



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

LGF Capital Programme Management

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Capital Programme Manager

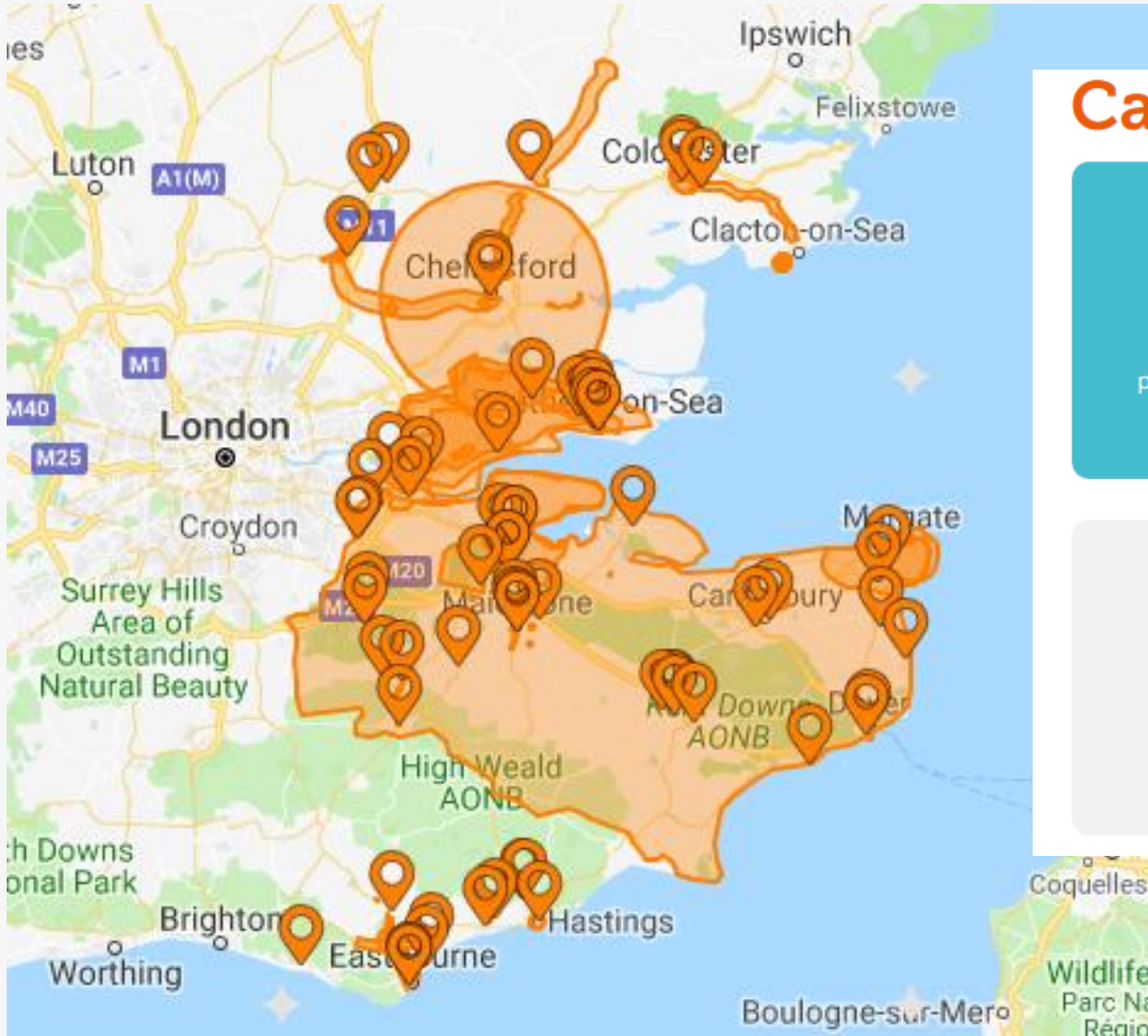
22nd March 2019

SELEP Strategic Board





Local Growth Fund Investment



Capital investment

Secured a total of
£ 570 m
investment for 97
potential Local Growth
Fund projects

**86 LGF
Projects**
have been awarded
funding by SELEP
Accountability Board

£285m
Local Growth Fund
spend to date

3,635
Jobs delivered to
date.

4,519
Homes delivered to
date.

