

### Further release of funding for Growth Deal schemes commencing in 2015/16

#### Purpose:

The purpose of this paper is to:

- Approve further business cases for Growth Deal schemes commencing in 2015/16 to enable funding to be released to sponsoring authorities.
- Note the updated payment profile for Growth Deal schemes commencing in 2015/16.

#### Recommendations:

The Board is asked to:

- Approve all schemes for funding achieving high value for money (Benefit Cost Ratio (BCR) greater than 2:1) and medium to high certainty of achieving this:
  - **Newhaven Flood Defences**
  - **Sittingbourne Town Centre** - subject to completion and application of a Quantified Risk Assessment and appropriate application of inflation assumptions to the Economic and Financial Cases; retaining a Benefit Cost Ratio equal to or greater than two-to-one; and greater consideration given to approvals, project management, and monitoring and evaluation in the Management Case to satisfy the Independent Technical Advisor.
  - **Chelmsford Station/Station Square/Mill Yard**
  - **A414 Maldon to Chelmsford**
  - **Colchester Integrated Transport Package**
  - **A127 Improvements (Essex)**
  - **Harlow A414 Pinch Point Package**
- Approve a one year funding allocation for the following 'package' schemes where there is insufficient certainty of the scheme components beyond 2015/16, their costs, and their benefits:
  - **Eastbourne and South Wealden Walking and Cycling Package**
  - **A26 London Road**
- Approve those schemes not achieving a BCR of two to one or where the BCR is not known where two or more of the criteria below are met:
  - **A127 Maintenance (Southend)** (15/16 only)
  - **A127 Improvements – Kent Elms (Southend)** (15/16 only)
  - **Kent Sustainable Interventions Supporting Growth Programme** (15/16 only) – confirmed

*CRITERIA: As agreed at SE LEP Board on 20th March 2015, a scheme with 'medium' value for money should be approved for funding:*

- *where there is an overwhelming strategic case (with minimal risk in the other cases);*
- *where scheme benefits are notoriously difficult to appraise in monetary terms and there are qualitative benefits which if monetised would most likely increase the BCR above two-to-one; and*
- *where schemes are less than £1.0m and to conduct further quantified and monetised economic appraisal would be disproportionate.*

- Agree publication of all outline and final business cases as required by the national Assurance Framework, noting that to date scheme promoters have led engagement at a local level.
- Based on approval of business cases above and those agreed at the SE LEP Board on 20<sup>th</sup> March to note full year payments of funding for schemes transferred to federal areas through their sponsoring county/unitary authorities

### **Supporting Detail**

- Full year scheme payments transferred to federal areas through their county/unitary authorities
- Appendix: Independent Technical Evaluator Report – Growth Deal Business Case Assessment (2015/16 starts: further projects brought forward for approval)

### **Background**

The South East LEP's Growth Deal was announced in January 2014, with a further extension to the Deal announced in January 2015. Our Growth Deal commits the Government to £488m of funding to the SE LEP area, with the potential of more to come.

Following agreement of the SE LEP Assurance Framework, Growth Deal investment is now received from Government annually in advance enabling funding to be devolved to federal areas through their county/unitary authorities for all schemes promoted beginning in 2015/16.

### **Independent Technical Evaluator**

In devolving this funding, it is a requirement of Central Government of all LEPs that they subject business cases and investment decisions to independent evaluation to enable LEP Boards to sign-off schemes and enable funding to be released.

As reported at the Board meeting on 20<sup>th</sup> March 2015, SE LEP appointed Steer Davies Gleave to undertake this work after an open and competitive procurement process managed by Thurrock Council. Against a clear specification based on the existing Transport Assurance Framework, they were selected by nominated transport and economic development officers from all county/unitary councils to assess all transport and non-transport schemes within the Growth Deal commencing in 2015/16. The process and format developed by SDG was adopted and approved by SE LEP Board on 20<sup>th</sup> March.

Again, considerable work has been completed on the schemes brought forward which has added significantly to the robustness of projects and has been highly valued by council officers and sponsors, all of whom have also invested much time and effort into the process. This work is also informing the Monitoring, Evaluation and Reporting Framework required by Government currently being developed with federal areas.

