

ACCOUNTABILITY BOARD

10:00	Friday, 20 November 2020	Online Meeting
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The meeting will be open to the public via telephone or online. Details about this are on the next page. Please do not attend High House Production Park as no one connected with this meeting will be present.

Quorum: 3 (to include 2 voting members)

Membership

Sarah Dance
Cllr David Finch
Cllr Roger Gough
Cllr Rodney Chambers
Cllr Keith Glazier
Cllr Rob Gledhill
Cllr Ron Woodley
Simon Cook
Rosemary Nunn

Chair
Essex County Council
Kent County Council
Medway Council
East Sussex County Council
Thurrock Council
Southend-on-Sea Borough Council
Further Education/ Skills representative
Higher Education representative

For information about the meeting please ask for:

Lisa Siggins, Secretary to the Board

Telephone: 033301 34594

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Essex County Council and Committees Information

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

In accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held via online video conferencing.

Members of the public will be able to view and listen to any items on the agenda unless the Committee has resolved to exclude the press and public from the meeting as a result of the likely disclosure of exempt information as defined by Schedule 12A to the Local Government Act 1972.

How to take part in/watch the meeting:

Participants: (Officers and Members) will have received a personal email with their login details for the meeting. Contact Amy Ferraro -Governance Officer SELEP if you have not received your login.

Members of the public:

Online:

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Please note that an audio recording may be made of the meeting – at the start of the meeting the Chair will confirm if all or part of the meeting is being recorded.

	Pages
1	Welcome and apologies for absence
2	Minutes 16.10.20 To approve the minutes of the meeting held on 16th October 2020.
	7 - 13
3	Declarations of interest
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 SELEP Secretariat (hello@southeastlep.com) by no later than 10.30am on the Monday morning 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 Governance Officer for an in-person meeting, or the host of the meeting if it is being held virtually. A copy of the Policy for Public Questions is made available on the SELEP website.
5	Capital Programme Update
	14 - 35
6	A28 Sturry Link Road Update Report Appendix A will be considered under Exempt items.
	36 - 47
7	Queensway Gateway Road Project Update Appendix B will be considered under Exempt items.
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8	M11 J8 Update
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9	University of Essex Parkside 3	65 - 74
10	Growing Places Fund Update	75 - 97
11	Update on SELEP Revenue Budget 2020-21 and Proposed Revenue	98 - 109
12	SELEP Operations Update	110 - 131
13	Getting Building Fund Programme Update	132 - 146
14	Award of Getting Building Fund funding – High Certainty Appendix D will be considered under Exempt items.	147 - 241
15	Award of Getting Building Fund funding – High value for money	242 - 278
16	Award of Getting Building Fund funding – High Value for Money and Medium Certainty Appendix D will be considered under Exempt items.	279 - 312
17	Date of next meeting 12th February 2021 likely to be online via Zoom.	
18	Urgent Business To consider any matter which in the opinion of the Chair 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.

19 A28 Sturry Link Road CONFIDENTIAL APPENDIX A

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**20 Queensway Gateway Road Project Update-
CONFIDENTIAL APPENDIX B**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**21 Award of Getting Building Fund funding – High
Certainty- CONFIDENTIAL APPENDIX D**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**22 Award of Getting Building Fund funding – High Value
for Money CONFIDENTIAL APPENDIX D**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

23 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chair 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 online on Friday, 16 October 2020

Present:

Sarah Dance	Chair
Cllr David Finch	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Rupert Simmons	East Sussex County Council
Cllr Ron Woodley	Southend-on Sea Borough Council
Cllr Mark Coxshall	Thurrock Council
Rosemary Nunn	Higher Education representative
Simon Cook	Further Education/Skills representative

Also Present:

Marwa Al-Qadi	East Sussex County Council
Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
Stephen Bishop	Steer
Adam Bryan	SELEP
Chris Broome	Sea Change Sussex
Lee Burchill	Kent County Council
Joanne Cable	Medway Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Vimbai Foroma	SELEP
Amy Ferraro	SELEP
James Harris	East Sussex County Council
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Charlotte Moody	Essex County Council (Legal representative for the Accountable Body)
Rhiannon Mort	SELEP
Lorna Norris	Essex County Council
Sarah Nurden	KMEP

Vivien Prigg	SELEP
Tim Rignall	Southend Borough Council
Alex Riley	SELEP
Christopher Seamark	Kent County Council
Peter Shakespear	Essex County Council
Jo Simmons	SELEP
Lisa Siggins	Essex County Council
Jess Steele	White Rock Neighbourhood Ventures
Stephen Taylor	Thurrock Council
Laura Willis	Essex County Council
Katherine Wyatt	SELEP

1 Welcome and apologies for absence

The following apologies were received.

