation, BBSRC and Innovate UK, and will also increase NIAB EMR’s capacity to engage with commercial partners. Typically for each funded project one new research role and new technical role is created. NIAB EMR has a strong track record on securing competitive funding and the promise for progression in this area is another tangible outcome of this project. In addition we will be in a strong position to retaining talent in the region.
- **Energy infrastructure.** The delivery of this project will also require the deployment of the underlying energy infrastructure to connect to the mains and other supplier’s facilities. This aspect of the development will be fully embedded in the development of the site.
- **New genetics/genomics services.** The access to modern glasshouse designs will provide the infrastructure to deploy cutting-edge plant phenotyping equipment. This resource will primarily support the development of novel research but will also be available to industry and other research organisations to implement novel services for the community (see letter of support from Driscoll’s in assessment commentary below).

Funding this scheme will also help secure the ongoing sustainability of the **only independent horticulture research organisation** in the Kent and Medway region.

	Figures <b>without</b> Driscoll’s £5m investment		Figures <b>with</b> Driscoll’s £5m investment	
	Value	Percentage	Value	Percentage
<b>LGF Ask</b>	<b>£1,840,000</b>	45.2	<b>£1,840,000</b>	20.3
<b>Public Match</b>	£0	0	£0	0.0
<b>Private Lev.</b>	£2,230,000	54.8	£7,230,000	79.7
<b>Total Match</b>	£2,230,000	54.8	£7,230,000	79.7
<b>Total Project Value</b>	<b>£4,070,000</b>	100.0	<b>£9,070,000</b>	100.0

#### Assessment Comments - State-of-the-art plant growing facility for modern horticulture at NIAB EMR

##### High-level feedback & commentary

- Overall, Steer assessed this as a **good** expression of interest. It passed all stage 1 criteria.
- Steers recognised that there is a strong case for the LGF investment to secure the sustainability of the NIAB EMR facility\*. The EOI makes clear that this scheme will help raise productivity in the business community. However, there is a lower level of direct job outputs from this scheme than others, therefore if this case proceeds to EOI, Steers has advised that supportive local stakeholders (such as the Borough Council) may wish to provide bid writing support to ensure that the economic case clearly shows monetarised benefits, and produces a BCR that is greater than 2:1.
  - The EOI has a strong strategic case, in that the scheme raises productivity and supports the rural/agri-tech/horticultural sector – which is a priority sector for SELEP, in addition to creating jobs.
  - \*Board Members should be made aware of the following commentary taken from the Driscoll’s letter of support:

*“I am writing to express the support of Driscoll’s Genetics Limited to the application of Dr Mario Caccamo of NIAB-EMR for a grant from the South East LEP Local Growth Fund. Driscoll’s Genetics Limited part of a multi-national company that sells soft-fruit in various markets throughout the world. Our business depends on proprietary plant varieties, and our site at East Malling is the centre of new variety development for our operations in Europe, the Middle-East and Africa. As such, we are dependent on horticultural facilities, including farm land and glasshouse facilities for the continued success and sustainability of our enterprise.*

*We have relied until now on facilities that have been leased to us by NIAB-EMR, but we have outgrown the*

*current facilities, and as such, the greatest limiting factor for our growth and development is the outdated facilities that we currently use. As a result, we have recently had a planning application approved for a bespoke £5M glasshouse facility on the NIAB-EMR land.*

*Whilst the planning application has been approved, there are a number of internal hurdles within Driscoll's that our delaying our development plans, most notably the cost of the infrastructure required for a glasshouse development, and concerns over the stability of the NIAB-EMR site as a hub for horticultural research in the future\*. The proposed £1.8M plan of NIAB-EMR to develop an energy centre and glasshouses using a South East LEP Local Growth Fund is extremely timely from our perspective, since it signals growth and expansion of horticultural research on the East Mailing site in the mid- to long-term, and because the proposed energy centre could be a resource that we as Driscoll's could use for our own glasshouse development, significantly reducing the project's capital and running costs.*

