

ACCOUNTABILITY BOARD

10:00	Friday, 12 April 2019	High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ
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Quorum: 3 (to include 2 voting members)

Membership

Mr Geoff Miles
Cllr Kevin Bentley
Cllr Paul Carter
Cllr Rodney Chambers
Cllr Keith Glazier
Cllr Rob Gledhill
Cllr John Lamb
Angela O'Donoghue
Lucy Druesne

Chairman
Essex County Council
Kent County Council
Medway Council
East Sussex County Council
Thurrock Council
Southend Borough Council
Further Education/ Skills representative
Higher Education representative

For information about the meeting please ask for:

**Lisa Siggins
(Secretary to the Board)**

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Meeting Information

All meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

Most meetings are held at High House Production Park, Purfleet. A map and directions to can be found <http://hhpp.org.uk/contact/directions-to-high-house-production-park>

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The agenda is also available on the Essex County Council website

Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

		Pages
1	Welcome and Apologies for Absence	
2	Minutes To approve as a correct record the Minutes of the meeting held on 15th February 2019.	7 - 20
3	Declarations of Interest To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	Questions from the Public In accordance with the Policy adopted by the SELEP, a period of up to 15 minutes will be allowed at the start of every Ordinary meeting of the Accountability Board to enable members of the public to make representations. No question shall be longer than three minutes, and all speakers must have registered their question by email or by post with the Managing Director of the South East LEP (adam.bryan@essex.gov.uk) by no later than 10.30am seven days before the meeting. Please note that only one speaker may speak on behalf of an organisation, no person may ask more than one question and there will be no opportunity to ask a supplementary question. On arrival, and before the start of the meeting, registered speakers must identify themselves to the member of staff collecting names. A copy of the Policy for Public Questions is made available on the SELEP website - http://www.southeastlep.com/images/uploads/resources/PublicQuestionsPolicy.pdf Email (adam.bryan@essex.gov.uk)	
5	Thanet Parkway LGF funding decision	21 - 48
6	Kent Sustainable Interventions Programme Update	49 - 58
7	Kent Sustainable Interventions Programme funding decision	59 - 68

8	Kent Strategic Congestion Management Programme Funding Decision - Report to follow	
9	Maidstone Integrated Transport Package LGF funding decision	69 - 80
10	Capital Programme Management of the Local Growth Fund	81 - 104
11	Innovation Park Medway - LGF3b update	105 - 116
12	A13 Widening Update	117 - 126
13	Growing Places Fund Update	127 - 144
14	SELEP Operations Update	145 - 164
15	Date of Next Meeting To note that the next meeting of the Board will be held on Friday 7th June 2019 at High House Production House.	
16	Urgent Business To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.	

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

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Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 15 February 2019

Present:

Geoff Miles	Chair
Cllr Kevin Bentley	Essex County Council (Items 1-19)
Cllr Paul Carter	Kent County Council (Items 1-19)
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr John Lamb	Southend Borough Council
Angela O'Donoghue	Further Education/Skills representative
Audrey Songhurst	Higher Education representative.

ALSO PRESENT Having signed the attendance book

Suzanne Bennett	SELEP
Lee Burchill	Kent County Council
Adam Bryan	SELEP
Edmund Cassidy	Steer
Kim Cole	Essex County Council (Legal representative for the Accountable Body)
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Sunny EE	Medway Council
Rebecca Ellsmore	Thurrock Council
Jessica Jagpal	Medway Council
Dean Kilpatrick	Local Democracy Reporter
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
Iain McNab	BEIS/Cities and Local Growth Unit
Piers Meyler	Essex Live
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Rhiannon Mort	SELEP
Neil Muldoon	Thurrock Council
Lorna Norris	Essex County Council
Tim Rignall	Southend Borough Council
Andy Rayfield	MAXIM

Lisa Siggins ECC Democratic Services
Stephen Taylor Thurrock Council

1 Welcome and Apologies for Absence

The following apologies were received:

- Councillor Rob Gledhill

2 Minutes

The minutes of the meeting held on Friday, 16th November 2018 were agreed as an accurate record and were signed by the Chair.

3 Declarations of Interest

As a private Businessman, Geoff Miles declared an interest in respect of agenda items 13 and 19.

He advised of his intention to step out of the room whilst Agenda Items 13 and 19 were discussed. It was confirmed that Angela O'Donoghue would chair these Agenda Items

4 Questions from the Public

There were none.

5 LGF spend within Growth Deal period

The Accountability Board (the Board) received a report from Adam Bryan, the purpose of which was to seek agreement from the Board on SELEP's position in relation to expenditure of Local Growth Fund (LGF) within/ beyond the Growth Deal period.

Iain McNab of Cities and Local Growth Unit, from the Department for Business, Energy and Industrial Strategy gave the Board some advice on the options being considered.

Whilst Iain confirmed that his advice was not formal policy guidance, he indicated that the Cities and Local Government were not overly concerned about the slippage of LGF spend beyond the Growth Deal period for projects which are already underway. They would be more concerned about planned LGF spend beyond the Growth Deal, where the project is not already underway. However, if SELEP has strong justification for why SELEP is supporting this project then there is nothing in the conditions of the grant to prohibit this.

In relation to the development of SELEP's new LGF3b pipeline, it was indicated by Iain that SELEP should not be planning to spend LGF beyond 31st March 2021 for new projects which are being brought forward to utilise any LGF underspends.

He stated that he was hopeful that there would be some more definitive guidance available after 12th April 2019, but could not provide assurance of this at this time.

The Board had a lengthy discussion concerning the difficulties regarding the uncertainty surrounding future funding, such as through the Housing Infrastructure Fund and the Shared Prosperity Fund. They felt that Central Government needed to be pushed for a formal response to provide absolute clarity on future funding streams.

The Board felt that consideration had to be made in respect of projects that had commenced prior to 31st March 2021. It was subsequently agreed to amend the recommendation which is reflected below:

Resolved:

Option 2 – To Retain LGF allocations against projects, subject to the following five conditions being satisfied:

1. A clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
2. A direct link to the delivery of jobs, houses or improved skills levels within the SELEP area;
3. All funding sources identified to enable the delivery of the project. Written commitment will be sought from the respective project delivery partner to confirm that the funding sources are in place to deliver the project beyond the Growth Deal;
and
4. Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31st March 2021; and
5. Contractual commitments being in place with construction contractors by 31st March 2021 for the delivery of the project.

6 A127 The Bell and A127 Essential Maintenance LGF funding decision

The Board received a report from Helen Dyer, SELEP Capital Programme Officer, which was presented by Rhiannon Mort, and a presentation from Steer, the purpose of which was for the Board to consider the award of £9.9m Local Growth Fund (LGF) to the A127 The Bell and Essential Maintenance project (the Project) based on the Full Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

Councillor Carter asked SELEP secretariat to consider whether any of the LGF3b funding would be ring-fenced for existing LGF projects which may

require additional funding. Cllr Carter felt that the position regarding the need for LGF3b funding for the project was unclear and would need to be clarified at the meeting of the Investment Panel on 8th March.

Resolved:

1. **To Approve** the award of £9.9m LGF to support the delivery of the Project identified in the Full Business Case and which has been assessed as presenting high value for money with high certainty of achieving this.
2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

7 Fairglan New Link Road LGF funding decision

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the award of £6.235m Local Growth Fund (LGF) to the Fairglan New Link and Slip Road project (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

Resolved:

1. **To Approve** the award of £6.235m LGF to enable the delivery of the Project, which has been assessed as presenting high value for money with medium to high certainty of achieving this.
2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

8 Beaulieu Park Railway Station

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the award of Local Growth Fund (LGF) to Beaulieu Railway Station (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

The Board were advised that the project will not actually commence until 2022. Councillor Bentley gave details of the surrounding issues to the actual project. He advised the Board that it was a critically important project and urged them to support it.

A lengthy discussion followed, and whilst the Board felt that it was a very good project, they had concerns regarding the timings and the criteria agreed in agenda item 5 (above). It was subsequently agreed to amend the recommendation which is reflected below.

Resolved:

Option 1 - To Approve the award of the full £12m LGF allocation to the Project, subject to:

1. A Value for Money review being completed for the overall Project by the Ministry for Housing Communities and Local Government (MHCLG), as part of the Housing Infrastructure Fund (HIF), that meets the requirements of the value for money exemption 2 of the SELEP Assurance Framework; and
2. Receipt of evidence from Essex County Council that they have been awarded sufficient funding through the MHCLG's Housing Infrastructure Fund (HIF) and through funding contributions from Network Rail, to bridge the Project funding gap in full; and
3. Endorsement from the SELEP Strategic Board that the LGF can be retained against the Project beyond 31st March 2021;

If all three conditions are not met by December 2019 then the £12m LGF allocation will be withdrawn from the project for reallocation to LGF3b pipeline projects.

Note that this project was approved on an exemption basis as the decision does not meet all of the conditions for LGF spend beyond 31st March 2021, as agreed under Agenda Item 5. Specifically, the project does not comply with the requirement for "Contractual commitments being in place with construction contractors by 31st March 2021 for the delivery of the project".

9 Southend Central Area Transport Project Phase 3

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the award of £4m Local Growth Fund (LGF) to the Southend Central Area Phase 3 transport project (the Project) based on the Outline Business Case, which has been through the Independent Technical Evaluator (ITE) review process.

Resolved:

1. **To Approve** the award of £4m LGF to enable the delivery of the Project and which has been assessed as presenting high value for money with medium to high certainty of achieving this.
2. **To Note** that all LGF payments are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

10 Eastbourne Town Centre Movement and Access Package LGF funding decision

The Board a report from Helen Dyer, SELEP Capital Programme Officer, and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for the Eastbourne Town Centre Movement and Access Package – phase 2 (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £3m Local Growth Fund (LGF) to be devolved to East Sussex County Council for Project delivery.

Resolved:

1. **To Approve** the award of £3m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this.
2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

11 Eastbourne and South Wealden Walking and Cycling

The Board received a report from Helen Dyer, SELEP Capital Programme Officer and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for the Eastbourne and South Wealden Cycling and Walking package – phase 2 (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £4m Local Growth Fund (LGF) to be devolved to East Sussex County Council for Project delivery.

Resolved:

1. **To Approve** the award of £4m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this.
2. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

**12 Basildon Integrated Transport Package
(Information contained within a confidential appendix was taken into account in reaching a decision on this issue (minute 24 below refers)).**

The Board received a report from Helen Dyer, SELEP Capital Programme Officer which was presented by Rhiannon Mort, the purpose of which was to make the Board aware of the proposed cancellation of the Endeavour Drive Bus Link, as part of the wider Basildon Integrated Transport Package (the Programme).

In addition, the report made the Board aware of the value for money assessment for the Basildon Integrated Transport Package – Tranche 3 Flagship Cycle Route (the Tranche 3 Project) which has been through the Independent Technical Evaluator process, to enable a Local Growth Fund (LGF) allocation of £453,000 to be devolved to Essex County Council (ECC) for project delivery.

Resolved:

1. **To Agree** to discontinue the delivery of the Endeavour Drive Bus Link;
2. **To Agree** that the £1.9m Local Growth Fund (LGF) which was awarded in relation to the Endeavour Drive Bus Link will be returned to the central SELEP LGF pot for reallocation through the LGF3b process, as set out in section 5 of this report.
3. **To Approve** the award of £453,000 LGF allocation to support the delivery of the Tranche 3 Project identified in the Business Case and which has been assessed as presenting high value for money with high to medium certainty of achieving this;
4. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.
5. **To Agree** that the remaining balance of £514,000 LGF from the original funding allocation for Tranche 3 of the Programme will be returned to the central SELEP LGF pot for reallocation through the LGF3b process.

13 Innovation Park Medway

Geoff Miles left the room due to his previously made declaration of interest. This item was chaired by Angela O'Donoghue as the Vice Chair.

The Board received a report from Rhiannon Mort, and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for Innovation Park Medway (northern site) – Enabling Infrastructure (the Project) (formerly Rochester Airport – phase 2) which has been through the Independent Technical Evaluator process, to enable the £3.7m Local Growth Fund (LGF) allocation to be devolved to Medway Council for project delivery.

Resolved:

1. **To Note** that the Project is dependent upon the delivery of the Rochester Airport Phase 1 project;
2. **To Approve** the award of £3.7m LGF allocation to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high Value for Money with medium certainty of achieving this, **subject to** evidence relating to the Rochester Airport Phase 1 project being received that:

1. the determination of the planning application for the control tower and hub building has not been subject to a successful judicial review application;
2. a construction contractor has been appointed, within the available budget, and a signed legal contract is in place between Medway Council and the construction contractor.

If confirmation is not provided by the 1st April 2019 that the two funding conditions set out above have been satisfied, it is expected that the funding decision will be revisited by the Board at its next meeting on the 12th April 2019.

3. **To Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

14 **Grays South Local Growth Fund decision**

The Board received a report from Rhiannon Mort, the purpose of which was for the Board to consider an initial award of £3.7m Local Growth Fund to the Grays South project (the Project), which has been through the Independent Technical Evaluator (ITE) review process based on an Outline Business Case.

Some members of the Board felt that the cost of the works in connection with the creation of an underpass should be met by Network Rail.

A discussion followed regarding the actual design of the underpass, with concerns raised regarding the risk of anti-social behaviour. Rebecca Ellsmore, from Thurrock Council provided further clarification around the safety considerations and the options which had been considered as part of the development of the project.

Resolved:

1. **To Note** that the Project is at an early stage of development
2. **To Approve** the award of £3.7m LGF to the capital development costs of the Project
3. **To Agree** to bring forward a Full Business Case by December 2019 to consider the remaining £7.1m LGF allocation to the Project.
4. **To Note** that all LGF payments are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

15 **Capital Programme Management of the Local Growth Fund**

The Board received a report from Rhiannon Mort, the purpose of which was for the Board consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

Resolved:

1. **To Note** the updated LGF spend forecast for 2018/19, as set out in section 2 of the report.
2. **To Note** deliverability and risk assessment, as set out in section 5 of the report.
3. **To Approve** the acceleration of £1.700m LGF spend in 2018/19 for the following A127 Fairglens New Link Road project,
4. **To Approve** the acceleration of £0.896m LGF spend in 2018/19 for the A131 Chelmsford to Braintree.
5. **To Approve** the re-profiling of LGF spend from 2018/19 to future years of the growth deal programme for the following ten projects:
 - Eastbourne and South Wealden Walking and Cycling LSFT (£84,000);
 - Hasting and Bexhill Movement and Access Package (£85,000);
 - A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements (£583,000);
 - Strood Town Centre Journey Time and Accessibility Enhancements (£988,000);
 - Chatham Town Centre Place-making and Public Realm Package (£399,000);
 - Medway City Estate (£101,000);
 - Rochester Airport Phase 1 (£51,000);
 - Rochester Airport Phase 2 Innovation Park (£3,000)
 - London Southend Airport Business Park (£1.051m);
 - TGSE LSTF Thurrock (£163,000).
6. **To Approve** the 2019/20 LGF budget, subject to confirmation of LGF grant in April 2019 as set out in section 4 of the report. This includes the planned spend of £79.503m LGF in 2019/20, excluding Department for Transport (DfT) retained schemes, and £107.314m LGF including DfT retained schemes.
7. **To Note** the return of the LGF allocations in relation to the following two projects:
 - Basildon Integrated Transport Package (£2.414m);
 - A414 Harlow to Chelmsford (£2.173m);

The changes to these two projects are considered under Agenda Items 12 and 18 respectively.

8. **To Agree** the removal of the Fort Halsted project from the Growth Deal programme and the reallocation of the £1.53m LGF provisional allocation to the project through the LGF3b process, as detailed in section 7 of the report.

9. **To Agree** the removal of the A22/A27 Improvements Package from the Growth Deal programme and the reallocation of the £1m LGF provisional allocation to the project through the LGF3b process, as detailed in section 7 of the report.

10. **To Note** that SELEP's receipt of LGF awards from Central Government is dependent on the outcome of the Annual Performance Review and the confirmation by SELEP that the National Assurance Framework will be implemented in full, as detailed under Agenda Item 21.

16 A131 Braintree to Sudbury

The Board were advised that this report had been removed from the agenda to enable additional time for local consideration.

17 A133 Colchester to Clacton Project Change Request

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was for the Board to consider the Change Request which has been submitted by Essex County Council (ECC) for the A133 Colchester to Clacton project (the Project).

Resolved:

1. **To Agree** the change of scope to the Project.
2. **To Agree** that any Project under spends which are identified through the delivery of the Project must be returned to SELEPs single funding pot.

18 A414 Harlow to Chelmsford

The Board received a report from Rhiannon Mort, the purpose of which was for the Board to consider the cancellation of the A414 Harlow to Chelmsford Project (the Project) from SELEP's Growth Deal as the result of a pause to the Project within Essex County Council's (ECC) own capital programme.

Resolved:

1. **To Agree** the cancellation of the Project from SELEPs Growth Deal and the return of the £400,000 of LGF incurred against this Project by ECC; and
2. **To Agree** the reallocation of the £2.173m LGF previously awarded to the Project, into the unallocated LGF fund. This funding will then be reallocated through the LGF3b process referred to in section 4 of the report.

19 Growing Places Fund update

Geoff Miles left the room again due to his previously made declaration of interest. This item was chaired by Angela O'Donoghue as the Vice Chair.

The Board received a report from Helen Dyer, SELEP Capital Programme Officer which was presented by Rhiannon Mort the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

Resolved:

1. **To Note** the updated position on the GPF programme;
2. **To Note** the accelerated repayment schedule for the Priory Quarter Project;
3. **To Approve** the proposed repayment schedule for the Workspace Kent Project;
4. **To Approve** the cancellation of the remaining element of the Harlow West Essex Project;
5. **To Approve** the accelerated drawdown of funding for the No Use Empty Commercial Project;
6. **To Note** the amended draw down schedule for the Eastbourne Fisherman's Quayside and infrastructure development Project.

20 SELEP Revenue Budget update

The Board received a written report from Lorna Norris, the purpose of which was for the Board to consider the quarter 3 financial position for the SELEP Revenue budget, including an updated forecast outturn for 2018/19. In addition, an update to the assessment of the risks for the budget for 2019/20 has been included for information, based on current best knowledge of funding streams in 2019/20.

The Board acknowledged that they had read the report and had no comments to make, and therefore approved the recommendations as stated within them as follows:

Resolved:

1. **To Note** the latest forecast revenue outturn position for 2018/19 of an under spend of £713,000;
2. **To Note** the assessment of risk for the 2019/20 budget.

21 Assurance Framework Implementation Plan Delivery Update

The Board received a written report from Adam Bryan the purpose of which was to make the Board aware of:

- 1 The progress which has been made by the South East Local Enterprise Partnership (SELEP) team and the federated areas in implementing the existing Assurance Framework, based on the current National Assurance Framework and the Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive recommendations (from April 2018).

The Board was reminded that it is accountable for assuring that all requirements of the Assurance Framework are implemented.

2 The progress made against the governance and transparency performance indicators. (Appendix 1 of the report)

3 The Governance Assurance Statement provided to MHCLG as part of the SELEP's Annual Performance Review. (Appendix 2 of the report)

4 A forward look at the revised National Assurance Framework, published by MHCLG on the 9th January 2019.

The Board acknowledged that they had read the report and had no comments to make, and therefore approved the recommendations as stated within them as follows:

Resolved:

1 **To Note** the SELEP team and federated areas progress in implementing the:

1.1 SELEP Assurance Framework; and

1.2 Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive recommendations.

2 **To Note** the progress made against the governance and transparency performance indicators.

3 **To Note** the Governance Assurance Statement provided to MHCLG as part of the Annual Performance Review for the SELEP. and that the outcome of the review is expected later in February / March 2019.

4 **To Note** that this is the final report for 2018/19 and under the current Local Assurance Framework.

5 **To Note** that the SELEP Local Assurance Framework will be revised for 2019/20 to reflect the revised National Assurance Framework requirements. This will be presented to the SELEP Strategic Board for approval at its next meeting on 22nd March 2019.

22 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 12th April 2019 at High House Production Park.

There being no urgent business the meeting closed at 12.28 pm

23 Exclusion of The Public

That the press and public were excluded from the meeting during consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972.

24 Basildon Integrated Transport Package CONFIDENTIAL Appendix 1
(Public and press excluded)

The Board noted the Confidential Appendix to Basildon Integrated Transport Package report, which contained information exempt from publication referred to in that report and in decisions taken earlier in the meeting (minute 12 above refers).

Chairman

Forward Plan reference number: FP/AB/197

Report title: Thanet Parkway LGF funding decision	
Report to Accountability Board on 12th April 2019	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 26.03.2019	For: Decision
Enquiries to: Helen Dyer, Helen.Dyer@southeastlep.com	
SELEP Partner Authority affected: Kent	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £14m Local Growth Fund (LGF) to the Thanet Parkway Project, as detailed in the Project Business Case.
- 1.2 The Business Case has been reviewed through the Independent Technical Evaluator (ITE) review process and has been assessed as presenting high value for money with medium certainty.
- 1.3 The cost estimate for the project has been based on the Governance for Rail Investment Projects (GRIP) Stage 3 option selection information. The outcome of the GRIP Stage 4 option development work is due to be completed in June 2019. As such, it is expected that a full Business Case will be considered at the Board meeting in September 2019/20 to reaffirm that sufficient funding is available to meet the total project cost.

2. Recommendations

2.1. The Board is asked to:

- 2.1.1. **Approve** the award of £14m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium certainty of achieving this, subject to an updated (Full) Business Case being submitted in July 2019 and agreed by the Board in September 2019, following completion of GRIP Stage 4, to reaffirm:
 - 2.1.1.1. That the total cost estimate for the Project does not exceed those set out in section 8 below; and
 - 2.1.1.2. That all funding has been secured to enable the delivery of the Project.
- 2.1.2. **Note** that no LGF can be drawn down or spent on the Project until the Full Business Case has been agreed by the Board, meeting the requirements set out in 2.1.1 above.

3. Background

- 3.1. The Project was provisionally allocated a total of £10m LGF through LGF Round 1. This funding was allocated as a contribution towards the cost of delivering a new train station in Thanet, with the aim of increasing the attractiveness of East Kent to employers, unlocking new economic development opportunities and improving accessibility and employment opportunities in the Thanet area.
- 3.2. In March 2019, the Investment Panel agreed the prioritisation of the Project for receipt of a further provisional allocation of £4m LGF funding, increasing the total provisional LGF allocation to £14m.
- 3.3. The Project has previously been unable to draw down on the LGF allocation to the Project due to a substantial funding gap. Work has been ongoing to bridge this funding gap and further local funding contributions have been secured to support the delivery of the Project, as detailed in section 8 below.

4. Context

- 4.1. The East Kent area suffers from increased deprivation when compared with West Kent and South East England as a whole, with Thanet being ranked as the most deprived local authority in Kent.
- 4.2. Poor accessibility is one of the key factors that has discouraged major employers from locating in the area, which serves to undermine regeneration and has limited the employment catchment area for local residents.
- 4.3. The journey time from London makes Thanet unattractive for potential employers as the ability for business travellers to be able to get a train from close to their place of work to/from London is important in business location decisions. Thanet has historically performed poorly as it is 'at the end of the line' from London and requires a commute of over one hour to/from London.
- 4.4. In addition, the Thanet area has a lower representation of residents with higher skills levels, which has constrained economic growth. Both of these factors need to be addressed in order to boost economic growth in Thanet and the wider East Kent area.
- 4.5. The provision of the new Thanet Parkway station will reduce the journey time between central London and Thanet to around one hour. Thereby improving the attractiveness of the area to businesses and increasing the employment catchment area for Thanet residents. In addition, the new station will offer greater opportunity to access London via High Speed 1, and will therefore improve access to employment in Canterbury, Ashford and the rest of Kent.
- 4.6. As a result of the improved rail services to London, it is expected that the development of the Thanet Parkway station will stimulate the construction of

additional housing in the area. This housing is expected to attract higher skilled residents to the area, as a result of the improved journey times.

- 4.7. Alongside construction of the new station, steps will be taken to ensure the station is accessible to the majority of Thanet residents, and that all major employment and potential housing development sites in the area offer easy accessibility to the station encouraging development in the area.

5. Thanet Parkway (the Project)

- 5.1. The proposed new railway station will be located approximately 2 miles west of Ramsgate on the Ashford International to Ramsgate line, south of the Manston Airport site and just to the west of the village of Cliffsend, as shown in Figure 1. This location is considered to be the most suitable as it will improve rail access to both Thanet and the north of Dover district. In addition, a station in this location will be served by High Speed 1 and would offer a journey time to London of around one hour.

Figure 1 – Thanet Parkway Station Location



- 5.2. The proposed station will provide the following:
- 5.2.1. two platforms suitable for use by 12 carriage trains;

- 5.2.2. lighting columns on each platform that host CCTV cameras and public address speakers;
 - 5.2.3. two customer information displays and one passenger help point;
 - 5.2.4. passenger shelters to provide weather protection;
 - 5.2.5. lifts, stairs and a footbridge for movement between platforms;
 - 5.2.6. a forecourt with two ticket vending machines, a shelter and bus passenger information;
 - 5.2.7. a set down area for buses, taxis and passenger drop off; and
 - 5.2.8. parking for 311 cars (including 16 disabled bays and 8 spaces with electric vehicle charging points), motorcycles and 40 pedal cycle parking spaces.
- 5.3. In addition, a new direct access road will be provided to encourage use of the station. Pedestrian and cycle access will also be provided from Cliffsend village.
- 5.4. The station will provide improved accessibility to key employment sites, whilst also unlocking new economic development and residential opportunities in the Thanet area.
- 5.5. It is estimated that delivery of the Project will lead to the creation of an additional 400 to 800 jobs over a 30-year period from station opening, as well as development of 1,600 to 3,200 additional homes over the same period. These outcomes will be driven by improved accessibility both to existing key employment sites and to potential housing and commercial development sites, as well as more desirable commuting times to London.
- 5.6. The intended benefits of the project include:
- 5.6.1. Accelerating the pace of housing delivery in Thanet;
 - 5.6.2. Positively contributing to economic growth by attracting higher skilled workers to the area;
 - 5.6.3. Stimulating 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;
 - 5.6.4. Generating over 50,000 new rail journeys from first full operational year (2022) reducing reliance on less sustainable modes of travel;
 - 5.6.5. Provision of improved rail access from Thanet to London, offering a reduced travel time of approximately one hour; and
 - 5.6.6. Providing commuters with alternative access to the area of journeys that might otherwise be made on the local and strategic highway network, thereby contributing to a reduction in congestion.

6. Options Considered

- 6.1. Through the development of the Project, consideration has been given to the different options available. These options are considered within the Business Case.

6.2. Six options were initially identified in order to provide better connectivity between the sites planned for development in East Kent and London and the wider Kent area. An iterative process was used to arrive at a preferred option which achieves value for money and delivers the identified objectives.

6.3. The six options identified were:

6.3.1. Deliver a new 'Thanet Parkway' railway station (preferred option) – this option represents the Project detailed in this report;

6.3.2. Increase car parking provision at Ramsgate Station – Ramsgate Station only has a small car park with 44 spaces and as a result commuters park in surrounding residential streets, which causes a nuisance to local residents and limits the accessibility of rail commuting for additional commuters who cannot park there. In addition, due to the limited availability of parking at the station the amount of time needed to drive to the station is unpredictable and creates poor journey time reliability. Provision of additional parking would help to address these issues.

This option was ruled out due to the lack of available land in the residential area around the station.

6.3.3. Increase parking provision at Minster Station – parking provision at Minster Station is currently limited to 20 spaces, with any additional cars being parked in nearby residential streets. Provision of an increased number of parking spaces would make the station accessible to a greater number of potential commuters.

This option was ruled out due to the local highway network being unsuitable for increased levels of traffic, alongside concerns regarding the impact on Minster village. Furthermore, there is a limited train service at Minster Station which would limit the benefits realised by the improvements.

6.3.4. Shuttle bus from Birchington-On-Sea Station – the shuttle bus would be used to serve the Manston Airport site and other commercial development sites, such as Discovery Park and Manston Business Park. Birchington-On-Sea Station would be marketed as the railway station to serve these destinations. Whilst this option would have offered improved accessibility to key employment sites, it was ruled out due to unattractive shuttle bus journey times and a lack of rail connectivity to Ashford, Canterbury and Maidstone, coupled with a long journey time to London.

6.3.5. Direct coach service from London – the provision of a direct coach service between London and the Manston Airport/Discovery Park sites was considered. Whilst this option would have provided a direct link between London and key employment sites in Thanet, it would have resulted in long, often unpredictable, journey times. In addition, this

option would only provide a direct link between London and Thanet and would therefore not have served the population in the wider Kent area. It was considered that this option would have a low impact on economic growth in the area and it was therefore ruled out.

- 6.3.6. Shuttle bus from Ramsgate Station – the shuttle bus would be used to serve the Manston Airport site and commercial development sites, including Discovery Park. Ramsgate Station would be marketed as the railway station to serve these destinations. Whilst this option would have offered improved accessibility to key employment sites, it was ruled out due to the lack of a suitable terminus at Ramsgate station, which could not be rectified without substantial refurbishment work. It was also considered that this option did not have the potential to have a significant impact on economic growth in the area.
- 6.4. After analysis of each of the options, options 1 and 2 were shortlisted for further investigation. While the other options would be less expensive, and potentially quicker to deliver, they were not expected to deliver the overall objectives of supporting the growth of the East Kent economy and increasing employment opportunities.
- 6.5. Following further investigation, the decision was taken to discount option 2 due to the unavailability of land to provide additional car parking facilities at Ramsgate Station.
- 6.6. This resulted in option 1 being identified as the preferred option. It is considered that the delivery of Thanet Parkway station is the most appropriate option to achieve Kent County Council's strategic aspirations for East Kent.
- 6.7. This option is viewed by Kent County Council as the preferred option in enhancing the attractiveness of East Kent for investment and a high impact on growth. Thanet Parkway will also provide increased station capacity to support the development of housing and commercial growth in the area.

7. Public Consultation and Engagement

- 7.1. In 2015, Kent County Council undertook an initial public consultation exercise on the high-level design, impacts and benefits of the Project. This consultation consisted of seven events across East Kent, which were supported by a range of consultation documents. A total of 529 responses were received, with the Project generally being well received. The outcome of the consultation was used to shape the final scheme design, planning application and Environmental Impact Assessment work.
- 7.2. In early 2017 a second eight-week public consultation exercise was undertaken to inform the planning application. The responses to this consultation were fully considered by Kent County Council through their own governance process as part of taking this Project forward.

- 7.3. Kent County Council appreciates the importance of engaging with key stakeholders to gain feedback on scheme proposals, and is committed to incorporating the views of those with an interest in the Project.

8. Project Cost and Funding

- 8.1. The total cost of the Project is estimated to be £27.65m, as set out in Table 1 below.
- 8.2. Network Rail have indicated that, based on the current forecast vehicular flows, some upgrade work is required to the adjacent level crossing at Cliffsend. The exact specification of the works will need to be approved by Network Rail as part of the GRIP4 process.
- 8.3. An allowance of £3.25m for these upgrade works has been included within the total project cost. The extent of the works associated with the level crossing will be fully considered during the GRIP4 process, which is due to complete in June 2019. Following completion of the GRIP4 process an updated cost estimate will be produced. At this stage it is considered that the upgrade works at the Cliffsend level crossing will not exceed the £3.25m allowance currently included within the total project cost.
- 8.4. The Project funding package includes funding contributions from the following sources:
- 8.4.1. £14m LGF allocation (£10m from Round 1 and £4m from LGF3b) – considered in this report;
- 8.4.2. Up to £10.95m Kent County Council;
- 8.4.3. £2m from Thanet District Council - A grant agreement is currently being drafted between Thanet District Council and Kent County Council in relation to this funding allocation. Subject to completion of the grant agreement, this funding is secure; and
- 8.4.4. £700,000 from East Kent Spatial Development Company - Secured.
- 8.5. The contribution from Kent County Council is made up of three different funding allocations consisting of:
- 8.5.1. £2.65m which has been identified and allocated within Kent County Council's Medium-Term Financial Plan. This funding is therefore secure;
- 8.5.2. £4.3m which has been allocated in Kent County Council's Capital Investment Plan. This allocation was agreed at the County Council Budget meeting on 14th February 2019, and is therefore secure;

- 8.5.3. Up to £4m is required to bridge any remaining funding gap in the project funding package. Kent County Council will seek to underwrite this balance, potentially through a loan taken out against income from the station car park or through business rates retention.
- 8.6. Recent quantity surveying work by Kent County Council has indicated a potential £2m reduction to the current project cost estimate, as a result of further efficiencies and value engineering of the car park design. Following completion of the GRIP Stage 4 process an updated project cost estimate will be prepared which will provide clarification on the extent of the funding gap which Kent County Council will need to bridge through this means.
- 8.7. A provisional funding profile for the Project is set out in Table 1. Following completion of the GRIP4 process an updated spend profile may be developed in line with the revised cost estimate referenced above. This will be included in the full Business Case for consideration by the Board in September 2019.
- 8.8. No LGF funding can be sought by Kent County Council until the GRIP Stage 4 cost estimate has been confirmed and the Board have approved the full Business Case for the Project.

Table 1 – Thanet Parkway Funding Profile (£)

	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	Total
SELEP LGF			4,000,000	10,000,000		14,000,000
Kent County Council	940,000	400,000	4,559,000	3,240,000	1,811,000	10,950,000
Thanet District Council			2,000,000			2,000,000
East Kent Spatial Development Company			700,000			700,000
Total	940,000	400,000	11,259,000	13,240,000	1,811,000	27,650,000

9. Outcome of ITE Review

- 9.1. A comprehensive business case has been submitted to SELEP for the Project. As per the Assurance Framework, a full Business Case is required for all projects with an LGF allocation of over £8m. As such, a full Business Case must be submitted to reaffirm the total cost of the Project and to ensure sufficient funding is identified to deliver the Project prior to contracts being awarded for the construction of the Project.