Based on the agreements above and at those at the SE LEP Board meeting on 20<sup>th</sup> March, the full year payment of funding to federal areas through their county/unitary authorities as scheme promoters is as follows:

Please note that the release of A127 funding from Government to SE LEP is contingent on SE LEP Board approval of the Business Cases following independent technical evaluation. The funding is therefore not included in the table below but will be paid following Board approval and the release of funding from Government to SE LEP.

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**Local Growth Schemes**  
2015/16 - Status as at June 2015

	Transferring to	Projects approved	Projects to be	Projects not yet	Total
		at March Board	approved June	approved	
		£	£	£	£
<b>Confirmed LGF Amounts</b>					<b>69,450,000</b>
<b>Non Retained Transport Schemes</b>					
Tonbridge Town Centre Regeneration	Kent CC	2,000,000	-	-	2,000,000
M20 Junction 4 Eastern Overbridge	Kent CC	2,200,000	-	-	2,200,000
Kent Thameside Local Sustainable Transport Fund	Kent CC	2,400,000	-	-	2,400,000
Maidstone Gyrotory Bypass	Kent CC	1,000,000	-	-	1,000,000
Kent Strategic Congestion Management Programme	Kent CC	800,000	-	-	800,000
Kent Rights of Way Improvement Plan	Kent CC	200,000	-	-	200,000
West Kent Local Sustainable Transport Fund	Kent CC	800,000	-	-	800,000
Kent Sustainable Interventions Programme	Kent CC	500,000	-	-	500,000
Folkestone Seafront : Onsite Infrastructure and Engineering Works	Kent CC	500,000	-	-	500,000
A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	500,000	-	-	500,000
Strood Town Centre Journey Time and Accessibility Enhancements	Medway	200,000	-	-	200,000
Chatham Town Centre Place-making and Public Realm Package	Medway	1,000,000	-	-	1,000,000
Medway Cycling Action Plan	Medway	100,000	-	-	100,000
Medway City Estate Connectivity Improvement Measures	Medway	100,000	-	-	100,000
Colchester Local Sustainable Transport Fund	Essex CC	2,000,000	-	-	2,000,000
Colchester Integrated Transport Package: Town Centre	Essex CC	5,000,000	-	-	5,000,000
Colchester Broadband Infrastructure	Essex CC	200,000	-	-	200,000
TGSE Local Sustainable Transport Fund - Essex	Essex CC	2,400,000	-	-	2,400,000
TGSE Local Sustainable Transport Fund - Southend	Southend	800,000	-	-	800,000
TGSE Local Sustainable Transport Fund - Thurrock	Thurrock	800,000	-	-	800,000
Basildon Integrated Transport Package	Essex CC	1,000,000	-	-	1,000,000
Newhaven Flood Defences	East Sussex CC	-	750,000	-	750,000
Sittingbourne Town Centre Regeneration	Kent CC	-	2,500,000	-	2,500,000
Chelmsford Station / Station Square / Mill Yard	Essex CC	-	1,500,000	-	1,500,000
A414 Maldon to Chelmsford RBS	Essex CC	-	1,000,000	-	1,000,000
Colchester Integrated Transport - Borough	Essex CC	-	2,200,000	-	2,200,000
A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex CC	-	7,100,000	-	7,100,000
Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex CC	-	300,000	-	300,000
A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells	Kent CC	-	1,000,000	-	1,000,000
Kent and Medway Growth Hub	Kent CC	-	-	1,000,000	1,000,000
Southend Growth Hub	Southend	-	-	100,000	100,000
North Deal transport improvements	Kent CC	-	-	400,000	400,000
Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	East Sussex CC	-	-	300,000	300,000
<b>Total</b>		<b>24,500,000</b>	<b>16,350,000</b>	<b>1,800,000</b>	<b>42,650,000</b>
<b>LTB Schemes</b>					
Queensway Gateway Road	East Sussex CC	10,000,000	-	-	10,000,000
Colchester Park and Ride and Bus Priority measures	Essex CC	5,800,000	-	-	5,800,000
<b>Total</b>		<b>15,800,000</b>	<b>-</b>	<b>-</b>	<b>15,800,000</b>
<b>Skills Funding</b>					<b>11,000,000</b>
<b>Grand Total</b>		<b>40,300,000</b>	<b>16,350,000</b>	<b>1,800,000</b>	<b>69,450,000</b>