*Coupled to this, a state-of-the-art NIAB-EMR research facility, located a short-distance away from our main European R&D site would be attractive to us as it would permit us to undertake joint projects and research collaborations with NIAB-EMR, allowing us to leverage their skills and resources for the benefit of our variety development programs.*

*Public investment in the NIAB-EMR site would significantly strengthen the case for continued and significant investment by Driscoll 's in the NIAB-EMR site, and as such, I wholeheartedly support the application by Dr Caccamo and his team to the South East LEP Local Growth Fund." Signed by the Principal Scientist R&D, Driscoll's Genetics Limited.*

- The total of the value is presented in two different formats above given that Driscoll's still need to overcome a number of internal hurdles before confirming their funding contribution. The EOI implies that the remaining contribution of £2.23m from NIAB and EMR is secure.
- Stakeholders appear to be very supportive – with this scheme providing letters of support from local businesses.
- The project still requires planning permission, however the milestones in the timeline appear achievable, with the project due to complete in late 2020. Hence, it is expected the LGF will be spent in advance of March 2021.
- The project appears to be low risk relative to other schemes proposed for LGF3b funding, and there is a comprehensive risk assessment that appears to be proportionate for the scale of the project.

## LGF3B - Appendix E – ‘Adequate’ LGF with high outputs

Steers (the independent technical evaluator) was asked to provide a high-level assessment of the LGF3b expressions of interest. They assessed twenty-six projects as ‘adequate’.

Some schemes, deemed adequate, state that they deliver significant outputs, i.e. over 200 jobs or 1,500 homes. These schemes with high outputs (listed in alphabetical order) are:

<u>Project name</u>	<u>Organisation</u>	<u>Amount Requested (LGF)</u>	<u>Jobs delivered*</u>	<u>Houses delivered*</u>	<u>Learners delivered*</u>	<u>Views of Steers on the EOIs</u>
A2/A251	Kent County Council	£2,200,000	TBC	Helps to unlock 1,530 homes	0	Adequate EOI
Calverley Square	Tunbridge Wells BC	£5,000,000	287-362	0	0	Adequate EOI
Columbus Avenue Extension	Kent County Council	£7,880,000	TBC	Potentially supports up to 7,300 new homes	0	Adequate EOI
Innovating, Creative & Enterprising Lab (iceLab)	University of Kent	£5,290,586	Creates 5 & secures 165 direct jobs. Creates 12 & secures 412 indirect jobs	0	0	Adequate EOI
<b>TOTAL</b>		<b>£20,370,586</b>				

*\*Please see each scheme’s description to see details of the time period over which these outputs are achieved, any supplementary outputs (such as commercial floorspace delivered or improved journey times), and any schemes linked to delivery.*

Project information is shown on the following pages.