- 9.2. The ITE review confirms that the business case analysis has been carried out using Department for Transport WebTAG which shows that the additional revenue generated by the delivery of the Project will significantly exceed its operating and capital costs combined.
- 9.3. Department for Transport rail appraisal guidance requires that the revenue generated by a scheme is treated as a negative cost of the project rather than a benefit. Therefore, because the revenue generated by the scheme (negative costs) exceeds the capital costs (positive costs), the net present value of costs is negative. The benefit cost ratio is derived by dividing the scheme benefits by the costs so with a negative net present value of costs this results in a negative benefit cost ratio.
- 9.4. According to the Department for Transport's Value for Money Supplementary Guidance on Categories, for projects with a negative present value of costs, if the net present public value is positive and the benefit cost ratio is negative the project is considered to demonstrate very high value for money.
- 9.5. The economic appraisal for the project shows that the net present public value is £22.342m with a negative benefit cost ratio, therefore the project represents very high value for money.
- 9.6. There are, however, two outstanding areas of uncertainty. The first is the total Project cost and the second is the impact is the inclusion of crowding benefits. On high speed services, trains in the AM peak are currently at capacity, whilst on classic services, trains are 85-100% full. Adding passengers to these services would increase levels of crowding for existing users, on relatively long journeys into London. The impact of crowding has not yet been analysed.
- 9.7. Given the very high value for money, it is not expected that the assessment of the impact of crowding would reduce the Project's value for money to below high value for money. However, for completeness it is expected that this analysis will be conducted for inclusion in the updated business case to be submitted in July 2019 and considered by the Board in September 2019.
- 9.8. The award of LGF is also subject to an updated cost estimate being included in an updated version of the Business Case, following the GRIP Stage 4 cost estimate having been confirmed. This will be considered by the Board at its meeting on the 13th September 2019.

10. Project Compliance with SELEP Assurance Framework

- 10.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategic Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and are detailed in the economic case. The Department for Transport's WebTAG guidance have been used to assess the expected outputs and outcomes of the Project.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates experience of delivering similar schemes in the area. A comprehensive quantified risk assessment has been provided which provides itemised mitigation measures.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	The economic appraisal has been conducted following a robust approach in accordance with Department for Transport guidance. This confirms that the project demonstrates high value for money.

11. Financial Implications (Accountable Body comments)

- 11.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have yet to be confirmed and funding for future years is indicative.
- 11.2. Until confirmation of receipt of grant is received, any future funding awards made by the Board remain at risk. It is hoped that confirmation of receipt of the

funding will be made in advance of the Board meeting on the 12th April; a verbal update will be provided at the meeting to update on the latest position in this regard.

- 11.3. It is noted that in advance of any LGF being drawn down or spent on this Project, a final business case must be presented, which confirms: the total cost of the Project; and, that all respective funding allocations are in place; this confirmation is expected at the September 2019 Board meeting. In the event that these assurances are unable to be provided by Kent County Council at the September Board meeting, consideration should be given to reallocating any LGF awarded to this Project, through the SELEP investment pipeline.
- 11.4. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years funding can only be made available when HM Government has transferred LGF to the Accountable Body.

12. Legal Implications (Accountable Body comments)

- 12.1. There are no legal implications associated with this report.

13. Equality and Diversity implication

- 13.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 13.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

Thanet Parkway LGF funding decision

- 14.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

15. List of Background Papers

- 15.1. Business Case for the Thanet Parkway project.

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	 04/04/19

Independent Technical Evaluator - Local Growth Fund Business Case Assessment - Q4 2018/19 Report

Independent Technical Evaluator - Local Growth Fund Business Case Assessment - Q4 2018/19 Report

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1 Independent Technical Evaluation of Q1 2019/20 Growth Deal Schemes

Overview

- 1.1 Steer was reappointed by the South East Local Enterprise Partnership in April 2016 as Independent Technical Evaluator. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and decisions on investment to independent scrutiny.
- 1.2 This report is for the review of final Business Cases for schemes which are seeking funding through Local Growth Fund Rounds 1 to 3. Recommendations are made for funding approval on 12th April 2019 by the Accountability Board, in line with the South East Local Enterprise Partnership's own governance.

Method

- 1.3 The review provides commentary on the Business Cases submitted by scheme promoters, and feedback on the strength of business case, the value for money likely to be delivered by the scheme (as set out in the business case) and the certainty of securing that value for money.
- 1.4 Our role as Independent Technical Evaluator is not to purely assess adherence to guidance, nor to make a 'go' / 'no go' decisions on funding, but to provide evidence to the South East Local Enterprise Partnership Board to make such decisions based on expert, independent and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where value for money is not assessed as being high (i.e. where a benefit to cost ratio is below two to one and / or where information and / or analysis is incomplete).
- 1.5 The assessment is based on adherence of scheme business cases to Her Majesty's Treasury's *The Green Book: Appraisal and Evaluation in Central Government*¹, and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the DCLG/MHCLG Appraisal Guide. All of these provide proportionate methodologies for scheme appraisal (i.e. business case development).
- 1.6 Pro forma have been developed based on the criteria of *The Green Book*, a 'checklist for appraisal assessment from Her Majesty's Treasury, and WebTAG and DGLG/MHCLG Appraisal Guide.

¹ Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

- 1.7 Individual criteria were assessed and the given a 'RAG' (Red – Amber – Green) rating, with a summary rating for each dimension. The consistent and common understanding of the ratings are as follows:
- **Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
 - **Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment, but should be amended in future submissions (e.g. at Final Approval stage).
 - **Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before Gateway can be passed.
- 1.8 The five dimensions of a government business case are:
- **Strategic Dimension:** demonstration of strategic fit to national, Local Enterprise Partnership and local policy, predicated upon a robust and evidence-based case for change, with a clear definition of outcomes and objectives.
 - **Economic Dimension:** demonstration that the scheme optimises public value to the UK as a whole, through a consideration of options, subject to cost-benefit analysis quantifying in monetary terms as many of the costs and benefits as possible of short-listed options against a counterfactual, and a preferred option subject to sensitivity testing and consideration of risk analysis, including optimism bias.
 - **Commercial Dimension:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
 - **Financial Dimension:** demonstration of how the preferred option will be fundable and affordable in both capital and revenue terms, and how the deal will impact on the balance sheet, income and expenditure account, and pricing of the public sector organisation. Any requirement for external funding, including from a local authority, must be supported by clear evidence of support for the scheme together with any funding gaps.
 - **Management Dimension:** demonstration that the preferred option is capable of being delivered successfully in accordance with recognised best practice, and contains strong project and programme management methodologies.
- 1.9 In addition to a rating for each of the five dimensions, comments have been provided against Central Government guidance on assurance – **reasonableness** of the analysis, risk of error (or **robustness** of the analysis), and **uncertainty**. Proportionality is applied across all three areas.
- 1.10 Assessments were conducted by a team of transport and economic planning professionals, and feedback and support has been given to scheme promoters throughout the process through workshops, meetings, telephone calls and emails during February 2019 and March 2019.

Evaluation Results

- 1.11 Eight outline business cases have been assessed for schemes seeking Local Growth Funding. Below are our recommendations to the Accountability Board, including key findings from the evaluation process and details of any issues arising.

Recommendations

- 1.12 The following schemes achieves high value for money with high to medium certainty of achieving this:
- **Maidstone Integrated Transport Package Phase 3 (£6.2m):** The scheme aims to reduce congestion and ease traffic movements through the town with objective of delivering an increase in housing and employment. The package is made up of a number of key corridor/junction locations which are forecast to suffer from congestion and delay and have been identified for improvement. The business case analysis provides a proportionate assessment of the scheme costs and benefits and results in a strong benefit cost ratio representing high value for money for all three components of the scheme. The analysis was robustly carried out using Department for Transport WebTAG and delivers high levels of certainty around this value for money categorisation.

1.13 The following schemes achieves high value for money with medium certainty of achieving this:

- **Thanet Parkway (£14m):** This proposed new railway station will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line, south of the Manston Airport site and just to the west of the village of Cliffsend. Thanet Parkway will increase rail connectivity between East Kent, London and the wider Kent area by providing access to mainline and high speed services. The project will provide access to more employment opportunities for local residents. It will also improve investment opportunities at Discovery Park Enterprise Zone and surrounding business parks in Thanet.

The business case analysis was carried out using Department for Transport's WebTAG which has shown that the additional revenue generated by the delivery of the scheme will significantly exceed its operating and capital costs combined. This is indicative that the scheme represents high financial value for money.

Department for Transport rail appraisal guidance requires that the revenue generated by a scheme is treated as a negative cost of the project rather than a benefit. Therefore, because the revenue generated by the scheme (negative costs) exceeds the capital costs (positive costs), the net present value of costs is negative. The benefit cost ratio is derived by dividing the scheme benefits by the costs so with a negative net present value of costs this results in a negative benefit cost ratio.

According to the Department for Transport's Value for Money Supplementary Guidance on Categories, for projects with a negative present value of costs, if the net present public value is positive and the benefit cost ratio is negative the project is considered to demonstrate very high value for money.

The economic appraisal for the project shows that the net present public value is £22.342m with a negative benefit cost ratio, therefore the project represents very high value for money.

However, there remain areas of the economic appraisal where clarification is required and about which there is currently uncertainty around value for money impact. These include:

- **Inclusion of crowding benefits:** on high speed services, trains in the AM peak are currently at capacity, whilst on classic services, trains are 85-100% full. Adding passengers to these services would increase levels of crowding for existing users, on relatively long journeys into London. The impact of this has not yet been analysed.
- **Certainty of funding requirement:** there remains some uncertainty around the project cost. In order to fully assure value for money, a confirmed, total project cost is required.

We invite the Accountability Board to consider these areas where clarification is required before determining whether or not to approve funding for the scheme.

1.14 The South East Local Enterprise Partnership Assurance Framework states that schemes may be eligible for exemption from quantified benefit cost analysis when the cost of the project is below £2.0m and there is an overwhelming strategic case (with minimal risk in the other cases). The following scheme is subject to this exemption and it is estimated that it will achieve high value for money. However, without quantified benefit cost analysis we cannot assure this outturn value for money categorisation. Therefore, our recommendation is that there is a low/medium certainty of achieving high value for money:

- **Kent Strategic Congestion Management Programme (£1.1m):** The programme involves improvements to maximise the efficiency of the local highway network as traffic levels increase in line with development. Due to small-scale nature of proposed interventions, only one of the components of the scheme has been subject to a quantified assessment methodology. To provide an indication of the Value for Money for other components, a benchmarking exercise was carried out. Based on other schemes and experience, it is estimated that the combination of schemes would represent high value for money.

We are satisfied an overwhelming strategic case has been made for this scheme and that there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of quantified benefit cost analysis presents before determining whether or not to approve funding for the scheme.

- **Kent Sustainable Interventions Programme (£1m):** The 2019/20 and 2020/21 Kent Sustainable Interventions Programme funding bid comprises two schemes that will complement the upgrade of Maidstone East Station. Since the funding request is less than £2m a full Value for Money assessment is not required and a proportionate, high level assessment utilising experience from similar schemes has been undertaken. This analysis indicates high value for money.

We are satisfied that an overwhelming strategic case has been made for this scheme and that there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of quantified benefit cost analysis presents before determining whether or not to approve funding for the scheme.

Table 1.1: Gate 1 & 2 Assessment of Growth Deal Schemes seeking Approval for Funding for Q1 2019/20

Scheme Name	LGF Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Dimension Summary	Economic Dimension Summary	Commercial Dimension Summary	Financial Dimension Summary	Management Dimension Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Outline business cases										
Maidstone Integrated Transport Package	£6.2m	Gate 1: Component 1: 7.8 Component 2: 2.7 Component 3: 4.3	Amber/ Green	Amber	Green	Amber	Red/Amber	A reasonable approach has been adopted using WebTAG guidance including the active mode appraisal guidance (WebTAG Unit A5-1), with local data being used where available.	Some of the details of the assumptions underpinning the analysis have not been provided.	The provision of a work programme and details on stakeholder engagement would provide greater certainty of deliverability.
		Gate 1: Component 1: 7.3 Component 2: 2.7 Component 3: 4.3	Green	Amber/ Green	Green	Amber/ Green	Amber/ Green	As above.	Identification and justification of assumptions has been provided which gives confidence that the approach is robust.	Additional information around how the project delivery timescales and how stakeholders will be engaged as the project progresses has been provided.
Thanet Parkway	£14m	Gate 1: NPV £28.7m	Amber/ Green	Red/Amber	Amber/ Green	Amber	Amber	A reasonable approach using WebTAG guidance has been used to calculate the transport related benefits. Given the scale of the scheme we would expect the crowding and non user benefits to be calculated.	There is lack of clarity around the assumptions which underpin the analysis.	There is some uncertainty caused by the fact that crowding impacts and non-user benefits have not be robustly calculated. There is also uncertainty as to the deliverability of the scheme and spending of the LGF within the timescales.

Scheme Name	LGF Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Dimension Summary	Economic Dimension Summary	Commercial Dimension Summary	Financial Dimension Summary	Management Dimension Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
		Gate 1: NPV £22.3m	Green	Amber	Green	Amber/ Green	Amber	As above. The impact of crowding has not been considered which is expected to have a material impact on the value for money of the scheme.	Identification and justification of assumptions has been provided which gives confidence that the approach is robust.	As above
Kent Strategic Congestion Management Plan	£1.1m	Not derived	Amber	Amber	Amber/ Green	Amber	Amber	A sensible and proportionate methodology has been applied. The scheme is subject to an exemption from quantitative economic appraisal.	A qualitative approach to economic appraisal has been employed which is typically less robust than a quantitative approach.	A qualitative approach results in less certainty around the Value for Money of the scheme.
			Amber/ Green	Amber	Green	Amber/ Green	Amber/ Green	As above.	As above.	As above.
KSIP	£1m	Not calculated	Amber	Amber	Amber	Green	Green	Given the funding level the scheme a full value for money assessment has not been provided.	An indicative BCR is quoted, but with a lack of evidence concerning its appropriateness.	A risk is identified relating to the removal of some mobile buildings.
			Green	Green	Amber/ Green	Green	Green	As above	Sufficient information on appraisal assumptions has been provided.	The severity of the identified risk has been allayed through clarifying its nature risk and mitigations. There is some minor uncertainty given that Southeastern is the delivery partner.

2 Independent Technical Evaluation of Q4 2018/19 Local Growth Fund Allocation Change Requests

Overview

- 2.1 The SELEP Assurance Framework states that any variations to a project's costs, scope, outcomes or outputs from the information specified in the Business Case must be reported to the Accountability Board. When the changes are expected to have a substantial impact on forecast project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the Value for Money assessment, it is expected that the business case should be re-evaluated by the ITE.

Maidstone Integrated Transport Package Phase 1

- 2.2 Kent County Council is seeking approval to reduce the scope of the Maidstone Integrated Transport Package Phase 1 project and to increase the Local Growth Fund contribution by £700,000.
- 2.3 The scope of the Phase 1 project is to improve the operation of the junctions at either end of Willington Street, including the junction with A20 Ashford Road to the northern end and A274 Sutton Road at the southern end. Phase 1 was intended to deliver improvements to the existing signalised junctions at either end of the Willington Street junction to reduce traffic delays along the corridor.
- 2.4 The original business case for Maidstone Integrated Transport Package Phase 1, as reviewed by Steer in January 2016 was based on a scheme cost of £1.3m, with a BCR of 4:1. This represented very high value for money, with a medium/high level of certainty of that value for money.
- 2.5 While the original benefits of tackling congestion at the A274 Sutton Road/ Willington Street will no longer been achieved, the improvements to A20 London Road/ Willington Street will now provide additional capacity relative to the original proposal. The journey time benefits remain in line with the initial proposal. However, given the increase in costs for delivering the revised Phase 1 Project, the BCR value is lower at 2.65:1.
- 2.6 Given the fact that the scheme is in its delivery phase, any uncertainty about the delivery and benefits realisation can be reduced. Therefore, this scheme, with the reduced scope considered, represents high value for money with high certainty of achieving that value for money.

3 Independent Technical Evaluation of Innovation Park Medway Phase 3

Overview

- 3.1 At the meeting of the SELEP Investment Panel on the 8th March 2019 it was resolved that a provisional Local Growth Fund allocation of £1,518,000 be awarded for the delivery of Innovation Park Medway Phase 3 on the condition that the scheme promoter could credibly address the deliverability concerns raised by the Independent Technical Evaluator. It was agreed that the extent to which these deliverability concerns had been addressed would be considered by at the Accountability Board meeting on the 12th April for a provisional funding award.

Initial assessment

- 3.2 In the assessment of Innovation Park Medway Phase 3 undertaken as part of the LGF3b prioritisation process there were three primary areas of concern in relation to the deliverability of the scheme:
- the period within which judicial review claim could be made regarding the planning decisions upon which the delivery of the wider Innovation Park Medway package of schemes is dependent had not elapsed;
 - a developer partner had not been confirmed which raised concerns around certainty of delivery, but also security of match funding for the scheme; and
 - limited progress had been made on the delivery of the other components of the wider Innovation Park Medway package of scheme, which are also in receipt of LGF or GPF funding from SELEP. This raised concerns about whether Medway Council would be able to spend the additional LGF3b funding allocation before March 2021.

Revised assessment

- 3.3 Additional information has been provided to the Independent Technical Evaluator seeking to address these deliverability concerns.
- 3.4 On the 22nd March 2019 it was confirmed that the six week period which judicial review claims regarding the two planning decision notices issued by Medway Council in relation to the Innovation Park Medway package of schemes could be made had elapsed.
- 3.5 On the 22nd March 2019 it was confirmed that the contract for works had been awarded to Kier and that the contract would be signed in early April.

- 3.6 Additional information provided by the scheme promoter shows that good progress has been made on the other components of the wider Innovation Park Medway package of schemes and that planning permission for Phases 2 and 3 (LGF3 and LGF3b components) will be awarded through a Local Development Order which reduces the risk of planning objections being made. Moreover, to date, there have been no objections raised during the masterplan consultation/adoption process, nor have the objectors to the Phase 1 scheme attended any Accountability Board meetings with regards to the Phase 2 scheme or submitted any public questions.
- 3.7 Additional information provided has indicated that Delivery of Phase 2 and initial work on Phase 3 is on target, and achievable by March 2021 even if LGF3b funding is not awarded until February 2020. To demonstrate commitment to delivery of the scheme elected members have agreed that design work can proceed in advance of a funding decision, work is underway to progress this.
- 3.8 Additional information provided has drawn attention to the Medway Council's track record of delivery. The Strood Waterfront flood defence works are made up of two phases of work. The Strood Civic Centre Flood Defence Works (funded by LGF3 funding) is running in parallel with the Strood Riverside Flood Defence Works. The same approach was used as is proposed for Innovation Park Medway Phases 2 and 3, with regards to the contractor delivering a programme to complete within the funding period across two sites. The Strood project has kept to programme and the LGF3 funding has been spent in advance of the predicted spend profile timescales in the Business Case.
- 3.9 There remains some uncertainty around the security of the match funding which is made up of the private sector investment from a commercial developer of £80,352,000. This match funding will take the form of building commercial units on the Innovation Park Medway site.
- 3.10 In light of the additional information provided by the scheme promoter we are satisfied that sufficient certainty of deliverability has been demonstrated. However, we invite the Accountability Board to consider the risk that uncertainty around security of match funding presents before determining whether or not to approve provisional funding for the scheme.

Control Information

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Report title: Kent Sustainable Interventions Programme - Update	
Report to Accountability Board	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 12th April 2019	For: Decision
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SELEP Partner Authority affected: Kent	

1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the latest progress in the delivery of the annual programme of works covered under the Kent Sustainable Interventions Programme (the Programme).
- 1.2 The report provides an update on changes to the outputs which will be delivered through the Programme and changes to the value of LGF applied to individual schemes. Under the terms of the Assurance Framework, this variance is within tolerances for the Partner authority to redeploy without requiring Board approval. However, the Board is required to agree to the removal of any interventions from the LGF programme.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the progress in delivering the Programme and the individual schemes that have been delivered each year.
 - 2.1.2 **Agree** that the Sloe Lane, Thanet scheme will not be taken forward as part of the Programme, which will result in a total of £200,000 LGF being available for alternative investment:
 - 2.1.3 **Note** that the following two schemes will not be taken forward as part of the LGF programme as they have been delivered through alternative funding, which will result in £250,000 LGF being available for alternative investment:
 - (1) A2070 Barrey Road - £150,000;
 - (2) Highfield Lane, Mersham - £100,000

2.1.4 **Note** the following schemes which have been delivered under budget, and therefore the availability of £174,000 LGF underspend from the following:

- (1) Cinque Ports phase 2/3/4 (£36,000);
- (2) Morants Court (£3,000);
- (3) Kent Spa and Castle Ride (£9,000);
- (4) Forward design of future Programme schemes (£126,000)

2.1.5 **Note** the reallocation of £25,500 LGF from the LGF schemes identified in 2.1.2 and 2.1.3 to the following schemes which have been approved within the scope of the Programme:

- (1) Morehall to Folkestone (£20,000);
- (2) A228 Holborough (£5,500)

As the changes to the LGF allocations to specific interventions sit below the 10% threshold, the Board is only asked to note this change.

2.1.6 **Agree** the proposal for the net £599,000 underspend from the Programme to be combined with the remaining £432,000 allocation to the Programme to deliver the following schemes in 2019/20 and 2020/21, considered for approval under agenda item 7.

- (1) Maidstone East redevelopment expansion (£650,000)
- (2) Week Street/County Road raised table (£381,000)

This is subject to the approval of Maidstone East redevelopment expansion and Week Street/County Road raised table under agenda item 7.

3. Background

- 3.1 This report is to update the Board on amendments to the schemes being delivered through the Programme.
- 3.2 The overall programme involves the delivery of a number of smaller schemes which complement larger (particularly LGF) schemes.
- 3.3 The LGF allocation for this Programme was reduced from £3m to £2.728m following a change request previously approved by the Board to reallocate £272,000 to the Tonbridge High Street and Folkestone Resurfacing schemes.
- 3.4 To date, business cases for the Programme have been submitted on a year-by-year basis. The first four years of the six-year programme have already been approved, with the forth business case having been approved by the Board on 23rd February 2018.

- 3.5 To date, Business Cases have been bought forward for the award of £2.296m LGF to the Programme.
- 3.6 This leaves a total of £432,000 LGF remaining, to be approved by the Board. Furthermore, of the £2.728m LGF approved to date, £599,000 is identified as unallocated as a result of project underspends or the cancellation of interventions previously included within the Programme.
- 3.7 As set out in section 7 below, the Board is asked to consider whether the £599,000 should remain allocated to the Programme. If the Board agrees that the £599,000 underspend should be remain allocated to the Programme then a total of £1.031m LGF is available to support the interventions identified for delivery in 2019/20 and 2020/21.
- 3.8 Under Agenda Item 7, the Board is therefore asked to consider the award of £1.031m LGF to the Programme 2019/20 – 2020/21 interventions.
- 3.9 The annual Programmes of schemes are susceptible to some variability due to changes in the scope and timescale of the primary schemes which they are designed to complement, as detailed in this report.

4. Project Programme Update from Kent County Council

- 4.1 The schemes that have been delivered to date through the Programme are listed below, with completed 2015/16-2016/17 schemes listed (as there have been no further changes since the last update to the Board) and then a Red-Amber-Green (RAG) rating for schemes between 2017/18 and 2020/21 in the programme.

- 4.2 Schemes which are complete and have been previously reported to the Board:

Howard Avenue Cycle Improvements - 2015/16
 South Street, Deal - bus hub improvements 2015/16
 Home Gardens, Dartford - cycle improvements 2015/16
 Sittingbourne Town Centre cycle signing improvements – 2015/16
 Cinque Ports Phase 1 cycle Improvements – 2016/17
 Thames Greenway – Forward Design - 16/17
 Tunbridge Wells Junction Improvements Phase 2 – A26 Cycle Route Forward design – 2016/17
 A21 Non-Motorised User (NMU) Scheme – Forward design - 2016/17
 Tonbridge Angels to Tonbridge Station cycle improvement – 2016/17

- 4.3 **Green** rated schemes (Delivery in line with or below the original budget set out in the approved business case).

4.3.1 Morants Court Roundabout, Sevenoaks – 2017/18 (Complete)

Cycleway signing and lining improvements to the roundabout

The scheme was originally allocated £145,000 LGF.

4.3.2 Kent Spa and Castle Ride, Sevenoaks, Tonbridge & Malling and Tunbridge Wells - 2017/18 (Complete)

The project is for the delivery of a 20 mile long circular leisure route. The route encompasses existing routes, routes identified in the Tunbridge Wells BC cycling strategy to be built and some routes that require upgrading.

The scheme was originally allocated £20,000 LGF.

- 4.4 **Amber** rated schemes – This sets out the projects for which there has been a change to the LGF allocation as a result of changes to the original budget, or there have been changes to the projects scope to meet the available budget.

4.3.1 Cinque Ports Phase 2/3/4, Shepway – 2017/18

Phase 2: Installation of a zebra crossing on Sandgate Esplanade - Complete

Phase 3: Currently on hold as Hythe Town Council is required to approve use of their land.

Phase 4 is now divided into two sections. The whole phase is from A259 junction of Reachfields to the new housing development off Dymchurch Rd. The first section is now in construction and links the development to an existing 2.m wide footway which at present is being used as a cycleway and includes a toucan crossing facility.

Phase 2 will require a higher budget than the remaining allocation of £36,000 to deliver and therefore Phase 2 is on hold until further budget can be allocated. This gives a £36,000 underspend for the Cinque Port project, relative to the original LGF allocation of £290,000 to the project.

4.3.2 Morehall to Folkestone Central Station – 2017/18 (complete)

A scheme to provide minor local cycleway improvements on cycleways leading to the station.

The scheme was originally allocated £135,000 LGF

4.3.3 A228 Holborough, Tonbridge and Malling – 2018/19 (in progress)

The 50mph speed limit has been advertised and installed which will now allow the toucan crossing to be installed in the summer of 2019. This is an important link between Peters Village development and Snodland in Kent.

This scheme was originally allocated £120,000 LGF.

- 4.4 **Red** rated schemes - These projects are projects which have been removed from the scope of the LGF programme

4.4.1 Highfield Lane, Ashford – 2017/18 (Removed from programme)

Highfield Lane turning circle has been completed prior to the M20 Junction10a works and was developer funded therefore LGF funds not required. As such, the benefits of the proposed intervention have now been delivered but through an alternative funding source.

This scheme was originally allocated £100,000 LGF.

4.4.2 Sloe Lane, Thanet – 2018/19 (Non-delivery)

The Sloe Lane Cyclepath upgrades in Thanet were intended to the widen and resurface approximately 0.75miles of existing footpath to provide a new shared footpath/cyclepath, to achieve:

- Improved accessibility by cyclists;
- Improved cycle links between local residential, employment, education, retail and services; and
- Improved route safety for all users.

There are significant land take requirements and engineering difficulties with this cycle link and at present the scheme has not progressed sufficiently to fit in with the LGF timescales.

This scheme was originally allocated £200,000 LGF.

4.4.3 A2070 Barrey Road, Ashford – 2018/19 (Removed from programme)

This cycle facility is being provided by Highways England so there is no need for an LGF contribution. As such, the benefits of the proposed intervention have now been delivered but through an alternative funding source.

This scheme was originally allocated £150,000 LGF.

4.5 2019/20 and 2020/21 schemes

The following schemes are currently in the planning/delivery stage pending approval of the 2019/20 and 2020/21 business case by the Board, under agenda item 7:

- (1) Maidstone East Station Redevelopment expansion scheme
- (2) Maidstone East/Week Street raised table

5 Programme Funding

- 5.1 Table 1 below highlights the schemes that have been delivered and the final cost against the original budget.
- 5.2 As a result of project underspends and the removal of the projects shown in red in Table 1 from the Programme, this will result in £599,000 becoming available. In addition, £432,000 has not been approved by the Board to date.
- 5.3 This means that £1.031m LGF is currently available to support the interventions set out in Table 2. The interventions are considered further under Agenda Item 7.

Table 1 – Kent Sustainable Interventions Programme 2015/16 – 2018/19 schemes by RAG rating

Scheme Description	Status	Original Allocation (£)	Total LGF (actual or updated forecast - £)	Variance (£)
Howard Avenue, cycle improvements	Delivered	26,890	26,890	0
Sittingbourne Town Centre cycle signing improvements	Delivered	22,055	22,055	0
South Street, Deal - bus hub improvements	Delivered	115,636	115,636	0
Home Gardens, Dartford - cycle improvements	Delivered	54,165	54,165	0
Cinque Ports Phase 1 cycle improvements - Folkestone to Hythe	Delivered	170,437	170,437	0
A26 Cycle Improvements – Forward Design	Delivered	62,800	62,800	0
A21 NMU (via Pembury Road) – Forward Design	Delivered	35,884	35,884	0
Tonbridge Angels to Station cycle improvements Phase 1	Delivered	346,963	346,963	0
Thames Greenway – Forward Design	Delivered	41,145	41,145	0

Scheme Description	Status	Original Allocation (£)	Total LGF (actual or updated forecast - £)	Variance (£)
Cinque Ports phase 2/3/4	To be completed 2019/20	290,000	253,171	-36,829
Morehall to Folkestone Central Station	Complete	135,000	155,042	20,042
Morants Court Roundabout	Complete	145,000	141,699	-3,301
Kent Spa & Castle ride	Complete	20,000	11,287	-8,713
Highfield Lane, Mersham	Not being progressed	100,000	0	-100,000
Sloe Lane, Thanet	Not being progressed	200,000	0	-200,000
A228 Holborough	To be completed 2019/20	120,000	125,439	5,439
A2070 Barrey Road	Not being progressed	150,000	0	-150,000
Forward design 15/16-19/20		260,000	133,973	-126,027
Total 2015/16-2018/19		2,295,975	1,696,586	-599,389

**Table 2 Kent Sustainable Interventions Programme 2019/20 – 2020/21
Proposed Schemes - Pending business case sign off under agenda item 7**

Scheme Description	Status	Original Allocation (£)	Total LGF (actual or updated forecast - £)
Maidstone East Station redevelopment expansion	Detail design	650,000	650,000
Week Street/County Road raised table	Detail design	381,000	381,000
Total for 2019/20-2020/21			1,031,000
Total 2015/16-20/21			2,727,586

6 Impact on Programme Outcomes

6.1 The Programme is intended to deliver smaller transport interventions which complement larger major schemes, regeneration projects and the broader growth agenda. It was felt that the success of large transport projects in Kent could be enhanced significantly through the provision of complimentary measures. This Programme also aims to deliver small scale public realm or minor highway schemes that are in keeping with the overall objectives of the Programme and listed below:

- Improve public transport facilities (primary objective for Deal Bus hub scheme in 2015/16)
- Improve road safety
- Improve traffic flow
- To improve general conditions and accessibility for pedestrians and cyclists
- Enhance the local environment
- To deliver wider social and economic benefits for the community
- To deliver and promote increased levels of physical activity and the health benefits that can be expected from schemes.
- To improve the general transport infrastructure, including arrangements for parking and loading.

6.1 In line with the proportionate approach to business case appraisal, Kent County Council has prepared qualitative evidence to support the economic case for each annual submission. The component schemes all have a very low cost (<£300,000) and as such it was considered that it would be disproportionate to undertake a detailed quantitative appraisal for each.

6.2 Nonetheless, in keeping with the SELEP Assurance Framework, the post scheme monitoring of the schemes that have been delivered as part of this Programme will be carried out to assess the benefit of the interventions that have been delivered.

6.3 Three further schemes have not been taken forward for delivery, (i. Highfield Lane, Mersham, ii. Sloe Lane, Thanet and iii. A2070 Barrey Road), with the allocation being transferred to existing schemes or the future projects in the Programme. The benefits of the Sloe Lane, Thanet scheme will not be achieved. However, the benefits from the other two schemes will still be realised as they have been delivered with alternative funding.

6.4 The £450,000 LGF unlocked through the Highfield Lane, Sloe Lane and A2070 Barrey Road schemes is proposed be used to support the new schemes which are being forward for a funding award under agenda item 7, subject to the decision in 2.1.6. A business case has been developed for these alternative projects to ensure these alternative projects will deliver value for money.

7 Availability of LGF funding (SELEP Secretariat comments)

- 7.1 As set out in section 5 of this report, a proposal has been put forward to utilise the £599,000 LGF underspend from the previous phases of the Programme and the £432,000 LGF which has been provisionally allocated to the Programme to deliver the new interventions set out in Table 2 and which are considered for approval under agenda item 7.
- 7.2 As per the recommendation of the SELEP Deep Dive, there is a requirement for LGF underspend to be returned to SELEP for reallocation to pipeline projects. Accepting the Deep Dive recommendations from Central Government, the SELEP Assurance Framework prohibits LGF underspend, above a 10% threshold, from being retained by a Federated Area for transfer between projects or for spend on new projects, without the projects having been prioritised by the SELEP Investment Panel.
- 7.3 Government nor SELEP has specified whether LGF underspends can be reallocated within a programme of measures, such as this Programme. However, the Board may wish to consider the principal that LGF should be returned to the SELEP unallocated funding pot for reallocation through the LGF3b process.
- 7.4 As such, the Board is asked to agree whether the £599,000 should be retained against the Programme or if it should be returned to SELEP for reallocation through the LGF3b process.
- 7.5 If the Board does not support the retention of the £599,000 against this Programme then it is recommended that agenda item 7 is deferred to enable Kent County Council to bring back a revised proposal for the use of the remaining £432,000 LGF provisional allocation to the Programme.

