



1. INTRODUCTION

- 1.1. This paper provides a progress update on the South East Local Enterprise Partnership (SELEP) Open Call for projects for the Local Growth Fund (LGF) Round 3B capital grant funding.
- 1.2. 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 up to March 2021**.
- 1.3. On 29 June 2018 the SELEP Strategic Board agreed to issue an Open Call for projects which support its strategic objectives to receive unallocated LGF funding and form a strong short-term pipeline of priority investments.
- 1.4. To ensure a proportionate approach to the scale of funding available, no federated area could put forward projects to SELEP for Stage 2 which, in total, exceeds the maximum potential amount of LGF available (£47.2m).
- 1.5. This paper covers the process and outcome of the LGF-3B Stage 1 and Stage 2 Assessment and Evaluation, and next steps as proposed by SELEP.

2. LOCAL GROWTH FUND ROUND 3B ASSESSMENT

- 2.1. In August 2018 East Sussex County Council in conjunction with *Steer*, SELEP's Independent Technical Evaluator (ITE), assessed all 21 Expressions of Interest (EOIs) submitted to our federated area against the Stage 1 eligibility criteria.
- 2.2. All 21 projects and their final banding were presented at the 24 September 2018 Team East Sussex (TES) meeting.
- 2.3. The outcome of the Stage 1 evaluation resulted in 10 projects demonstrating suitability to go forward for Stage 2 assessment, being listed in the 'Strong' or 'Good' bandings. The total sum of LGF ask from these 10 East Sussex projects equates to £13,274,879. The 10 Strong and Good projects were endorsed by TES board members.
- 2.4. As a result of the above EOI assessment and evaluation, projects forming Strong or Good banding were encouraged to submit a Strategic Outline Business Case (SOBC) for Stage 2 Assessment on 26 October 2018. East Sussex County Council colleagues maintained contact with each scheme promoter to look at areas of support required to bring the SOBCs forward for submission. This was carried out on an individual case by case basis.

3. TECHNICAL ENGAGEMENT AND UPDATED TIMESCALES

- 3.1. The ITE Stage 2 Assessment outcomes were initially due to be released on 16 November 2018, and to be presented to an Investment Panel meeting on 7 December 2018. However, due to the considerable number of strong applications received by SELEP it was agreed that the Investment Panel meeting would be postponed to enable more detailed information to be prepared in relation to each project.
- 3.2. *The updated timescales and next steps are outlined in Appendix 1.*
- 3.3. This extended period also enabled an additional 'technical engagement' period to be applied to the assessment process, facilitating clarification and/or additional scheme information between scheme promoters and the ITE.
- 3.4. On 14 January 2019 SELEP released the initial "ITE Stage 2 SOBC Technical Assessment Report" for LGF Pipeline Development, ahead of the arranged engagement meetings. This initial technical assessment has already been circulated to TES and is included with the current meeting papers.
- 3.5. Scheme promoters for our 10 Strong- and Good-banded schemes were invited to a face-to-face meeting with the ITE, facilitated by ESCC officers. The East Sussex engagement meetings were all held on 18 January 2019; the Agenda and Guidance for the meetings are given in Appendix 2.

- 3.6. The ITE provided detailed feedback for each project assessment of the technical report, covering the items outlined in the agenda and guidance note. Scheme promoters were also given the opportunity to provide any additional information that may have been over looked in the technical assessments of the SOBCs.
- 3.7. As part of this engagement period, scheme promoters (with the support of ESCC officers) are now preparing their written comments and responses with clarifications and any substantive changes by the deadline of 1 February 2019, so that the Technical Assessment Report may be updated accordingly.
- 3.8. The updated final technical report will be presented at the SELEP Investment Panel meeting on 8 March 2019, with an aim to establish a single prioritised list for LGF-3B.

4. RECOMMENDATION

- 4.1. East Sussex County Council officers and the SELEP ITE recommend that Team East Sussex note the additional information and revised timescales for the LGF-3B Open Call.