<b>Name</b>	<b>A2/A251</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	Faversham, Kent
<b>Scheme Summary</b>	<p>Strategic Housing allocations, significant congestion and a number of personal injury crashes at the A2/A251 and nearby A2/The Mall priority junctions in Faversham, have prompted the need to consider junction improvements at this location. Previous investigations have modelled a traffic signalised junction and a roundabout junction but capacity issues still exist at 2020, well before the end of the Local Plan period at 2031. The LGF investment would be used to further investigate the potential options and contribute to the junction improvements required. Consultants are expected to revert to us with designs by October 2018. S106 contributions will be secured where possible; however, these will be dependent on the relevant development sites coming forward with planning applications within the delivery timescales. Where housing development is planned, the contributions may be negotiated via S106. Highways England are increasingly adding pressure for the junction to be improved due to backing up of Junction 6 on the M2 and are unlikely to approve any further development that would affect this junction.</p> <p>The adopted local plan objective of 776 dwellings per annum) is placing significant pressure on the local road network in Swale, with capacity and air quality issues along the A2 in particular identified as a pressure point, which has triggered the need for an immediate review of the Plan. Within the Strategic Housing allocations, those in and around Faversham are coming forward most quickly, with sites at Faversham and at Teynham requiring an improvement at this junction. Section 106 contributions have been secured at some sites, but these are now known to be insufficient to deliver the improvements required to provide sufficient capacity and improve safety.</p> <p>Aside from the additional pressures arising from new Housing Development, the town also has a number of new commercial sites coming forward and is seeking to consolidate its position as the primary service centre for eastern Swale and further widen its development as a local tourism and cultural centre. Addressing the current accessibility issues at this important junction will make a substantial contribution to the local economy and help address an imbalance between housing and employment, with in excess of 48% of the towns working population currently out-commuting, largely to local destinations in Kent.</p> <p>Aside from being the junction being between two key A roads (the A2/A251) it also provides the primary access between the A2 and Junction 6 of the M2. This will face increased pressure due to the allocated housing in the immediate area. There is also the prospect of a significant ramping up of development pressures through the Local Plan review, with a likely increased annual housing target of c.1080pa homes for Swale, with new settlement proposals (of c2,500 homes) being developed adjacent to Faversham by the Duchy of Cornwall, to be considered as part of the review.</p> <p>The performance of the junction is critical to the speed of delivery of housing supply in the area. Highways England have already requested KCC make improvements to the junction as soon as possible. Both Highways England and KCC's Transport and Development Team have indicated that no further development in the area would get their approval until improvements were commenced.</p> <p>The primary Local Plan affected allocated housing sites yet to be built out are as follows;  Frogna Lane – 260 homes plus 26,840sqm employment  Oare Gravel Works – 330 Homes, 873 sqm employment  Perry Court – 310 Homes, 18,525 sqm employment  Preston Fields – 250 Homes  Ospringe Brickworks –250 Homes  Station Road Teynham – 130 Homes</p> <p>Total Homes = 1,530  Total Employment = 46,238 sqm</p>
<b>Outputs &amp; Outcomes</b>	Through relieving congestion, reducing delays and improving journey time, the scheme will increase attractiveness of the town; enabling growth and development which will contribute to achievement of Swales Local Plan and KCC's Growth without Gridlock plan. Please see above for

the specific sites and volume of development supported.

The outcomes are:

1. Maintaining a 5 year supply of housing development and local employment. Specifically, 1,530 new homes and 46,000 sqm Employment space.
2. Economic benefits in terms of improved retail performance through better access;
3. Journey quality benefits stemming from the improved quality;
4. Road safety benefits;
5. Journey time and journey time reliability benefits stemming from the improved traffic flow achieved through the scheme.

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£2,200,000</b>	88.0
<b>Public Match</b>	£0	0.0
<b>Private Leverage</b>	£300,000	12.0
<b>Total Match</b>	£300,000	12.0
<b>Total Project Value</b>	<b>£2,500,000</b>	100.0