8 Financial Implications (Accountable Body comments)

- 8.1 Three projects within this programme are identified as no longer requiring funding which has resulted in £450,000 becoming available to spend on alternative schemes. In addition, a further £174,000 of underspends have been identified across other Projects within the Programme.
- 8.2 This gives a total of £624,000 of funding available for reallocation, of which, a total of £25,000 has been transferred to the A228 Holborough Project (£5,000) and the Morehall to Folkestone Central Station Project (£20,000), to the address overspends being incurred on those projects respectively.
- 8.3 Previous underspends arising in relation to this Programme have been agreed to be re-profiled across the subsequent phases, as they have come forward for decision; since then, however, the Government have advised SELEP, through the Deep Dive outcomes in March 2018, that underspends arising should be reprioritised against the pipeline for investment, through the SELEP Investment Panel. The Board may wish to consider an exception in the case

of this underspend, however, as is not proposed to be allocated outside of the Programme, albeit, it is proposed to be allocated to a different programme of works within Phase 3.

9 Legal Implications (Accountable Body comments)

9.1 There are no legal implications arising out of this report.

10 Staffing and other resource implications (Accountable Body comments)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	04/04/19

Forward Plan reference number: FP/AB/199

Report title: Kent Sustainable Interventions Programme LGF funding decision	
Report to Accountability Board on 12th April 2019	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 29.03.2019	For: Decision
Enquiries to: Helen Dyer, Helen.Dyer@southeastlep.com	
SELEP Partner Authority affected: Kent	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to support the delivery of the 2019/20 and 2020/21 Kent Sustainable Interventions Programme (the Project) as part of the wider Kent Sustainable Interventions Programme (the Kent Sustainable Interventions Programme). The Project has been considered by through the Independent Technical Evaluator (ITE) review process, to enable £1.031m Local Growth Fund (LGF) to be devolved to Kent County Council for Project delivery.
- 1.2 Of the £1.031m LGF which is sought as part of this funding decision, £432,000 LGF is funding which is provisionally allocated to the Programme but has not be drawn down to date, whilst £599,000 is funding has been approved as part of the earlier phases of the Programme but has subsequently been identified as underspend, due to projects delivering under budget or due to specific interventions being removed from the Programme, as detailed under Agenda Item 6.
- 1.3 The funding decision detailed in this report is dependent on the Board agreeing, under agenda item 6, that underspend in relation to the previous phases of the Programme should be retained against the Programme, rather than reallocated through the LGF3b process.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** that a Project has been brought forward for the award of £1.031m LGF, of which £432,000 LGF has been provisionally allocated to the Programme but has not be drawn down to date and a further £599,000 LGF has been identified as underspend from previous phases of the Programme.
 - 2.1.2. **Agree** the award of £1.031m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with low/medium certainty of achieving this, subject to the Board agreeing, under agenda item 6, that the

£599,000 LGF underspend from previous phases of the programme should remain allocated to the Programme.

3. Background

- 3.1. This report brings forward the Project for release of the remaining LGF allocation, following the completion and ITE review of a Business Case for the Project.
- 3.2. The Programme was initially allocated a total of £3m LGF through LGF Round 1, with a provisional allocation of £500,000 during each financial year. To manage overspends on other LGF projects in Kent (Tonbridge Town Centre and Folkestone Seafront – Transport), the total LGF allocation to the Programme has been reduced by £272,000 to £2.728m.
- 3.3. As detailed in the update report, under agenda item 6, a number of schemes identified through Business Cases for the Programme are no longer coming forward, or have been delivered for a lower than expected cost. As a result, LGF funding previously allocated to earlier phases of the Programme has been returned to the Programme funding pot for use towards delivering the schemes identified for 2019/20 and 2020/21.
- 3.4. This report sets out a proposal to utilise the £599,000 LGF which is no longer required to support the earlier phases of the Programme and £432,000, which is allocated to the Programme but has not been drawn down to date.

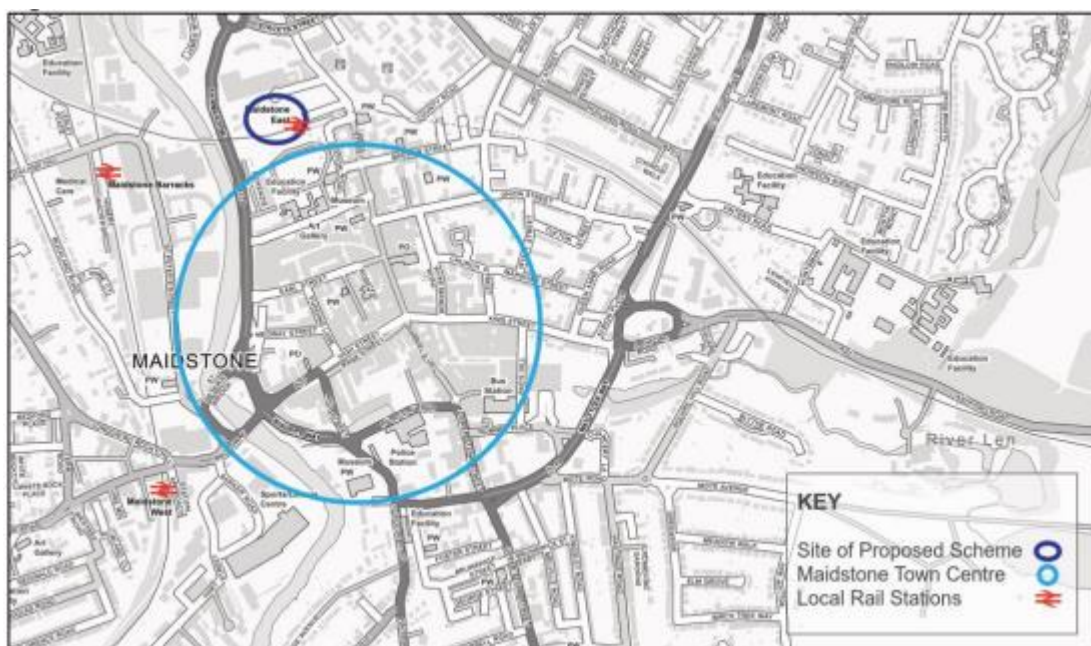
4. Kent Sustainable Interventions Programme

- 4.1. The Programme has been developed to encompass the delivery of a package of smaller schemes which are focussed on encouraging walking and cycling. These schemes are designed to complement larger scale interventions, maximising the potential benefits from the increased use of public transport, improved sustainable access and decongestion benefits.
- 4.2. The Programme schemes have been identified on an annual basis, with separate Business Cases being brought forward for consideration by the Board during each financial year since 2015/16.
- 4.3. Further details of the schemes brought forward for consideration to date can be found in the update report considered under Agenda Item 6.
- 4.4. The decision has been taken to submit the schemes for 2019/20 and 2020/21 together in one Business Case. It is these schemes that the Board are being asked to consider through this report.

5. 2019/20 and 2020/21 schemes (the Project)

- 5.1. The 2019/20 and 2020/21 schemes will continue to promote use of sustainable transport, whilst also providing some minor highway improvements which will serve to support the improvements to the sustainable transport infrastructure.
- 5.2. There are two elements within the Project, as follows:
 - 5.2.1. Maidstone East Rail Station Redevelopment – scheme expansion; and
 - 5.2.2. Week Street, Maidstone – raised table.

Figure 1: Scheme location



- 5.3. Maidstone East Train Station lies within an area designated for regeneration. As part of the regeneration plans for the area the current Station Redevelopment Scheme will include a new frontage landscaped entrance and improved passenger facilities. The Project represents an expansion of this scheme and will create increased opportunities for walking, cycling and the use of public transport for onward journeys through Maidstone and wider Kent. The Project will deliver the following improvements:
 - 5.3.1. A canopy and improved lighting on the access road to the coast bound platform to promote walking as well as use of the taxis;
 - 5.3.2. Electric vehicle charging infrastructure installation to serve the taxi ranks;
 - 5.3.3. An improved walking route to the London bound platform incorporating a minimum of seven drop off bays and five disabled spaces;
 - 5.3.4. Removal of the mobile buildings and creation of an improved walking route to the footpath connecting the station to Maidstone Barracks and

western Maidstone in order to further encourage walking and cycling to the station; and

- 5.3.5. A cycle hub on the London bound platform with secure cycle parking with fob access for at least twenty pedal cycles.
- 5.4. These measures will, in conjunction with 'Step Ahead of the Rest' (Kent County Council's Sustainable Travel Access Fund project) and other capital schemes in the area, facilitate seamless travel by sustainable modes. The resulting reduction in congestion and improved air quality will serve to positively impact on the health and quality of life of Maidstone residents, in addition to increasing the area's accessibility.
- 5.5. The proposed raised table in Week Street will be located in front of Maidstone East rail station. The scheme will slow vehicle speeds and emphasise pedestrian connections with Week Street, the station and County Hall. These works would therefore connect the redevelopment of Maidstone East station and forecourt with the Week Street public realm improvements which are currently being undertaken.
- 5.6. The improvements to Week Street will also serve to clarify the position regarding whether pedal cyclists are permitted to cycle along Week Street. The current Traffic Regulation Order prohibits cycling, however, the signage directs cyclists to use Week Street. As part of this package of works a review will be undertaken that will deliver recommendations on this issue.

6. Options Considered

- 6.1. A detailed options assessment for the Maidstone East Station redevelopment, to which the proposed interventions closely relate, was undertaken through Network Rail's GRIP3 process.
- 6.2. Due to the scale and low value nature of the proposed interventions, it was considered disproportionate to undertake a full options appraisal. However, an assessment was undertaken of the realistic options available at this stage.
- 6.3. Two options were considered:
 - 6.3.1. Do Nothing – this option would involve no work being undertaken and would leave the existing poor-quality facilities in place. This option would provide no encouragement for the local communities to adopt sustainable modes of travel. This option was therefore rejected.
 - 6.3.2. Upgrade of facilities/provision of new infrastructure – this option would deliver the improvements outlined within this report. This option would offer improved road safety and mode choice through providing high quality walk and cycle links between the rail station and town centre. This option was selected as the preferred option as it contributes towards the aim of increasing use of sustainable modes of travel, which will in turn assist in reducing carbon emissions in Maidstone.

6.4. The implementation of the Project will facilitate:

- 6.4.1. Increased access to jobs, education and health by public transport, thereby reducing road congestion;
- 6.4.2. Improved air quality around Maidstone East Station;
- 6.4.3. Stimulating the electric vehicle market in Maidstone, and providing an opportunity for the roll out of ultra-low emission vehicles for taxis;
- 6.4.4. An increase in rail passengers walking or cycling to Maidstone East Station, therefore leading to improved health for those passengers;
- 6.4.5. Unlocking housing growth to the west of the station; and
- 6.4.6. Reduced conflict between vehicles and pedestrians/cyclists at the Week Street/Station Road junction between the Maidstone East rail station redevelopment and the Week Street public realm scheme.

7. Public Consultation and Engagement

7.1. The key stakeholders involved in the Project are:

- 7.1.1. Kent County Council;
- 7.1.2. Maidstone Borough Council;
- 7.1.3. Network Rail;
- 7.1.4. Southeastern; and
- 7.1.5. Sustrans.

7.2. As part of the Maidstone East rail station redevelopment scheme there are monthly stakeholder meetings held between Kent County Council, Maidstone Borough Council, Southeastern and Network Rail. If the funding is approved for the Maidstone East rail station redevelopment – scheme expansion project this will be incorporated into the existing stakeholder meeting and Sustrans will be invited to attend in order to ensure that all stakeholders are fully engaged in the project.

8. Project Cost and Funding

8.1. The total cost of the Project (2019/20 and 2020/21 schemes only) is estimated at £1.398m, as set out in Table 1 below. This includes funding contributions from the following sources:

- 8.1.1. £1.031m LGF allocation – considered in this report;
- 8.1.2. £300,000 Network Rail;
- 8.1.3. £68,000 Southeastern; and
- 8.1.4. £80,000 S106 contributions, provided by Maidstone Borough Council.

8.2. The £300,000 contribution from Network Rail represents a fixed amount of investment which has been secured through the National Station Improvement

Programme. This funding has been secured, subject to spend being completed by 2020 in line with funding conditions.

- 8.3. Cycle-Rail funding is being sought to the value of £68,000, in order to deliver the planned cycle hub at Maidstone East Station. Southeastern are leading on the bidding process, with the outcome of the bid not yet determined. If the funding is secured it will likely be subject to certain conditions which may influence the spend profile shown in Table 1 below.
- 8.4. If the funding from Southeastern is not secured then it's expected that this aspect of the project will be de-scoped. Whilst this would reduce the outputs delivered through the project, it is not expected to have a material impact on the overall Value for Money case for the project. Kent County Council will be required to report back on the outcome of the funding bid through the quarterly LGF capital programme updates.
- 8.5. The Developer Contributions are currently held by Maidstone Borough Council. It has been confirmed that use of the funds meets the S106 requirements and therefore the contribution is considered to be secure.
- 8.6. The availability of the £1.031m LGF is dependent upon the Board agreeing, under agenda item 6, that the £599,000 LGF underspend from the previous phases of the Programme should remain allocated to the Programme to support the Project detailed in this report.
- 8.7. If the Board does not agree the retention of the £599,000 LGF against the Programme then it is recommended that the funding decision in relation to the £432,000 LGF which has not been drawn down to date is postponed until a revised scope proposal is brought back by Kent County Council.

Table 1 – Kent Sustainable Interventions Programme (2019/20 and 2020/21 schemes) Spend Profile (£)

	2018/19	2019/20	2020/21	Total
SELEP LGF		171,000	860,000	1,031,000
Network Rail	300,000			300,000
Southeastern	68,000			68,000
S106 contributions		80,000		80,000
Total	368,000	251,000	860,000	1,479,000

9. Outcome of ITE Review

- 9.1. The ITE review confirms that the Project Business Case provides an overwhelming strategic case for the scheme and that there is minimal risk associated with the other four cases.

- 9.2. The ITE review indicates that a Benefit Cost Ratio has been estimated based on a proportionate approach which has been used for similar schemes, using a WebTAG compliant approach.

10. Project Compliance with SELEP Assurance Framework

- 10.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategy Statement .
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Amber	The expected project outputs and outcomes are set out in the Business Case and are considered in the economic case. The estimated BCR has been calculated based on similar schemes using WebTAG guidance.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	The Business Case demonstrates clear experience of delivering similar schemes. A comprehensive risk register has been developed which provides an itemised mitigation.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Amber	The BCR has been estimated as 3.78:1, which indicates high value for money. The BCR has been estimated based on proportionate approach which has been used for similar schemes, based on WebTAG guidance.

11. Financial Implications (Accountable Body comments)

- 11.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have yet to be confirmed and funding for future years is indicative.
- 11.2. Until confirmation of receipt of grant is received, any future funding awards made by the Board remain at risk. It is hoped that confirmation of receipt of the funding will be made in advance of the Board meeting on the 12th April; a verbal update will be provided at the meeting to set out the latest position in this regard.
- 11.3. It should be noted that not all funding streams intended to deliver this Project are secure and some are expected to be subject to specific terms and conditions in relation to their use; as the sponsoring Authority, it will be for Kent County Council to ensure that all funding conditions are adhered to ensure that the overall investment and anticipated outcomes are not placed at risk. Any changes in funding arrangement may require a revised assessment of the value for money of the Project to be undertaken.
- 11.4. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.

12. Legal Implications (Accountable Body comments)

- 12.1. There are no legal implications arising from this report.

13. Equality and Diversity implication

- 13.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

- 13.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

- 14.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

15. List of Background Papers

- 15.1. Business Case for the Kent Sustainable Interventions Programme.
15.2. Accountability Board Agenda Pack 23rd February 2018 – Kent Sustainable Interventions Programme funding approval 2018/19
15.3. Accountability Board Agenda Pack 31st March 2017 – Kent Sustainable Interventions Programme funding approval 2017/18
15.4. Accountability Board Agenda Pack – Kent Sustainable Interventions Programme funding approval 8th April 2016/17
15.5. Accountability Board Agenda Pack
15.6. Strategic Board Decision by Electronic Procedure 2015/16
15.7. **Accountability Board Agenda Pack**

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	 04/04/19

Forward Plan reference number: FP/AB/203

Report title: Maidstone Integrated Transport Package LGF funding decision	
Report to Accountability Board on 12th April 2019	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 12 th April 2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.mort@southeastlep.com	
SELEP Partner Authority affected: Kent	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the project change which has been brought in relation to Phase 1 of the Maidstone Integrated Transport Project (the Project). This involves a revised project scope and an additional LGF ask of £700,000.
- 1.2 In addition, the Board is asked to consider the award of a further £4.2m to Phase 3 of the Project.
- 1.3 The Phase 1 and Phase 3 Business Case has been reviewed by the Independent Technical Evaluator (ITE) and have been assessed as presenting high value for money with medium to high certainty of achieving this.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Approve** the change of scope for Phase 1 of the Project, as set out in section 5 below;
 - 2.1.2. **Approve** the award of an additional £700,000 to the Phase 1 Project, as set out in section 6 below. This funding is being reallocated from Phase 3;
 - 2.1.3. **Approve** the award of £4.2m LGF to Phase 3 of the Project.

3. Background

- 3.1. The Project consists of a package of transport interventions aimed at reducing congestion and easing traffic movements at pinch point locations within Maidstone. The Project purpose is to help fulfil the strategic aim of delivering the SELEP housing and employment growth target, delivering the Maidstone Borough Council Transport Strategy and Local Plan.

3.2. In total, the Project has been provisionally allocated £8.9m LGF, along with developer contributions in excess of £3m.

3.3. The Project consists of three distinct phases:

3.3.1. **Phase 1** - A20 London Road/ Willington Street;

3.3.2. **Phase 2** – M20 Junction 5, Coldharbour Roundabout

3.3.3. **Phase 3** – A229 Loose Road Corridor and A20 London/ Hall Road/ Mill Road Junction

4. Phase 1 – A20 London Road/ Willington Street

4.1. In February 2016, the Board approved the award of £1.3m LGF to the Phase 1 Project, which focuses on interventions at Willington Street, Maidstone. This is a route which connects the A20 and A274, as key corridors into Maidstone from the east and south east.

4.2. The scope of the Phase 1 project is to improve the operation of the junctions at either end of Willington Street, including the junction with A20 Ashford Road to the northern end and A274 Sutton Road at the southern end. Phase 1 was intended to deliver improvements to the existing signalised junctions at either end of the Willington Street junction to reduce traffic delays along the corridor.

4.3. There is, however, a lack of local support for the original scope of Phase 1 approved by the Board in February 2016, as recognised through a public engagement meeting held in December 2017 and the Maidstone Joint Transport Board meeting on the 17th January 2018. As such, the Phase 1 Project was placed on hold whilst alternative scheme proposals were developed for the improvements in Willington Street.

4.4. An update was provided to the Board in June 2018 and a revised Business Case has now been brought forward by Kent County Council to amend the scope of the Phase 1 project. This sets out the proposal to deliver larger scale improvements to A20 Ashford Road/ Willington Street Junction only (Phase 1).

5. Phase 1 Options Considered and Preferred Option

5.1. Following the lack of local support for the original Phase 1 Project, a number of options have been considered by the Maidstone Joint Transport Board, which included membership from Kent County Council, Maidstone Borough Council and Parish Councils in the District.

5.2. The options which have been considered include:

5.2.1. Option 1 proposed retention of existing signals with an un-signalised, priority left turn filter lane from Willington Street to the A20 Ashford Road (W). Additionally, two “ahead” lanes would be provided on the Ashford Road (W) approach and exit.

5.2.2. Option 2: proposed signalised left turn with extended right turn lane and dedicated left turn lane on A20 (E)

- 5.2.3. Option 3 proposed removal of existing signals and replacement with a three-arm roundabout.
- 5.3. Options 1 and 3 were discounted owing to insufficient benefits being demonstrable and known public support for a major improvement to congestion on Willington Street. Option 2 has been endorsed by the Joint Transport Board; to remove traffic signals, widen and realign the junction, and improve pedestrian facilities.
- 5.4. Public engagement was undertaken in October 2018 and has informed the revised preferred option to be delivered under Phase 1 of the Project. A Stakeholder and Communication Strategy has been developed. Early engagement has commenced and will continue throughout the delivery of the Project. To date, this has included engagement with businesses and the local population through events, briefing sessions and project newsletters. From the engagement to date then the premise of reducing congestion at this junction is supported.
- 5.5. As a result of the project change, improvements will no longer be delivered at the southern end of Willington Street (A274 Sutton Road/ Willington Street junction). These improvements were due to include additional lanes on the A274 approaching the Willington Street and Wallis Avenue junctions, widening between the two junctions and incorporating signal improvements.
- 5.6. It was expected that these improvements would improve the efficiency of the junction. The total net present value of the travel time benefits for vehicle users only was calculated as £5,734,000 (Present Value Benefits). Relative to the scheme cost a Benefit Cost Ratio (BCR) of 3.97:1 was calculated for the original scope of Phase 1.
- 5.7. The original benefits of tackling congestion at the A274 Sutton Road/ Willington Street will no longer be achieved with funding from the Local Growth Fund. The change of scope sets out the proposed delivery of a larger scale intervention at the northern end of Willington Street (A20 London Road/Willington Street junction). The improvements to A20 London Road/ Willington Street will now provide additional capacity relative to the proposal which was put forward for this junction as part of the original Phase 1 scope.
- 5.8. The travel time savings for the revised Phase 1 project are broadly similar, with a Present Value Benefits of £5,339,202. These benefits will be concentrated at the A20 London Road/Willington Street Junction. However, given the increase in costs for delivering the revised Phase 1 Project, the BCR value is lower at 2.65:1.
- 5.9. There have also been changes to the Department for Transport WebTAG, which have led to changes to the values included within the calculation of the Present Value Benefits since the value was calculated for the original scope of the Project. This means that the two values for the Present Value Benefits are not directly comparable, but give a broad indication as to the impact of the change on the travel time saving benefits.

6. Phase 1 Funding Breakdown

- 6.1. In February 2016, Phase 1 was awarded £1.3m for spend during 2016/17, as per the funding breakdown in Table 1 below. To date, approximately £900,000 has been spent on Phase 1. Kent County Council is now undertaking work to review whether any abortive costs have been incurred as a result of the project change. An update on LGF expenditure and any abortive costs will be provided to the Board as part of the LGF Capital Programme Update in June 2019.
- 6.2. As LGF grant conditions from Central Government state that LGF can only be spent on capital expenditure, any revenue abortive costs associated with the delivery of the Phase 1 will need to be met locally.
- 6.3. A further £700,000 LGF is sought to complete the revised scope of Phase 1, along with funding being provided through developer contributions. This funding will reduce the amount of LGF available to support Phase 3 of the Project. The scope of the Phase 3 Project has been reduced to take account of this change. This reduction has been achieved by removing improvements to the Cripple street and Boughton Lane junction from the Loose Corridor phase 3 scheme. Alternative future funding sources are expected to be sought to deliver these improvements by Kent County Council.
- 6.4. It is expected that the additional £700,000 LGF and the £1.7m developer contributions will be spent in full in 2019/20, with the Phase 1 Project due to complete in February 2020.

Table 1 – Funding Breakdown Phase 1 Project

Funding Source	Original Scope Phase 1	Revised scope of Phase 1
LGF	£1.3m	£2.0m
Developer Funding contributions	£0.44m	£1.7m
Total	£1.74m	£3.7m

7. Outcome of Independent Technical Evaluation assessment

- 7.1. An updated Business Case for Phase 3 has been reviewed by the Independent Technical Evaluator (ITE).
- 7.2. The ITE review confirms that a proportionate assessment has been conducted which is robust and has been carried out using in accordance with Department for Transport WebTAG.
- 7.3. Works continue to be progressed in relation to Phase 3 and are currently on programme as identified in the Business Case and the is high confidence this will be delivered to budget.

8. Phase 2 – M20 Junction 5, Coldharbour Roundabout (update only)

- 8.1. In June 2018, the Board approved the award of a further £2.7m LGF to the delivery of improvements to M20 Junction 5, Coldharbour Roundabout (Phase 2). This junction is located on the A20 to the north west of Maidstone Town Centre, as the intersection of the A20 and a link road to M20 Junction 5.
- 8.2. Work is continuing to progress towards the delivery of Phase 2 as expected, including investigatory surveys such as geotechnical, environmental and topographical surveys, with the detailed design work due to complete in August 2019 and construction expected to complete in 2020/21.

9. Phase 3 – A229 Loose Road Corridor and A20/Hall Road/Mills Road

- 9.1. Phase 3 brings forward the final interventions to be delivered through the Project, including improvements to:
 - 9.1.1. A229/Armstrong Junction – Loose Road Corridor;
 - 9.1.2. A229/ A274 Wheatsheaf Junction – Loose Road Corridor; and
 - 9.1.3. A20/Hall Road/ Mills Road
- 9.2. Assuming that the change request for Phase 1(as detailed in sections 4 – 5 of this report) is supported by the Board and the LGF award to Phase 1 is increased by £700,000, this will leave £4.2m LGF available to support Phase 3.

A229 Loose Road Corridor

- 9.3. The A229/ Armstrong Junction and A229/A274 Wheatsheaf Junction are both located along the A229 Loose Road Corridor to the south of Maidstone town centre. The specific locations of these two interventions are shown in Figure 1 below.

Figure 1 – Loose Road Corridor schemes



9.4. Options to improve traffic along the A229 Loose Road corridor were explored through a feasibility study of the A229 Loose Road corridor. Following a number of options having been explored, the following two interventions were identified as the preferred options:

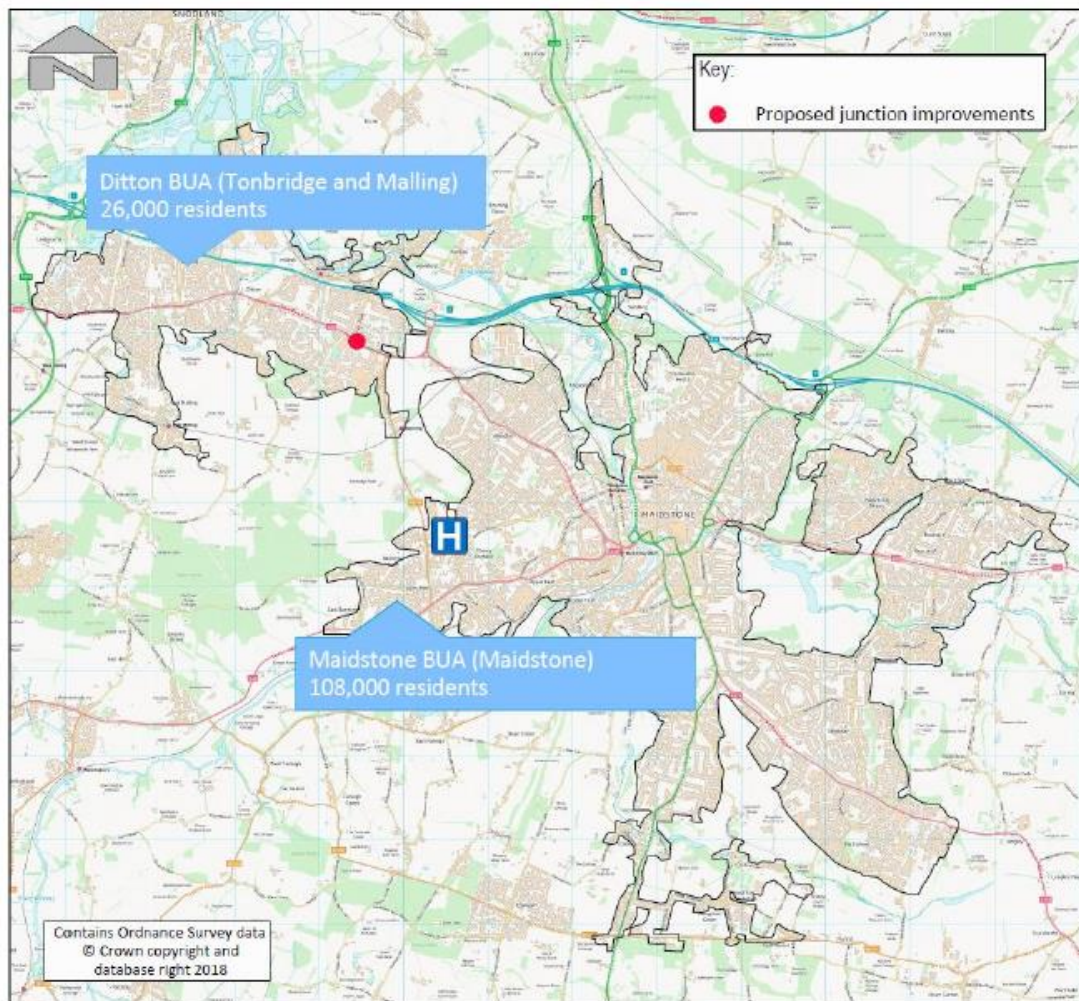
- 9.4.1. A229/Armstrong Rd Junction - The proposed scheme comprises the addition of entry lanes at the A229 (N) and Park View arms to create additional capacity at the junction; and
- 9.4.2. A229/A274 Wheatheaf Junction – the proposals comprise the conversion of an existing 4-arm signal controlled junction to a 3 arm priority roundabout arrangement. The improvement involves the alteration of the access of the Cranbourne Avenue arm of the existing junction.

9.5. The two junction improvements along the A229 Loose Road corridor will act to reduce travel time, improve journey time reliability, helping tackle poor air quality and support planned housing growth.

A20/Hall Road/Mills Road

9.6. In addition, Phase 3 will deliver improvements to A20/Hall Road/ Mills Road junction to the north west of Maidstone, as shown in Figure 2. This junction links the Quarry Wood Retail/ Industrial Park with the A20.

Figure 2 A20/ Hall Road/ Mills Road



- 9.7. From consultation with stakeholders, the following issues have been identified with the junction:
- 9.7.1. Poor journey times during the peak period;
 - 9.7.2. Poor air quality; and
 - 9.7.3. Significant queues in the weekday AM and PM peak periods.
- 9.8. To address constraints at the junction, the following shortlist of options were considered including improvements to the existing traffic signals, provision of a roundabout and provision of a signalised roundabout. These three options were assessed using ARCADY junction assessment transport modelling.
- 9.9. The preferred option to be progressed is for the:
- 9.9.1. Removal of the existing traffic signal control junction;
 - 9.9.2. Provision of a new four armed roundabout;
 - 9.9.3. Re-alignment of the A20 western arm consisting of a two lane Eastbourne approach and central island widening;
 - 9.9.4. Additional entry lane allowing lane designation that better aligns with traffic volume;

- 9.9.5. Upgrade of the existing traffic signal controlled pedestrian crossing across the A20 western arm;
 - 9.9.6. Reallocation of the eastbound bus stop to the west of the roundabout; and
 - 9.9.7. Modification to adjacent pedestrian facilities.
- 9.10. In doing so, the A20/ Hall Road/ Mills Road improvements are expected to deliver:
- Travel time improvements;
 - Air quality improvements;
 - Impact on accidents and safety; and
 - Support the delivery of 3,900 dwelling which are planning and committed in the area adjacent to the junction

10. Phase 3 – Funding breakdown

- 10.1. The overall cost of Phase 3 of the Project is £6.1m. In addition to the £4.2m LGF allocation, Phase 3 is also supported by £1.9m S106 developer contributions. These S106 contributions have been secured and Kent County Council officers are confident that these funding contributions will be available per the funding schedule in Table 2.

Table 2 Phase 3 Project Funding Breakdown

Funding Source	Amount (£000)					
	2019/20	2020/21	2021/22	2022/23	2023/24	Total
A229 Loose Road Junctions (A229/ Armstrong Junction and A229/A274 Wheatsheaf Junction)						
LGF	0.6	1.4	-			2.0
S106 Developer Contributions		0.6				0.6
Total	0.6	2.0				2.6
A20/ Hall Road/ Mills Road						
LGF	0.9	1.3				2.2
S106 Developer Contribution		1.1	0.1		0.1	1.3
Total	0.9	2.4	0.1		0.1	3.5
Total Phase 3 Funding	1.5	4.4	0.1		0.1	6.1

11. Phase 3 - Outcome of ITE Review

- 11.1. Phase 3 Project has been split between two Business Cases, with one Business Case having been developed for the improvements along the A229 Loose Road Junction and a second for the A20/ Hall Road/ Mills Road junction.

- 11.2. The ITE assessment of both Business Cases confirms that the Project is expected to deliver high value for money. The assessment approach has been completed in accordance with Department for Transport guidance and provides high certainty that Phase 3 will achieve high Value for Money.