- Cllr Rob Gledhill substituted by Cllr Mark Coxshall
- Cllr Keith Glazier substituted by Cllr Rupert Simmons

2 Minutes 18.09.20

The minutes of the meeting held on Friday 18th September were agreed as an accurate record.

3 Declarations of interest

Councillor Rupert Simmons declared a non-pecuniary interest in relation to the Fast Track Business Solutions for the Hastings Manufacturing Sector project which was considered under agenda item 5. He did not speak under this agenda item or vote.

4 Questions from the public

Submitted by Andrea Needham, a local resident:

In December 2012, SELEP issued a press release in which it said that the North Queensway Innovation Park in Hastings had 'the potential of creating 865 jobs'.

In Sept 2015, Seachange Sussex claimed on their website that the site would provide 'space for up to 300 employees in total'.

So far, no jobs have been created. However, SELEP is now planning to award Seachange Sussex a further £3.5m for the site, which according to documents to be presented to the accountability board meeting on 16 October is now expected to create 75 jobs.

Given that Seachange was given a £1.5m loan (£0.5m of which remains outstanding) for the project some eight years ago, with a view to creating 865 jobs, but has created none at all, how can SELEP justify giving the company a further £3.5m of public money for the same project?

Response:

A £1.5m GPF loan was awarded to East Sussex County Council for the North Queensway project. The funding was awarded to bring forward site access and enabling infrastructure. The indirect jobs that could be created once the site was fully developed were estimated to be 865. The works funded by the GPF loan have been completed but there have been delays to the development of the site due to unforeseen problems with drainage and consequent planning issues. This Board has been informed that Sea Change are taking steps to address these issues and the full development of the site is still expected to happen and that development is still expected to deliver the 865 indirect jobs.

The £3.5m GBF investment brings forward part of the development of the site. Whilst it is still anticipated that private investment will deliver the development of the site, the GBF investment is expected to bring forward a proportion of the 865 jobs more quickly. The GBF investment was identified due to a pressing need for modern manufacturing space in the area and to assist with COVID19 recovery. The award of the funding from SELEP is being made to East Sussex County Council.

Secondly, what comeback will there be if Seachange, having taking £4m of public money for the project (£3.5m from the Getting Building Fund plus £0.5m which may never be repaid from the previous loan) fails to create even the latest prediction of 75 jobs? Will Seachange be required to repay the money?

Response:

All funding issued by Essex County Council on behalf of SELEP is done so under a legal agreement with the recipient. Getting Building Fund legal agreements have not yet been finalised and therefore we cannot comment on the provisions therein at this time.

For all capital investment schemes, there is a requirement to develop a Benefits Realisation Plan which is embedded within the business case submission. The Benefits Realisation Plan monitors the impacts of the project for up to a 5 year period post-completion. This will include monitoring of the number of jobs created. All of this information is reported back quarterly to the South East Local Enterprise Partnership Accountability Board and Strategic Board.

5 Award of Getting Building Fund funding

The Board received a report (Appendix D was considered under Exempt items) from Helen Dyer, SELEP Capital Programme Officer, the purpose of which was to allow the Accountability Board (the Board) to consider the award of £13.803m Getting Building Fund (GBF) to the seven projects (the Projects) detailed at Appendix B of the report. The Projects are included in the £85m package of 34 projects agreed with Government in July 2020.

Steven Bishop, Steer gave the Board details regarding the business case assessments for each of the seven projects.

The Board were advised that a further 26 projects would be brought before the Board for consideration at the November Board meeting.

Councillor Chambers spoke in support of Britton Farm Redevelopment: Learning, Skills and Employment Hub project, stating that it was an innovative scheme and was more important than ever at the current time.

Councillor Simmons stated that he was in favour of all the projects but also spoke in support of Restoring the Glory of the Winter Garden project. He advised that this was of enormous advantage to Eastbourne and the surrounding areas.

Simon Cook questioned why all GBF projects were not being considered at the same time, and whether there was a risk to the second tranche funding. Rhiannon advised that the remaining projects are still undergoing the required assessments by Steer. With regards to the risk to funding, Rhiannon acknowledged that funding had been allocated but not actually confirmed. It was however felt that the associated risk was in fact small.

