

Essex Business Board

Monday 18th March 2019

Agenda Item – LGF 3b Update

Summary: To provide an update on the LGF 3b Funding Call and decisions made at the SELEP Investment Panel on Friday 8th March 2019.

Background

The original SELEP Investment Panel decision was due to take place in December 2018 but was deferred following discussion by Federated Areas on the process of awarding funding and the request for Scheme Promoters to have an opportunity to provide feedback on the strategic prioritisation of projects. SELEP then deferred the timescale to allow Scheme Promoters and Federated Areas to provide views on the Technical Feedback which took place during January 2019 known as the 'Engagement Period'. Following the Engagement Period, Steer, the Independent Technical Evaluator (ITE) appointed by SELEP revised the Technical Assessment and associated Prioritisation of projects.

Funding Available

The current LGF available as part of the LGF 3b funding round is £15.448m. This comprises the unallocated £8.331m together with £7.117m that was decommitted from existing schemes at the last SELEP Accountability Board on Friday 15th February.

Investment Panel Recommendations

The Investment Panel were asked to make the following decisions

- **Agree** the LGF3b projects which will be supported through the £15.448m LGF underspend which is currently available. *This is subject to a final funding approval by the SELEP Accountability Board following final Independent Assessment of the Project Business Case.*
- **Agree** the prioritised LGF3b pipeline of projects to be funding in the event of additional LGF underspend becoming available.
- **Note** that the LGF3b pipeline will identify the next priority projects to be included within the LGF programme if additional LGF underspend becomes available.

Discussions and Decision

Investment Panel papers included 2 ranked lists entitled *Presentation A* and *Presentation B*. The key difference surrounds the RAG criteria regarding Match Funding;

RAG Rating	Presentation A	Presentation B
Green	Over 80%	Over 80%
Amber / Green	50 – 80%	20 – 80%
Amber	20 – 50%	Less than 20%
Amber / Red	Less than 20%	

The two sets of criteria listed above have marginal impact on the Band A projects seeking the initial £15.448m

funding available with some changes to KMEP and East Sussex schemes, thought Greater Essex retained the same two projects in both Presentations of the ranking.

Decision: *The Investment Panel agreed to use Presentation B list of projects*

KMEP Proposal

Kent and Medway Economic Partnership (KMEP) held an extraordinary meeting on 27th February 2019 to consider its priorities and asked for this information to be made available to members of the Investment Panel in advance of the meeting. KMEP representatives requested the Investment Panel to agree their substitutions in place of KMEP ranked schemes in the final pipeline.

Decision: *The Investment Panel agreed endorse the Band A list of projects but with substitutions of Thanet Parkway and Innovation Park Medway in replacement of highest ranked KMEP schemes in 'Band A' projects accessing the £15.448m. This agreement was on the condition that KMEP can agree with the Independent Technical Evaluator to raise the Technical Evaluation when presenting the Business Case to Accountability Board.*

Endorsed 'Band A' pipeline of projects

Project	Federated Area	LGF ask
Bexhill Enterprise Park North	East Sussex	£ 1,940,000
Digital Technologies Campus	OSE	£ 2,150,000
Colchester Insititute	Greater Essex	£ 100,000
Skills For Rural Businesses Post-Brexit	East Sussex	£ 2,918,000
USP College CEDTIL	OSE	£ 900,000
Thanet Parkway	KMEP	£ 4,000,000
Flightpath Phase 2	Greater Essex	£ 1,421,500
Sidney Little Road Business Incubator Hub	East Sussex	£ 500,000
Innovation Park Medway (northern site) – Enabling infrastructure	KMEP	£ 1,500,000

Pipeline Approval

Given the nature of some of the discussions, the request for substitutions into the ranking, the potential changes in circumstances in schemes in the future, and that further funding was not immediately available, it was agreed to not endorse the entire list of ranked schemes. Further information on next steps is expected in the final SELEP Strategic Board agenda pack due imminently.

Decision: *The Investment Panel agreed to defer the decision for the remaining pipeline (projects in Band B and Band C) until June 2019 to enable further discussions to be held at a Federated Board level.*

Remaining Greater Essex Schemes

The table on the following page outlines the Greater Essex Schemes that have been submitted as part of the LGF 3b funding call, items highlighted in Green at the top of the table relate to projects that have been provisionally allocated funding through the Investment Panel Decision on Friday 8th March 2019. The Essex Business Board may wish to consider whether it intends to put forward it's Strategic Priorities in relation to the remaining projects when these are considered in further discussions in June 2019. If so, the Board may wish to consider the principle to define this strategic view.