12. Project Compliance with SELEP Assurance Framework

- 12.1. Table 2 below considers the assessment of the Business Cases for Phase 1 and 3 against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	Green	The Business Case identifies the current problems and why the scheme is needed now. The objectives presented align with the objectives identified in the Economic Strategic Statement.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Green	The expected project outputs and outcomes are set out in the Business Case and detailed in the economic case. The Department for Transport's WebTAG appraisal guidance has been used to calculate the transport costs and benefits of the scheme.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Green	Project risks have been assessed as part of each of the project business cases and contingency cost has been added to the total project cost for each of the interventions.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Green	All interventions included as part of this Project have demonstrated high value for money with a BCR value of 2.65:1 for the revised scope of Phase 1, 7.74:1 for the Loose

Requirement of the Assurance Framework to approve the project	Compliance (RAG Rating)	Evidence in the Business Case
		Road Improvements and 4.29:1 for A20/ Halls Road/ Mills Road

13. Financial Implications (Accountable Body comments)

- 13.1. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have yet to be confirmed and funding for future years is indicative.
- 13.2. Until confirmation of receipt of grant is received, any future funding awards made by the Board remain at risk. It is hoped that confirmation of receipt of the funding will be made in advance of the Board meeting on the 12th April; a verbal update will be provided at the meeting to set out the latest position in this regard.
- 13.3. With regard to the proposed change to phase 1, should any abortive costs have been incurred as a result of the change to the Project, it is not possible to fund these from Local Growth Fund contributions and, as such, these costs would be the responsibility of Kent County Council to identify the relevant funding required to meet these.
- 13.4. Similarly, Kent County Council will also be responsible for the return of any Local Growth Funding that has been used to meet any costs that have subsequently become abortive; the Council will also be responsible for identifying appropriate revenue funding to meet these.
- 13.5. All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that future years' funding can only be made available when HM Government has transferred LGF to the Accountable Body.

14. Legal Implications (Accountable Body comments)

- 14.1. There are no legal implications arising out of this report.

15. Equality and Diversity implication

- 15.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

15.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

15.3 In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

16. List of Appendices

16.1. Appendix 1 - Report of the Independent Technical Evaluator (As attached to Agenda Item 6).

17. List of Background Papers

- 17.1. Business Case for A20 London Road/ Willington Street (Phase 1)
- 17.2. Business Case for A229 Loose Road Corridor (Phase 3)
- 17.3. Business Case for A20/ Hall Road/ Mills Road (Phase 3).

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	04/04/19

Forward Plan reference number: FP/AB/198, FP/AB/200 and FP/AB/205

Report title: Capital Programme Management of the Local Growth Fund	
Report to Accountability Board	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Meeting Date: 12 th April 2019 Date of report: 31 st March 2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.Mort@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex, Kent, Medway, Thurrock and Southend	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.
- 1.2 The report provides an update on the spend forecast for 2019/20, delivery of the LGF programme and the main programme risks.
- 1.3 The updated spend forecast now includes the LGF3b projects which were prioritised by the Investment Panel on the 8th March 2019.
- 1.4 As SELEP approaches the penultimate year of the LGF programme, the report provides a more details focus on risk and deliverability.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the updated LGF spend forecast for 2019/20, as set out in section 2.
 - 2.1.2. **Note** deliverability and risk assessment, as set out in section 5.
 - 2.1.3. **Note** the inclusion of nine new LGF3b projects within the LGF capital programme, as set out in Section 4.
 - 2.1.4. **Note** the changes to 2018/19 LGF spend forecast, as set out in Appendix 2. *The financial end of year position will be reported to the Board in September 2019.*
 - 2.1.5. **Agree** the changes to 2019/20 LGF spend forecast, as set out in Appendix 2.
 - 2.1.6. **Agree** the removal of the A2 Wincheap Off-Slip project from the Growth Deal programme and the reallocation of the £4.4m LGF provisional

allocation to the project through the LGF3b process, as detailed in section 7 below.

- 2.1.7. **Agree** the removal of the Chelmsford Flood Alleviation Project from the Growth Deal programme and the reallocation of the £800,000 LGF provisional allocation to the project through the LGF3b process, as detailed in section 8 below

3. LGF spend forecast

- 3.1. The planned LGF spend in 2018/19 and 2019/20 has been updated to take account of the updated spend forecast provided by each local area. Appendix 2 sets out the changes to LGF annual forecast spend for individual projects, whilst Appendix 3 provided detail of the impact on project slippages on project delivery timescales. There may be further slippages of LGF spend identified through the formal end of year reporting process. A final LGF spend position will be reported to the Board in September 2019.
- 3.2. The expected LGF spend in 2018/19 now totals £75.426m in 2018/19, excluding Department for Transport (DfT) retained schemes (see Table 1). This is relative to £130.972m available through the £91.739m allocation from the Ministry for Housing, Communities and Local Government (MHCLG) and the £39.233m carried forward from 2017/18, as set out in Table 2 below.

Table 1 LGF spend forecast 2018/19

LGF (£m)					Reasons for Variance	
	Planned spend in 2018/19	Total forecast spend in 2018/19 (as reported in March 2019)	Variance*	Forecast LGF spend relative to planned spend in 2018/19* (%)	Additional spend/slippage identified for 2018/19 **	Slippage previous agreed by the Board **
East Sussex	16.650	12.236	-4.414	73.5%	-2.286	-2.128
Essex	18.654	17.407	-1.247	93.3%	0.000	-1.247
Kent	24.867	15.596	-9.270	62.7%	-4.126	-5.144
Medway	16.755	5.939	-10.816	35.4%	-0.591	-10.225
Southend	17.573	5.676	-11.897	32.3%	0.606	-12.503
Thurrock	13.647	7.172	-6.475	52.6%	-5.814	-0.661
Skills	0.000	0.000	0.000	100.0%	0.000	0.000
M20 Junction 10a	11.400	11.400	0.000	100.0%	0.000	0.000
LGF Sub-Total	119.546	75.426	-44.120	63.1%	-12.212	-31.908
Retained	35.454	12.484	-22.970	35.2%	-0.400	-22.570
Total Spend Forecast	154.999	87.909	-67.090	56.7%	-12.612	-54.478

*Variance between the total planned spend in 2018/19 as reported in March 2018 and the total forecast LGF spend in 2018/19, as it currently stands.

** The slippage is shown as a negative value, whilst additional LGF spend is shown as a positive value.

Table 2 LGF spend relative to LGF available in 2018/19 (excluding retained schemes)

	(£m)
LGF allocation in 2018/19 from MHCLG	91.739
LGF carried forward from 2017/18	39.233
Total LGF available in 2018/19	130.972
Total LGF spend in 2018/19	75.426
Total slippage from 2018/19 to 2019/20	55.546

- 3.3. As a result of the increase in LGF slippage from 2018/19 to 2019/20 and the inclusion of LGF3b projects within the LGF spend forecast, the spend forecast for 2019/20 has now increased. The planned LGF spend in 2019/20 now totals £96.917m LGF, excluding DfT retained schemes, and £124.728m including DfT retained schemes, as set out in Table 4 below.
- 3.4. LGF spend for new LGF3b projects' is subject to the Board approving the funding award to these projects. A number of these projects are expected to come forward for funding approval by the Board in June 2019 and September 2019.
- 3.5. The Board have previously been made aware of a potential gap in 2019/20 between the planned LGF and LGF available. The increased slippage of LGF spend from 2018/19 to 2019/20 and the re-profiling of LGF spend which has been identified through the most recent update report has now removed this funding gap in 2019/20. As such, this programme risk has now been mitigated, as shown in Table 5.

Table 4 Planned spend in 2019/20, 2020/21 and future years

LGF (£m)	2019/20	2020/21	Future Years	Total
East Sussex	16.456	7.482	0.000	23.938
Essex	18.268	12.440	9.270	30.707
Kent	23.843	34.264	0.000	58.107
Medway	13.491	11.335	0.000	24.826
Southend	14.635	9.487	0.000	24.122
Thurrock	10.225	7.140	0.000	17.365
Skills	0.000	0.000	0.000	0.000
M20 Junction 10a	0.000	0.000	0.000	0.000
LGF Sub-Total	96.917	82.147	9.270	179.064
Retained	27.811	38.255	0.000	66.066
Total Spend Forecast	124.728	120.402	9.270	245.130

Table 5 LGF spend forecast relative to LGF available (£m)

£m	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Future
Actual spend or current spend forecast	55.563	69.681	79.332	75.426	96.917	82.147	9.2
LGF allocation as per CLoG	69.450	82.270	92.088	91.739	54.915	77.873	0.0
LGF allocation b/fwd from earlier years		13.887	26.476	39.233	55.546	13.544	9.2
Total grant funding in year	69.450	96.157	118.565	130.972	110.461	91.417	9.2
Over/(under) allocation	13.887	26.476	39.233	55.546	13.544	9.270	0.0

- 3.6. The amount of LGF available in 2019/20 now exceeds the LGF spend forecast for projects currently included in the LGF programme by £13.544m, despite the new LGF3b projects having been included with the LGF programme. This increased slippage increases the potential risk re capacity to deliver in the final year of the programme.

4. LGF Delivery

- 4.1. To date, the Board has approved a total of 86 LGF projects in full and a further 5 projects have received part approval, excluding the projects to be considered during the course of the meeting and new LGF3b projects.
- 4.2. A deadline was previously agreed for the approval of all projects within the current LGF programme by the end of the 2018/19 financial year (this excludes LGF3b projects). At its meeting on the 7th December 2018, the Strategic Board agreed an extension to this deadline until the 12th April 2019.
- 4.3. Where it has not been possible to meet this deadline, 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 in 2018.
- 4.4. As such, this meeting of the Board presents the last opportunity of existing LGF projects to come forward for funding approvals. Two projects have not met this deadline: the A2 Wincheap Off-Slip, Kent; and the Chelmsford Flood Alleviation project, Essex. These two projects are discussed further in section 7 and 8 below.

LGF3b

- 4.5. Following the last meeting of the Board, the amount of unallocated LGF totalled £15.448m. This follows the cancelation of a number of projects from the LGF programme at the last meeting of the Board and the £8.331m which was previously identified as unallocated, as set out in Table 1 below.

Table 1 LGF previously unallocated (prior to the Investment Panel on the 8/3/19)

Unallocated LGF prior to Investment Panel (£m)	
Originally Unallocated	8.331
Funding returned to SELEP	
Basildon ITP Tranche 2, Essex *	1.900
Basildon ITP Tranche 3, Essex *	0.514
A414 Harlow to Chelmsford, Essex	2.173
Fort Halsted, Kent	1.530
A22/A27 Improvements, East Sussex	1.000
Total	15.448

*Parts of these projects are still due to progress

- 4.6. On the 8th March 2019, the Investment Panel met for the first time and prioritised 9 projects to utilise the £15.448m unallocated LGF which was available at the time of the meeting. These 9 projects are now eligible to come forward to the Board for a funding decision.
- 4.7. It is expected that further LGF unallocated funding will be identified, such as from the two projects discussed in Section 7 and 8 below. A further meeting of the Investment Panel has therefore been scheduled for the 28th June 2019 to agree a pipeline of LGF projects to utilise any further unallocated LGF which is made available.

5. Deliverability and Risk

- 5.1. Appendix 3 sets out a delivery update and risk assessment for all projects included in the LGF programme. This provides a detailed breakdown of the delivery progress for each LGF project, relative to the expected completion dates as set out in the original business cases and the expected LGF spend in 2018/19.
- 5.2. To date, it is reported that a total of 8,527 and 11,671 dwellings have been completed through LGF investment, as shown in Table 6 below. No outputs in terms of jobs or homes have been reported by Southend or Thurrock to date. The delivery of jobs and homes reported to date is lower than expected, relative to the 78,000 jobs and 29,000 homes committed through the Growth Deal. However, it is likely that the output and outcomes of LGF investment to date is currently understated. A lag is also expected between the investment being made and the delivery of the project outcomes.

Table 6 Jobs and homes delivered through LGF investment to date, including DfT retained schemes.

	To date		
	Jobs	Homes	Other outputs
East Sussex	1,241	1,661	0.5km of newly built road and 3km of new cycle route built
Essex	5,684	6,240	
Kent	169	2,626	0.8km of road resurfaced, 0.1km of newly built road and 2.1km of new cycle route built
Medway	1,433	1,144	1.145km of road resurfaced and 13.6km of new cycle route built
Southend	0	0	3.432km of road resurfaced, 0.626km of newly built roads and 0.408km of new cycle route built
Thurrock	0	0	3.75km off-carriageway new cycle/shared use paths, 0.995km of on-carriageway cycle way, 7.5km of footways to off-carriageway cycle/shared used paths.
Total	8,527	11,671	

- 5.3. Deadlines have been agreed with local delivery partners for the completion of one year post scheme evaluation, to enable more detailed reporting to the Board and Central Government about the benefits which have been achieved through LGF investment, as well as supporting the sharing of lessons learnt through project delivery.
- 5.4. The first wave of post scheme evaluation was due to be completed by the end of the 2018/19 financial year for the projects which have been completed to date. The outcome of this post-scheme evaluation will be reported back at the next meeting of the Board.
- 5.5. A majority of LGF projects are well underway, with over 25 projects having been completed to date. There are, however, a number of projects that have stalled, experienced project delays and for which there has been a slippage of LGF spend.
- 5.6. The summary project risk assessment position is set out in Table 7 below. A score of 5 represents high risk whereas a score of 1 represents low risk.
- 5.7. The risk assessment has been conducted, based on Ministry for Housing and Local Government (MHCLG) guidance for the assessment of LGF projects based on:
- 5.7.1. Delivery – considers project delays and any delays to the delivery of project outputs/outcomes. SELEP has also considered the delay between the original expected project completion date (as stated in the

- project business case) and the updated forecast project completion date.
- 5.7.2. Finances – considers changes to project spend profiles and project budget. SELEP has considered the certainty of match funding contributions, and changes to spend in 2018/19 between the planned spend (agreed with the Board at the outset of the financial year) and the updated forecast total spend for 2018/19). (40-60% slippage = 3, 60-80% slippage = 4, Greater than 80% slippage = 5).
- 5.7.3. Reputation – considers the reputational risk for the delivery partner, local authority and SELEP
- 5.8. Since the last Capital Programme Update report to the Board in February 2019, the number of projects with an overall risk score of 5 has decreased, as a result of funding decisions having been made in relation to certain projects and other projects having been removed from the LGF programme. Furthermore, the Cities and Local Growth Unit (CLoG) provide a view that that LGF could be spent beyond the Growth Deal (31st March 2021) if a strong case could be made and justified. Spend of LGF beyond the 31st March 2021 is subject to the Board agreeing that five specific conditions have been met. This has reduced the risk for certain LGF projects.
- 5.9. The conditions which need to be satisfied for LGF spend to be permitted by the Board beyond the 31st March 2021 include:
- 5.9.1. A clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
 - 5.9.2. A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
 - 5.9.3. All funding sources identified to enable the delivery of the project. Written commitment will be sought from the respective project delivery partner to confirm that the funding courses are in place to deliver the project beyond the Growth Deal;
 - 5.9.4. Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31st March 2021; and
 - 5.9.5. Contractual commitments being in place with construction contractors by 31st March 2021 for the delivery of the project.
- 5.10. All Red RAG projects (listed in 5.12 below), which have not been considered by the Board in the last 6 months, are expected to come back to the Board at the next meeting on the 7th June 2019. At this meeting, it is expected that either an update report will be provided to the Board to give assurance that the project's risk can be mitigated or that the decision report will be brought to the Board to seek agreement on the next steps for the project.
- 5.11. The total LGF allocation to Red RAG projects is £42.036m.

Table 7 LGF project delivery, financials and reputational risk (5 high risk, 1 low risk)

Score	Delivery	Financials	Reputation	Overall
5	13	14	3	9
4	12	16	7	11
3	14	8	13	20
2	12	8	14	20
1	43	48	57	34
Total	94	94	94	94

5.12. Nine projects have been identified as having a high overall project risk (overall risk score of 5). Details are provided on each of these projects.

- A131 Braintree to Sudbury, Essex

The project has been removed from Essex County Council's capital programme. However, £1.8m LGF currently remains allocated to the project. It is expected that an update report will be brought to the Board in June 2019 to set out the next steps.

- Beaulieu Park Railway Station, Essex

The project has been awarded £12m LGF by the Board, subject to certain conditions being satisfied. One of the three funding conditions was for the SELEP Strategic Board to endorse spend of £9.27m LGF beyond the Growth Deal period (31/03/2021). This endorsement was secured from the Strategic Board at its meeting on the 22nd March 2019. The remaining two funding conditions must now be satisfied by December 2019.

The remaining two funding conditions include:

- A Value for Money review being completed for the overall Project by MHCLG, as part of the Housing Infrastructure Fund (HIF), that meets the requirements of the value for money exemption 2 of the SELEP Assurance Framework; and
- Receipt of evidence from Essex County Council that they have been awarded sufficient funding through the MHCLG's HIF and through funding contributions from Network Rail, to bridge the project funding gap.

The HIF application has now been submitted by Essex County Council and the Board will be updated on the outcome of this application once known.

- Chelmsford Flood Alleviation Project, Essex

A detailed update on the project is set out in section 7 below.

- A28 Chart Road, Kent

The delivery of the A28 Chart Road scheme in Ashford is currently on hold following the failure of the developer to provide the security bond required for Kent County Council to forward fund the delivery of the scheme.

This project has been on hold for almost a year. During this time, options have been considered to confirm the availability of funding contributions to enable the delivery of the project. These discussions are still ongoing but a solution has not yet been to provide Kent County Council assurance to progress with the project. If confirmation of funding has not been provided in advance of the next Board meeting then it is expected that recommendations will be made for the reallocation of the funding from this project to an alternative LGF3b.

- A28 Sturry Link Road, Kent

The project was awarded £5.8m LGF by the Board in June 2016. However, the funding package to deliver the project is dependent on private sector developer contributions. The pace of residential development coming forward will impact the deliverability of the project and spend of the funding contributions within the Growth Deal period.

An additional £4.5m LGF was sought from SELEP through the LGF3b process to increase the probability that the project can be delivered within the Growth Deal period, but this would increase the public sector contribution sought for the delivery of the project relative to private sector contributions. This project has not been prioritised by the Investment Panel for unallocated LGF currently available.

Planning applications have now been submitted for the sites which are due to provide funding contributions to the delivery of the project. Once the planning applications have been determined, an updated report will be brought to the Board, in June 2019.

- A28 Sturry Integrated Transport Package, Kent

The project was awarded £300,000 LGF for the extension of the existing bus lane along the A28 Sturry Road corridor to enhance the provision of public transport. Whilst the project Business Case set out the intention for the project to be delivered by the end of 2016, the project has been put on hold due to local concerns about the project and traffic diversions which would be required to deliver the project. Alternative delivery methods have been considered but these would increase the project cost and would reduce the benefits to cost ratio for the project.

Work is underway locally to consider the abortive cost of not progressing and whether delivery options are available to progress with the project as planned in the original business case. If this is not achievable, it is expected that the £300,000 allocated to the project will be returned to SELEP as part of the LGF3b process (to be confirmed at the Board meeting on the 7th June 2019). As such, the bus journey time reliability and the expected increase in bus use, anticipated as a result of the project, will not materialise.

- A2 Wincheap Off-Slip, Kent

A detailed update on the A2 Wincheap Off-Slip is presented in section 7 below.

- Leigh Flood and East Peckham Storage Area, Kent

The Leigh Flood Storage Area was awarded £2.349m LGF by the Board in September 2018, as part 1 of the Project. The remaining £2.287m is allocated to the East Peckham scheme, as part 2, but has not yet been considered by the Board for a funding award. The East Peckham scheme is not as well developed as the Part 1 project and there is a high risk that the LGF allocated to this part of the project cannot be spent within the Growth Deal period. Furthermore, there is also a funding gap, the value for which has not yet been confirmed. It is expected that a decision will be brought to the Board on the 7th June 2019 in relation to the East Peckham scheme to consider the funding allocation for this project.

- Medway City Estate Connectivity Improvement Measures, Medway

Medway City Estate project was approved by the Board in March 2015 for the award of £2m LGF. The Business Case includes measures for a direct river taxi from Medway City Estate to Chatham town centre, including a new landing stage on the River Medway at Medway City Estate. The river taxi could connect Medway City Estate with Chatham Town Centre, with the pier in Chatham Town Centre having been refurbished in 2013 using Growing Places Fund (GPF).

However, further engagement with businesses on Medway City Estate has not demonstrated sufficient demand for the walking, cycling and river taxi options proposed within the original Business Case. Further options are currently being investigated. An update report is expected to be presented to the Board in June 2019 to set out the next steps in relation to the scope of the project and subsequent decision once appropriate updates have been made to the Business Case

6. LGF Programme Risks

- 6.1. In addition to project specific risks, the following LGF programme risks have also been identified.

Government's funding commitment to future years of the LGF Programme

Risk: Currently Government has only given a provisional funding allocation for future years of the LGF programme and the level of LGF to be received by SELEP in 2019/20 has yet to be confirmed. It has been indicated that SELEP can expect to receive its 2019/20 award of funding in full, however, grant offer letters have not yet been received. The receipt of future year LGF allocations is also subject to full compliance with the requirements of the LEP review, National Local Growth Assurance Framework and successful outcome of the Annual Performance Review.

Mitigation: Agenda Item 14, Assurance Framework Implementation update, details the latest position in relation to compliance with the governance requirements from Central Government and actions to address these.

LGF spend within Growth Deal period

Risk: Whilst the Cities and Local Growth Unit have indicated some flexibility to spend LGF beyond the Growth Deal Period (31st March 2021), the full impact of failure to spend the LGF allocation by this date has not been clearly articulated by Government. There is a potential reputational risk in terms of our ability to successfully secure funding from Central Government for funding streams which follow on from the Local Growth Fund, such as the Shared Prosperity Fund, if SELEP continues to hold substantial LGF allocations beyond the Growth Deal.

Mitigation: The LGF3b process is well underway to establishing a project pipeline to the end of the Growth Deal should underspend become available. The SELEP Investment Panel is due to meet again on the 28th June 2019 to agree the LGF project pipeline of projects to progress if LGF underspend is identified.

Slippage of LGF from 2018/19 to future years of the programme

Risk: A slippage of £55.546LGF is anticipated from 2018/19 to 2019/20. The slippage of LGF spend has a potential reputational impact for the SELEP area, as Central Government is currently using LGF spend as a performance measure to monitor SELEP's Growth Deal delivery. The backloading of LGF spend will also create delivery pressures during the final years of the Growth Deal programme.

Mitigation: There will be clear communication with Government about the successful delivery of LGF projects to date and the need for SELEP to retain LGF slippage to help manage the cash flow position in 2019/20.

Evidenced delivery of project outputs and outcomes

Risk: Local partners have made substantial progress towards the delivery of projects included within the Growth Deal programme, including the outputs identified in the Project Business Cases. However, Government continues to seek evidence of the delivery of jobs and homes which SELEP committed to deliver within its Growth Deal with Government. Whilst this information has been sought through update reports from SELEP, evidence of jobs and homes delivery from some local partners has not been forthcoming. This has a reputational risk for SELEP and the robustness of our case to Government for further funding.

Mitigation: New templates have been prepared by SELEP's Independent Technical Evaluator (ITE), to help structure and provide a consistent approach to the monitoring of project outputs and outcomes following scheme completion. A series of workshop meetings have also been held with each Federated Area to provide guidance on the completion of project monitoring and evaluation information.

The outputs delivered to date are also reported to each Strategic Board meeting to ensure clear oversight of project outcomes to date and oversight of the information reported back to Central Government.

S151 officer letter sign off of each Business Case includes a commitment for each local partner to allocate sufficient resource to the monitoring and evaluation of each LGF project.

LGF reallocation to Central 'unallocated' LGF pot

7. A2 Wincheap Off-Slip, Canterbury

- 7.1. A2 Wincheap off-slip slips project was allocated £4.4m LGF through LGF Round 3. The proposed scheme was intended to deliver the missing off slip to the A28 in the southbound direction of the A2 creating a full movements junction. This will provide an alternative route option for traffic currently approaching Canterbury from the A2 via Harbledown and the ring road.
- 7.2. The delivery of the A2 Wincheap off-slip is intended to remove traffic from Wincheap, reduce congestion along Canterbury Ring Road system and relieve pressure on the existing southbound off slip at Harbledown. The new off-slip will also provide improved access to an expanded park and ride site to the east of the A2/A28 Wincheap junction and to the Wincheap Industrial/retail Estate.
- 7.3. The delivery of the slip road forms part of a wider scheme for the delivery of wider improvements through Wincheap, including new relief road, gyratory and traffic management scheme. This package of works is required to improve the connectivity between the new slip road and the town centre.
- 7.4. Whilst the project will help to tackle existing congestion issues, the improvements are required to enable the delivery of 1,150 new homes, business space and community facilities at two strategic development sites in Thanington Park and Cockering Farm to the west of A2/A28 junction.
- 7.5. In approving the planning application for the Thanington Park site, the developer provided a funding commitment to deliver the A2 Wincheap off-slip. This commitment remains in place. However, under the S106 agreement, there is flexibility for the developer contributions to be diverted to the wider package of improvements, listed in 7.4 above, if alternative funding sources are identified to deliver the A2 Wincheap off-slip.
- 7.6. The legal agreement was drafted in this way, as at the time of the S106 agreement being put in place in 2016, a Growth and Housing Fund (GHF) bid had been submitted to Highways England for the delivery of the A2 Wincheap off-slip. This GHF application had passed the first phases of assessment but the scheme promoters were required to satisfy further stages in the process before the GHF was confirmed. An LGF Round 3 bid was also submitted at that time, given the uncertainty in relation to the GHF bid.

- 7.7. Whilst the project initially progressed through the Highways England, to secure Highways England funding for the A2 Wincheap off-slip, in December 2018 SELEP was informed that the application to Highway's England had not been successful.

LGF allocation to A2 Wincheap Off-Slip

- 7.8. Given the nature of the project, a Business Case to draw down the LGF funding has been requested for the delivery of the overall package of measures in Wincheap, including the A2 Wincheap Off-Slip and the Wincheap new relief road, gyratory and traffic management scheme.
- 7.9. Project development work has been completed towards the development of an overall Wincheap package of measures. However, following the news of the successful GHF application, it has not been possible for the scheme promoters to bring forward a robust Business Case, which demonstrates high value for money, within the timescales to meet the deadline, agreed by the Strategic Board at its meeting on the 7th December 2018.
- 7.10. It is also unclear whether it would be feasible to deliver the project within the Growth Deal period, given the scale of the interventions proposed. As such, it is recommended that this funding is reallocated through the LGF3b progress.
- 7.11. It is therefore proposed that the £4.4m LGF is reallocated through the LGF3b process, to enable alternative intervention(s) to progressed. In spite of the reallocation of LGF from the project, it is still expected that the A2 Wincheap off-slip will be delivered but through the developer contributions. This will deliver the intended benefits of the Project enabling the delivery of residential and commercial development in Thanet.
- 7.12. Alternative funding sources will then be sought by the scheme promoters for the wider interventions in Wincheap once the value for money case, the exact funding requirements, and cash flow position has been determined.

8. Chelmsford Flood Alleviation Project - LGF reallocation to Central 'unallocated' LGF pot

- 8.1. Chelmsford Flood Alleviation Project was allocated £800,000 LGF through the first round of the Growth Deal in 2014. The LGF was due to provide a funding contribution towards the £12.4m total project cost. This is in addition to funding contributions from the Environment Agency, Chelmsford City Council and Anglia Eastern Regional Flood and Coastal Committee.
- 8.2. The project is intended to reduce flood risk for existing residential and commercial properties. The existing Standard of Protection (SoP) is below 1 in 20 in parts of Chelmsford and there are currently 462 residential and 176 commercial properties at a 1 in 100 risk of flooding each year.

- 8.3. In addition, the scheme is intended to reduce flood risk to 13 brownfield or other commercial sites in the town centre which have been identified for development or redevelopment in the Chelmsford Town Centre Area Action Plan, 2006.
- 8.4. There have been a number of challenges in taking forward this project, including a judicial review of the planning process following challenges on the Environment Agencies powers to access land. This issue has now been resolved. However, the modelling work which is required as part of the Business Case has not been completed to the original timescales expected. The project costs are also under review. Business Case has previously been submitted to SELEP for this project, but the high level nature of the Business Case and gaps in information mean that the Business Case has not satisfied the SELEP's Independent Technical Evaluation process.
- 8.5. The project has been granted approval for Flood Defence Grant in Aid (FDGiA) funding by the Environment Agency to undertake the works. The LGF was only providing a relatively small proportion of the funding ask, however, it's currently unconfirmed by the Environment Agency whether the project will progress without the LGF allocation.
- 8.6. Similarly to the A2 Wincheap off-slip project, it has not been possible for the scheme promoters to bring forward a Business Case in time for consideration by the Board by the agreed deadline. As these projects have not met the deadline for approval, it is recommended that SELEP reallocates the provisional LGF allocations to these two projects through the LGF3b process.
- 8.7. It understood that neither of these two projects has been considered by the respective Federated Board in relation to the reallocation of the funding from these two projects. If the Board do not wish to support the recommendations of this report, in advance of the Federated Board's having discussed the proposed reallocation of funding from these projects, then it advised that Federated Board's should discuss the projects by the next Accountability Board meeting on the 7th June 2019 to agree to the removal of the project from the LGF programme or for the respective Federated Area to provide assurance that the issues set out above can be mitigated.
- 8.8. In the circumstance that the Federated Board continued to provide support for the project then the funding approval by the Board would also require endorsement from the SELEP Strategic Board. The delayed funding decision would, however, go against the timescales previously agreed by the Strategic Board and would reduce the amount of time available to deliver an LGF3b project, if the funding cannot progress.
- 8.9. If the board does support the recommendations of the report, for the reallocation of funding from A2 Wincheap off-slip and Chelmsford Flood Alleviation, this will release a total of £5.2m LGF. This funding, along with any further LGF identified at the meeting on the 7th June 2019, will be considered for reallocated by the SELEP Investment Panel at its meeting on the 28th June 2019. This will enable alternative projects to progress to utilise the LGF

funding which is unlocked through these two projects being removed from the programme.

9. Financial Implications (Accountable Body comments)

- 9.1. All funding allocations that have been agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2019/20 have yet to be confirmed and funding for future years is indicative.
- 9.2. Until confirmation of receipt of grant is received, any future funding awards made by the Board remain at risk. This risk for the continuation of delivery of the LGF programme is mitigated in the short term by the LGF funding carried forward from 2018/19 of £55.5m. It is hoped that confirmation of receipt of the funding will be made in advance of the Board meeting on the 12th April; a verbal update will be provided to the Board to update on the latest position in this regard.
- 9.3. Government has made future funding allocations contingent on full compliance with the revised National Local Growth Assurance Framework. Allocations are also contingent on the Annual Performance Review of SELEPs LGF programme by Government and assurance from the Accountable Body's s151 Officer that the financial affairs of the SELEP are being properly administered.
- 9.4. There is a high level of forecast slippage within the overall programme which totals £55.5m in 2018/19; this is an increase of circa £12.2m compared to the position reported to the board in February 2019.
- 9.5. It is noted above that there is a continuing risk for some projects that have received board approval for their LGF allocations, however, due to local issues, including funding gaps, have been unable to progress with full delivery of those Projects. It is advised that the Board review these programmes in June 2019 to consider whether the LGF allocation should be diverted to alternative projects that are able to deliver.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no legal implications in this report.