23
Local Growth Fund
(LGF) project
completions.



Accountability Board approval

Projects approved in Feb 2019 (£46.988m)

- A127 The Bell and A128 Essential Maintenance, Southend (award of the remaining £9.9m LGF)
- A127 Fairglen New Link and Slip Road, Essex (£6.235m LGF)
- Beaulieu New Railway Station, Essex (£12m LGF, subject to the conditions);
- Southend Central Area Transport Project Phase 3 (£4m LGF)
- Eastbourne Town Centre Movement and Access Package, East Sussex (£3m LGF)
- Eastbourne and South Wealden Walking and Cycling Package, East Sussex (£4m LGF)
- Basildon Integrated Transport Package Phase 3, Essex (£453,000 LGF)
- Innovation Park Medway (£3.7m LGF)
- Grays South, Thurrock (£3.7m LGF towards project capital development costs).



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Beaulieu New Railway Station





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Beaulieu New Railway Station (£12m LGF)



Supporting the delivery of 4,000 homes.

Dependent on a success Housing Infrastructure Fund (HIF) bid

Despite widespread benefits, the Benefit to Cost ratio is low

Expected to spend £9.27m beyond Growth Deal period.

Project supported by Accountability Board subject to conditions being satisfied, including, HIF award and Strategic Board endorsement.

Accountability Board decisions

Project Changes

- A133 Colchester to Clacton

Projects removed from the LGF programme

- Fort Halsted, Kent;
- A22/A27 Improvements Package, East Sussex
- Endeavour Drive Bus Lane (as part of Basildon Integrated Transport Package Phase 2), Essex
- A414 Harlow to Chelmsford, Essex.



LGF unallocated (prior to Investment Panel)

LGF underspend sources (£m)

Originally Unallocated	8.331
Basildon ITP Tranche 2	1.900
Basildon ITP Tranche 3	0.514
A414 Harlow to Chelmsford	2.173
Fort Halsted	1.530
22/A27 Improvements Package	1.000
Total	15.448





LGF 3B

Stage 1 – Expressions of Interest (Eoi)

- Endorsed by Federated Boards

Stage 2 – Scheme Prioritisation

- Investment Panel

Stage 3 – SELEP Accountability Board funding decision



Stage 2 – Strategic Outline Business Case

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

Colchester Institute - Initial Assessment

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£200,000	£130,000	£330,000	39%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber / Green	Amber / Green	Green	Amber / Green	Green	Green

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of local funding commitment.


Scale of impact (Amber/Green)

The economic impact of the scheme in terms of learners is high, but there are some concerns over the calculation of the economic benefits given that DCLG appraisal guidance has not been used. A qualitative Value for Money case has been made instead.

Value for money (Amber/Green)

2.1 The economic appraisal methodology has been carried out at a high level so there is some uncertainty around the value for money of the scheme.

2.2 There is some uncertainty around the calculation of these scheme outputs given that a full Value for Money assessment has not been undertaken. This is consistent with the scale of the funding requirement which is less than £2m.



Map data ©2019 Google

Project summary

- Development of a standalone Groundworks and Scaffolding Training Centre at Colchester Campus providing a training facility for Essex businesses.
- The project will support 132 new training led jobs within the first three years, by allowing candidates to obtain legislative qualifications to unlock barriers to career progression and business growth.

Key strengths

- Develops skills in a key industry.
- Low level of LGF required.

stoor

30

Stage 2 – Strategic Outline Business Case

Assessment criteria:

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





Stage 2 – Strategic Outline Business Case

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

Investment Panel

Project	Area	LGF allocation
Bexhill Enterprise Park North	East Sussex	£ 1,940,000
Digital Technologies Campus	OSE	£ 2,150,000
Colchester Institute	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	£ 1,518,500
Total		£ 15,448,000

Requirement from Government

“Local Enterprise Partnerships must have a clear and transparent basis, (published on their website) against which projects and programmes are initially identified, commissioned, appraised and prioritised.

“Local accountability frameworks must set out the evidential basis on which the need for intervention is based and how the Local Enterprise Partnership will ensure that it identifies programmes and projects based on need and/or opportunity supported by rigorous analysis of quality data and with regard to the application of best practice”.

LGF3b next steps

- SELEP provided a commitment to Government that it would develop and maintain a pipeline of LGF projects to utilise LGF
- Further opportunity for LGF underspend to be identified
- By the end of May, Federated Boards are therefore asked to consider the projects which they identify to be strategically important. Given the substantial number of LGF3b applications and the limited funding available, each Federated Board is asked to focus on its top two/three priorities for investment.
- Federated Boards are also asked to consider whether there are any projects which they wish to withdraw from the process.
- Reconvene the Investment Panel on the afternoon of **28th June 2019**