In response to a Member question, Steven Bishop of Steer gave the Board some clarification regarding the Winter Garden project, with confirmation given that it was in fact a flexible space.

Councillor Gough raised a query in respect funding in connect with The Observer Building, Hastings (Phase 1b). It was confirmed that the second GPF funding will be will still be sought.

Resolved:

1. To Approve the award of:

1.1 £680,000 GBF to support the delivery of the Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.2 £1,990,000 GBF to support the delivery of the Britton Farm Redevelopment: Learning, Skills and Employment Hub project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.3 £1,820,000 GBF to support the delivery of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.4 £3,500,000 GBF to support the delivery of the Fast Track Business

Solutions for the Hastings Manufacturing Sector project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.5 £1,600,000 GBF to support the delivery of the Restoring the Glory of the Winter Garden project as set out in Appendix C of the report, which has been assessed as offering High value for money with High/Medium certainty of achieving this.

1.6 £1,713,000 GBF to support the delivery of The Observer Building, Hastings (Phase 1b) project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.7 £2,500,000 GBF to support the delivery of the Extension of the existing ASELA LFFN project as set out in Appendix C of the report, which has been assessed as offering High value for money with Low certainty of achieving this.

2. **To Note** that the award of GBF funding to the above projects is subject to sufficient GBF being received by SELEP from Central Government.

6 Beaulieu Station Project Update

The Board received a report (Appendix A was considered under Exempt items) from Howard Davies, Capital Programme Officer, the purpose of which was for the Board to receive an update on the delivery of the Beaulieu Station project (the Project), Chelmsford, Essex.

Howard Davies and Gary MacDonnell, Network Coordinator ECC, outlined the difficulties encountered. The Board were advised that there were operational risks that ECC were uncomfortable with taking responsibility for.

Councillor Finch advised that this was a major project and that there was an issue in terms of expectation. He explained that negotiations were taking place with Network Rail and DFT, he stressed that he had every confidence that the project would be delivered on time and within budget.

Resolved:

1. **To Note** the latest position on the delivery of the Project
2. **To Agree** a further update report should be presented to Board in February 2021

7 Reallocation of LGF Funding

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the reallocation of Local Growth Fund (LGF) from the following two projects to the LGF project pipeline;

- Tilbury Riverside
- Southend Forum 2

Councillor Woodley spoke in relation to Southend Forum 2 project, stating that this was an unfortunate effect of Covid-19, but that the return of the funding would provide opportunities for others.

With regards to Tilbury Riverside, Councillor Coxshall advised that this was the result of realisation and he apologised that the funding was not able to be reallocated sooner.

The Chair added her thanks for the honesty of all those involved in the two projects.

Resolved:

1. **To Agree** the reallocation of the total award of LGF to the Tilbury Riverside project of £2,360,000 be returned to the LGF project pipeline
2. **To Agree** that the £52,595 LGF already transferred to Thurrock Council to date in relation to the Tilbury Riverside projects must be returned to the SELEP Accountable Body.
3. **To Agree** the reallocation of the total award of LGF to the Southend Forum 2 project of £6,000,000 be returned to the LGF project pipeline.
- 4 **To Agree** that the £2,106,652 LGF already transferred to Southend on Sea Borough Council to date in relation to the Forum 2 projects must be returned to the SELEP Accountable Body.
- 5 **To Agree** that the LGF funds in recommendations 2 and 4 above are to be returned to the SELEP Accountable Body, in advance of the end of this calendar year in order that potential pipeline projects can be advanced.

8 SELEP COVID-19 Business Support Fund

The Board received a report from Jo Simmons, SELEP Business Development Manager, the purpose of was to allow the Board to agree to award £2.4m to the COVID-19 Business Support Programme (the. Programme) and to delegate decision making authority to the SELEP Chief Executive Officer in respect of delivery of the Programme.

Councillor Gough raised concerns over the timeframe not supporting that agreed by the Strategic Board. This was clarified by Jo Simmons, with reference to balancing feedback received and a 4-week bidding window incorporated into the process.

Simon Cook asked for clarification that there would not be any duplication in respect of other Government funding being offered. Jo Simmons advised that there was confidence that there was a clear case for funding for visitor support and that analysis has been done to align with other areas of funding.