11. Equality and Diversity implication

- 11.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act

- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

11.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1 Appendix 1 - LGF financial update
- 12.2 Appendix 2 – Changes to 2018/19 and 2019/20 spend forecast
- 12.3 Appendix 3 - Project deliverability and risk update

13. List of Background Papers

- 13.1 None

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	04/04/19

Appendix 1 - LGF spend profile										
SELEP number	Project Name	Promoter	2015/16 (total)	2016/17 (total)	2017/18 (Total)	2018/19 (Total)	2019/20	2020/21	Future Year	All Years
East Sussex										
LGF00002	Newhaven Flood Defences	East Sussex	0.300	0.800	0.400	0.000	0.000	0.000		1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport	East Sussex	0.000	0.000	0.254	0.064	1.782	0.000		2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	0.600	0.370	1.630	0.436	2.064	1.500		6.600
LGF00036	Queensway Gateway Road	East Sussex	1.419	1.121	5.000	0.890	1.570	0.000		10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	0.505	0.895		0.000	0.000	0.000		1.400
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.530	1.170		0.000	0.000	0.000		1.700
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	6.410	4.600	5.590	2.000	0.000	0.000		18.600
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	0.000	0.000	0.345	0.796	4.411	3.448		9.000
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined)	East Sussex								
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	0.000	0.550	0.245	3.700	1.505	2.000		8.000
LGF00073	A22/A27 junction improvement package	East Sussex	0.000							
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.000	0.667	0.000	0.000	0.000		0.667
LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	0.000	3.550	4.350	0.300	0.000		8.200
LGF00099	Devonshire Park	East Sussex	0.000	0.000	5.000	0.000	0.000	0.000		5.000
LGF00108	Bexhill Enterprise Park North	East Sussex					1.940			1.940
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex					2.384	0.534		2.918
LGF00110	Sidney Little Road Business Incubator Hub	East Sussex					0.500			0.500
Essex										
LGF00004	Colchester Broadband Infrastructure	Essex	0.200	0.000	0.000	0.000	0.000			0.200
LGF00025	Colchester LSTF	Essex	0.911	1.489	0.000	0.000	0.000			2.400
LGF00026	Colchester Integrated Transport Package	Essex	1.527	0.673	1.400	1.400	0.000			5.000
LGF00027	Colchester Town Centre	Essex	0.955	2.849	0.796	0.000	0.000			4.600
LGF00028	TGSE LSTF - Essex	Essex	2.131	0.869	0.000	0.000	0.000			3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	5.870	2.130	2.000	0.487	0.000			10.487
LGF00032	A414 Maldon to Chelmsford RBS	Essex	1.000	1.000	0.000	0.000	0.000			2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	0.409	0.605	1.986	0.000	0.000			3.000
LGF00034	Basildon Integrated Transport Package	Essex	1.633	0.000	0.000	0.750	4.203	0.000		6.586
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	6.800	-1.000	0.000	0.000	0.000			5.800
LGF00048	A131 Chelmsford to Braintree	Essex	0.000	0.000	1.396	2.000	0.264			3.660
LGF00049	A414 Harlow to Chelmsford	Essex								
LGF00050	A133 Colchester to Clacton	Essex	0.000	0.000	0.000	1.370	1.370			2.740
LGF00051	A131 Braintree to Sudbury	Essex						1.800		1.800
LGF00063	Chelmsford City Growth Area Scheme	Essex	0.000	0.000	1.000	2.500	4.000	2.500		10.000
LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.000	0.000	0.000	0.000	0.800			0.800
LGF00070	Beaulieu Park Railway Station	Essex	0.000	0.000	0.000	0.000	0.000	2.730	9.270	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.000	0.000	0.667	0.000	0.000			0.667
LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000	5.000	0.000	0.000			5.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	0.000	0.000	2.000	1.500	0.000			3.500
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	0.000	0.000	1.000	1.000	0.000			2.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	0.000	0.000	0.100	1.900	3.000			5.000
LGF00102	A127/A130 Fairglen Interchange new link road	Essex	0.000	0.000		1.700	0.673	3.862		6.235
LGF00103	M11 Junction 8 Improvements	Essex	0.000	0.000		1.800	0.900	0.034		2.734
LGF00105	Mercury Rising Theatre	Essex	0.000			1.000	0.000			1.000
LGF00111	Digital Technologies Campus, Basildon	Essex					1.150	1.000		2.150
LGF00112	Colchester Institute	Essex					0.050	0.050		0.100
LGF00113	USP College Centre of Excellence for Digital Technologies and Immersive Learning	Essex					0.800	0.100		0.900
LGF00114	Flightpath Phase 2	Essex					1.058	0.364		1.422
Kent										
LGF00003	I3 Innovation Investment Loan Scheme	Kent	0.000	0.389	2.951	0.711	1.000	0.950		6.000
LGF00006	Tonbridge Town Centre Regeneration	Kent	1.833	0.799	0.000	0.000	0.000			2.631
LGF00007	Sittingbourne Town Centre Regeneration	Kent	0.345	2.155	0.001	0.000	0.000			2.500
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	0.488	1.712	0.000	0.000	0.000			2.200
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Road)	Kent	0.603	0.189	0.049	0.404	0.555			1.800
LGF00010	Kent Thameside LSTF	Kent	2.051	0.480	0.720	0.309	0.639	0.300		4.500
LGF00011	Maidstone Gyratory Bypass	Kent	0.704	3.724	0.171	0.000	0.000			4.600
LGF00012	Kent Strategic Congestion Management programme	Kent	0.863	0.687	0.604	0.329	0.800	1.517		4.800
LGF00013	Middle Deal transport improvements	Kent	0.000	0.800	0.000	0.000	0.000			0.800
LGF00014	Kent Rights of Way improvement plan	Kent	0.193	0.056	0.137	0.313	0.150	0.150		1.000
LGF00015	Kent Sustainable Interventions Programme	Kent	0.143	0.406	0.529	0.253	0.755	0.641		2.728
LGF00016	West Kent LSTF	Kent	0.800	1.308	0.333	1.159	0.700	0.600		4.900
LGF00017	Folkestone Seafront : onsite infrastructure and engineering work	Kent	0.533	0.008	0.000	0.000	0.000			0.541
LGF00038	A28 Chart Road	Kent	0.885	0.984	0.887	0.000	3.119	4.325		10.200
LGF00039	Maidstone Integrated Transport	Kent	0.000	0.265	1.114	0.420	3.349	3.752		8.900
LGF00040	A28 Sturry Link Road	Kent	0.000	0.401	0.385	0.415	2.394	2.305		5.900
LGF00053	Rathmore Road	Kent	1.562	2.638	0.000	0.000	0.000			4.200
LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.022	0.005	0.056	0.000	0.216			0.300
LGF00055	Maidstone Sustainable Access to Employment	Kent	0.131	1.869	0.000	0.000	0.000			2.000
LGF00059	Ashford Spurs	Kent	0.000	0.167	4.173	1.292	2.265			7.897
LGF00041	Thanet Parkway	Kent	0.000	0.000	0.000	0.000	3.355	10.645000		14.000
LGF00058	Dover Western Dock Revival	Kent	0.000	4.915	0.085	0.000	0.000			5.000
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent								
LGF00062	Folkestone Seafront (non-transport)	Kent	0.000	1.967	3.033	0.000	0.000			5.000
LGF00072	A226 London Road/B255 St Clements Way	Kent	0.000	0.715	0.846	2.638	0.000			4.200
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.000	0.000	0.063	0.604	0.000			0.667
LGF00086	Dartford Town Centre Transformation	Kent	0.000	0.000	0.000	0.500	1.942	1.858		4.300
LGF00088	Fort Halsted	Kent	0.000	0.000	0.000					
LGF00092	A2500 Lower Road	Kent	0.000	0.000	0.299	0.966	0.000			1.265
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise	Kent	0.000	0.000	1.953	4.167	0.000			6.120
LGF00096	A2 off-slip at Wincheap, Canterbury	Kent	0.000	0.000	0.000	0.000	0.000	4.400		4.400
LGF00094	Leigh Flood Storage Area and East Peckham - unlocking growth	Kent	0.000	0.000	0.000	0.983	1.365	2.288		4.636
LGF00106	Sandwich Rail Infrastructure	Kent	0.000	0.000	0.000	0.133	1.238	0.532		1.903
Medway										
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time analysis	Medway	0.298	0.402	0.347	0.467	0.863	8.724		11.100

Appendix 1 - LGF spend profile											
SELEP number	Project Name	Promoter	2015/16 (total)	2016/17 (total)	2017/18 (Total)	2018/19 (Total)	2019/20	2020/21	Future Year	All Years	
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancemen	Medway	0.200	1.772	0.944	1.459	4.426	0.000		8.800	
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	0.870	0.945	0.881	1.105	0.399	0.000		4.200	
LGF00021	Medway Cycling Action Plan	Medway	0.228	1.150	0.919	0.203	0.000	0.000		2.500	
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	0.300	0.181	0.035	0.088	1.396	0.000		2.000	
LGF00061	Rochester Airport - phase 1	Medway	0.000	0.179	0.182	0.110	3.928	0.000		4.400	
LGF00089	Rochester Airport - phase 2	Medway	0.000	0.000	0.000	0.129	2.479	1.093		3.700	
LGF00091	Strood Civic Centre - flood mitigation	Medway	0.000	0.000	1.122	2.378	0.000	0.000		3.500	
LGF00115	Innovation Parkway Medway -Phase 3 Enabling Infrastructure	Medway						1.519		1.519	
Southend											
LGF00005	Southend Growth Hub	Southend	0.018	0.702	0.000	0.000	0.000	0.000		0.720	
LGF00107	Sothend Forum 2	Southend	0.000	0.000	0.000	0.500	1.000	4.500		6.000	
LGF00029	TGSE LSTF - Southend	Southend	0.800	0.200	0.000	0.000	0.000	0.000		1.000	
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	0.000	0.767	1.083	1.279	1.419	2.452		7.000	
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including	Southend	0.000	2.366	2.076	3.897	12.216	2.535		23.090	
Thurrock											
LGF00030	TGSE LSTF - Thurrock	Thurrock	0.569	0.162	-0.015	0.100	0.185	0.000		1.000	
LGF00046	Thurrock Cycle Network	Thurrock	0.000	0.096	2.384	2.520	0.000	0.000		5.000	
LGF00047	London Gateway/Stanford le Hope	Thurrock	0.000	0.663	1.592	2.114	3.131	0.000		7.500	
LGF00052	A13 Widening - development	Thurrock	0.000	2.708	0.000	2.292	0.000	0.000		5.000	
LGF00056	Purfleet Centre	Thurrock	0.000	0.645	1.000	0.146	3.209	0.000		5.000	
LGF00104	Grays South	Thurrock	0.000	0.000	0.000	0.000	3.700	7.140		10.840	
Managed Centrally											
LGF00001	Skills	Skills	9.923	11.980	0.071					21.975	
LGF00071	M20 Junction 10a	Kent			8.300	11.400				19.700	
Sub Total			55.563	69.681	79.332	75.426	96.917	82.147	9.270	468.335	
Provisional Funding Allocation from MHCLG				69.450	82.270	92.088	91.739	54.915	77.873	0.000	468.335
LGF slippage 2015/16 to 2016/17			13.887								
LGF slippage from 2016/17 to 2017/18			26.476								
LGF slippage from 2017/18 to 2018/19			39.233								
Forecast LGF slippage 2018/19 to 2019/20			55.546								
Forecast LGF slippage 2019/20 to 2020/21			13.544 -9.270								
DfT Retained schemes											
LGF00079	A127 Fairglen Junction Improvements	Essex	0.000	0.000	0.000	0.000	0.000	15.000	0.000	15.000	
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilienc	Essex	0.513	3.487	0.000	0.000	0.000	0.000	0.000	4.000	
LGF00081	A127 Kent Elms Corner	Southend	0.500	2.389	1.411	0.000	0.000	0.000	0.000	4.300	
LGF00082	A127 The Bell	Southend	0.000	0.000	0.000	0.400	0.800	3.100	0.000	4.300	
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	0.400	0.289	0.311	0.600	2.000	4.000	0.000	8.000	
LGF00084	A13 Widening	Thurrock	0.000	0.000	13.408	11.484	25.011	16.155	0.000	66.058	
TOTAL			56.976	75.846	94.462	87.909	124.728	120.402	9.270	569.993	

Appendix 2 - LGF spend profile

SELEP number	Project Name	Promoter
LGF00072	A226 London Road/B255 St Clements Way	Kent
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent
LGF00086	Dartford Town Centre Transformation	Kent
LGF00088	Fort Halsted	Kent
LGF00092	A2500 Lower Road	Kent
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	Kent
LGF00096	A2 off-slip at Wincheap, Canterbury	Kent
LGF00094	Leigh Flood Storage Area and East Peckham - unlocking growth	Kent
LGF00106	Sandwich Rail Infrastructure	Kent
Medway		
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network	Medway
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway
LGF00021	Medway Cycling Action Plan	Medway
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway
LGF00061	Rochester Airport - phase 1	Medway
LGF00089	Rochester Airport - phase 2	Medway
LGF00091	Strood Civic Centre - flood mitigation	Medway
LGF00115	Innovation Parkway Medway -Phase 3 Enabling Infrastructure	Medway
Southend		
LGF00005	Southend Growth Hub	Southend
LGF00107	Sothend Forum 2	Southend
LGF00029	TGSE LSTF - Southend	Southend
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including Southend)	Southend
Thurrock		
LGF00030	TGSE LSTF - Thurrock	Thurrock
LGF00046	Thurrock Cycle Network	Thurrock
LGF00047	London Gateway/Stanford le Hope	Thurrock
LGF00052	A13 Widening - development	Thurrock
LGF00056	Purfleet Centre	Thurrock
LGF00104	Grays South	Thurrock
Managed Centrally		
LGF00001	Skills	Skills
LGF00071	M20 Junction 10a	Kent
Sub Total		

DfT Retained schemes		
LGF00079	A127 Fairglen Junction Improvements	Essex
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (EC)	Essex
LGF00081	A127 Kent Elms Corner	Southend
LGF00082	A127 The Bell	Southend
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend
LGF00084	A13 Widening	Thurrock
Total		

2018/19				
Planned LGF spend in 2018/19	Changes to LGF spend in 2018/19 Previously agreed by the Board	Slippages to LGF spend in 2018/19 to be agreed by the Board in April 2019	Updated Forecast LGF spend 2018/19	LGF % slippage
2.104	0.535	0.000	2.638	25%
0.604	0.000	0.000	0.604	0%
2.250	-0.730	-1.020	0.500	-78%
0.200	-0.200	0.000	0.000	-100%
0.869	0.097	0.000	0.966	11%
2.167	2.000	0.000	4.167	92%
0.354	-0.354	0.000	0.000	-100%
0.000	0.866	0.117	0.983	0%
1.016	-0.351	-0.532	0.133	-87%
2.155	-1.444	-0.244	0.467	-78%
6.085	-4.514	-0.112	1.459	-76%
1.303	-0.199	0.000	1.105	-15%
0.203	0.000	0.000	0.203	0%
0.462	-0.374	0.000	0.088	-81%
3.648	-3.381	-0.157	0.110	-97%
0.520	-0.313	-0.079	0.129	-75%
2.378	0.000	0.000	2.378	0%
0.000	0.000	0.000	0.000	0%
0.000	0.000	0.000	0.000	0%
0.500	0.000	0.000	0.500	0%
0.000	0.000	0.000	0.000	0%
2.482	-1.332	0.129	1.279	-48%
14.591	-11.171	0.477	3.897	-73%
0.285	-0.163	-0.022	0.100	-65%
2.520	0.000	0.000	2.520	0%
5.245	-0.547	-2.584	2.114	-60%
2.292	0.000	0.000	2.292	0%
3.306	0.049	-3.209	0.146	-96%
0.000	0.000	0.000	0.000	0%
0.000	0.000	0.000	0.000	0%
11.400	0.000	0.000	11.400	0%
119.546	-31.908	-12.212	75.426	

0.000	0.000	0.000	0.000	0%
0.000	0.000	0.000	0.000	0%
0.000	0.000	0.000	0.000	0%
4.300	-3.900	0.000	0.400	-91%
1.000	-0.200	-0.400	0.600	-60%
30.154	-18.470	0.000	11.484	-61%
154.999	-54.478	-12.612	87.909	-43%

2019/20		
Planned LGF spend in 2019/20 (as agreed by the Board in February 2019)	Changes to LGF spend to be agreed by the Board in April 2019).	Updated forecast LGF spend in 2019/20
0.000	0.000	0.000
0.000	0.000	0.000
1.604	0.338	1.942
0.000	0.000	0.000
0.000	0.000	0.000
0.000	0.000	0.000
0.000	0.000	0.000
0.500	0.865	1.365
1.238	0.000	1.238
4.275	-3.412	0.863
4.314	0.112	4.426
0.399	0.000	0.399
0.000	0.000	0.000
1.396	0.000	1.396
3.771	0.157	3.928
2.400	0.079	2.479
0.000	0.000	0.000
0.000	0.000	0.000
0.000	0.000	0.000
1.000	0.000	1.000
0.000	0.000	0.000
2.000	-0.581	1.419
12.693	-0.477	12.216
0.163	0.022	0.185
0.000	0.000	0.000
0.547	2.584	3.131
0.000	0.000	0.000
0.000	3.209	3.209
3.700	0.000	3.700
0.000	0.000	0.000
0.000	0.000	0.000
79.503	9.532	96.917

0.000	0.000	0.000
0.000	0.000	0.000
0.000	0.000	0.000
0.800	0.000	0.800
2.000	0.000	2.000
25.011	0.000	25.011
107.314	9.532	124.728

Project	Deliverability						Financial					LGF spend 2018/19					Overall
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Updated expected completion date	Months delay incurred	Deliverability RAG rating	LGF allocation	LGF spend to date (%) Up to end of 2018/19 Q3	Original total project cost	Updated total project cost	% change	LGF planned spend	LGF updated forecast*	% slippage	Financials RAG rating	Reputational risk	
East Sussex																	
Newhaven Flood Defences	Jun-15	Construction in progress	01/02/2020	01/01/2020	0	1	£1,500,000	100%	TBC	£19,000,000		£0	£0	0%	1	1	1
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	01/03/2020	01/03/2020	0	3	£2,100,000	12%	£2,300,000	£3,530,000	0%	£588,000	£64,000	-89%	5	1	3
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	01/03/2021	01/03/2021	0	1	£6,600,000	39%	£9,390,000	£10,560,000	0%	£735,000	£436,000	-41%	3	1	2
Queensway Gateway Road	Mar-15	Construction in progress	01/03/2016	01/10/2019	43	5	£10,000,000	75%	£15,000,000	£10,000,000	-33%	£2,460,000	£889,797	-64%	4	3	4
Swallow Business Park, Hailsham	Feb-16	LGF project delivered	01/03/2017	01/03/2017	0	1	£1,400,000	100%	£1,595,000	£2,800,000	76%	£0	£0	0%	1	1	1
Sovereign Harbour	Feb-16	LGF project delivered	01/03/2017	01/03/2017	0	1	£1,700,000	100%	TBC	£1,700,000		£0	£0	0%	1	1	1
North Bexhill Access Road and Bexhill Enterprise Park	Nov-15	LGF project delivered	01/03/2018	01/12/2018	9	1	£18,600,000	99%	£16,600,000	£18,600,000	12%	£2,000,000	£2,000,000	0%	2	2	2
Hastings and Bexhill Movement and Access Package	Feb-18	Construction in progress	01/03/2021	01/03/2021	0	1	£9,000,000	9%	£9,000,000	£9,000,000	0%	£2,012,000	£796,000	-60%	4	1	2
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	01/03/2021	01/03/2021	0	2	£8,000,000	48%	£9,736,000	£11,250,000	16%	£4,205,000	£3,700,190	-12%	2	3	3
Coastal Communities Housing Intervention Hastings	Feb-17	Construction in progress	01/04/2020	01/03/2020	0	1	£666,667	100%	£3,370,000	£3,200,000	-5%	£0	£0	0%	1	1	1
East Sussex Strategic Growth Project	Jan-17	Construction in progress	01/03/2021	01/03/2021	0	2	£8,200,000	66%	£21,200,000	£21,200,000	0%	£4,650,000	£3,550,000	-24%	1	1	2
Devonshire Park	Mar-17	Construction in progress	01/03/2020	01/03/2020	0	1	£5,000,000	68%	£16,000,000	£16,000,000	0%	£0	£5,000,000		1	1	1
Essex																	
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	01/03/2016	01/03/2016	0	1	£200,000	100%	£528,782	£529,000	0%	£0	£0	0%	1	1	1
Colchester LSTF	Mar-15	LGF project delivered	01/03/2016	01/12/2016	9	1	£2,400,000	100%	£2,000,000	£3,144,000	57%	£0	£0	0%	1	1	1
Colchester Integrated Transport Package	Mar-15	Construction in progress	01/03/2021	01/03/2021	0	1	£5,000,000	92%	£12,749,000	£12,363,000	-3%	£1,400,000	£1,400,000	0%	2	1	2
Colchester Town Centre	Mar-15	LGF project delivered	01/03/2016	01/01/2018	22	4	£4,600,000	100%	£5,052,000	£6,525,000	29%	£0	£0	0%	1	1	2
TGSE LSTF - Essex	Mar-15	LGF project delivered	01/08/2016	01/03/2017	7	1	£3,000,000	100%	£3,000,000	£3,044,000	1%	£0	£0	0%	1	1	1
A414 Pinch Point Package	Jun-15	Construction in progress	01/03/2017	01/03/2019	24	4	£10,487,000	100%	£14,924,000	£28,359,000	90%	£0	£487,000		1	1	2
A414 Maldon to Chelmsford RBS	Jun-15	LGF project delivered	01/03/2017	01/12/2016	0	1	£2,000,000	100%	£3,913,000	£3,313,000	-15%	£0	£0	0%	1	1	1
Chelmsford Station/Station Square/Mill Yard	Jun-15	LGF project delivered	01/12/2017	31/03/2019	15	1	£3,000,000	100%	£2,921,000	£3,000,000	3%	£0	£0	0%	1	1	1
Basildon Integrated Transport Package	Mar-15, May-17 and Feb-19	Design in progress	01/03/2021	01/03/2021	0	1	£6,586,000	31%	£11,672,000	£9,854,000	-16%	£2,800,000	£750,000	-73%	4	1	2
Colchester Park and Ride and Bus Priority measures	Mar-15	LGF project delivered	01/04/2015	01/04/2015	0	1	£5,800,000	100%	£7,193,000	£7,698,000	7%	£0	£0	0%	1	1	1
A127 Fairglen junction improvement	Pending	Approval pending	01/09/2022	01/09/2022	0	3	£15,000,000	0%	TBC	£20,652,000		£0	£0	0%	3	4	4
A127 capacity enhancements	Jun-15	Design in progress	01/12/2020	01/03/2022	15	5	£4,000,000	100%	£9,150,000	£10,562,000	15%	£0	£0	0%	1	4	4
A131 Chelmsford to Braintree	Feb-17	Construction in progress	01/03/2020	01/03/2020	0	1	£3,660,000	61%	£7,320,000	£6,600,000	-10%	£1,854,000	£2,000,000	8%	1	1	1
A133 Colchester to Clacton	Nov-17	Design in progress	01/03/2020	01/03/2020	0	1	£2,740,000	32%	£5,480,000	£2,925,000	-47%	£1,370,000	£1,370,000	0%	1	1	1
A131 Braintree to Sudbury	Jun-18	Design in progress			0	5	£1,800,000	0%	£3,600,000	£3,600,000	0%	£0	£0	0%	5	5	5
Chelmsford City Growth Area Scheme	Dec-17	Construction in progress	01/03/2021	01/03/2021	0	2	£10,000,000	25%	£14,913,000	£15,000,000	1%	£4,000,000	£2,500,000	-38%	1	2	2
Chelmsford Flood Alleviation Scheme	Pending	Approval pending			0	5	£800,000	0%	TBC	£12,300,000		£0	£0	0%	5	4	5
Beaulieu Park Railway Station	Feb-19	Design in progress	01/03/2024	01/03/2024	0	4	£12,000,000	0%	£157,070,000	£157,070,000	0%	£0	£0	0%	5	4	5
Coastal Communities Housing Intervention Jaywick	Feb-17	Design in progress	01/06/2019	01/06/2019	0	1	£666,667	100%	£3,623,667	£666,667	-82%	£0	£0	0%	1	1	1
Gilden Way upgrading	Dec-17	Design in progress	01/03/2021	01/12/2021	9	2	£5,000,000	100%	£12,327,000	£18,145,000	47%	£0	£0	0%	1	1	2
Technical and Professional Skills Centre at Stansted Airport	May-17	LGF project delivered	01/09/2018	01/09/2018	0	1	£3,500,000	86%	£10,480,000	£10,480,000	0%	£1,500,000	£1,500,000	0%	1	1	1
Innovation Centre - University of Essex Knowledge Gateway	Sep-17	Construction in progress	01/01/2019	01/01/2019	0	1	£2,000,000	100%	£13,000,000	£10,500,000	-19%	£1,000,000	£1,000,000	0%	1	1	1
STEM Innovation Centre - Colchester Institute	Dec-17	Design in progress	01/01/2019	01/01/2019	0	1	£5,000,000	24%	£10,000,000	£9,500,000	-5%	£1,900,000	£1,900,000	0%	1	1	1
A127/A130 Fairglen Interchange new link road	Feb-19	Design in progress	01/09/2022	01/09/2022	0	3	£6,235,000	0%	£9,844,000	£9,895,000	1%	£0	£1,700,000		3	4	4
M11 junction 8 improvements	Nov-17	Design in progress	01/03/2021	01/03/2021	0	1	£2,733,896	33%	£9,056,000	£18,573,896	105%	£0	£1,800,000		2	2	2
Mercury Rising Theatre	Nov-17	Construction in progress	01/03/2020	01/03/2020	0	1	£1,000,000	0%	£8,988,967	£2,000,000	-78%	£1,000,000	£1,000,000	0%	1	1	1
Kent																	
I3 Innovation Project (formerly refer	Nov-15	Project in progress	01/03/2021	01/03/2021	0	2	£6,000,000	59%	£15,000,000	£15,000,000	0%	£43,000	£661,000	1437%	1	1	2

Project	Deliverability						Financial					LGF spend 2018/19					Overall
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Updated expected completion date	Months delay incurred	Deliverability RAG rating	LGF allocation	LGF spend to date (%) Up to end of 2018/19 Q3	Original total project cost	Updated total project cost	% change	LGF planned spend	LGF updated forecast*	% slippage	Financials RAG rating	Reputational risk	
Tonbridge Town Centre Regeneration	Mar-15	LGF project delivered	31/03/2017	30/04/2017	0	1	£2,631,269	100%	£2,650,000	£2,931,000	11%	£0	£0	0%	1	1	1
Sittingbourne Town Centre Regeneration	Nov-15	Construction in progress	01/09/2016	01/01/2020	40	5	£2,500,000	100%	£44,331,000	£4,700,000	-89%	£0	£0	0%	1	3	3
M20 junction 4 Eastern Overbridge	Mar-15	LGF project delivered	31/03/2015	28/02/2017	22	1	£2,200,000	100%	£4,435,000	£6,195,000	40%	£0	£0	0%	1	1	1
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	Construction in progress	01/09/2019	TBC	0	3	£1,800,000	62%	£2,050,000	£1,966,000	-4%	£959,000	£367,008	-62%	4	2	3
Kent Thameside LSTF	Mar-15	Construction in progress	31/03/2021	31/03/2021	0	3	£4,500,000	76%	£5,584,000	£8,272,000	48%	£348,000	£309,000	-11%	2	1	2
Maidstone Gyratory Bypass	Mar-15	LGF project delivered	01/02/2017	01/12/2016	0	1	£4,600,000	100%	£5,700,000	£5,740,000	1%	£0	£0	0%	1	1	1
Kent Strategic Congestion Management programme	Mar-15, Apr-16, Feb-17 and Feb-18	Construction in progress	31/03/2021	31/03/2021	0	2	£4,800,000	48%	£4,800,000	£5,024,000	5%	£766,000	£273,012	-64%	4	2	3
Middle Deal transport improvements	Feb-16	Construction in progress	01/12/2016	01/01/2020	37	5	£800,000	100%	£1,800,000	£1,550,000	-14%	£0	£0	0%	1	3	3
Kent Rights of Way improvement plan	Mar-15	Construction in progress	31/03/2021	TBC	0	3	£1,000,000	52%	£1,200,000	£1,288,000	7%	£213,000	£233,420	10%	3	1	3
Kent Sustainable Interventions Programme	Mar-15, Apr-16, Feb-17 and Feb-18	Design in progress	31/03/2021	31/03/2021	0	3	£2,727,586	45%	£3,000,000	£2,915,000	-3%	£563,000	£253,000	-55%	1	1	2
West Kent LSTF	Apr-16	Construction in progress	31/03/2021	31/03/2021	0	3	£4,900,000	58%	£9,060,000	£9,135,000	1%	£1,159,000	£1,159,102	0%	3	3	3
Folkestone Seafront: onsite infrastructure	Mar-15	LGF project delivered	30/09/2015	31/03/2016	6	1	£541,145	100%	£500,000	£691,000	38%	£0	£0	0%	1	1	1
A28 Chart Road	Nov-15	Design in progress	01/03/2020	TBC	0	5	£10,200,000	27%	£32,799,223	£32,800,000	0%	£3,238,000	£0	-100%	5	4	5
Maidstone Integrated Transport	Nov-15 and Jun-18	Design in progress	01/02/2020	01/09/2020	0	4	£8,900,000	17%	£13,900,000	£10,550,000	-24%	£2,371,000	£420,000	-82%	5	3	4
A28 Sturry Link Road	Jun-16	Design in progress	01/10/2021	01/10/2020	0	5	£5,900,000	17%	£28,500,000	£29,600,000	4%	£1,047,000	£415,000	-60%	4	5	5
Rathmore Road	Nov-15	LGF project delivered	01/11/2017	01/01/2018	2	1	£4,200,000	100%	£9,200,000	£9,500,000	3%	£0	£0	0%	1	1	1
A28 Sturry Road Integrated Transport Package	Nov-15	Design in progress	01/10/2016	01/09/2019	35	5	£300,000	28%	£550,000	£700,000	27%	£0	£0	0%	5	3	5
Maidstone Sustainable Access to Employment	Nov-15	LGF project delivered	01/03/2016	01/06/2017	15	1	£2,000,000	100%	£3,000,000	£2,625,000	-13%	£0	£0	0%	1	1	1
Ashford Spurs	Sep-16 and May-17	Construction in progress	01/04/2018	01/04/2020	24	4	£7,896,830	65%	£10,497,490	£8,597,000	-18%	£3,595,000	£1,291,913	-64%	4	3	4
Thanet Parkway	Pending	Approval pending	TBC	TBC	0	4	£10,000,000	0%	£27,650,000	£25,000,000	-10%	£1,000,000	£0	-100%	5	3	4
Dover Western Docks revival	Feb-17	LGF project delivered	01/02/2017	01/04/2017	2	1	£5,000,000	100%	£5,100,000	£15,000,000	194%	£0	£0	0%	1	1	1
Folkestone Seafront (non-transport)	Feb-16	LGF project delivered	31/12/2027	31/03/2018	0	1	£5,000,000	100%	£337,000,000	£49,192,000	-85%	£0	£0	0%	1	1	1
A226 London Road/B255 St Clements Way	Nov-16	Construction in progress	01/03/2020	01/05/2019	0	1	£4,200,000	93%	£6,900,000	£6,903,000	0%	£2,104,000	£2,638,338	25%	1	1	1
Coastal Communities Housing Intervention (Thanet)	Feb-16	Construction in progress	31/03/2021	31/03/2021	0	3	£666,667	44%	£1,529,075	£1,531,000	0%	£604,000	£603,737	0%	3	2	3
Dartford Town Centre Transformation	Apr-18	Design in progress	31/03/2021	31/03/2021	0	4	£4,300,000	0%	£12,000,000	£12,000,000	0%	£2,250,000	£500,000	-78%	4	3	4
A2500 Lower Road	Sep-17	LGF project delivered	01/12/2019	01/03/2019	0	2	£1,264,930	76%	£1,804,930	£1,805,000	0%	£869,000	£966,006	11%	1	1	2
Kent and Medway EDGE hub	Sep-17	Construction in progress	31/08/2020	30/09/2020	0	1	£6,120,000	68%	£20,502,000	£21,000,000	2%	£2,167,000	£4,167,228	92%	1	1	1
A2 off slip at Wincheap, Canterbury	Pending	Approval pending	01/10/2020	01/10/2020	0	5	£4,400,000	0%	TBC	£10,055,000		£354,000	£0	-100%	5	4	5
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Design in progress	01/07/2023	01/07/2023	0	4	£4,636,000	18%	TBC	£24,691,000		£0	£905,000	0%	4	5	5
Sandwich Rail Infrastructure	Nov-17	Design in progress	31/03/2020	28/02/2020	0	1	£1,903,170	2%	£4,299,200	£3,898,000	-9%	£1,016,000	£132,800	-87%	5	1	3
Medway																	
A289 Four Elms roundabout to Medway Tunnel	Mar-15	Design in progress	31/12/2020	01/01/2022	12	3	£11,100,000	12%	£18,697,000	£11,564,000	-38%	£2,155,000	£467,333	-78%	4	2	3
Strood Town Centre	Mar-15	Construction in progress	30/06/2018	01/09/2019	14	4	£8,800,000	43%	£12,750,000	£10,070,000	-21%	£6,085,000	£1,458,790	-76%	4	1	3
Chatham Town Centre	Mar-15	Construction in progress	31/07/2017	01/10/2019	26	5	£4,200,000	72%	£4,900,000	£5,129,000	5%	£1,303,000	£1,104,661	-15%	2	1	3
Medway Cycling Action Plan	Mar-15	LGF project delivered	31/03/2018	31/03/2019	12	2	£2,500,000	100%	£2,900,000	£2,800,000	-3%	£203,076	£203,076	0%	2	1	2
Medway City Estate	Mar-15	Design in progress	31/03/2018	31/03/2020	24	5	£2,000,000	28%	£2,000,000	£2,094,000	5%	£462,000	£87,712	-81%	5	3	5
Rochester Airport - phase 1	Jun-16	Design in progress	31/03/2018	31/03/2020	24	4	£4,400,000	8%	£4,400,000	£4,400,000	0%	£3,648,000	£110,276	-97%	5	2	4
Innovation Park Medway	Feb-19	Design in progress	31/12/2020	31/12/2020	0	3	£3,700,000	0%	£48,900,000	£48,670,000	0%	£520,000	£128,500	-75%	4	2	3
Strood Civic Centre - flood mitigation	Feb-18	LGF project delivered	30/04/2019	30/04/2019	0	1	£3,500,000	100%	£92,000,000	£92,000,000	0%	£2,378,305	£2,378,305	0%	1	1	1
Southend																	
Southend Growth Hub	2015	LGF project delivered	31/12/2016	01/03/2017	2	1	£720,000	100%	£4,562,000	£7,092,000	55%	£0	£0	0%	1	1	1
Southend Forum 2	Feb-18	Design in progress	01/09/2021	01/09/2021	0	1	£6,000,000	0%	£17,298,000	£17,298,000	0%	£500,000	£500,000	0%	1	1	1
TGSE LSTF - Southend	Mar-15	LGF project delivered	01/08/2016	01/03/2017	7	1	£1,000,000	100%	£1,000,000	£1,000,000	0%	£0	£0	0%	1	1	1
A127 Kent Elms Corner	Jun-16	Construction in progress	19/05/2017	31/05/2019	24	4	£4,300,000	100%	£7,150,000	£5,700,000	-20%	£0	£0	0%	1	3	3

Project	Deliverability						Financial					LGF spend 2018/19					Overall
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Updated expected completion date	Months delay incurred	Deliverability RAG rating	LGF allocation	LGF spend to date (%) Up to end of 2018/19 Q3	Original total project cost	Updated total project cost	% change	LGF planned spend	LGF updated forecast*	% slippage	Financials RAG rating	Reputational risk	
A127 The Bell	Nov-18 and Feb-19	Design in progress	31/03/2021	31/03/2021	0	1	£4,300,000	3%	£5,229,000	£5,020,000	-4%	£4,300,000	£400,000	-91%	5	1	3
A127 Essential Bridge and Highway Maintenance	Sep-16, Nov-18 and Feb-19	Design in progress	31/03/2021	31/03/2021	0	2	£8,000,000	18%	£8,000,000	£8,000,000	0%	£1,000,000	£600,000	-40%	2	1	2
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	Construction in progress	31/03/2021	31/03/2021	0	3	£7,000,000	43%	£7,600,000	£7,000,000	-8%	£2,482,000	£1,150,000	-54%	3	2	3
London Southend Airport Business Park	Feb-16, Sep-17 and Sep-18	Construction in progress	31/03/2021	30/09/2021	5	3	£23,090,000	26%	£31,090,000	£31,070,000	0%	£14,591,000	£3,897,000	-73%	4	2	3
Thurrock																	
TGSE LSTF - Thurrock	Mar-15	Construction in progress	31/03/2016	31/03/2020	48	5	£1,000,000	73%	£1,000,000	£1,243,000	24%	£285,000	£100,000	-65%	4	2	4
Thurrock Cycle Network	Apr-16	Construction in progress	31/03/2019	31/03/2019	0	1	£5,000,000	85%	£6,000,000	£6,000,000	0%	£2,520,000	£2,519,929	0%	1	2	2
London Gateway/Stanford le Hope	Feb-17	Design in progress	31/12/2018	30/09/2020	20	4	£7,500,000	49%	£12,050,000	£15,090,000	25%	£5,245,000	£2,113,903	-60%	4	3	4
A13 - widening development	Feb-17	Construction in progress	31/12/2019	31/12/2020	12	2	£5,000,000	88%	5,000,000	£5,000,000	0%	£2,292,000	£2,291,581	0%	3	1	2
Purfleet Centre	Jun-16	Design in progress	01/09/2027	01/09/2027	0	2	£5,000,000	35%	£122,000,000	£122,000,000	0%	£3,306,000	£146,309	-96%	5	1	3
Grays South	Feb-19	Design in progress	01/07/2022	01/04/2023	9	3	£10,840,274	0%	£27,436,981	£27,440,000	0%	£0	£0	0%	1	2	2
A13 widening	Apr-17	Construction in progress	31/12/2019	31/12/2020	12	2	£66,057,600	29%	£78,900,000	£73,867,000	-6%	£30,154,000	£11,483,596	-62%	4	1	3
Managed Centrally																	
Capital Skills	Mar-15	LGF project delivered	31/03/2017	31/03/2018	12	1	£21,974,561	100%	TBC	TBC		£0	£0	£0	1	1	1
M20 Junction 10a	Feb-17	Construction in progress	31/09/2020	31/09/2020	0	1	£19,700,000	100%	£104,400,000	£104,400,000	0%	£0	£0	£0	1	1	1

Forward Plan reference number: FP/AB/201

Report title: Innovation Park Medway (northern site) – Extended Enabling Infrastructure - LGF3b deliverability update	
Report to Accountability Board on 12th April 2019	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 2 nd April 2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.Mort@southeastlep.com	
SELEP Partner Authority affected: Medway Council	

1. Purpose of Report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the updated Independent Technical Evaluation in relation to the deliverability of the proposed LGF3b Innovation Park Medway (northern site) – Extended Enabling Infrastructure project (the Project).
- 1.2 This update report follows the Investment Panel meeting on the 8th March 2019, through which this Project was prioritised as part of the LGF3b pipeline for a provisional funding allocation of £1,518,500 LGF. This provisional funding allocation was subject to the Board's agreement that the deliverability concerns raised by the SELEP Independent Technical Evaluator (ITE) could be mitigated.
- 1.3 The Board is asked to consider the additional information provided by Medway Council and the updated ITE assessment, in order to reaffirm the provisional funding allocation to the Project. A Business Case will need to be brought through the ITE process in order for the Board to take a funding decision in relation to the Project.

