

# East Sussex GPF EOI Assessment and Prioritisation Report

## Introduction

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The Growing Places Fund (GPF) was established by the Ministry for Housing, Communities and Local Government and the Department for Transport in 2011 to unlock economic growth, create jobs and build houses and help 'kick start' development at stalled sites. The fund works as a recycled capital loan scheme regenerating funds based on the repayment schedules agreed for existing Growing Places Fund projects. Subject to future expected repayments being made in 2019/20 and 2020/21, the total amount of Growing Places Fund currently available for reinvestment in the SELEP area is **£20.724m**, of which £15.595m will be available in 2020/21 and a further £5.129m in 2021/22.

The East Sussex open call for projects closed on 1<sup>st</sup> November 2019 and 8 EOI applications were received. The maximum permitted bid was £3.5m, with projects being required to meet the GPF eligibility criteria, prior to being assessed and prioritised. The EOI assessment is a three-stage process:

**Stage 1** – Federated Area assessment, sifting and prioritisation of projects by Strategic Fit

**Stage 2** – Independent Technical Evaluator assessment and scheme prioritisation by SELEP Investment Panel

**Stage 3** – SELEP Accountability Board funding decision.

## EOI assessment approach and criteria

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In consultation with the ESCC Officer Technical Team, EBS Consulting developed a transparent, weighted scoring system that was able to be used on a consistent basis for assessment of all GPF EOI applications. This aims to assist TES with the Stage 1 – Federated Area assessment process. The 5 agreed core criteria used for the EOI assessments by EBS Consulting were:

1. Scale of impact
2. Economic rate of return and value for money
3. Leverage and acting as a catalyst for wider investment
4. Strategic added value impacts
5. Project deliverability

Each EOI application was assessed using this appraisal system and given a provisional score. A 'justification' was provided for each score awarded. Where further clarifications of project details were required, further information was requested from the applicant. Upon receipt of this information each EOI was re-assessed and the scoring was amended as appropriate. Additional comments as agreed by the TES Board on the 30<sup>th</sup> September were sought from the Chair and Vice Chair of TES as business representatives involved in the GPF EOI prioritisation process.

## Recommendations

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The assessed EOIs were discussed at a workshop with SELEP Independent Technical Evaluator and the ESCC Officer Technical Team on 18<sup>th</sup> November 2019 (with both TES business representatives invited to attend and feed into the process) and a prioritised list of the 8 EOI applications was produced. It should be noted that this is the initial prioritised ranking at EOI stage. There are several clarification points that will need to be addressed by scheme promoters progressing to the Strategic Outline Business Case stage that may well change this initial order of prioritisation.

As a result of the assessments undertaken, we recommend to TES to endorse the following 6 projects to be taken forward to Strategic Outline Business Case stage:

Priority	Project title and brief description	GPF ask	Total project cost
High	<b>North East Bexhill Urban Extension – Accelerated Strategic Drainage Infrastructure.</b> The project seeks to expedite the accelerated delivery of strategic foul sewerage infrastructure, to serve the urban extension in North East Bexhill and unlock the delivery of major housing and employment allocations in this part of the growth corridor.	£3.0m	£4.3m
	<b>Barnhorn Green Commercial and Healthcare Development.</b> Barnhorn Green is an allocated employment and health zone adjacent to a large housing development in Bexhill – Rother District Council (RDC) proposes to develop office accommodation, light industrial floorspace and a doctors’ surgery. RDC as developer will be looking to deliver the entirety of the site with the commercial elements to be built speculatively.	£3.5m	£10m
	<b>Professional fee support to enable the sale of surplus College land to build houses, create 2 new College facilities, create jobs and unlock economic growth.</b> The College is seeking £1.7m of professional fees in order to secure planning permission on surplus land at its Eastbourne and Lewes sites. The proposals will unlock a brownfield land site in order to sell land and build new homes. The sale proceeds will be invested in the creation of a new College of further and higher education in Eastbourne town centre and a refurbishment of the Lewes facility.	£1.75	£1.95
Medium	<b>Observer Building, Hastings</b> A mixed-use development is planned. This will include leisure and retail uses on the lower three floors, a wide range of workspaces, capped-rent flats and a public roof terrace and bar.	£3.35m	£4.0m
	<b>Fast Track Solutions for the Hastings Manufacturing Sector</b> The project aims to deliver Class B1/B2 business accommodation particularly suited to the immediate needs of the manufacturing sector in Hastings	£3.5m	£4.5m
	<b>Centre Court, Devonshire Park, Eastbourne</b> Demolition of an existing 1980s office building to deliver new Class B1a office space to help address the immediate need for modern office accommodation in Eastbourne town centre.	£3.5m	£3.5m
<b>Total</b>		<b>£18.6m</b>	<b>£28.25m</b>