Appendix 1 – updated LGF-3B timescales and next steps

14 January 2019	SELEP circulated the detailed scheme technical information, to provide feedback on a scheme by scheme basis
18 January 2019	Scheme promoters were given the opportunity to provide local clarification in response to the ITE assessment; meetings were organised with scheme promoters
28 January 2019	Team East Sussex (TES) meeting – SELEP attending
1 February 2019	Deadline for any written comments which local partners wish to make in response to the technical feedback provided by the ITE
<i>Steer (SELEP ITE) to update their technical assessment based on the additional clarification through the local engagement</i>	
14 February 2019	SELEP Senior Officer Group (SOG) meeting
15 February 2019	SELEP Accountability Board will take place, with a number of decisions due to be considered which will help inform the amount of LGF underspend available
Date to be confirmed (20/21 or 26 Feb 2019)	SELEP and Federated Board Chairs Meeting
28 February 2019	SELEP Investment Panel papers to be published, included updated ranked list based on the technical assessment
8 March 2019	SELEP Investment Panel meeting

Meeting Agenda

1. Introductions

2. Summary of the approach to scheme assessment

3. Feedback on the Outline Business Case and the application which has been submitted to SELEP

4. Discussion about any additional information or project changes which have arisen since bid submission, including changes to the following elements:

- (a) Need for intervention
- (b) Value for money assessment
- (c) Deliverability

5. Confirmation that the following details of the scheme remain the same and discussion about the level of certainty for the following criteria:

- (a) Match/leverage funding contributions
- (b) Jobs, homes and learner numbers (and other impacts)
- (c) Pace of benefit realisation
- (d) Forecast completion of LGF spend
- (e) Forecast scheme completion

6. An opportunity to bring forward any other areas of clarification or additional information that will support the bid.

This provides the opportunity for the scheme promoter to articulate the three main reasons that the project is required and the opportunity lost if Local Growth Fund is not secured.

7. Next steps

3 Next Steps

The results of our initial technical assessment set out in this document have been based upon information set out within the Strategic Outline Business Cases developed by scheme promoters. There has not yet been the opportunity for further engagement to facilitate clarification or additional scheme information to be provided.

Local Engagement 14th January – 1st February 2019

The purpose of this additional technical engagement with scheme promoters is to understand if there is anything which scheme promoters feel has been overlooked through the technical assessment.

Meetings/ Teleconferences

There will be an opportunity for a short (30 mins max) teleconference/face-to-face meeting with the ITE offered to each scheme promoter, if they wish to take up this opportunity. This includes the project promoters for all 60 projects which were submitted to SELEP in 2018, but excludes projects which were not endorsed by Federated Boards. The agenda for this meeting will include:

- Brief summary of the assessment process;
- Steer to provide feedback to scheme promoters;
- Scheme promoter to seek any clarification required on the technical assessment;
- Any substantive changes to the project since the original SOBC submission;
- Scheme promoters will be asked to reaffirm the project position in respect of the expected scale of impact, need for intervention and the pace at which the stated project benefits will materialise;
- Discussion about the project delivery timescales (under scenarios of the LGF only being made available in September 2019 or February 2020 could the LGF still be spent by 31st March 2021?);

- Scheme promoter provided with the opportunity to articulate the three main reasons that the project is required and the opportunity lost if the LGF is not secured.

Written comments – by 1st February

In addition to the teleconference/ face-to-face technical discussion there will also be the opportunity for scheme promoters to feed in any written comments in response to the technical feedback and to re-emphasise any of the points raised through the teleconferences/face-to-face meetings.

As part of the local feedback, we are not asking for Business Cases to be redeveloped or new information to be provided, but instead aims to:

- give scheme promoters the opportunity to respond to the written comments;
- provide information about any substantive project changes which have taken place since the submission of the business cases. This should include details of any changes to match funding contribution or other variables which may impact on the deliverability of the project; and
- capture any additional views from the scheme promoter. In particular, this provides the opportunity to articulate the three main reasons that the project is required and the opportunity lost if the LGF is not secured. It would be helpful for this response to be as succinct as possible so that the responses can be incorporated directly into an updated version of this document – to be presented to the Investment Panel.

Following receipt of the feedback from local areas, the ranked assessment will be updated to reflect any additional clarification which has been provided through the local engagement and this document will be updated accordingly.