



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

LGF Capital Programme Management

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Capital Programme Manager

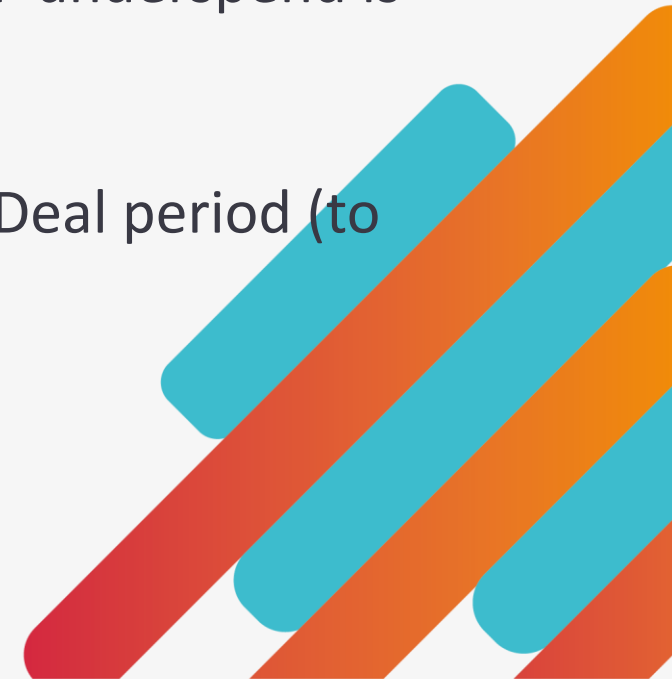
7th December 2018

SELEP Strategic Board



Aim – To develop a short term LGF pipeline of ‘shovel ready’ projects which support our Growth Deal commitment to deliver 45,000 jobs and 23,000 new homes by 31st March 2021.

- The single pipeline will define the priorities for investment as LGF underspend is identified and becomes available.
- Focus on projects ability to spend LGF by the end of the Growth Deal period (to 31st March 2021) and to deliver a large scale of benefits, at pace.



LGF 3B

Stage 1 – Expressions of Interest (Eoi)

- Endorsed by Federated Boards

Stage 2 – Scheme Prioritisation

- Investment Panel

Stage 3 – SELEP Accountability Board funding decision





Stage 1 - Projects submitted to EoI stage

Federated Area	Number of Bids	Total LGF ask (£m)
Essex Business Board	13	34.824
Opportunity South Essex	21	39.268
Kent and Medway Economic Partnership	45	112.662
Team East Sussex	20	30.726
Total	99	217.480



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Stage 2 – Strategic Outline Business Case

- 60 projects submitted
- Over £145m LGF ask
- 17.5 times oversubscribed and highly competitive
- Recognise the need for much more detailed feedback and discussions with local areas
- Strength of the project versus strength of the Business Case



Stage 2 – Strategic Outline Business Case

How to achieve this aim

Assessment criteria:

- Need for public sector intervention;
- Scale of impact;
- Value for money;
- Pace of benefit realisation;
- Level of match/leveraged funding; and
- Deliverability





Stage 2 – Strategic Outline Business Case

Timescales	Actions
December 2018 – January 2019	<ul style="list-style-type: none">- Steer, as SELEP Independent Technical Evaluator, to prepare more detailed scheme feedback and in depth information about the approach adopted- Technical discussion with local accountable body officers and Federated Board Chairs (early January 2019 – date to be confirmed)
Mid - January 2019 to Mid-February 2019	<ul style="list-style-type: none">- Issue an updated version of the technical assessment to Federated Areas (By the 25th January 2019).- Seek any additional clarification of information by local partners and scheme promoters (From 25th January 2019 – 8th February 2019)
Mid- February to early March 2019	<ul style="list-style-type: none">- <u>Accountability Board meeting on the 15th February 2019</u> – including a number of reports seeking funding decision in relation to high risk projects- Final draft Investment Panel report to be published, with consideration for local partner feedback (to be published 28th February 2019)- Investment Panel meeting – 8th March 2019

LGF underspend available

- Currently £8.3m LGF available
- A number of funding decisions are being sought from the Accountability Board on the 15th February 2019 in relation to high risk projects
- Previously agreed a deadline that all projects must come forward for a funding decision by the end of the financial year.
- Where it is not feasible to do so, then the provisional funding allocation to the project will be considered for re-allocation as part of the LGF3b process and the refresh of SELEP's investment pipeline; in accordance with the recommendations of the SELEP Deep Dive.