As a result of the assessments undertaken, we recommend to TES to endorse that the following 2 projects are not to be taken forward to SOBC stage:

Priority	Project title and brief description	GPF ask	Total project cost
Low	<b>Solar Power Railways</b> The project aims to build the world’s first solar powered 4MW park that powers the Network Rail traction system. The goal is to build a community led solar farm that provides Network Rail with a triple benefit – decarbonised energy, social impact and environmental benefits.	£2.25m	£4.5m
	<b>Southern Utility Full Fibre Network</b> To construct a localised backbone broadband network that will serve predominately business premises contained within the geographical area and that can later form a part of a potential County and region-wide (South East England LEP) fibre to the premises network.	£1.3m	£2.7m

*It should be noted that this table only represents the preliminary prioritisation based on the outcome of the Stage 1 Assessments of the EOI’s*

## Next steps

Following today's Board meeting, SELEP will be notified of the decision of TES as to which East Sussex projects have been approved to proceed to Strategic Outline Business Case. That will complete Stage 1 of the assessment process.

In Stage 2, schemes prioritised by the Federated Areas will be required to develop and submit a Strategic Outline Business Case. This requires the applicant to detail strategic, economic, financial and deliverability evidence in support of their proposal. Applicants need to complete all 10 sections of the Strategic Outline Business Case template which will inform the prioritisation process undertaken by the SELEP Investment Panel. These Strategic Outline Business Cases need to be submitted to SELEP by 24<sup>th</sup> January 2020 for review by the SELEP Independent Technical Evaluator during February and March 2020.

SELEP Independent Technical Evaluator will then produce a Stage 2 Strategic Outline Business Case Technical Assessment Report which will be presented to the TES Board meeting in March. Following this, there will be an opportunity for TES to submit written comments to be included as an attachment to the SELEP Investment Panel papers. The SELEP Investment Panel meets in April 2020 to decide upon scheme prioritisation. Team East Sussex is represented on the SELEP Investment Panel by the Leader of the County Council, the TES chair and another TES business representative. This completes Stage 2 of the assessment process.

Stage 3 involves SELEP Accountability Board making the final funding decision on the allocation of GPF (Round 3) funds. The following table summarises this three stage GPF (Round 3) assessment process and the key dates for each of these stages.

Stage 1 – Expression of Interest – Federated Area assessment, sifting and prioritisation of projects (Led by Federated Areas)	Stage 2 – Strategic Outline Business Case – Scheme prioritisation across SELEP (Led by SELEP)	Stage 3 – SELEP Accountability Board Funding decision
<div style="border: 1px solid black; padding: 5px; text-align: center;">October 2019</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">EOI completed by Scheme Promoters</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">December 2019 to January 2020*</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Development of Strategic Outline Business Case</div>	
<div style="border: 1px solid black; padding: 5px; text-align: center;">1<sup>st</sup> November 2019</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">EOI submitted to Federated Boards</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">24<sup>th</sup> January 2020</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Strategic Outline Business Case submitted to SELEP</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">Development of Outline Business Case and ITE Gate 1 and 2 review of the Business Case</div>
<div style="border: 1px solid black; padding: 5px; text-align: center;">November 2019</div> <div style="border: 1px solid black; padding: 5px;">Review of Expressions of Interest by Federated Board leads Initial assessment, sifting and prioritisation of projects, based on the agreed eligibility and prioritisation criteria</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">February to March 2020</div> <div style="border: 1px solid black; padding: 5px;">SELEP ITE review of Strategic Outline Business Case to include meetings with scheme promoters</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">SELEP Accountability Board funding award</div>
<div style="border: 1px solid black; padding: 5px; text-align: center;">No later than 6<sup>th</sup> December 2019</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Federated Boards decision on schemes to be nominated to SELEP</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;">March 2020</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">ITE to attend Federated Board meetings</div>	
	<div style="border: 1px solid black; padding: 5px; text-align: center;">27<sup>th</sup> March 2020</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Federated Boards to submit written comments to be included as an attachment to Investment Panel papers</div>	
	<div style="border: 1px solid black; padding: 5px; text-align: center;">April 2020</div> <div style="border: 1px solid black; padding: 5px; text-align: center;">Investment Panel Meeting</div>	

**Points to note:**

Only projects which meet the eligibility criteria and have been prioritised by the Federated Board can progress to Stage 2 of the process.

\* Development of Strategic Outline Business Case should commence as soon as Federated Board decisions have been made on priorities.