<b>Name</b>	<b>Calverley Square</b>											
<b>Promoter</b>	Tunbridge Wells Borough Council											
<b>Location</b>	Calverley Grounds, Tunbridge Wells											
<b>Scheme Summary</b>	<p>This expression of interest requests £5 million from the Local Growth Fund to part-fund the ‘<b>Calverley Square</b>’ development in the heart of Royal Tunbridge Wells. This will strengthen the town’s cultural offer, increase town centre employment and increase its contribution to the economy of West Kent and the Kent and Sussex Weald.</p> <p>Specifically, the Calverley Square development involves the redevelopment of land to the rear of the Great Hall on Mount Pleasant, in the vicinity of the railway station. It will deliver, as part of an integrated development:</p> <ul style="list-style-type: none"> <li>• <b>a new 1,200 seat regional theatre</b> (7,374 sq m GEA) – replacing the outdated Assembly Hall theatre, enabling Tunbridge Wells to offer a wider range of shows, and driving increased leisure spend within the town</li> <li>• <b>new Grade A office accommodation</b> (5,939 sq m GEA, including new civic offices and commercial space) – supporting increased employment and driving town centre footfall.</li> <li>• <b>underground car parking</b> (261 spaces – 9,991 sq m GEA)</li> <li>• <b>a new gateway to Calverley Grounds</b> and associated public realm improvements – integrating the new theatre with high quality public open space.</li> </ul> <p>The development of Calverley Square will mean that other sites in the town centre (specifically the Assembly Hall theatre site and the existing listed Town Hall) can be released for alternative use. This is likely to be mixed use with potential to accommodate commercial uses including flexible/start-up business space if there is sufficient flexibility in the requirement for a capital receipt.</p> <p>Independent analysis indicates that Calverley Square will create up to 362 new jobs (net), deliver an annual contribution of around £25 million in GVA, and increase expenditure in the town centre by approximately £3 million per year. It will also lead to wider benefits, through the diversification of the town centre offer and the development of the creative economy. With traditional town centres challenged by on-line spend, the development will also deliver many of the objectives set out in the Grimsey and Portas reviews, by balancing the retail economy with cultural and leisure uses, strengthening Royal Tunbridge Wells’ position as a key retail and cultural centre.</p> <p>The site is owned by Tunbridge Wells Borough Council. Planning permission was granted in May 2018, and the programme for delivery anticipates practical completion in January 2022.</p> <p>The scheme has a total cost of approximately £90 million. Reflecting the nature of the benefits that it will deliver, it will be funded through a combination of capital receipts, community fundraising, commercial income from the new offices and car park and recurrent savings planned (although not yet agreed) by the Borough Council. LGF investment in 2020/21 will ensure that the scheme is delivered to its full specification, de-risking the Council’s investment strategy and potentially enabling alternative uses on the Town Hall site when it comes forward for redevelopment which would provide an opportunity to retain and expand existing new employers and attract new businesses to the town building on its reputation as a creative town.</p>											
<b>Outputs &amp; Outcomes</b>	<p>Two assessments of the economic benefits of the scheme have been carried out: by GVA (January 2018) and Lichfields (April 2018). In addition, a specific assessment of the benefits of the theatre was conducted by Bonnar Keenlyside (2017).</p> <p>The GVA and Lichfields assessments both concluded that the economic benefits of the scheme are substantial, although there are some disparities between the two (overall, GVA’s concludes that the benefits will be greater). For completeness, both sets of estimates are presented below (all benefits are presented as net, and all jobs are expressed as FTE).</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Net benefits</th> </tr> <tr> <th>GVA estimates</th> <th>Lichfield estimates</th> </tr> </thead> <tbody> <tr> <td><b>Theatre</b></td> <td></td> <td></td> </tr> <tr> <td>Jobs (direct)</td> <td>26</td> <td>26</td> </tr> </tbody> </table>		Net benefits		GVA estimates	Lichfield estimates	<b>Theatre</b>			Jobs (direct)	26	26
	Net benefits											
	GVA estimates	Lichfield estimates										
<b>Theatre</b>												
Jobs (direct)	26	26										

Jobs (indirect)	14	9
Earnings (direct)	£0.6m	£0.6m
Earnings (indirect)	£0.3m	£0.2m
Food and beverage direct expenditure	£1.1m	£0.9m
Town centre expenditure	£2.6m	£1.3m
<b>Commercial offices</b>		
Jobs (direct)	215	180
Jobs (indirect)	107	72
Earnings (direct)	£7.8m	£7.4m
Earnings (indirect)	£2.9m	£2.2m
Town centre expenditure	£0.4m	£0.2m
Economic contribution (GVA)	£33.2m	£24.3m
<b>Total</b>		
Jobs (direct)	241	206
Jobs (indirect)	121	81
Earnings (direct)	£8.4m	£8.0m
Earnings (indirect)	£3.2m	£2.4m
Expenditure	£4.1m	£2.4m
Economic contribution (GVA)	£33.2m	£24.3m