2. Recommendations

- 2.1. The Board is asked to:
- 2.2. Agree one of two options:
 - 2.2.1. **Option 1 - Agree** that Medway Council have satisfactorily addressed the deliverability concerns raised by the ITE in their initial assessment of the Project, which was presented to Investment Panel on 8th March 2019; having done so, Medway Council will be required to bring forward an updated Business case to satisfy the ITE process prior to a Board decision to award the funding to the Project; or
 - 2.2.2. **Option 2 - Agree** that the £1.519m should be considered for re-allocation at the next Investment Panel meeting on the 28th June 2019.

3. Background

- 3.1. The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together form the North Kent Enterprise Zone.
- 3.2. The vision for Innovation Park Medway is to attract high GVA businesses focused on the technology, engineering and knowledge intensive sectors. These businesses will deliver high value jobs in the area and will contribute to upskilling the local workforce.
- 3.3. Innovation Park Medway consists of two parcels of land, either side of Rochester Airport. The northern site is currently part of Rochester Airport and is in use as one of the two operational runways at the airport. The southern site is south of Innovation Centre Medway and is currently partially used as an overflow car park for the Innovation Centre but is primarily an unused site in Council ownership. Appendix 2 shows the Innovation Park Medway site layout.
- 3.4. To date the Board have awarded £8.1m LGF to the wider package, as follows:
 - 3.4.1. £4.4m LGF, from LGF round 2, was awarded in June 2016, to enable the delivery of the Rochester Airport – Phase 1 project. This investment will change the configuration of Rochester Airport, whilst also delivering improvements to the airport infrastructure to help safeguard the future of the airport. Reconfiguration of the airport allows the closure of the second runway which releases the land required for the development of the northern site of Innovation Park Medway.

Completion of the Rochester Airport - Phase 1 project also enables the Innovation Park Medway southern site GPF project (as outlined below) to progress, as the Phase 1 works free the southern site from current Civil Aviation Authority flightpath safeguarding restrictions, through the closure of one of the two existing runways.
 - 3.4.2. In February 2019, £3.7m LGF was awarded in February 2019 to the delivery of the Innovation Park Medway (northern site) – Enabling Infrastructure project, subject to Medway Council satisfying a number of funding conditions (as outlined in 3.7 below). This investment will bring forward the enabling works, including access road, signage and utilities, required to facilitate development of the first section of the northern site of Innovation Park Medway through private sector investment in buildings on the site.
- 3.5. In addition, the Board has also approved the award of £650,000 Growing Places Fund funding to the delivery of the Innovation Park Medway southern site enabling works project. This investment will bring forward enabling works

Innovation Park Medway (northern site) – Extended Enabling Infrastructure LGF3b allocation

on the southern site of the innovation park, which will make the site more attractive to businesses looking to relocate to and expand in Medway.

- 3.6. To date, there has been a substantial slippage of LGF spend between financial years for Phases 1 and 2. This has primarily been as a result of complications with the planning process and public opposition to the proposed airport improvements. As a consequence of these delays the main Rochester Airport – Phase 1 works have not yet commenced onsite and only £369,000 of the £4.4m LGF allocation, as approved by the Board in June 2016, had been spent to the end of December 2018.
- 3.7. In line with the funding conditions attached to the Board approval of the £3.7m LGF3 allocation to the Innovation Park Medway (northern site) – Enabling Infrastructure project, Medway Council have now confirmed that there has been no successful judicial review of the decision by their Planning Committee to grant planning consent for the airport infrastructure improvement works. In addition, a contractor has now been appointed to deliver the works and a signed legal contract is in place, meaning that the conditions attached to the funding decision have been fulfilled. Medway Council have reported that delivery of the Rochester Airport – Phase 1 project will be complete by the end of the 2019/20 financial year.

4. Innovation Park Medway (northern site) – Extended Enabling Infrastructure (the Project) – LGF3b allocation

- 4.1. Through the LGF3b process, a further £1.519m LGF was provisionally allocated to the Project, subject to the Board being satisfied that the deliverability concerns raised by the ITE can be addressed (as set out in 4.8 below).
- 4.2. The Project will seek to deliver enabling works on a wider section of the northern site of the Innovation Park, allowing accelerated development of commercial space and maximising the number of businesses who can benefit from establishing themselves within the North Kent Enterprise Zone.
- 4.3. The Project will deliver the following outputs:
 - 4.3.1. Extended access road/footpath, lighting and signage;
 - 4.3.2. Utility infrastructure including electricity, gas, fibre trenching, water and drainage;
 - 4.3.3. Primary substation; and
 - 4.3.4. Secondary substations as required.
- 4.4. It is anticipated that completion of the enabling works will encourage investment from the private sector in the form of construction of commercial buildings on the site.
- 4.5. Development of the site is expected to bring forward 38,500m² (gross external area) of commercial workspace and 1,300 highly skilled jobs in the

Innovation Park Medway (northern site) – Extended Enabling Infrastructure LGF3b allocation

engineering and technology sector. This is in addition to the commercial workspace and jobs which will be delivered as a result of the LGF2 funded Innovation Park Medway (northern site) – Enabling Infrastructure project.

- 4.6. As part of the LGF3b process the ITE undertook an independent review of each Business Case submitted, along with considering additional clarification information provided by all scheme promoters. At the end of this process the ITE produced a RAG rating for each project put forward for LGF3b funding.
- 4.7. The RAG rating produced by the ITE for the Project for the Investment Panel is shown in Table 1 below.

Table 1: RAG rating for Innovation Park Medway – Extended Enabling Infrastructure project

Match/ Leverage	Scale of impact	Need for intervention	Value for money	Deliverability	Benefits realisation
Green	Green	Amber/ Green	Green	Amber	Amber/ Green

- 4.8. Within the accompanying report the ITE set out the reasons for the Project RAG rating, as outlined below:
- 4.8.1. The scheme is dependent upon the delivery of earlier phases of work which have come up against public opposition and have not yet been implemented; creating a risk to the spend of the current LGF allocation to the wider package of works;
- 4.8.2. The Rochester Airport – Phase 1 project was awarded £4.4m LGF in June 2016, however, less than £369,000 LGF has been spent to date. A further £3.7m LGF has also already been allocated to the Innovation Park Medway (northern site) – Enabling Infrastructure project;
- 4.8.3. SELEP have previously been made aware of the intention to deliver the Innovation Park Medway (northern site) – Enabling Infrastructure project using developer contributions (along with the £3.7m LGF which is currently allocated to the project). It is therefore unclear why further public sector funding contributions are being sought;
- 4.8.4. Development partners have yet to be identified; and
- 4.8.5. If considered as a whole scheme, the total spend on Innovation Park Medway will be difficult to achieve in the timescales.
- 4.9. At the Investment Panel (Panel) meeting on the 8th March 2019, the Panel agreed that the Project should be prioritised for £1.519m LGF3b funding, subject to Medway Council overcoming the burden of proof in lifting the technical evaluation in relation to the deliverability of the Project. Following which the Project would also need to be formally approved for funding by the Board, in line with normal governance processes.

5. Medway Council update on deliverability

- 5.1. Following the discussion at the Investment Panel meeting, Medway Council have provided additional information on the project in order to seek to address the deliverability concerns raised by the ITE.

Programme

- 5.2. Through the independent review process the ITE raised concerns regarding whether the Project could be delivered within the LGF funding period, particularly in light of the limited progress made on earlier phases of the project.
- 5.3. Medway Council provided an update on the delivery of the Rochester Airport – Phase 1 project. Planning consent has now been granted for all elements of the Phase 1 project, with no successful judicial review against this decision being made. Furthermore, following a successful procurement process a contractor has now been appointed to deliver the airport infrastructure works. It is expected that work will commence onsite in April 2019, with all enabling works completed by the end of March 2020.
- 5.4. Medway Council have provided a programme for delivery of the Project, which indicates that the works will be complete by the end of March 2021. The intention is to deliver the Project as part of the contract for the Innovation Park Medway (northern site) – enabling infrastructure LGF3 project. This will allow cost and programme efficiencies to be made as there will be only one mobilisation period, and works will be able to progress across the extended site simultaneously. This approach should give greater assurance regarding deliverability within the LGF funding period, subject to there being no further delays in procuring a contractor to undertake these works.
- 5.5. The intention is to use a Local Development Order (LDO) as the planning mechanism for the Innovation Park Medway site. Consultation is still to be undertaken on the proposed LDO and should any objections be received this has the potential to delay adoption of the LDO and further delay the delivery of the Project.
- 5.6. Whilst assurances have been provided by Medway Council that the Project can be delivered by the end of March 2021, it should be noted that the enabling works (airport infrastructure improvements) are currently scheduled for completion two years later than originally intended. Any further delays to these works will have a knock-on effect on the delivery of both the Project and the Innovation Park Medway (northern site) – Enabling Infrastructure LGF3 project.

Delivery Plan

- 5.7. It was noted during the LGF3b assessment process that there appeared to be no clear delivery plan in place to ensure that delivery of commercial workspace followed completion of the LGF funded enabling works. It was also noted that development partners are yet to be identified and the timescales for doing so have not been clarified.
- 5.8. Medway Council have indicated that they are currently finalising a Delivery and Investment Plan for the development of the site, which focuses on delivery of benefits, achieving quality and design ambitions which will set the tone for future development phases. The plan seeks to ensure that the Innovation Park is developed as quickly as possible, whilst maximising the number of high-quality jobs created and the business rates generated from the site.
- 5.9. The priority for Medway Council is to retain ownership and control of the site in order to ensure quality throughout the build-out phase within the Enterprise Zone period. Both self-build and development partner routes are considered appropriate for the site and these options will be discussed with businesses to ensure the right approach is selected to achieve quality across the site. Steps will be taken to identify and appoint a suitable development partner following approval of the Delivery and Investment Plan by Cabinet. Businesses locating on the site will have the option to work with the identified development partner or to appoint their own contractor to deliver their commercial premises. All commercial premises on the site will need to adhere to the LDO and design code requirements.
- 5.10. The Delivery and Investment Plan also sets out how the development of Innovation Park Medway will be funded. Alongside the LGF and GPF funding secured from SELEP, the intention is for Medway Council to borrow against future business rates receipts in order to accelerate development on the site. Once businesses are located on the site, Medway Council will reinvest business rates received into the site to bring forward further development. This funding approach is still to be considered by Cabinet as part of the approval of the Delivery and Investment Plan, however, Members have previously demonstrated their commitment to the development of Innovation Park Medway.
- 5.11. The Delivery and Investment Plan was considered by the Innovation Park Medway Delivery Board in March 2019 and will be taken to Cabinet for approval by July 2019. Should Cabinet decide not to approve the Delivery and Investment Plan the development of Innovation Park Medway will continue but at a significantly slower pace. Further development of the site will be dependent upon receipt of business rates, which will then be reinvested in the site. This approach to developing the site will mean that fewer businesses have the opportunity to benefit from establishing themselves within the Enterprise Zone.

Private Sector Investment

- 5.12. It was noted during the LGF3b process that £30m of private sector match funding was referenced in the Project Business Case. This funding would be received through businesses investing in commercial premises on the site. The Business Case indicated that whilst receipt of this investment was dependent upon businesses coming forward to occupy the site, this was considered to be low risk due to the level of interest expressed in the site prior to any formal marketing being undertaken. However, it was noted that, to date, none of the stated private sector investment has been secured.
- 5.13. In the additional information provided by Medway Council the private sector investment in commercial buildings on the site was stated to be £80.352m. This figure was reached by using a verified Royal Institution of Chartered Surveyors costing for construction of commercial units.
- 5.14. Since submission of the LGF3b Business Case Medway Council have developed a Delivery and Investment Plan for the site, which has enabled a review and update of the private sector match funding required to bring forward development of the Innovation Park.
- 5.15. Whilst an explanation has been provided as to how the £80.352m private sector investment figure was calculated, there is still no evidence to indicate that any of this funding has been secured. Therefore, there remains a risk that the anticipated commercial development on the site, following completion of the LGF works, will not be forthcoming casting doubt on the delivery of the job's outcomes stated within the Business Case.

6. Updated ITE assessment

- 6.1. Following receipt of additional information provided by Medway Council, a revised assessment of the Project has been undertaken. The main focus of the assessment was to consider the three primary areas of concern highlighted in the initial assessment:
 - 6.1.1. The period within which a judicial review claim could be made regarding the planning decisions upon which the delivery of the wider Innovation Park Medway package of schemes is dependent upon had not elapsed;
 - 6.1.2. A development partner had not been confirmed which raised concerns around certainty of delivery, but also security of match funding for the scheme; and
 - 6.1.3. Limited progress had been made on the delivery of the other components of the wider Innovation Park Medway package of schemes, which are also in receipt of LGF or GPF funding from SELEP. This raised concerns about whether Medway Council would be able to spend the additional LGF3b funding allocation before March 2021.

- 6.2. Medway Council have now confirmed that the period within which a judicial review claim could be made has elapsed, without a claim being submitted for consideration.
- 6.3. In addition, Medway Council have now appointed a contractor to deliver the airport infrastructure improvement works, which will enable the Innovation Park Medway development works to commence.
- 6.4. Additional information has been provided by the scheme promoter which shows that good progress has been made on the other components of the wider Innovation Park Medway package of schemes and that planning permission for Innovation Park Medway will be awarded through a Local Development Order, which reduces the risk of planning objections being made. To date there have been no objections raised during the Masterplan consultation and adoption process.
- 6.5. Information provided has indicated that delivery of the Innovation Park enabling works is on target and achievable by March 2021. Elected members are committed to the delivery of the scheme and have agreed that design work in relation to the Project can proceed in advance of a formal funding decision by the Board.
- 6.6. There remains some uncertainty around the security of the match funding which is made up of private sector investment through commercial development on the site of £80.352m.
- 6.7. In light of the additional information provided the ITE is satisfied that sufficient certainty of deliverability has been demonstrated. However, the Board are invited to consider the risk that the uncertainty around the security of the match funding presents before determining whether to endorse the provisional LGF allocation to the Project proposed by Investment Panel.

7. Next steps

- 7.1. Considering the additional information provided by Medway Council and the updated assessment by the ITE, the Board are asked to either:
 - 7.1.1. **Option 1 - Agree** that Medway Council have satisfactorily addressed the deliverability concerns raised by the ITE in their initial assessment of the Project, which was presented to Investment Panel on 8th March 2019, having done so, Medway Council will be required to bring forward an updated Business case to satisfy the ITE process prior to a Board decision to award the funding to the Project; or
 - 7.1.2. **Option 2 - Agree** that the £1.519m should be considered for re-allocation at the next Investment Panel meeting on the 28th June 2019.

- 7.2. Medway Council have indicated an intention to bring the Business Case to the Board meeting in September 2019 to seek final approval of the LGF allocation, which will enable the funding to be devolved to Medway Council to allow project delivery.
- 7.3. If the Board decide not to endorse the Investment Panel decision to provisionally prioritise the Project for LGF3b funding (Option 2), the £1.519m provisionally allocated to the Project will be returned to the central SELEP LGF pot for reallocation through the ongoing LGF3b process at the Investment Panel meeting on 28th June 2019.

8. Financial Implications (Accountable Body comments)

- 8.1. Significant delays in the delivery of the initial phases of this Project increases the risks associated with the overall Project completion within the Growth Deal period.
- 8.2. Delivery of the Growth Deal forms part of the Annual Performance Review assessment undertaken by Government in advance of confirming the annual LGF funding allocations. The significant slippage experienced by this Project detrimentally impacts on this delivery assessment, placing a risk over the outcome of this assessment.
- 8.3. In addition, further risks have been identified over the security of the match-funding of £80.352m due to be delivered through private sector investment in the site; there has not been any confirmation from Medway Council that any of this funding has been secured to date. Inability to secure investment at the anticipated levels places a risk on the delivery of the job's outcomes stated within the Business Case, and as such, the value for money assessment.
- 8.4. To mitigate these risks, the Board is advised to keep under review the delivery progress of this project and to take this into account with regard to any further funding decisions made.
- 8.5. The Accountability Board is required to approve the LGF3b allocations following submission of a business case that has been through the ITE process and meets the value for money requirements.
- 8.6. It is advised that should the Board agree to endorse the Investment Panel decision for this Project, that an update is included with regards to the £80m private sector investment within the business case to be brought forward to secure the funding.
- 8.7. Further, the additional allocation to the Project through the LGF3b process was less than had originally been sought due to insufficient funding being available for allocation; Medway Council committed to addressing this gap at the Investment Panel on the 8th March 2018 and this also should be set out in the business case.

- 8.8. It should be noted that any future LGF funding award will be subject to the funding having been received by the Accountable Body and will be transferred under the terms of the SLAs or Grant Agreements in place with the Sponsoring Authority.

9. Legal Implications (Accountable Body comments)

- 9.1. There are no legal implications arising out of this report.

10. Equality and Diversity implication

- 10.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 10.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

- 10.3. In the course of the development of the project business case, the delivery of the Project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

- 11.1. Appendix 1 - Report of the Independent Technical Evaluator (as attached to Agenda Item 5).

- 11.2. Appendix 2 – Innovation Park Medway Site Plan.

12. List of Background Papers

- 12.1. Independent Technical Evaluation Report – as provided for Investment Panel meeting on 8th March 2019.

Innovation Park Medway (northern site) – Extended Enabling Infrastructure LGF3b allocation

- 12.2. Business Case for Innovation Park Medway (northern site) Enabling Infrastructure LGF3b project (the Project).
- 12.3. Business Case for Innovation Park Medway (northern site) Enabling Infrastructure LGF3 project.
- 12.4. Business Case for Rochester Airport – phase 1 LGF2 project.
- 12.5. Business Case for Innovation Park Medway southern site enabling works GPF project.

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	04/04/19

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting:	12th April 2019
Date of report:	22th March 2019
Title of report:	A13 widening update report
Report by:	Paul Rogers, Programme Manager Major Schemes, Thurrock Council
Enquiries to:	PRogers@Thurrock.gov.uk

1. Purpose of report

- 1.1 The purpose of this report is to provide the Accountability Board (the Board) with an update on the A13 widening project (the Project).

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Note** the update set out within this report on the A13 widening Project.

3. Background

- 3.1 The Project involves widening the A13 Stanford le Hope Bypass from 2 to 3 lanes in both directions, from the junction with the A128 (Orsett Cock roundabout) in the west and the A1014 (the Manorway) to the east. Once the Project is completed in Autumn 2020, there will be a continuous three lane carriageway from the M25 to Stanford le Hope, which will reduce congestion, improve journey times and support further economic growth long this corridor.

4. A13 Project Delivery Update

- 4.1 The A13 Project is helping to boost Thurrock's economy. In December 2018 alone, the project invested nearly £320,000 in contracts with local small and medium enterprises based within a 10 miles radius of the site.
- 4.2 Since the last Board update in September 2018, good progress has been made towards the delivery of the Project as follows:
- 4.2.1 Design packages for Pavements, Orsett Cock structures, Earth retaining structures, Traffic signals and Traffic signs have been reviewed and are currently being updated ready for issuing for construction.

- 4.2.2 A temporary 40mph speed restriction is now in place on the A13, with narrow lanes, camera enforcement and free vehicle recovery service.
- The narrow lanes enable works to take place at the side of the road, without having to reduce the number of lanes available.
- 4.2.3 In addition, a 30mph speed limit is in place around the Orsett Cock roundabout and on the A1013, Stanford Road to help construction vehicles safely access storage areas and compounds along the route. This will also help reduce traffic noise and vibration for local residents. Additional signs have been ordered to increase driver awareness and improve compliance with the new lower speed limit.
- 4.2.4 Drainage installation and earthworks have started, to enable the construction of new lanes. This work is taking place behind the temporary barrier and is not impacting on road users.
- 4.2.5 Work is underway to remove the existing road signs, crash barrier and noise fencing. These features will be replaced when the construction works in each area are complete.
- 4.2.6 At Orsett Cock roundabout, preparations are underway to start the piled foundations for the new east and west bridges. As part of this work, there will be overnight road closures under the junction on the A13 from late April until September 2019, with traffic diverted via the slip roads and roundabout.
- 4.2.7 At Horndon Road Bridge, work is continuing to build new bridge foundations and embankments. Piling works will take place near the existing bridge and be noisy at times. To minimise disruption to residents, this work will take place during daytime hours.
- 4.2.8 Utilities work is taking place at various locations. This includes gas diversions, which will require temporary traffic lights on Stanford Road (adjacent to Park Road). In addition, gas main works will take place near Saffron Gardens Bridge.
- 4.2.9 Preparations are being finalised for the diversion of two high pressure gas pipelines – NTS Feeder 5 and the Baker Street to Canvey pipeline.
- 4.2.10 Archaeological investigations are taking place at the Orsett Cock roundabout and near the Manorway junction to identify any items of historical interest.

5. Update on Project expenditure

- 5.1 At the time of preparing the LGF update for the April Board, total LGF expenditure in 2018/19 stood at £13.799m. This is slightly ahead of profile presented to the Board in November 2018 but still presents a slippage relative to the planned spend of £30.154m planned at the outset of the financial year.

5.2 Table 1 below shows the actual spend for 2016/17 to 2018/19 and forecast spend for 2019/20 through to 2021/22.

5.3 The Project remains on track to deliver within budget.

Table 1 Project Funding Profile, April 2019 (£m)

LGF	16/17	17/18	18/19	19/20	20/21	21/22	Total
As reported to Board in November 2018							
SELEP Development Funding	2.708		2.292				5.000
DfT Retained Scheme Funding		13.408	11.483	25.011	16.155		66.057
Third Party Funding						7.809	7.809
Total	2.708	13.408	13.775	25.011	16.155	7.809	78.866
April 2019 Update							
SELEP Development Funding	2.708		2.292				5.000
DfT Retained Scheme Funding		13.408	11.507	25.011	16.131		66.057
Third Party Funding						7.869	7.869
Total	2.708	13.408	13.799	25.011	16.131	7.869	78.926

6. Update on programme

6.1 The programme remains similar to that presented to the Board in November 2018. The overall timeframe for construction has extended by one month and is now expected to be completed 1st December 2020. This is due mainly to delays in completing the detail design.

6.2 The risk register is reviewed and updated with contractors on a monthly basis. A summary version of this risk register is included in Appendix A.

6.3 No substantive risks have been identified to bring to the Board's attention.

7. Financial Implications (Accountable Body comments)

7.1 It is noted that no further slippage is reported in 2018/19 beyond that reported in November 2018. Also, although a number of risks to delivery are identified in Appendix A, at present, Thurrock Council have confirmed that the cost of these risks can be contained within the contingency incorporated within the Project budget.

7.2 The DfT funding for this Project is transferred on an annual basis under Section 31 of the Local Government Act 2003. Whilst the DfT have confirmed

their intention to fund this Project up to the value set out in Table 1 above, at the time of writing this report, the grant confirmation letter has not yet been received for 2019/20.

8. Legal Implications (Accountable Body comments)

8.1 There are no legal implications arising from this report

9. Staffing and other resource implications (Accountable Body comments)

9.1 None at present.

10. Equality and Diversity implication

- 10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3 In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

11.1 Appendix A – A13 Widening Post Mitigation Risk Assessment

12. List of Background Papers

- Business Case for A13 Widening Project
- Accountability Board A13 Widening Update Report– 16th November 2018
- Accountability Board A13 Widening Update Report – 14th September 2018
- Accountability Board A13 Wincheap Update Report – 15th June 2018
- Accountability Board A13 Wincheap Update Report - 16th March 2018
- Accountability Board A13 Wincheap Update Report – 17th November 2017

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer Essex County Council)	04/04/19

Appendix A – A13 Widening Project *Post Mitigation Risk Assessment*

Risk Event	Post mitigation probability	Post mitigation impact	Mitigation
R028: The existing pavement may be in poor condition and require additional strengthening	75%	£1,250,000	<ol style="list-style-type: none"> 1. Additional pavement coring/testing investigations completed. 2. Pavement core assessment carried out within the detailed design stage to assess pavement condition. 3. Currently design is showing circa 30% of pavement will need full depth reconstruction. Teams are investigating options to mitigate the need for this which may mean further phases of works are introduced or design changes are needed. Kier investigating construction of current design, if substantial delays then further re-design maybe needed.
R231: Construction contractor may be delayed in progressing the construction works resulting in increased costs and programme delays	80%	£600,000	<ol style="list-style-type: none"> 1. Regularly review programme for the deliverables with all parties at the weekly production planning meetings (previously collaborative meetings). Meetings have been held. Drawings for construction (drainage) have been issued. 2. Meetings held with Aecom to discuss ways to broker design solutions/expedite design delivery. Meetings have been held and positive solutions found. 3. Convene meeting with whole team to identify ways to accelerate design delivery - COMPLETE 4. Delivery of WIP design info to expedite final comments from review team - design being issued through Sharepoint for discussion, again has been useful / productive 5. Resourcing and sequencing of construction works 6. Urgent packages now include piling and earthworks which are imminent for release. WiP can be released and begin procurement to mitigate delay

Risk Event	Post mitigation probability	Post mitigation impact	Mitigation
			for piling. Invite TAA design reviews to expedite release of design
R001: Risk of extent and complexity of Statutory Undertakers diversions and protective measures adds to programme delays and increases budgeted project costs	30%	£300,000	<ol style="list-style-type: none"> 1. C4 estimates have been provided. Indicative estimate for BT who insist on final design before they will price but they will not order materials until their diversion works have been firmed up. Packages have been issued to BT to allow them provide their C4 and BT should be able to produce their estimate swiftly. BT to be invited to meeting W/C 04 March 2019 2. Other utilities yet to finalise their diversionary works based upon the completed design but are 'on board' 3. Further testing of pipelines being undertaken in certain locations - pipes need to be exposed.
R086: Staff fatigue results in high turn-over of staff and/ or increased levels of sickness	25%	£50,000	<ol style="list-style-type: none"> 1. Develop plan for staff support from above and below the organisations. 2. Ensure maximum hours are not exceeded both at work and door to door 3. Manage shift work to combat any fatigue 4. Tool box talks to be rolled out covering this subject 5. Driver training for people travelling long distances. 6. Part time OH nurse in place to give people health checks 7. H&S manager checking working hours regular and intervene where necessary
R172: The disposal volume - may exceed plans at significant expense.	40%	£800,000	<ol style="list-style-type: none"> 1. Ground investigation will provide material confirmation and laboratory testing to inform suitability for reuse 2. Detailed design identifies greater volume of disposal than in preliminary design 3. Until sub base design is in place risk remains volumes may increase 4. Possible construction of environmental features to use excess materials

Risk Event	Post mitigation probability	Post mitigation impact	Mitigation
R228: The Contractor may need to change method of working to accommodate working restrictions imposed by Statutory Undertakers.	35%	£650,000	<ol style="list-style-type: none"> 1. Liaising with the Statutory Undertakers during the design phase to establish any specific working restrictions. 2. Contractor to programme works to take account of any restrictions identified. 3. Contractor to push the SU's to provide responses sooner and more swiftly to ensure any restrictions are minimised 4. Contractor to set up meeting asap with NGG plant protection to resolve the directional drills issues and allowing subcontractor to work on this. 5. NGG have been engaged, there remains a need to establish an acceptable method of work to pass above feeder 18. And piling at Saffron need NGG assets. Ongoing discussions.
R002:The project may be delayed if there is a requirement to procure land outside HEO for Statutory Undertakers diversions	10%	£30,000	<ol style="list-style-type: none"> 1. Access track design requires to meet landowner's objectives and minimise impact on him. Design being prepared by Atkins, aim to hand back surplus land. - UPDATE. PR has spoken with Thurrock land agent to arrange meeting with land owner and decide which route asap 2. Ongoing discussions with land owner regarding the Gas Works Field. Thurrock Land agent currently negotiating with the land owner's Land agent.- Ongoing issue as land has not transferred to developer 3. Issue with Topsoil / minerals and ownership needs to be resolved with land owner - Ongoing. Plan is to assume land owner will not require that materials, needs formal resolution.
R018: There may be exceptional adverse weather conditions on-site which may result in programme delays & extended prelims costs.	20%	£800,000	<ol style="list-style-type: none"> 1. Construction programme to accommodate optimum seasonal conditions. 2. Book standby weekend closure / possessions in case weather / wind does not permit works to progress 3. Review weather records to ascertain likelihood of not being able to undertake works

Risk Event	Post mitigation probability	Post mitigation impact	Mitigation
			4. Explore potential for offline construction. COMPLETE. not going ahead
R025: Due to the proximity of the works to populated areas there is a risk that additional noise mitigation is required	25%	£80,000	<ul style="list-style-type: none"> 1. S61 is in place and signed off 2. Ensuring 'noisy' works are programmed and undertaken during daytime hours 3. Weekend closures to have detailed closure plans and consider the proximity of the population etc. Including temp noise barriers to be used 4. Plan to be developed when existing barriers are removed 5. Existing barriers to remain in place as long as possible.
R165: During detailed design phase, some clashes may be found necessitating some redesigns	15%	£600,000	<ul style="list-style-type: none"> 1. Collaboration between the Detailed Designer and Contractor is ongoing throughout the design process. Detailed Designer has procedures in place for clash detection. 2. GPR is complete and with the designer. 3. Clash detection is ongoing and finalised by end of March 2019.

Report title: Growing Places Fund update	
Report to Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 29 th March 2019	For: Information
Enquiries to: Helen Dyer, helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1. To update the SELEP Accountability Board (the Board) on the latest position of the Growing Places Fund (GPF) Capital Programme.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the updated position on the GPF programme;
 - 2.1.2. **Note** the accelerated repayment schedule for the Bexhill Business Mall Project;
 - 2.1.3. **Note** the amended draw down schedule for the Colchester Northern Gateway Project;
 - 2.1.4. **Note** the amended draw down schedule for the Eastbourne Fisherman's Quayside and infrastructure development Project.

3. SELEP Growing Places Fund investments

- 3.1. In total, £49.210m GPF was made available to SELEP for investment as a recyclable loan scheme. To date, GPF has either been invested or has been allocated for investment in a total of 21 capital infrastructure projects, as detailed in Appendix 1. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and the remaining proportion has been ring-fenced to support the activities of SELEP's Sector Groups (known as the Sector Support Fund); as agreed by the Strategic Board.
- 3.2. The allocation of GPF to the new projects within GPF Round 2 is on the condition that funding will only be awarded to these projects by the Board or transferred to the lead authority if sufficient GPF is available through the repayments of GPF loans from Round 1 projects. As such, on a quarterly basis, updates are provided to the Board on the latest position for GPF

projects in terms of delivery progress and any risks to the repayments of GPF loans.