Accountability Board Funding Decisions

Projects to come forward in February - no previous funding decision by the Board

- Thanet Parkway - £10m LGF
- Fort Halsted - £1.530m LGF
- A2 off-slip Wincheap - £4.4m LGF
- Chelmsford Flood Alleviation - £0.8m LGF
- Rochester Airport Phase 2 - £3.7m LGF
- Beaulieu Park - £10.0m LGF
- Grays South - £10.8m LGF
- A22/A27 - £1.0m LGF
- A127/A130 Fairglen Interchange Link Road - £6.235m LGF

Total LGF ask - £50.465



Accountability Board Funding Decisions

Option 1 – Reaffirm the requirement for all projects currently identified within the LGF programme to come forward for a funding decision by the Accountability Board meeting on the 15th February 2018, or

Option 2– Enable the Accountability Board to give flexibility to extend the deadline for Business Case submission for projects currently included in the LGF programme.

Considerations

- Potential to resolve project issues
- Project's stage of development
- Reduces certainty as to the amount of LGF underspend available
- Amount of time required to deliver alternative proposals



Summary Risk Assessment

Score	Delivery	Financials	Reputation	Overall
5 (high risk)	8	13	4	11
4	9	11	6	8
3	12	14	13	18
2	16	13	11	19
1 (low risk)	52	46	63	41
Total	97	97	97	97

Summary Risk Assessment

Agree that LGF projects which are currently RAG rated as Red due to the risk to LGF spend within the Growth Deal period must come back to the Accountability Board within the next six months to confirm that a delivery solution has been identified to progress the project or to agree one of the following three options:

Option 1 – Cancellation of the Project from the LGF programme due to being undeliverable within the Growth Deal period and the LGF is reallocated through the LGF3b process.

Option 2 – The Project is put on hold but the LGF remains allocated to the Project.

Option 3 - The Project is put on hold and the LGF is reallocated through the LGF3b process, but the Project is prioritised for future funding opportunities, such as the Shared Prosperity Fund.



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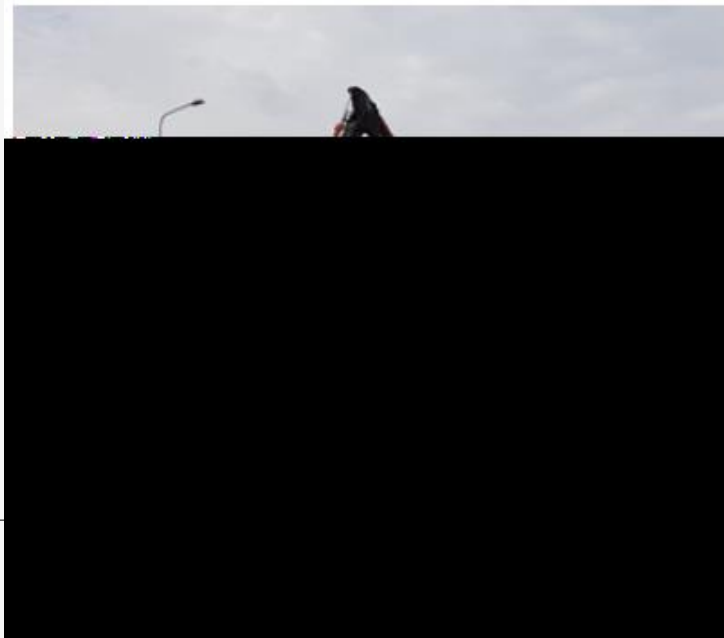
Colchester Institute Learning and Technology Centre, Braintree, Essex





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M20 Junction 10a, Ashford, Kent



2018/19 Financial Update

LGF (£m)	Updated planned spend in 2018/19	Total forecast spend in 2018/19 (as reported in October 2018)	Variance*	Forecast LGF spend relative to planned spend in 2018/19* (%)
East Sussex	16.650	15.227	-1.423	91.5%
Essex	18.654	18.506	-0.148	99.2%
Kent	24.867	19.722	-5.144	79.3%
Medway	16.755	9.654	-7.100	57.6%
Southend	17.573	6.121	-11.452	34.8%
Thurrock	13.647	13.149	-0.498	96.3%
Skills	0.000	0.000	0.000	100.0%
M20 Junction 10a	11.400	11.400	0.000	100.0%
LGF Sub-Total	119.546	93.779	-25.766	78.4%
Retained	35.454	12.684	-22.770	35.8%
Total Spend Forecast	154.999	106.463	-48.536	68.7%



LGF spend to date

	Number of LGF projects	Total LGF allocation (£m)	LGF spend to date (at end of Q2 2018/19) (£m)	Percentage spend to date relative to allocation (%)
East Sussex	13	73.767	48.579	65.85
Essex	25	104.796	53.827	51.36
Kent	32	127.418	62.517	49.06
Medway	8	40.200	12.817	31.88
Southend	5	37.810	9.785	25.88
Thurrock	6	34.340	12.881	37.51
Skills M20 Junction 10a (Kent)	Programme of interventions	21.975	21.975	100.00
DfT Retained Schemes	6	101.658	26.584	26.15
Total	97	561.662	265.814	