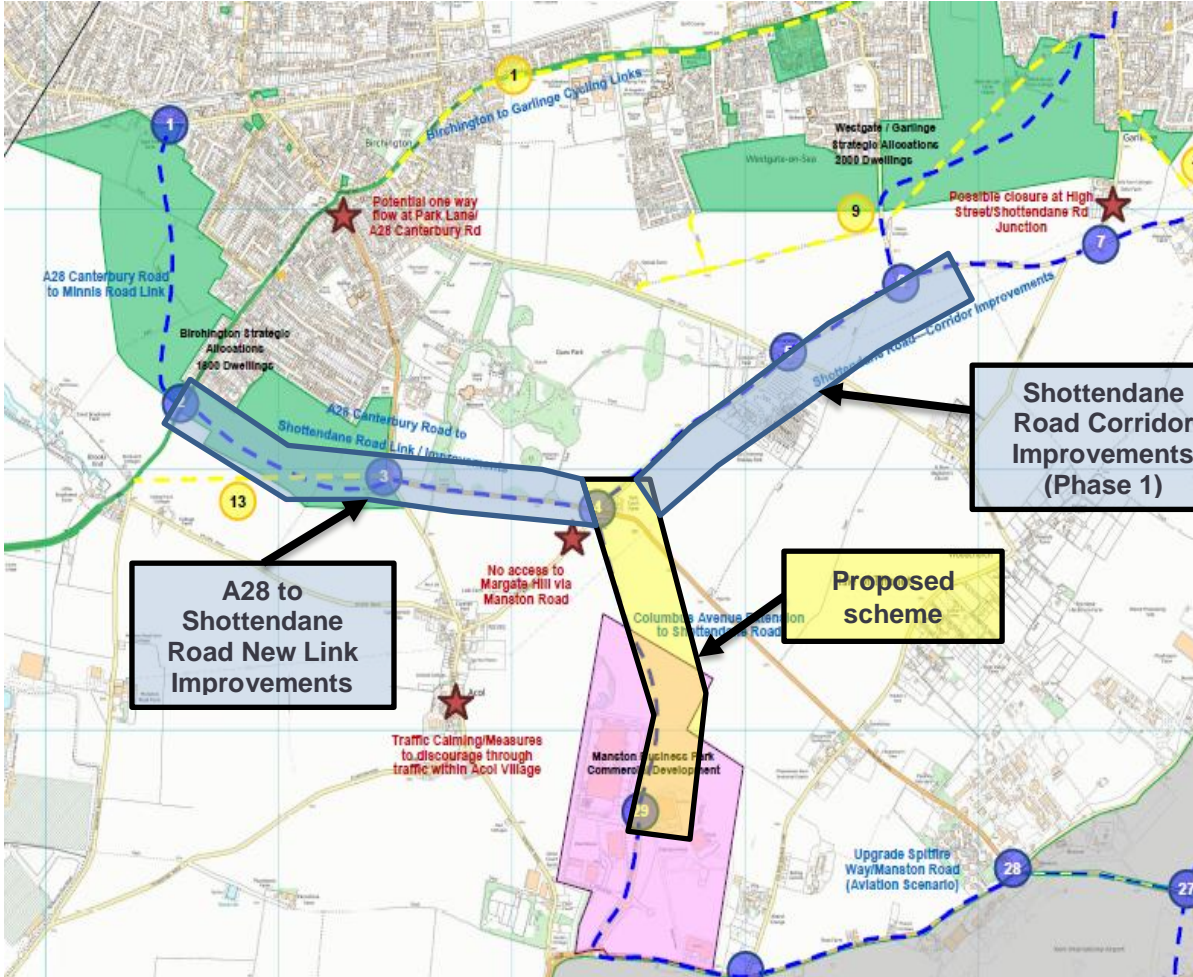
In summary, the development will deliver between 287 and 362 net jobs, and an annual economic contribution of between £24.3 million and £33.2 million.