4. GPF repayments

- 4.1. The loan repayment schedule for each GPF project is agreed within the credit agreement in place between Essex County Council, as Accountable Body, and the lead County/ Unitary Authority for each project. A copy of the expected repayment schedule is set out in Appendix 2 of that Agreement.
- 4.2. Repayments are now being made on the initial GPF Round 1 investments, with £17.672m having been repaid to date. All repayments due in 2018/19 were received prior to the end of March 2019.
- 4.3. During 2019/20 repayments will continue to be made on initial GPF Round 1 investments, with some of the GPF Round 2 projects also starting to make repayments. In total, £10.607m is scheduled for repayment in 2019/20 as set out in Appendix 2.

5. GPF cash flow

- 5.1. Table 1 below sets out the current cash flow position based on the planned GPF investment and the GPF available for investment through loan repayments. This assumes that the repayments are made in accordance with the approved repayment schedules and takes into account the amended drawdown schedules for the Colchester Northern Gateway Project (as set out in section 7 below) and the Eastbourne Fisherman's Quayside and infrastructure development Project (as set out in section 8 below).

Table 1: GPF Cash Flow Position assuming all approved repayment schedules are met

£	2018/19	2019/20
GPF available at the outset of year	7,312,602	13,663,002
GPF Round 1 planned investments	-	63,000
GPF Round 2 planned investments	2,417,000	4,877,000
Position before GPF repayments are made	4,895,602	8,723,002
GPF repayments expected	8,767,400	10,606,600
Carry Forward	13,663,002	19,329,602

- 5.2. As all GPF repayments were made in line with the approved repayment schedules during 2018/19 there will be no gap between the amount of GPF available in 2019/20 and the project draw-down schedule.

6. Bexhill Business Mall

- 6.1. The Bexhill Business Mall project was awarded £6m GPF through the earlier rounds of GPF, now referred to as GPF Round 1, for the delivery of a new managed workspace facility in Bexhill.
- 6.2. The project has now been completed and has delivered 2,345m² of high-quality office space with the potential to facilitate up to 299 jobs. This workspace represents the first major development in the Bexhill Enterprise Park, which is in the A259/A21 growth corridor.
- 6.3. The building (Glovers House) is now fully let and has led to the creation of 98 jobs to date. This number is expected to continue to rise over the coming months.
- 6.4. As part of the last project update East Sussex County Council indicated that Sea Change Sussex have now sold Glovers House and are therefore looking to make an early final loan repayment against the project, subject to East Sussex County Council discharging the charge secured over its land, which has been approved under delegated authority with the papers being drawn up for signing by both parties.
- 6.5. To date repayments totalling £1.025m have been made against this project. The final repayment of £4.975m was due to be made in March 2020. It is now expected that this repayment will be made in early 2019/20, approximately one year ahead of schedule.
- 6.6. The Board are asked to **note** the accelerated repayment schedule for the Bexhill Business Mall project.

7. Colchester Northern Gateway

- 7.1. The Colchester Northern Gateway project is part of the overall Colchester Northern Gateway Vision which is to create a high quality, highly sustainable housing, employment, and leisure destination at one of the primary gateways to the town centre.
- 7.2. The wider Colchester Northern Gateway project will deliver:
- 7.2.1. The relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes;

- 7.2.2. On site infrastructure improvements facilitating the development of the Sports and Leisure Hub on the A12 north land which includes the relocated Rugby club facility;
 - 7.2.3. Associated onsite and offsite highway improvements; and
 - 7.2.4. Delivery of the new homes which can act as a catalyst to the remaining employment land.
- 7.3. The Colchester Northern Gateway project was considered by the Board in February 2018 and was awarded a £2m GPF allocation. This allocation will be used to bridge a funding gap which if not addressed could have resulted in development opportunities not being realised.
- 7.4. The project Business Case indicated that the GPF funding would be drawn down in its entirety in 2018/19. This was subsequently amended to show draw down of £1.35m in 2018/19, with the balance being drawn down in 2019/20.
- 7.5. The latest project update indicates that site set up works are complete and that the main works for buildings and associated infrastructure start in April 2019.
- 7.6. Despite the progress on the project, as it stands loan agreements are not yet in place in relation to this project, meaning that it has not been possible for any funding to be drawn down to date. As a result, a revised funding draw down schedule has been provided, as shown in Table 2 below:

Table 2: updated draw down profile for the Colchester Northern Gateway project

	2019/20	2020/21	Total
Draw down required	£1,350,000	£650,000	£2,000,000

- 7.7. Despite the amendments to the draw down profile the project is still expected to meet the agreed repayment schedule. The loan agreement will be updated to reflect this revised draw down profile before it is signed.

8. Eastbourne Fisherman's Quayside and infrastructure development project

- 8.1. The Eastbourne Fisherman's Quayside and infrastructure development project sought GPF funding for the build of a Fisherman's Quay in Sovereign Harbour, to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet.

- 8.2. The project aims to protect the fishing fleet in Sovereign Harbour, safeguarding up to 72 fishing jobs and over £2m revenue per year, as well as the resulting impacts on the local economy.
- 8.3. The Board approved the allocation of £1.15m to the project in December 2017. The project Business Case indicated that the GPF funding would be drawn down in 2017/18 (£0.5m) and 2018/19 (£0.65m), however, as the GPF loan agreement was not in place by the end of the 2017/18 financial year this was revised to facilitate draw down of the entire project allocation in 2018/19.
- 8.4. Subsequently, in February 2019 the Board were informed of a further change to the draw down schedule for the project. It was noted that progress had been made towards delivering the stated outputs, with the terms of the lease agreement negotiated and awaiting ratification. However, it was not possible to engage a contractor to undertake the required construction work until the agreement was ratified. It was expected that construction would commence in 2018/19 and continue into 2019/20, with an amended draw down profile provided which indicated draw down in 2018/19 (£575,000) and 2019/20 (£575,000).
- 8.5. The latest project update confirms that whilst the lease agreement was ratified on 7th February 2019 as expected, it has not been possible to commence construction during 2018/19 as planned due to the preferred contractor entering administration. Work is ongoing to engage an alternative contractor to deliver the project, however, due to the delay caused work will now not commence onsite until 2019/20. As a result, a revised funding draw down schedule has been provided, as shown in Table 3 below:

Table 3: updated draw down profile for the Eastbourne Fisherman's Quayside and infrastructure development project

	2018/19	2019/20	Total
Draw down required	-	£1,150,000	£1,150,000

- 8.6. Despite the amendments to the draw down profile the project is still expected to meet the agreed repayment schedule, with full repayment expected by the 2020/21 financial year, as a European Maritime and Fisheries Fund grant has been secured in order to ensure repayment of the GPF.

9. Growing Places Fund Project Delivery to Date

- 9.1. Ten GPF projects have now been completed, with the benefits of this infrastructure investment starting to be realised. It is reported that 1,592 jobs have been delivered through investment in commercial space and new business premises, as set out in Table 4 below.
- 9.2. Additional benefits are expected to be delivered through the completion of the remaining GPF projects and through the follow-on investment which has been unlocked through the infrastructure delivered with GPF investment. It is

expected in many cases that there will be a time lag between spend of the GPF investment and benefit realisation due to the use of the GPF funding to enable wider development at the project location.

- 9.3. A RAG rating has been introduced to assess how the completed projects are progressing towards delivering the jobs and homes outcomes stated within the Business Case. To date, it can be seen that the Chelmsford Urban Expansion project has significantly exceeded the number of homes stated within the project Business Case, and that the Charleston Centenary project has met the forecast jobs figure for the project.
- 9.4. Other completed GPF projects, including North Queensway and Harlow West Essex, are yet to report any jobs or homes outcomes as a result of the GPF investment.
- 9.5. There are also a number of completed projects which are demonstrating progress towards meeting the outcomes defined in the Business Case but have not yet reached the forecast.
- 9.6. These RAG ratings will be updated in advance of each Board meeting, based on the GPF project update reports submitted by local areas.

Table 4 - Monitoring of GPF project outcomes

Name of Project	Outcomes defined in Business Case		Outcomes delivered to date	
	Jobs	Houses	Jobs	Houses
Round 1 GPF Projects				
Priory Quarter Phase 3	440	0	240	0
North Queensway	865	0	0	0
Rochester Riverside	402	450	402	489
Chatham Waterfront	211	159	211	115
Bexhill Business Mall	299	0	98	0
Parkside Office Village	169	0	135	0
Chelmsford Urban Expansion	2,105	365	0	919
Grays Magistrates Court	200	0	89	0
Sovereign Harbour	299	0	220	0
Workspace Kent	198	0	91	0
Harlow West Essex	4,000	1,200	0	0
Discovery Park	130	250	0	0
Live Margate	0	66	0	32
Round 2 GPF Projects				
Colchester Northern Gateway	81	450	0	0
Charleston Centenary	6	0	6	0
Eastbourne Fisherman	4	0	0	0

Name of Project	Outcomes defined in Business Case		Outcomes delivered to date	
	Jobs	Houses	Jobs	Houses
Centre for Advanced Engineering	56	0	0	0
Fitted Rigging House	300	0	100	0
Javelin Way Development	311	0	0	0
Innovation Park Medway	307	0	0	0
No Use Empty Commercial	16	28	0	0
Totals	10,399	2,968	1,592	1,555

Key:

	Projects which have been completed and which have delivered the jobs or homes outcomes as defined in the Business Case.
	Projects which have been completed and which have shown some progress towards delivering the jobs or homes outcomes as defined in the Business Case.
	Projects which have been completed but which have not yet shown any progress towards delivering the jobs or homes outcomes as defined in the Business Case.
	Projects which are ongoing/yet to start and would therefore not be expected to be delivering jobs and homes outcomes in line with the figures defined in the Business Case.

- 9.7. It is apparent from Table 4 that benefits are now being realised for some of the GPF round 2 projects, including Charleston Centenary and the Fitted Rigging House project.
- 9.8. In the latest project update it was noted that an additional three companies have signed contracts to take up tenancies in the Fitted Rigging House at the Chatham Historic Dockyard. It is expected that these tenants will move in from May 2019, which will prompt a significant increase in the number of jobs created.
- 9.9. At the February meeting the Board approved the accelerated draw down of funding for the No Use Empty Commercial project in Kent. It is noted in the latest project update that the project is progressing well, with seven of the twenty homes in contract due to complete in May 2019. Furthermore, whilst one commercial unit has already been returned to use, work on three further commercial units is due to complete in May 2019.

10. Financial Implications (Accountable Body Comments)

- 10.1. The 2019/20 forecast cashflow position indicates that there is sufficient funding available to meet the agreed investments due in this financial year. This assumes that all repayments are made as planned.

- 10.2. Although non-repayment of the majority of loans has been identified as low risk, it should be noted that any repayments not made in line with their approved profile will put at risk the funding required for the GPF programme to be maintained as an effective recyclable loan scheme. As such, it is recommended that all GPF repayment risks continue to be monitored as part of the regular GPF updates reported to the Board.
- 10.3. It is noted that actual delivery of jobs and homes reported continues to be out of line with the expected levels identified in the business cases for many projects; it is recommended that an evaluation of why delivery of expected outcomes is lower than expected and that this should form part of the on-going monitoring and, where appropriate, be used to inform future business case estimations of growth.
- 10.4. It is recommended that consideration is given to commencing the next round of funding allocations during 2019/20, to enable the timely reinvestment of uncommitted GPF repayments.

11. Legal Implications (Accountable Body Comments)

- 11.1. Each award approved by the Board is supported by a Loan Agreement, which sets out the terms and conditions of the loan, and sets out the repayment schedule. Where changes are proposed to the repayment schedules, then where an agreement is in place, a Deed of Variation will be required to amend the agreement and place the revised repayment schedule within the terms of the Agreement.
- 11.2. There is currently no Loan Agreement in place for the Northern Gateway project, and this is currently being finalised by Essex County Council and Colchester Borough Council. Accordingly the proposed changes will be captured as part of the final drafting of that agreement.
- 11.3. The Agreements stipulate that the dates provided within the Drawdown Schedule are the earliest date by which a request to draw down the instalments can be made by the recipient authority. Accordingly changes to those dates and instalment values will require a deed of variation to the agreement currently in place, to ensure that the new Drawdown Schedule is brought within the terms of the Agreement.

12. Equality and Diversity implications (Accountable Body Comments)

- 12.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;

- b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 12.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3. In the course of the development of the project Business Case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

13. List of Appendices

- 13.1. Appendix 1 – Growing Places Fund Project Summary
- 13.2. Appendix 2 – Growing Places Fund Repayment Schedule

14. List of Background Papers

- 14.1. Accountability Board Agenda Pack 31st March 2017

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Margaret Lee, S151 Officer, Essex County Council)	04/04/19

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Growing Places Fund Round One									
Priory Quarter Phase 3	East Sussex	The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which will deliver 2,247m ² of high quality office space with the potential to facilitate up to 440 jobs. The Priory Quarter has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.	The Priory Quarter (Havelock House) project is now complete and has delivered 2247m ² of high quality office space. To date the project has created 240 jobs, with the forecast of 440 jobs still achievable when the building is fully occupied.	Project Complete	Project Complete	Priory Quarter has been sold enabling full repayment to be made in 2018/19.	Tenancy agreement for full occupation of the building has now been agreed.		
North Queensway	East Sussex	To construct a new junction and preliminary site infrastructure to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000m ² (gross) of high quality industrial and office premises.	GPF invested, project complete and repayments are being made.	Project Complete	Project Complete	Continued slow take up in land sales. One new business is to begin development which is expected to catalyse interest in the other plots, which will enable the final repayment to be made in 2019/20.	Once the development of the first plot is underway and further interest is stimulated the delivery of outputs will begin to flow.	Blanket development objection in place by Wealden District Council due to environmental concerns regarding the Ashdown Forest has been lifted.	
Rochester Riverside	Medway	The project will deliver key infrastructure investment including the construction of the next phase on the principal access road, public space and site gateways. This development is to be completed over 7 phases and should take approx. 12 years. The scheme will include: 1,400 new homes (25% of which are affordable), a new 1 form entry primary school, 2,200 sqm of new office & retail space, an 81 bed hotel, 10 acres of public open space.	The marketing suite, show flat and station square opened on 3rd November, with the first show home opening in December 2018. There was a topping out ceremony on 7th March 2019. The first housing is due to be completed in Q2 2019/20. Construction of the hotel started on site in September 2018 and will be completed by September 2019. The planning application for the school on the site has been submitted.	This project is already on site and the S106 agreement was signed at the end of January 2018.	The GPF Funding has already been spent	Medway Council is happy with the current repayment programme and has made the first two repayments.	The contractor is on site and will be delivering 1,400 homes, 1,200sqm of commercial space, a new school, hotel and various new open spaces. The scheme is now delivering more than was originally intended and there are no delivery risks.		Overall the project is on track to deliver outputs and outcomes.
Chatham Waterfront	Medway	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development. A waterfront development site that can provide up to 115 homes over 6 storeys with ground floor commercial space and 115 parking spaces.	An outline planning application has been submitted for the site, approval of which would demonstrate viability for future development. De-risking works have been completed on the site. Detailed planning was submitted for January 2019, which included 174 units. Mobilisation on site scheduled to start in Spring 2019.	The disposal of this site has been agreed.	The GPF Funding has been spent, or has been allocated to a project to be spent.	Medway Council are comfortable with the current repayment agreement.	The number of homes to be delivered at Chatham Waterfront has reduced. Work is ongoing with the developer to see if the numbers can be increased through the detailed planning process.		Overall the project is on track to deliver outputs and outcomes.
Bexhill Business Mall	East Sussex	The Bexhill Business Mall (Glover's House) project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.	The building is 100% let to a single occupier and currently provides space for 125 jobs. The tenant is currently recruiting which should see an increase in the number of jobs delivered.	Project Complete	Project Complete	Building 100% let with secure income to repay loan. Accelerated repayment of outstanding balance anticipated.	Building 100% let and currently housing 98 jobs, which is less than originally anticipated, however this does provide space for the tenant to grow over time.		

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Parkside Office Village	Essex	SME Business Units at the University of Essex. Phase 1, 14,032 sqft.; 1,303sqm lettable space, build complete June 2014. Phase 1a 3,743 sqft.; 348 sqm - complete September 2016.	Both Phase 1 and 1a are both open and fully let. As well as 135 employees there are also 14 student intern placements within those businesses. The funding has now been repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	Project Complete		Project Complete
Chelmsford Urban Expansion	Essex	The early phase development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The funding will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1350, improving cash flow and the simultaneous commencement of two major housing schemes.	GPF invested, project complete and GPF has been repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	Project Complete		Project Complete
Grays Magistrates Court	Thurrock	The project to convert the Magistrates Court to business space was part of a wider Grays South regeneration project which aimed to revitalise Grays town centre.	GPF invested, project complete and repayments are being made. The refurbished building is now in use and having a positive impact in the town centre.	Project Complete	Project Complete			The only significant risk to the project now is a significant economic down turn which impacted on occupancy. Currently however demand across the borough is strong and targets are being achieved	
Sovereign Harbour	East Sussex	The Pacific House project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Sovereign Harbour Innovation Park in the A22/A27 growth corridor.	The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2,345m ² of high quality office space. This is currently 88% let and has delivered 220 jobs.	Project Complete	Project Complete	Strong occupancy rates should facilitate repayment at the scheduled intervals.	220 jobs from 88% occupancy is still short of the anticipated 299 jobs. However, there have been 53 enquiries within the last 12 months.		
Workspace Kent	Kent	The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.	There are four projects within this programme. Of these, two have been completed and GPF repayments are being made. The third project represents a repayment risk, whilst the fourth project has been approved and refit has commenced.	There is a risk to defrayment of funds as applications from potential customers are awaited.	Awaiting applications for remaining funds.	There is a delay on repayment from one of the loan applicants. Loan agreement being renegotiated in line with income received from business.	Some job numbers are delayed due to new project build not being completed on time, approximately 1 year delay.		
Harlow West Essex	Essex/ Harlow	To provide new and improved access to the London Road site designated within the Harlow Enterprise Zone.	Delivery Package 1 has been completed. The decision was taken at the February 2019 Accountability Board meeting to remove Delivery Package 2 from the GPF programme.	Project Complete	Project Complete	Project Complete and loan repaid in full.			
Discovery Park	Kent	The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.	Initial planning permission received and work is commencing on the application outcome for final planning permission.	Initial planning permission received and work is commencing on the application outcome for final planning permission.	Funds defrayed to Kent Invicta Law by 31st March 2018. All subject to final legal requirements being met.	The Business Case will provide a reprofile of repayment yet to be finalised as part of the legal documentation.	The project outputs and outcomes will be updated and brought forward on completion of the legal documentation. A further delay in finalising and completing the legal loan agreement due to complexities of company structure - rescheduled to March 2019.	A legal agreement is not yet in place between Kent County Council and Discovery Park for the delivery of the project. Due to delays to the planned residential development at the Discovery Park site, the GPF repayment schedule for the project seems ambitious. As such, a more detailed update has been sought from Discovery Park and any changes to the project scope will be bought back to the Board for a decision.	

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Live Margate	Kent	Live Margate is a programme of intervention in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.	<p>"Phase 1" has been completed. "Phase 2" is underway.</p> <p>Other poorly managed multiple occupancy dwellings and other poor quality building stock properties that accord with the loan agreement criteria are being refurbished to bring them back into use.</p> <p>To date the GPF funding is being used to support the creation of 47 new homes. A further three projects have been identified and work is underway regarding their suitability for support through the project.</p>	An offer has been made on a property and exchange is expected to take place at the end of March. Other potential investment opportunities are also being examined, that accord with the loan agreement objectives and criteria.	Spend delays would be primarily caused by delays in the acquisitions completing due to nature of the property market, profile of private landowners in the area and the council needing to ensure best consideration is achieved.	Subject to exchanging successfully, the repayment profile should be met.	From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 66 homes will be achieved by 24/25.	As with any development project, there is a planning risk.	
Revenue admin cost drawn down	n/a		n/a						
Harlow EZ Revenue Grant	n/a		n/a						
Growing Places Fund Round Two									
Fitted Rigging House	Medway	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit spaces initially providing a base for three organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School. The project also provides expansion space for the future which has the potential to enable the creation of a high tech cluster based on the work of one core tenant and pre-existing creative industries concentrated on the site. The conversion will provide 3,473m ² of office space, of which 2,184m ² is allocated to two expanding businesses that would otherwise have relocated outside of Medway and potentially the South East of England as they grow.	Construction works are now complete, with snagging works underway. Two tenants are now in full occupation and an additional three tenants have now signed contracts and will be taking occupation from May 2019.	Asbestos contamination from roof lining discovered. Mitigated by the involvement of main contractor with specialist team to deal with roof lining to ensure minimal slip in project timing and cost. Delay in delivery of main lift for stair core but an additional platform lift is being installed (at no cost to CHDT) to mitigate.	Project is progressing according to programme, therefore spend of GPF funding will be in accordance with the Business Case.	Low risk - any shortfall in income received from tenants to be offset by charitable reserves.	Low risk - outcomes dependent upon space being occupied by tenants. The first two tenants have moved into their space, with a further three tenants due to take occupation from May 2019.		Project is progressing well.

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Innovation Park Medway (southern site enabling works)	Medway	<p>The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together forms the North Kent Enterprise Zone.</p> <p>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors – particularly engineering, advanced manufacturing, high value technology and knowledge intensive industries. These businesses will deliver high value jobs in the area and contribute to upskilling the local workforce. This is to be achieved through general employment and the recruitment and training of apprentices including degree-level apprenticeships through collaboration with the Higher Education sector.</p> <p>The Project will bring forward site enabling works on the southern site at the Innovation Park.</p>	<p>The Innovation Park Medway Masterplan which will inform development on the southern site was adopted by Medway Council on 5th March 2019. Tonbridge & Malling Borough Council are expected to approve the adoption of the Masterplan on 19th March. The LDO for the site will be consulted on and subsequently adopted during 2019.</p> <p>Demolition of the unused building on the site will be complete by 31st March 2019. .</p>	<p>An LDO has been identified as the preferred planning mechanism in order to minimise risk of delivery.</p> <p>Development on the southern site is dependent upon successful delivery of the LGF funded improvements to airport infrastructure, as otherwise the site remains on an active flightpath and is therefore subject to building restrictions. Planning consent has now been granted for the airport improvement works.</p>	GPF spend is still expected to progress broadly in line with timescales agreed in the Business Case.	There is currently no identified risk in relation to meeting the repayment schedule set out in the Business Case.	There is significant interest from businesses who are looking to locate on the southern site, therefore, it is expected that the project outcomes will be delivered.		Work has commenced on the project and it is expected that the project can be delivered in accordance with the Business Case.
Centre for Advanced Engineering	Essex	Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on the industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.	Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget.						
Colchester Northern Gateway	Essex	This development is located at Cuckoo Farm, off Junction 28 of the A12. The overall scheme consists of: a relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes including 260 extra care and up to 100 bed Nursing home providing in total around 35% affordable units, on site infrastructure improvements facilitating the development of the Sports and Leisure Hub.	Site set up works are complete, with the main works for the buildings and associated infrastructure due to commence in April.	Not achieving discharge of the final phase of planning conditions will impact the start on site date. Work is ongoing with planning colleagues to ensure a swift decision on discharge to enable start on site in April.	GPF spend may be delayed but GPF funding will be programmed for spend early in the project to ensure original timescales are met.				The project remains on track to deliver the outcomes set out in the Business Case, albeit the start on site for the main works is slightly delayed and the completion date will be slightly later than anticipated. This does not impact on the rugby club as they are happy to move in April.

Growing Places Fund Update Appendix 1									
Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Charleston Centenary	East Sussex	The Charleston Trust are going to create a café-restaurant in the Threshing Barn on the farmhouse's estate. This work is part of a wider £7.6m multi-year scheme – the Centenary Project – which aims to transform the operations of the Charleston Farmhouse museum.	The GPF funded works on the café-restaurant are now complete and the café-restaurant is open.	GPF works complete.		Strong business plan in place with clear revenue increases.			
Eastbourne Fishery	East Sussex	This capital project has secured £1,000,000 European Maritime and Fisheries Fund (EMFF) grant funding to build a Fishermen's Quay in Sovereign Harbour to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet.	<p>The terms of the lease were signed off on 7th February 2019.</p> <p>The preferred contactor for the project has gone into administration. The project team are in discussion with other contractors who submitted bids as part of the original procurement process, in order to make an appointment.</p>	Terms of the lease have been negotiated and were ratified at a meeting on 7th February. Contractors will now be engaged to deliver the works.	All funding is in place	EMFF money has been secured to ensure repayment of the loan			Land ownership issues are close to resolution which will enable the project to proceed, once a contractor has been appointed.
No Use Empty Commercial	Kent	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	The number of residential units in contract has increased by four, following receipt of planning consent. This brings the total in contract to 20. Three of the commercial units in contract are due to complete in May 2019 and one new project in Dover Town Centre is being progressed.	Loan agreement with SELEP is now sealed. Funds of £1,000,000 have been drawn down.	There is no spend risk. The project is progressing well.	The individual projects currently supported by No Use Empty Commercial have repayment dates which will fulfil the requirement to repay back the first £500,000 by March 2021.		No other risks other than impact of delay in issuing documentation	

Appendix 2 - Growing Places Fund Repayment Schedule

Name of Project	Upper Tier	Total Allocation	Total Invested to Date	Total Repaid by 31st March 2019	2019/20 total	2020/21 total	2021/22 total	2022/23 total	2023/24 total	2024/25 total	2025/26 total	2026/27 total	Total
Revenue admin cost drawn down	n/a	2,000	20,000				-						-
Harlow EZ Revenue Grant	n/a	1,244,000	717,000		-	-	-						-
Round 1 Projects													
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	7,000,000									7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	1,000,000	500,000	-	-						1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	240,000	1,650,000	2,520,000	-						4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042	-	1,000,000	1,000,000	999,042						2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000	1,025,000	4,975,000	-	-						6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000	3,250,000	-	-	-						3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000	1,000,000	-	-	-						1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	1,100,000	300,000	-	-						1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	525,000	475,000	400,000	3,200,000						4,600,000
Workspace Kent	Kent	1,500,000	1,325,000	1,032,433	145,600	78,000	8,400	8,400	8,600	9,600	11,200	197,767	1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	1,500,000									1,500,000
Discovery Park	Kent	5,300,000	5,300,000	-	408,000	1,624,000	1,738,000	1,530,000					5,300,000
Live Margate	Kent	5,000,000	1,700,000	-		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000			5,000,000
Sub Total		46,705,042	42,721,042	17,672,433	9,453,600	6,622,000	6,945,442	2,538,400	1,008,600	1,009,600	11,200	197,767	45,459,042
Round 2 Projects													
Colchester Northern Gateway	Essex	2,000,000	-	-			2,000,000						2,000,000
Charleston Centenary	East Sussex	120,000	120,000	-	53,000	36,000	31,000						120,000
Eastbourne Fisherman	East Sussex	1,150,000	-	-	900,000	250,000							1,150,000
Centre for Advances Automotive ar	South Essex	2,000,000	2,000,000	-			2,000,000						2,000,000
Fitted Rigging House	Medway	800,000	550,000	-	200,000	300,000	300,000						800,000
Javelin Way Development	Kent	1,597,000	-	-			1,597,000						1,597,000
Innovation Park Medway	Medway	650,000	120,000	-		50,000	600,000						650,000
No Use Empty Commercial	Kent	1,000,000	500,000	-		500,000	500,000						1,000,000
Total		56,022,042	46,011,042	17,672,433	10,606,600	7,758,000	13,973,442	2,538,400	1,008,600	1,009,600	11,200	197,767	54,776,042

Forward Plan reference number: (N/A)

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Suzanne Bennett Chief Operating Officer	
Date: 28 March 2019	For: Information
Enquiries to: Suzanne.bennett@southeastlep.com	
SELEP Partner Authority affected: – Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to note the operational planning within the Secretariat to support both this Board and the Strategic Board.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. Note the operational plan for 2019/20 at Appendix A;
- 2.1.2. Note the risk register at Appendix B;
- 2.1.3. Note the financial update; and
- 2.1.4. Note the Assurance Framework Implementation Plan at Appendix D

3. Background

- 3.1. In previous years the Secretariat, in conjunction with the Accountable Body, has produced reports to ensure that the Board is informed on the financial position of the Secretariat and to provide assurances on the management of the team.
- 3.2. Similarly, information has been provided to Board on the implementation of the Assurance Framework, ensuring challenge and oversight of the governance and accountability function of the Secretariat.
- 3.3. Government's expectations of LEPs has grown over the last 12 to 18 months and the responsibilities of the Secretariat have necessarily increased to ensure that those expectations are met. As a result, the Secretariat staff base has needed to increase, including the appointment of a Chief Operating Officer. Now this post is filled, a more fulsome report on the operations of the Secretariat can be presented to the Board.
- 3.4. This report will cover the operational plan for 2019/20, a register of risks that relate to the delivery of that operational plan, an update on the financial position of the Secretariat's operational budget and progress against the Assurance Framework Implementation Plan.

Operations Plan

- 3.5. At the last meeting of the Strategic Board, the SELEP Delivery Plan for 2019/20 was approved. Sitting beneath the Delivery Plan is a more tactical, operational plan that lays out how the resources of the Secretariat are going to be deployed during the year to enable the outputs and outcomes of the Delivery Plan to be achieved.
- 3.6. The detailed planning for the team is made by the Chief Operating Officer in conjunction with the Chief Executive Officer and the wider team. Plans for the team in the year are also shared with the Chair and the Vice Chairs. A summarised plan is presented at Appendix A, to provide assurance to the Board that a structured and considered approach is being made to the large levels of work that are necessary over the forthcoming 12 months.
- 3.7. In addition to the 'business as usual' operational activities of the Secretariat, during 2019/20 the team will also need to lead on the implementation of the LEP Review recommendations and production of a Local Industrial Strategy. These are two large pieces of work with tight deadlines and as a result, additional resources are being sought by the team.
- 3.8. The current uncertainties, at time of writing, as to the timing and nature of the UK's exit from the EU means there may well be activities that we are not aware of now that will be necessary during the year. This work is likely to be driven from Central Government. We are working closely with officials in Government to ensure that we have the most notice possible of any additional work to pick up. The Cities and Local Growth Unit (CLGU) has indicated that we should be ensuring sufficient resources are in place to be able to respond to these requirements.
- 3.9. It is clear that, despite the increase in staffing resource, there is a large body of work to be completed in a relatively short period time. The current assessment is that the increased staffing base will be able to meet the workload demands. However, recruitment of those additional staff is still ongoing. The deadlines for the completion of the LEP Review and the LIS are outside of the control of the SELEP and there are potentially impacts on future funding from Government if deadlines aren't met.

Risk Register

- 3.10. The risks of the Local Growth Fund have been reported to Board as part of the Capital Programme Management process. However, this reporting has not picked up the wider set of risks that apply to the activities of the Secretariat. As such a Risk Register has been established to capture and assist in the mitigation of those wider risks.
- 3.11. The Risk Register was reported to Strategic Board at their last meeting on 22 March 2019. The Strategic Board asked to be updated on the risks on a six-monthly basis. The Risk Register will also be presented to this Board at each meeting.

- 3.12. The current highest ranked risk on the register is the potential impact of the high workload that currently faces the Secretariat. The recruitment of additional resources is in hand and this will partly mitigate this risk. Additionally, Secretariat staff are employees of Essex County Council as part of the Accountable Body arrangements. As such they are able to access the wellbeing services that ECC have in place and the team will be encouraged to do so.
- 3.13. The second highest risk rated is that Strategic Board members cannot agree on a preferred option for the newly configured Strategic Board required under the LEP Review. This risk will need to be managed with the CEO and the Chair through the LEP Review process.

Finance Update

- 3.14. At previous meetings of the Board the Accountable Body has produced a report updating on the financial position of the revenue budget for the SELEP. In future this report will be combined with the Operations Update and will be jointly produced by the Secretariat and the Accountable Body.
- 3.15. The timing of the Board meeting means it is not possible to provide a provisional outturn report for 2018/19 for the Secretariat revenue budget at this time. There are still year-end adjustments being processed at time of writing.
- 3.16. At the last meeting of the Board in February, a detailed report on the forecast position was made and there has been no significant changes to that forecast since it was presented. The financial tables from that report are attached at Appendix C for Board's information. A full provisional outturn report for 2018/19 will be produced in conjunction with the Accountable Body for the next meeting of the Board.
- 3.17. At the time of writing, the Accountable Body has not received grant offer letters for the specific grants expected in 2019/20. Applications have been made for: £500,000 core funding from BEIS; £200,000 for capacity funding from BEIS and £656,000 for Growth Hubs. The CLGU has now confirmed that the additional £200,000 in additional capacity funding for the LEP Review in 2018/19 that was being withheld whilst SELEP was not fully compliant with the requirements of the LEP review, will now be paid in early 2019/20.
- 3.18. An assessment of the robustness of the 2019/20 budget has been made by the Accountable Body and the details of their assessment can be found below:

Accountable Body Comments

- 3.19. The 2019/20 budget is considered to be robust and the level of reserves held is appropriate; however, the planned increases to the staffing structure within the SELEP is likely to impact on the future potential severance and redundancy costs of staff employed by the Accountable Body on behalf of the SELEP. As a result, the level of reserves held will remain under review to

ensure that they are appropriate to meet any future commitments arising, in this regard.