Scheme Title	Scheme Promoter	District	Scheme Outline	Financial Information		
				LGF Ask (£m)	Total Cost (£m)	LGF Intervention Rate %
Groundworks and Scaffolding Training Centre	Colchester Institute	Colchester	Development of a standalone Groundworks and Scaffolding Training Centre at Colchester Campus including site clearance & preparation, design & planning, plant & machinery purchase and upgrade of classrooms adjacent to the site	0.2000	0.3300	60.6%
Flightpath Phase 2	GT Commercial Holdings Ltd	Epping Forest	Delivery of second phase of commercial workspace development at Woodside Industrial Estate providing 19 single and 2-storey industrial units (ranging from 1,000 ft2 to 2,000 ft2 each) in 4 blocks, totalling 40,000 ft2	1.4215	2.8430	50.0%
University of Essex Parkside Phase 3	University of Essex	Colchester	Extension of the Parkside Office Village at the Knowledge Gateway to construct a single 4-storey building with a total area of 4,772m2 gross (51,355 sq. ft.) with the potential of creating up to 13 office units	5.0000	10.0000	50.0%
Healthcare and Technology Innovation Centre (HTIC)	Harlow College	Harlow	Repurposing of accommodation to a centre for delivering health care, health science and digital technologies embedding innovation of the different vocational pathways and preparing the college for the introduction and delivery of T-Levels.	3.2400	10.2605	31.6%
Colchester Grow-on space : North Colchester Business Centre expansion	Colchester Council	Colchester	To deliver 3,500 sq. ft additional lettable space at the established North Colchester Business Centre based at Colchester Business Park, currently operated by Colchester Business Enterprise Agency and catering for businesses across a range of high-value sectors. The new facility will enable existing tenants seeking larger premises to expand their businesses.	0.9907	1.0112	98.0%
Colchester Grow-on space : Queen Street Former Bus Depot	Colchester Council	Colchester	To transform a former town-centre bus depot into a high-quality grow-on space providing upto 11,700 sq. ft of lettable space for the priority Creative Cultural and Digital Sector. This development is situated adjacent to the successful 37 Queen Street Business Centre and will enable existing tenants seeking larger premises to expand their businesses, addressing market failure.	4.6675	4.9579	94.1%
Maldon District Enterprise Centre	Maldon Council	Maldon	Development of a 20,000 sq ft Business Enterprise Centre, including land acquisition, pre-lim work, design fee's and cost of building to create over 20 high specification offices including co-working and meeting facilities to support new and early stage businesses.	3.8500	7.7681	49.6%
City Centre Public Realm: Tindal Square	Chelmsford Council	Chelmsford	Investment to remove traffic from Tindal Square in Chelmsford and to create a high quality public space that will compliment investment in Shire Hall a grade 2 listed building and connect the northern end of the pedestrianised high street with the Bond Street Development in Chelmsford City Centre.	0.5000	2.5000	20.0%
Superfast Essex Phase 4 (Extension)	ECC	All Essex	Supporting delivery of Superfast Internet connectivity in the remaining hardest-to-reach unconnected areas after existing and planned deployment is taken into consideration	4.0000	4.0420	99.0%
Braintree Integrated Transport Plan	ECC	Braintree	Package of schemes to improve traffic flows in Braintree including improvements to Springwood Drive Roundabout, a resurfaced one-way system and cycle route and improved signal operations	4.3050	4.3200	99.7%
Colchester : transforming public spaces - St Nicholas Square	Colchester Council	Colchester	To deliver an attractive new public square providing a 31% increase in utilisable space, acting as a catalyst to economic growth and regeneration through creating new active frontages including piazza-style outside eating and drinking space. The new square will act as an attractive gateway from the eastern end of the High Street and shopping centre to the Castle and other developments centred on Firstsite.	1.0525	1.0700	98.4%
Colchester : transforming public spaces - Balmerne Gate	Colchester Council	Colchester	To deliver 4,327 sq. m. exemplary and high-quality public realm at the western end of the Town Centre, enhancing the gateway to key car parks and the wider town centre, and aligning with the £8.7m public investment in the rebuild of the regionally significant Mercury Theatre; building the profile of Colchester as a destination.	0.5000	2.5000	20.0%
New Construction Centre	Chelmsford College	Chelmsford	Replacement of existing Rubb tents with a purpose built industrial workshop space which will house two multi-use construction workshops on the ground floor and two classrooms with a light craft workshop on the upper floor.	1.2952	1.8000	72.0%