In addition to the quantified outputs set out above, the project will achieve the following benefits:

- Delivery of improved cultural infrastructure through the provision of the theatre. This will support Tunbridge Wells' development as the cultural centre of the Kent and Sussex Weald, will deliver increased amenity value to residents of the town and its hinterland and will complement additional recent investment.  
The theatre itself will be delivered during the LGF investment period. Consequential benefits on the town's cultural offer will develop over time, as the theatre becomes an established regional presence and as cultural organisations are attracted to the town.  
LGF investment will ensure that the theatre is delivered to its full specification and meets the objectives of the project.
- Growth in the cultural and creative economy: This is a likely consequential benefit resulting from investment in the town's cultural infrastructure. It will in particular be supported by the potential to make available additional creative workspace when the Town Hall is repurposed, which LGF will help to de-risk
- Increased diversity of town centre uses, supporting future vitality and viability, as a result of the new theatre and the footfall associated with it, new employment space and new uses (either through new commercial activity or n new residents living in the town centre) on the repurposed Town Hall/ Assembly Hall site
- Longer term employment, created by additional office development which may be developed (probably beyond the LGF investment period) as a result of the Calverley Square scheme 'proving the market' for new office accommodation. In particular, it is anticipated that there may be further demand in the vicinity of the station, benefiting from access to London and building on the proposed investment
- Regional economic benefits for West Kent and the Weald, by reinforcing Tunbridge Wells' position as a regional centre and driver of economic growth

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£5,000,000</b>	5.6
<b>Public Match</b>	£85,000,000	94.4
<b>Private Leverage</b>	£0	0.0
<b>Total Match</b>	£85,000,000	94.4
<b>Total Project Value</b>	<b>£90,000,000</b>	100.0



<b>Name</b>	<b>Columbus Avenue Extension</b>
<b>Promoter</b>	Kent County Council
<b>Location</b>	Link road between Columbus Avenue and B2050 Manston Road (Ramsgate, CT12 5BF)
<b>Scheme Summary</b>	<p>The proposal would provide a link road between Columbus Avenue and B2050 Manston Road.</p> <p>The creation of this road link is essential for the allocation and delivery of strategic housing sites within the district, whilst providing an important link to Manston Business Park, bypassing the village of Acol, which is subject to extremely constrained road geometry and is not suitable for additional traffic loading.</p> <p>This scheme is a vital part of the emerging Thanet Transport Strategy, which outlines the creation of an “Inner Circuit” of road improvements to support planned housing development of up to 17,140 houses by 2031.</p> <p>This scheme builds upon existing road infrastructure investment within Manston Business Park by providing enhanced access links between new and existing housing and employment allocations. It also delivers improved road access to local leisure and event spaces at Quex Park, which in turn, provides an important contribution towards the local economy in terms of employment and encouraging tourism.</p> <p>The plan below provides a geographical perspective on the scheme and how it relates to proposed housing sites (shown in green), business park (shown in pink) and leisure/events space.</p>
	
<b>Outputs &amp; Outcomes</b>	<p>LGF will deliver a new local distributor road link, with associated pedestrian/cycle facilities, street lighting and drainage features between the existing Columbus Avenue (Acol) and the B2050 Manston Road (Junction with Shottendane Road).</p> <p>The delivery of this scheme will encourage timely commencement of housing delivery within two key strategic</p>

local plan housing sites, Birchington (1,600 dwellings) and Westgate-on-Sea (2000 dwellings). It will also support the delivery of development at the former Manston Airport site, (either through recommencement of aviation-based activity or redevelopment of the site for mixed use 3700 dwellings/employment/leisure).

The scheme will provide improved access (both on road and by foot/cycle) to a key employment zone (Manston Business Park) and leisure event spaces (Quex Park) within the district. This will improve market interest in remaining land parcels within Manston Business Park and mitigate any potential off-site highway mitigation required as part of these phases. Enhanced road access to Quex Park will also increase the scope to hold larger events at this location without impacting on constrained highway network around the site.

This early investment will directly encourage the delivery of key housing allocation sites across the plan period. Early engagement has been sought with land promoters and the delivery of this link remains a key area of concern in relation to the ability of these sites to be progressed quickly and efficiently without overbearing viability constraints. The provision of this infrastructure will encourage collaborative working between the Local Authority and local developers in relation to the delivery of key highway infrastructure (such as the upgrade of Shottendane Road corridor and the A28 to Shottendane Road highway link and improvements).