- 3.20. There remain a number of key risks highlighted in Appendix B that could significantly impact on the operation of the SELEP if incurred; the most significant risk at present is viewed to be failure to recruit to the new posts identified to support delivery of the requirements for the Local Industrial Strategy and the LEP Review – particularly in relation to incorporation of SELEP
- 3.21. Failure to deliver the LIS or meet the requirements of the Assurance Framework, including the expectations regarding incorporation and Board composition may impact on the assurance assessment made by Government as part of the 2019/20 Annual Performance Review; lack of assurance or implementation of requirements, may result in the Government withholding further funding due to SELEP.
- 3.22. The purpose of the Assurance Framework Implementation Plan will seek to mitigate against this risk; further details on how the SELEP Secretariat are intending to oversee delivery of this plan are set out below.

Assurance Framework Implementation Plan

- 3.23. Progress against the Assurance Framework Implementation Plan will now also be combined into this Operations Update. The Local Assurance Framework (LAF) is agreed by the Strategic Board. The contents of the LAF are largely driven by the requirements of the National Assurance Framework issued by Government.
- 3.24. The Governance and Transparency Indicators, as below, will form part of the overall monitoring of progress against the implementation plan and the reports to the Board quarterly:
 - I. Forward Plan of Decisions, including any associated business cases, to be published at least 28 days in advance of the meeting, (for Strategic Board, Accountability Board and Investment Panel).
 - II. Papers published on the SELEP website 5 clear working days in advance of the meeting.
 - III. Draft minutes published within 10 clear working days, following the meeting.
 - IV. Final minutes published within 10 clear working days following approval.
 - V. Declarations of interest are in place for all board members.
 - VI. Interests are declared and recorded in the meeting minutes with a note of actions taken.

For ii – vi above these relate to Strategic Board, Accountability Board, Investment Panel and Federated Boards

vii. Declarations of interest are in place for relevant staff.

viii. All new and amended Projects / Business Cases been endorsed by the respective Federated Board in advance of submission to any of the SELEP boards.

- 3.25. Strategic Board agreed the latest version of the framework at their last meeting on 22 March 2019, but a further iteration is to be brought back to the Strategic Board at their next meeting (to see the LAF please click [here](#)). The Implementation Plan has been updated with actions needed for full adoption of the LAF in its current iteration, but this is subject to change following Strategic Board's further consideration in June.
- 3.26. The role of Accountability Board is to oversee the implementation of the requirements of the LAF. To enable this role, an implementation action plan is maintained and reported to Board. This Implementation Plan can be found at Appendix D.
- 3.27. The SELEP Strategic Board agreed as part of implementing the LEP Review to form workstreams to consider the main new requirements, for example Board composition and incorporation. As part of this the SELEP Strategic Board agreed to appointing an independent, external body, through an open and transparent selection process, to provide options and recommendations on how an appropriate Board size and composition can be achieved.
- 3.28. The SELEP Strategic Board also agreed to creating a Steering Group, to be chaired by the Strategic Board Chair, to oversee the Independent Review and the scope of the review. The Board also approved the principle that Board members would act as sponsors for workstreams for the implementation of the LEP Review requirements.
- 3.29. The revised implementation plan is in place to monitor progress at the SELEP level and for each federated area. In addition, quarterly update reports will be provided to the Board to support the Board's oversight of these governance and transparency arrangements. It is necessary to ensure that all requirements of the Local Assurance Framework are being fully implemented to ensure receipt of future years core funding and Local Growth Fund (LGF) allocations.
- 3.30. The progress against the 2018/19 Implementation Plan was reported to the Board in February 2019. Most of the SELEP Assurance Framework requirements for 2018/19 are now fully embedded in the activities of the SELEP team, Strategic Board, Accountability Board, Federated Areas and local partners.
- 3.31. It is noted that the assessment of the SELEP governance from the Annual Performance Review, reported in March 2019, has now improved (to 'good').

- 3.32. Though it is recognised that further work and efforts can be made around some areas, including for example the importance for SELEP Boards to have information with as much notice as possible. These form part of the implementation plan and will be developed during 2019/20.

4. Accountable Body Comments

- 4.1. It is a requirement of Government that the SELEP agrees and implements an assurance framework that meets the revised standards set out in the LEP National Assurance Framework.
- 4.2. The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.
- 4.3. A requirement for the release of the Local Growth Fund (LGF) grant to SELEP for 2019/20, was that the s151 officer of the Accountable Body had to provide confirmation to the Government, by the 28th February 2019, that the SELEP has the following in place:
- 4.3.1. the processes to ensure the proper administration of its financial affairs;
 - 4.3.2. compliance with the minimum standards as outlined in the National Assurance Framework (2016) and the Best Practice Guidance (2018); and
 - 4.3.3. whether or not SELEP was expected to be compliant with the new National Local Growth Assurance Framework (2019) by 1 April 2019.
- 4.4. This confirmation was provided to the Government, by the s151 Officer, on the basis that the revised SELEP Local Assurance framework was agreed by the Board at its March 2019 meeting, with a caveat that the requirement to adopt a legal entity by April 2019 is exempt by Government; this requirement is expected to be met by April 2020.
- 4.5. The Section 151 Officer of the Accountable Body is required, by the revised Assurance Framework, to ensure that their oversight of the proper administration of financial affairs within SELEP continues throughout the year.
- 4.6. In addition, the Section 151 Officer is required to provide an assurance statement as part of the Annual Performance Review and, by 28 February each year, they are required to submit a letter to the MHCLG's Accounting Officer. This must include:
- Details of the checks that the S151 Officer (or deputies) has taken to assure themselves that the SELEP has in place the processes that ensure proper administration of financial affairs in the SELEP;
 - A statement outlining whether, having considered all the relevant information, the Section 151 Officer is of the opinion that the financial affairs of the SELEP are being properly administered (including consistently with the National Local Growth Assurance

Framework and SELEP's local Assurance Framework); and

- If not, information about the main concerns and recommendations about the arrangements which need to be implemented in order to get the SELEP to be properly administered.

4.7 At present, not significant issues are arising with regards to the financial affairs of SELEP. It should be noted, however, that as SELEP transitions to becoming an incorporated entity, the arrangements with the Accountable Body will be reviewed and formalised as appropriate, to reflect the chosen arrangements agreed by the Strategic Board.

5. Financial Implications (Accountable Body comments)

5.1. The 2019/20 Core funding and LGF grant payments have yet to be confirmed by the MHCLG, however, approval to release this funding by Government will take into account the confirmation provided by the s151 Officer regarding the proper administration of the financial affairs of the SELEP alongside the outcome of the Annual Performance Review undertaken in January 2019.

5.2. Given that future grant payments are reliant on continued assurances from the S151 Officer of the Accountable Body, it is essential that efforts continue to be made to ensure appropriate consideration and prioritisation is given to implementing the Assurance Framework in full.

Any funding agreed by the Accountability Board is dependent on the Accountable Body receiving sufficient funding from HM Government. Until confirmation of receipt of grant is received, any future funding awards remain at risk, as is sufficient funding being available to meet the costs of the SELEP Secretariat. This risk is mitigated in the short term by the level of LGF funding carried forward from 2018/19 (£55.5m) and the revenue reserves held by SELEP (forecast at £754,000 by 31st March 2019 in Quarter 3 of 2018/19).

6. Equality and Diversity implication

11.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

- 11.3 In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

7. List of Appendices

- 12.1 Appendix A - Operation Plan for 2019/20
- 12.2 Appendix B - Risk Register
- 12.3 Appendix C – Financial Report
- 12.4 Appendix D – Implementation Plan

8. List of Background Papers

- 13.1 SELEP Assurance Framework 2019/20 (to be reviewed in June 2019)

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Stephanie Mitchener	04/04/19
(On behalf of Margaret Lee, S151 Officer, Essex County Council)	

SELEP Team Planning 2019/20

Summary Plan

DESCRIPTION	LEAD OFFICER	Q1	Q2	Q3	Q4
BUSINESS AS USUAL					
<u>Board Meetings</u>					
Strategic Board planning and execution	CEO/COO				
Accountability Board planning and execution	Capital Programme Manager				
Investment Panel planning and execution	CEO/Capital Programme Manager				
<u>Strategy and Partner Engagement</u>					
Engagement with MPs/Govt	CEO				
Support to Board members	CEO				
Federated Boards and Snr Officers	CEO				
LEP Network/Other LEPs	CEO				
Other partnerships	CEO				
Engagement with Local Authorities	CEO				
Engagement with employers	CEO				
Engagement with FE/HE	CEO				
<u>Capital Programme</u>					
Working with project leads	Capital Programme Manager				
Monitoring and evaluation	Capital Programme Manager				
Financial planning - cashflow/payments etc	Capital Programme Manager				
GPF - next round	Capital Programme Manager				
ITE contract management	Capital Programme Manager				
Sub-national transport Boards	Capital Programme Manager				
<u>Skills Programme</u>					
SAP and SAG Planning and execution	Skills Lead				
CEC contract liaison	Skills Lead				
Digital Skills Partnership	Skills Lead				
<u>EU Funding Programme</u>					
ESIF engagement	Business Development Manager				
ERDF future rounds	Business Development Manager				
ESF future rounds	Skills Lead				
UKSPF and EU replacement funds	Business Development Manager				
<u>Sector Support</u>					
Sector group support	Sector Lead				
Energy Strategy and Energy Group	Business Development Manager				
Social Enterprise Propectus	Project Manager				
<u>Comms and Engagement</u>					
Generic comms/digital channels/messaging	Business Engagement and Comms Manager				
AGM	Business Engagement and Comms Manager				
Specific lobbying - Spending Review, LTC etc	Business Engagement and Comms Manager				
<u>Growth Hubs</u>					
GH reporting to govt	GH Lead				
GH co-ordination and liaison	GH Lead				
GH Brexit impact	GH Lead				
<u>Operations and Management</u>					
Financial control and budgeting	COO				
Team planning	COO				
Accountable Body relationship	COO				
Team management and direction	CEO				
Recruitment and resource planning	CEO/COO				
<u>Governance</u>					
Assurance Framework - action plan maintenance	Governance Officer/COO				
Register of Interest maintenance	Governance Officer				
Policy updates and refreshes	Governance Officer				
Board member training/support	Governance Officer/COO				
New Chair recruitment	CEO				
New Member recruitment	CEO				

DESCRIPTION	LEAD OFFICER	Q1	Q2	Q3	Q4
PROJECT WORK					
LEP Review					
Project planning and oversight	COO/LEP Review PM				
Publish process for recruiting a new Chair	CEO				
Board size and composition - independent review process	CEO				
Board size and composition - option appraisals	CEO				
Board - diversity options	CEO				
Board transition	CEO				
Legal personality - early legal advice on options	COO				
Legal personality - detailed option appraisal	COO				
Legal personality - detailed legal implications	COO				
Legal personality - establishing ltd company	COO				
Single Accountable Body - revised agreement with Accountable Body	COO				
Independent Secretariat - SLA between Secretariat and other partners	COO				
Responsibilities of Chair/Board/CEO - articles of association etc	CEO/COO				
Scrutiny and oversight - consideration of options and best practice	CEO/COO				
Scrutiny option appraisal and overlay to legal personality	CEO/COO				
Local Industrial Strategy					
Collection/review of evidence base	CEO/Strategy Manager				
Engagement and oversight of contracts	Strategy Manager				
Stakeholder engagement planning	Strategy Manager				
Stakeholder evidence gathering	Strategy Manager				
Interpretation of evidence and reporting to Board/partners	Strategy Manager				
Liaison with CLGU on assessment of evidence base	CEO				
Feedback on evidence - gathering of potential interventions/policies	Strategy Manager				
Options for strategy/interventions	CEO/Strategy Manager				
Liaison with CLGU for assessment of strategy	CEO				
Finalising strategy and launch	CEO				
Brexit					
Feedback on business surveys and intelligence	Business Engagement and Comms Manager				
<i>Future work potential - not yet known</i>	TBC				

South East LEP

Risk Register - all Risks

Ref	Risk Description and impact	Likelihood	Impact	Score	Mitigation	Risk Owner	Dates/ Deadlines	Notes
1	LGF grant payment for 2019/20 isn't made because of either LEP Review non-compliance or APR Assessment. LGF Programme would have to stall. Potential possibility of legal action by delivery partners	1	5	5	Risk decreased following Electronic Procedure agreement to comply with Board size and composition requirements and outcome of APR assessment. Waiting for issue of grant letters/determinations before removing completely	RM	30/04/2019	Grant offer letters not yet issued but verbally been assured that funding will flow
2	Revenue grants for Core Funding and LIS/LEP Review support aren't made due to non-compliance. Reduced revenue budget to support Secretariat costs in 19/20 and reduced ability to begin work on LIS (see ref 3)	1	5	5	As above	SB	30/04/2019	Grant offer letters not yet issued but verbally been assured that funding will flow
3	LEP Review recommendations (those agreed by Board) not implemented in line with Govt requirements. Potentially impacts on future years funding, including core funding, LGF, UKSPF and APR	3	5	15	Action plan put into place. Priority given to implementation of recommendations above other tasks using current resource	AB/SB	Various	
4	Current Board unable to agree on preferred option for revised Board that complies with Board Size and Composition requirements in LEP Review - endangering future allocations of funding from Government	4	5	20	Board considering approach to issue at March Board meeting. Stakeholder management of Board members and Federated Board members will be key through the process	AB	31/03/2020	
5	Proposed approach to incorporation not agreed with Board or Government. Substantive shift of transactions/staffing to move into new company with consequent implications on staffing and costs	3	4	12	Present Chair and VC's proposed approach in advance of wider discussion. SOG/Directors to be informed and canvassed. CLoG team to be approached for view	SB	31/03/2020	
6	Resignations from Board members if unhappy with new requirements/liabilities due to revised model	4	2	8	Model to be designed to not increase liability of Board Members and stakeholder management plan to be devised and put into place	AB	Ongoing	
7	LGF Programme slips beyond agreed programme end date of 31/03/2021	5	2	10	Capital Programme Manager liaising with both CLoG and DfT to forewarn. If funding is available, impact should be limited but may impact on future funding allocations such as UKSPF	RM		Need confirmation from Rhi on timing of final decision on projects
8	LIS isn't produced in line with Government requirements and or deadlines. Potentially impacts on future funding allocations and reputation of LEP	4	4	16	Increase volume on the potential impact of withholding revenue funding. Use short term contracts funded through interest receipts and reserves to support work	AB	31/03/2020	LIS to be agreed by this date
9	Increase in scope of work and requirements from Government overwhelm team. Stress increases and with a consequent increase in staff turnover and sickness. Further impacting the ability to achieve deadlines	5	5	25	Additional staff taken on and support from partners taken up. SB and AB to develop plan to ensure stress levels are manageable and how high workloads can be managed. Non core tasks are dropped and staff are encouraged to access the ECC wellbeing services	AB/SB	Ongoing	
10	End of Chair's term. Sourcing replacement adds additional load to Secretariat team and right candidate might be difficult to find	3	3	9	Work with LEP Network to identify good process. Have process planned in advance. Use Accountable Body where possible	AB	31/03/2020	
11	UKSPF planning requirements - currently don't know how UKSPF will operate and what the impact could be on team. Possibility that funding to area will be very limited and might lose traction with partners	2	3	6	Continue to work with LEP Network to keep abreast of developments - Strong Town Centres Fund may be an indicator of where future funding is allocated and therefore a reduced availability to the South East	JS	Unknown	
12	GPF projects do not repay or do not repay in timely manner, creating a gap in funding meaning future agreed but not completed projects are stalled	2	3	6	GPF repayments status updated to Board. Further rounds of GPF held back until further assurances made on repayments. Headroom held on fund to offset non-payment	RM	Ongoing	
13	LGF Profiling gap in 2019/20 - funding is not available to support all projects in year	1	4	4	Slippages on in-flight projects and projects that are likely to drop out of programme reduce the risk, as does the postponement of decision on projects dropping out. However this does increase the risk at item 7	RM	31/03/2020	Gap will cease to exist by end of the year - sufficient funding in final two years of programme

Risk Register - all Risks

Ref	Risk Description and impact	Likelihood	Impact	Score	Mitigation	Risk Owner	Dates/ Deadlines	Notes
14	ECC choses to no longer be the Accountable Body for SELEP. Transfer to another willing Accountable Body would be timeconsuming, expensive and undermine governance requirements	2	4	8	Continue to work with the Accountable Body providing all assurances needed. Secretariat to comply with AB requirements and be frictionless as a minimum	AB/SB	Ongoing	
15	Grants aren't properly administered/applied and are clawed back by Government	2	3	6	Back to back agreements in place with delivery partners to ensure clawback from them is possible. Grants administer by AB in line with their grant accounting procedures	SB	Ongoing	
16	Brexit - no deal impact on staff road/access etc	4	4	16	Impact on staff, meetings and general ability to travel in the area - limited scope to influence but contingency plans can be put into place - homeworking, ensuring meetings are avoided in the early April period etc.	AB/SB	30/06/2019	Assumed by end of Q1 19/20 impact will be clear and so revised working plans can be put into place
17	Increased expectations from Govt dept for information on impact of Brexit	5	3	15	The management of a high volume of requests from different government departments will add a further burden onto the team. Unlikely that we'll hold the information needed so will be reliant on partners providing the information	AB/SB	30/06/2019	As before, hopefully requests will begin to reduce as the situation begins to stabilise
18	Brexit - policy paralysis in Whitehall	5	3	15	Whitehall and Government are currently distracted by Brexit and this will continue until it is clear what the exiting arrangements are. Extensions to Article 50 extend the uncertainty and further delay the issue of guidance on UKSPF etc, plus no understanding of what impact Brexit make take	AB/SB	30/06/2019	
19	Achievement of Growth Deal outcomes	4	3	12	The outputs that were agreed in the LGF may not be deliverable due to changes to the economic environment on a national or sub-national basis. Whilst this is fairly likely, it is probably unlikely that there will be much impact as long as we can demonstrate the reasons for non-delivery	RM	Ongoing	
20	Future funding levels change	4	4	16	Current funding levels are boosted by the interest being earned on LGF/GPF balances held. As those balances run down the interest paid will reduce. This may be mitigated by further funding being made available by Govt and/or UKSPF being held	AB/SB	31/03/2021	LGF is due to be completed by this time
21	Economic shocks impacting on business engagement	3	3	9	Economic shocks whether from Brexit or otherwise could impact on our business representatives capacity and capability to engage with our agenda. In part this can be mitigated by more engagement with larger employers who have more capacity	ZG	Ongoing	Zoe exploring options for engagement with larger employers
22	Growth Hubs - the current model may hinder progress in changing the service shape of Growth Hubs to comply with Government policy requirements	4	4	16	Working to build a better relationship with Growth Hubs and increase Board visibility of the Growth Hubs and the requirements of Government. Ensuring Growth Hubs feature in the LIS as it develops	IB	Ongoing	
23	SELEP team are unable to appoint the required additional resource to support delivery of the LEP review requirements expected to be implemented by February 2020; this may impact on receipt of funding in future years	2	5	10	Funding has been included in the 2019/20 budget to support the development of the LIS and the implementation of other LEP review requirements, such as, incorporation of the SELEP.	AB / SB	30/06/2019	
24	Level of reserves held is insufficient to cover any potential severance costs as a result of the increasing size of the SELEP Secretariat.	2	3	6	The level of reserves will be held under review by the Accountable Body in light of recent and proposed future changes to the Secretariat; where required a revised position will be presented to the Accountability Board for approval.	Accountable Body	Ongoing	
25	Change in national government or change in policy direction requires wholesale changes to work plans and direction of travel during the year	2	5	10	SELEP Secretariat unable to control when general elections etc might take place but can and will make contingency plans if an election looks likely. Will continue to work with civil servants to maintain continuity whenever possible	AB/SB	Ongoing	
26	SELEP geographic boundaries become untenable and the partnership breaks	1	5	5	Confirmation from Ministers that they consider SELEP geography to be set at this point means the likelihood of breakup is currently low.	AB	Ongoing	
27				0				
28				0				
29				0				
30				0				

Risk Register - all Risks

Ref	Risk Description and impact	Likelihood	Impact	Score	Mitigation	Risk Owner	Dates/ Deadlines	Notes
31				0				
32				0				
33				0				
34				0				
35				0				

Appendix C – Financial Reports from 15 February 2019

Total SELEP Revenue Budget Outturn Forecast, end of Quarter 3

	Forecast Outturn £000	Latest Budget £000	Variance £000	Variance %	Prior Quarter Forecast £000	Forecast Movement £000
Staff salaries and associated costs	620	760	(140)	-18.42%	620	-
Staff non salaries	32	32	-	0.00%	31	1
Recharges (incl. Accountable Body)	145	145	-	0.00%	145	-
Total staffing	797	937	(140)	-14.94%	796	1
					-	-
Meetings and admin	79	71	8	11.27%	77	2
Chairman's allowance	20	20	-	0.00%	20	-
Consultancy and projects	446	610	(164)	-26.89%	610	(164)
Local Area Support	150	150	-	0.00%	150	-
Grants to third parties	1,588	1,588	-	0.00%	1,588	-
Total other expenditure	2,283	2,439	(156)	-6.40%	2,445	(162)
					-	-
Total expenditure	3,080	3,376	(296)	-8.77%	3,241	(161)
					-	-
Grant income	(2,321)	(2,317)	(4)	0.17%	(2,317)	(4)
Contributions from partners	(200)	(200)	-	0.00%	(200)	-
Other Contributions	(4)	-	(4)	0.00%	(4)	-
External interest received	(883)	(474)	(409)	86.29%	(883)	-
Total income	(3,408)	(2,991)	(417)	13.94%	(3,404)	(4)
					-	-
Net expenditure	(328)	385	(713)	-185.19%	(163)	(165)
					-	-
Contributions to/(from) reserves	328	(385)	713	-185.19%	163	165
					-	-
Final net position	-	-	-	0.00%	-	-

Forecast General Reserves

	£000
Opening balance 1st April 2018	511
Planned changes in year	
Growth hub withdrawal approved	-85
Updated contribution to reserves	328
Total	243
Balance remaining	754
Minimum value of reserve	100

Area	Requirement	Responsibility	Contact (officer)	Action Required	Timeline	Priority of delivery	Impact
Board size and composition	A Strategic Board with no more than 20 members, with an option for five co-opted members. For the Board membership to be at least two thirds from the private sector.	SELEP working group	SELEP CEO	How the 20 plus 5 seats on the Board will be allocated across the different sectors and organisations is yet to be defined. The Board has agreed for an Independent Review of the Board to take place and to make recommendations on potential models for composition.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	High
Chair and board member recruitment	Open and transparent recruitment process. Appointment process for Chair and Deputy Chair published on the SELEP website.	SELEP working group	SELEP CEO	For the recruitment process to be consistent across all Federated Boards, with oversight from the LEP Board. Noting - as part of this workstream to develop an induction and training plan for new board members, across both Federated and Strategic Boards.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	High
Diversity of Board	At least 1/3 female membership of appointed members of the Board by March 2020 is achieved.	SELEP working group	SELEP CEO	Work to include considering good practice in the sector and look at the approaches taken by other LEPs already, where these approaches are consistent with Government's aims according to the LEP Review.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	High
Diversity statement	A statement on diversity included within the AF and to provide the framework for the approach to diversity.	SELEP working group	Governance Officer	Advice on increasing the diversity balance of the Board will be included in the requirements of the Independent Review.	In place (in the AF)	Low	Low
Board member induction	A formal induction process for Board members.	SELEP workin group	Governance Officer	For this induction process to be for all Board members, and to reflect feedback from Board members on their requirements.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	Medium
Board member succession planning	A succession plan in place for the Strategic Board.	SELEP workin group	Governance Officer	As part of the recruitment process, to identify and agree limitation of terms for: board members, vice-chairs and federated board members. For this to include plans around wider engagement and succession planning.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	Medium
Legal Personality	A legal personality to be in place by 28 Feb 2020.	SELEP working group	SELEP COO	The Board has agreed in principle to a 'nil return' company being put into place.	LEP Review Recommendation (requested permission to extend beyond 2019 deadline)	Medium	High
Scrutiny and oversight into policies and procedures	Scrutiny arrangements which fit with the incorporation model (once agreed).	SELEP working group	SELEP COO	The current arrangements for scrutiny of Accountability Board will continue but implementation of scrutiny of decisions of the revised Board will need to be considered. This will be worked up alongside recommendations for the Board composition and incorporation.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	Medium
Independent Secretariat	Independent secretariat which provides support to all Board members.	SELEP working group	Governance Officer & Acc. Body representative	The SELEP Secretariat currently is independent, but this independence needs to be reflected and enshrined in the governance documentation. A more formalised agreement is required between SELEP and the Accountable Body to ensure independence is evidenced. Articles of Association for the Board and the Joint Committee Agreement for Accountability Board need to ensure that the independence of the Secretariat is included. Also for the 'offer' to all Board members to be clearly articulated and shared with Board members for comment and input.	All LEP Review Recommendations with deadline of 31 March 2020 implemented by 31 March 2020	Medium	Medium
Assurance Framework review	Refresh of Assurance Framework to be a standing item to the last Strategic Board meeting of each calendar year	SELEP Steering Group for Independent Review	Governance Officer	Approved on 22nd March 2019, noting - to review during 2019/20 to reflect the changes from the LEP Review Workstreams	By Jun'19	High	Medium
Annual review of key policies	To review the policies required as part of the AF	Secretariat	Governance Officer	To undertake this work in line with the timeline for the LEP review workstreams.	In place / to be reviewed during 2019/20	Low	Low
LEP hospitality and expenses register	To have this published on the SELEP website	Secretariat	Governance Officer	To have this information available on the SELEP website.	By May'19	High	Low
LEP annual report and delivery plan	To have an annual report and delivery plan in place for the year.	Secretariat	SELEP COO	To have these available on the SELEP website.	By Jun'19	High	Low

Area	Requirement	Responsibility	Contact (officer)	Action Required	Timeline	Priority of delivery	Impact
Equality Act	The standard business case template to includes space for promoters to explain how work is within Equality Act 2010	SELEP	Capital Programme Manager	A copy of the SELEP Business Case template is available on the SELEP website in the 'How we Award Funding' section. The Business Case seeks confirmation that an Equality Impact Assessment will be completed as part of the project and how the findings of this assessment will be considered as part of the projects development. In addition, the S151 officer letter which is required from the lead County Council / Unitary Authority provides confirmation that the project will be delivered in accordance with the Equality Act 2010	In place / to keep under review	Low	Low
Strategic Board, Accountability Board, Investment Panel and Federated Board material online	To share meeting material as per the agreed times, (their meeting details and minutes, with the SELEP secretariat, to be published on the SELEPs website within the agreed timescales)	SELEP / Federated Areas	Governance Officer & Federated Area Lead Officers	All meeting dates for Federated Boards are available on the SELEP website. With agenda and papers to be provided within 5 working days of the meeting. Federated Boards to provide the secretariat with draft minutes within 10 working of the meeting, and approved minutes within 10 working days of being approved.	In place / to keep under review	Low	Low
Key decisions	All key decisions (of Strategic Board and Accountability Board) to be published on the Forward Plan and available on the SELEP and upper tier authorities websites	Secretariat	Governance Officer	All key decisions are reported with the Forward Plan and all material is made available for local publishing. This is in place for Accountability Board. To be in place for Strategic Board.	In place / to keep under review (Accountability Board). To be put in place for Strategic Board - before June Board meeting	High	Low
Updated ToR	Strategic Board and Federated Boards to ensure that the terms of reference has been updated to reflect the requirements of the Assurance Framework	SELEP / Federated Areas	Governance Officer & Federated Area Lead Officers	Noting - Strategic Board to review ToR for June 2019 Board meeting, therefore proposing for Federated Boards by September 2019.	Jun'19 (Strategic Board) Sept'19 (Federated Boards)	High	Low
S151 officer in attendance of SELEP Meetings	Invitations extended to the S151 officer or representative to all Board meetings (to consider attending as required).	Secretariat	Governance Officer	For any meeting not attended by the Essex County Council S151, their will be representation on their behalf at every decision making Board.	In place / to keep under review	Low	Low
Comms strategy	Communications Strategy to be refreshed and taken to Strategic Board for approval and implementation	SELEP	Business Engagement and Comms Manager	Communications Strategy to reflect the Economic Strategic Statement is being developed to replace the current strategy / approach	By Jun'19	High	Low
Branding and marketing	For Government and SELEP branding to be used on all marketing,	SELEP / Federated Areas	Business Engagement and Comms Manager	Communications and Marketing Manager and Capital Programme Manager work with leads for each area to ensure marketing and promotion of projects incorporates Government and SELEP branding.	In place / to keep under review	Low	Low
Dol	Declaration of interest to be noted from outset of each meeting.	Secretariat	Chair	At the start of each Strategic board, Accountability Board and Federated Board meeting Board members are required to state any Declarations of Interest in relation to decisions to be taken at that meeting. Declarations are included in the meeting minutes and held as part of the record of the meeting.	In place / to keep under review	Medium	Medium
Dol	All members of Strategic and Accountability Boards; Investment Panel; and Federated Boards are required to complete a Declaration of Interest form.	SELEP / Federated Areas	Governance Officer	For these to be reviewed every 6 months	In place / to keep under review	Medium	Medium
Dol	Declaration of Interest forms to be published on website for all Strategic Board, Accountability Board, Investment Panel and Federated Board members.	SELEP / Federated Areas	Governance Officer	Noting with the signature redacted. For the interests published on the website - signatures to be redacted.	Review Registers of Interest on the SELEP website and redact signatures by May'19	High	Medium
Dol	LEPs should ensure senior members of staff or those staff involved in advising on decisions should also complete this form and report interests. Unless there is a relevant or new interest that pertains to a meeting or decision, LEP staff should review their interests every six months.	Secretariat	Governance Officer	SELEP Secretariat and Senior Officer Group to complete a Dol form and review every 6 months. These will be held securely, only the Managing Director's form will be uploaded to the website.	In place / to keep under review	Medium	Medium
s151 sign off	The business case template to include confirmation of assurances from the Section 151 officer of the promoting authority that Value for Money is true and accurate.	Secretariat	Governance Officer	The Business Case template contains an Appendix which sets out a S151 officer letter to be submitted alongside the Business Case to provide assurance that the information contained within the Business Case is true and accurate.	In place / to keep under review	Low	Low
Working Groups	Working Groups requested to publish their Terms of Reference, calendar of dates and papers produced on SELEP's website	Working Groups / SELEP	Governance Officer	While informal non decision making working groups, in the interests of openness and transparency, SELEP requests the working groups to adhere to the Assurance Framework guidelines on publishing material on the SELEP website.	In place / to keep under review	Low	Low

Area	Requirement	Responsibility	Contact (officer)	Action Required	Timeline	Priority of delivery	Impact
Value for Money	A named individual / postholder with overall responsibility for ensuring value for money for all projects and programmes.	Capital Programme Manager	Capital Programme Manager	Noting - any incorporated model proposed for approval would work in conjunction with the wider structures of the SELEP including the Federated Boards and Accountability Board.	In place / to keep under review	Low	Low
VfM reporting	Value for money section to be reflected in the standard reporting template for Accountability Report funding approvals and changes.	Capital Programme Manager	Capital Programme Manager	A section is included in each report to SELEP Accountability Board for the award of funding, which sets out details of the projects value for money assessment and the ITE's recommendation on the projects Value for Money.	In place / to keep under review	Low	Low
Social Value	A section included in the standard business case template for promoters to set out how they will maximise social value.	SELEP	Capital Programme Manager	The SELEP Business Case template asks scheme promoters to provide details on how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses)	In place / to keep under review	Low	Low
Information on the process for applying for funding	Information on the website on the process for applying for funding.	Secretariat	Governance Officer	To publish the information on the process for applying for funding, as agreed by the Board.	In place / to keep under review	Low	Low
Update on projects publicly available	A rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funds designated by year.	Secretariat	Governance Officer	For this information to be readily available on the SELEP website.	In place / to keep under review	Low	Low
Prioritisation Process	Each Federal Board to apply the prioritisation process as approved by Strategic Board	SELEP and Federated Areas	Governance Officer, Federated Board Lead Officers	First meeting of the Investment Panel took place on 8th March 2019, a lessons learnt exercise is being undertaken to inform future work - to report to the June Strategic Board.	In place / review (lessons learnt to Strategic Board Jun'19)	High	Low
Single list	SELEP is committed to developing and maintaining a single pipeline of LGF projects, should LGF underspend become available.	SELEP	Capital Programme Manager	A single LEP prioritised project list (and for this to be published on the SELEP website)	In place / to keep under review	Low	Low
Business Case Template	All Strategic Outline Business Cases to use the Business Case Template	Federated Areas	Federated Board Lead Officers	SELEP Business Case template is in place and issued to all partners. Local partners are implementing the practice of using the SELEP Business Case template for the development of Business Cases. The template is also used to develop Strategic Outline Business Cases for GPF submissions.	In place / to keep under review	Low	Low
Business Case Template	The business case template to include endorsement by the Federated Board.	Federated Areas	Federated Board Lead Officers	Each Business Case put forward for funding allocation is required to demonstrate endorsement of the project by the Federated Board	In place / to keep under review	Low	Low
Gate 2 BC publication	The Gate 2 Outline Business Case for the project to be published on the SELEP website at least one month in advance of the Accountability Board meeting.	SELEP / Federated Areas	Capital Programme Manager	Business Cases are uploaded alongside the meeting date and meeting Forward Plan at least one month in advance of the funding decision being taken.	In place / to keep under review	Low	Low
Gate 4 & 5 BC publication	Projects completing a Gate 4 and 5 review, the full business case to be published at least one month in advance of the Accountability Board meeting	SELEP / Federated Areas	Capital Programme Manager	Business Cases are uploaded alongside the meeting date and meeting Forward Plan at least one month in advance of the funding decision being taken.	In place / to keep under review	Low	Low