The financial burden for developers in providing this highway infrastructure could potentially impact on the ability of the strategic sites in the locality to fund other community infrastructure such as schools, healthcare and affordable housing provision.

The scheme will also provide improvements to the resilience of the local road network to deal with seasonal traffic peaks and planned and unplanned reduction in road capacity on the A28. As traffic will be able to be diverted along alternative routes, such as Shottendane Road in an efficient and low impact manner.

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£7,880,000</b>	98.7
<b>Public Match</b>	£100,000	1.3
<b>Private Leverage</b>	£0	0.0
<b>Total Match</b>	£100,000	1.3
<b>Total Project Value</b>	<b>£7,980,000</b>	100.0

<b>Name</b>	<b>Innovating, Creative &amp; Enterprising Lab (iceLab)</b>
<b>Promoter</b>	University of Kent
<b>Location</b>	Canterbury
<b>Scheme Summary</b>	<p>iceLab is an enabling infrastructure capital project creating a unique asset for the region in terms of ambition, design, and execution by creating an important centre to equip businesses and industry with the ability to embrace the technology transformation heading their way – Industry 4.0 (4<sup>th</sup> industrial revolution). iceLab aligns with future technology growth areas, bringing together stakeholders to create a dedicated business led interactive environment in which to use technology to solve industry/sector problems impacting productivity and economic growth.</p> <p>Elements of iceLab:</p> <ol style="list-style-type: none"> <li>1. Living Lab Environment – physical space where state of the art facilities provides businesses with the ability to analyse levels of data that are beyond human comprehension allowing them to personalise experiences, customise products/services and identify growth opportunities with a speed and precision that has never been possible before;</li> <li>2. Ideas Studio – an immersive space where technology is so tightly integrated that the users become seamlessly integrated within the innovative environment. The unique aspect of the space will be the visual information that creates breakthrough projects that solve problems;</li> <li>3. Testbeds – testing out ideas in a space that moves ideas forward by trialling novel uses of enabling technologies;</li> <li>4. Ideas Incubator – a vibrant, innovative-environment, utilising the latest technologies to incubate new ideas and stimulate new business creation.</li> <li>5. Skills of the Future – addressing a need to adapt the skills of the workforce, support the end-user experience and the adoption of new technological solutions, creating a virtual learning environment;</li> <li>6. Mobile labs – facilitating access to disruptive technology and how it can be used to boost productivity; Technology is fundamentally transforming product development and operations across all sectors. The living lab environment will offer unparalleled opportunities for businesses in the region to innovate and scale-up using technology.</li> </ol> <p>Results from iceLab will be embedded, disseminated and impact demonstrated across the region.</p>
<b>Outputs &amp; Outcomes</b>	<p>iceLab will deliver a major contribution to help rebalance and reshape the local economy – it will serve to support current attempts to help close the economic gap between east Kent and much of the South East region. It is envisaged that iceLab will have a considerable impact on the economy. Also due to the unique nature of iceLab further indirect economic and employment impacts are expected to be delivered elsewhere across the region and sub-national economies as a result.</p> <p>The East Kent Growth Framework (2017) cites its overriding priority as being ‘the need to unlock potential economic growth in East Kent by supporting appropriate infrastructure’ that serves East Kent, the county overall and the wider region, particularly in digital technologies.</p> <p>Appropriate infrastructure developments for innovation, as well as supporting access to skills and expertise to improve productivity, are seen as key drivers of economic growth in East Kent in the decades to 2050.</p> <p>The current economic disparities between East Kent and the rest of the South East region are stark, especially in relation to average earnings. While average weekly earnings in East Kent are some 3.6% below that of the region as a whole, in Thanet, average weekly earnings are 26.16% below the (south East) region average. These sorts of disparities – part of the wider economic gap – can only be reversed through investment in projects that support business growth, increases in productivity and using innovation as a driver for increasing the number of high-value jobs.</p> <p>The outcomes of the Project over the period of <b>2021-2025</b> will be:</p> <ul style="list-style-type: none"> <li>• A physical 1,100m<sup>2</sup> innovative environment;</li> <li>• 2,000 SMEs based in Kent accessing the expertise available</li> <li>• A further 1,000 from the South East region accessing the expertise available</li> <li>• Outputs will include a new digital impact measurement tool – developed by the project, that can be</li> </ul>

- used by companies to measure the impact on their own companies of involvement with the project;
- Increased numbers of businesses and public sector taking up and using enabling technologies;
- Increased academic and business engagement in R&D collaborations;
- Development of clusters bringing together ‘like-minded’ people together to stimulate fresh thinking;
- Industry and individuals thinking in different ways to develop new ideas and solve challenges;
- increased creativity in the workplace resulting in competitive advantage, new jobs and GVA;
- Creation of an innovative environment to inspire established and start-up businesses, sustainable links/synergies between enterprises and R&D centres;
- An increase in the long-term supply of digital skills across the region.

The outcomes are:

**2021-2025:**

- 396 SMEs (12% of total of companies accessing iceLab) increase their turnover related to enabling technologies learning input;
- 40 SMEs create 1.2 FTE additional, new jobs relating to enabling technologies;
- Project secures 165 direct jobs;
- Project secures 412 indirect jobs;
- Project creates 5 new direct jobs;
- Project creates 12 new indirect jobs;
- Outputs will include a new digital impact measurement tool – developed by the project, that can be used by companies to measure the impact on their own companies of involvement with the project.

**National** – in addition to Industrial Strategy, this project is fully aligned with recent government announcements and new strategies being developed on the future of data, AI and machine learning.

- New government plans to develop a National Data Strategy to unlock the power of data in the UK;
- Establishment of a new Digital Skills Partnership to build a thriving digital economy, starting in the South West region and extending to other regions after the pilot.
- The new £2.5 billion Patient Capital Fund to open for business to support UK companies with high growth potential to access long-term investment to grow and go global.
- Opening up of the Ordnance Survey’s valuable geospatial data to small businesses for free, to boost competition in the digital economy.
- Creation of the national Centre for Data Ethics and Innovation; to help place the UK at the forefront of global efforts to seize the opportunities of artificial intelligence.
- Aligned to the new National Data Strategy that focuses on the power of data in the UK economy and government and the need to build public confidence in the power of data in parallel.

**Additional business benefit alignment:**

This project will support businesses to redefine, augment, reshape or diversify their operations to make the most of the potential of AI, machine learning and data – acting on the recommendations of government and private sector reports into the impact of AI/machine learning and data.

It is estimated that seven million existing jobs could be displaced by AI from 2017-2037 but that 7.2 million new jobs could be created as a result of the commercial opportunities provided by AI.

The government is encouraging the UK’s business support infrastructure to help businesses to navigate the dangers posed to key sectors by the adoption of AI and associated technologies.

Key sectors judged to be most at risk to a reduction in jobs are: Manufacturing, Transportation and Storage, Financial Services and Insurance, Wholesale and Retail, Construction and Public Administration and Defence.

Whether it’s disruptive innovation that changes the marketplace entirely or incremental innovation that improves one product from another competitors’ offerings, innovation is fuel to business productivity and growth. The latest Technology and Innovation Futures report concludes that ‘The greatest future opportunities lie in enabling existing and emerging technologies to interact with each other’. iceLab

provides an exciting opportunity for the region to create a unique environment that puts businesses at the heart of technology innovation.

	<i>Value</i>	<i>Percentage</i>
<b>LGF Ask</b>	<b>£5,290,586</b>	100.0
<b>Public Match</b>	£0	0.0
<b>Private Leverage</b>	£0	0.0
<b>Total Match</b>	£0	0.0
<b>Total Project Value</b>	<b>£5,290,586</b>	100.0