Resolved:

1. **To Agree** the award of £2.4m to the Programme, based on the case for investment set out in section 4 of the report

2. **To Agree** the proposed procurement approach for the delivery of £2.365m through a new single tender framework comprising three individual Lots

3. **To Agree** to £35,000 of the £2.4m funding pot to be used for project management resource

4 **To Agree** to delegate authority to the SELEP Chief Executive Officer, to sign off the award of contracts for each project within the Programme

5 **To Agree** to delegate authority to the SELEP Chief Executive Officer to amend the value of funding identified for each project within the Programme by up to £100,000 if so required, subject to:

5.1 The total value of investment remaining within the total £2.365m budget allocated to the Programme;

5.2 The minimum project benefits, set out in Table 1 of the report, still being achieved; and

5.3 Ensuring the maximum value of any project 'package' included in the Programme does not exceed £1m

6 **To Note** that the procurement of the projects included within the Programme will be completed in accordance with Essex County Council procurement advice and regulations.

9 Date of next meeting

The Board noted that the next meeting will take place on Friday 20th November 2020 online.

There being no urgent business the meeting closed at 11.18 am

10 Exclusion of the Public

That the press and public be 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.

11 Award of Getting Building Fund funding CONFIDENTIAL APPENDIX D

The Board noted Award of Getting Building Fund funding CONFIDENTIAL APPENDIX D.

12 Beaulieu Station CONFIDENTIAL APPENDIX A

The Board noted Beaulieu Station CONFIDENTIAL APPENDIX A.

Chair

Report title: Local Growth Fund Capital Programme Update	
Report to Accountability Board on 20 November 2020	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Meeting Date: 20 November 2020	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 information presented in this report was collated with local partners in October 2020.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1. **Agree** the updated total planned LGF spend in 2020/21 of £69.236m excluding Department for Transport (DfT) retained schemes and increasing to £89.301m including DfT retained schemes, as set out in Table 1 and Appendix A.
 - 2.1.2. **Note** the deliverability and risk assessment, as set out in Appendix B.
 - 2.1.3. **Note** the mitigation/action required in relation to high risk projects as set out in Appendix C.

3. Summary Position

- 3.1 To date, the Board has approved the award of £554.965m LGF to 106 projects, relative to a total LGF allocation of £578.9m.
- 3.2 The remaining funding decisions to be sought from the Board in relation to LGF include the award of £13.5m LGF to A127 Fairglens Interchange, £3.777m LGF to Colchester Grow on Space Queens Street and the allocation and award of £6.693m LGF which is currently unallocated (as set out in section 6).
- 3.3 A total of 49 projects have been completed across the programme, with a further 57 underway to support the economic recovery following COVID- 19.

Local Growth Fund Capital Programme Update

- 3.4 LGF spend in 2020/21 is now forecast to total £69.236m excluding DfT retained schemes and increasing to £89.301m including DfT retained schemes.
- 3.5 The 2020/21 spend forecast has been updated to reflect the removal of three projects from the LGF programme (as detailed in section 6 below) and delays to LGF projects.
- 3.6 The following five projects have reported an LGF slippage of greater than £1m LGF since the last Board meeting:
- University of Essex Parkside Phase 3 (£2.250m LGF slippage)
 - Thanet Parkway (£3.227m LGF slippage)
 - M2 Junction 5 Improvements (£1.6m LGF slippage)
 - Innovation Park Medway Phase 1 (£1.525m LGF slippage)
 - Southend Central Area Action Plan (£1.0m LGF slippage)
- 3.7 The net impact of the changes to LGF spend across the programme has led to a substantial reduction to the forecast LGF spend in 2020/21, from £111.7m as reported at the last Board meeting to £89.3m LGF (including DfT retained schemes); a reduction of £22.4m. This change is shown in table 1 below.

Table 1 Updated spend forecast 2020/21

LGF (£m)							
	Planned LGF spend in 2020/21*	Total forecast spend in 2020/21 (as reported in August 2020)	Total LGF spend in 2020/21 (as reported in October 2020)	Variance (between planned and updated forecast October 2020)	Forecast LGF spend relative to planned spend in 2020/21* (%)	Additional spend/slippage identified for 2020/21 since the last board meeting	Additional spend/slippage previously considered by the Board
East Sussex	15.602	9.613	8.684	-6.918	55.7%	-0.929	-5.989
Essex	11.709	12.791	11.436	-0.273	97.7%	-1.355	1.082
Kent	24.963	28.101	22.823	-2.140	91.4%	-5.278	3.137
Medway	13.649	8.733	5.912	-7.738	43.3%	-2.821	-4.917
Southend	11.496	13.017	5.649	-5.847	49.1%	-7.368	1.521
Thurrock	10.574	9.737	8.039	-2.535	76.0%	-1.698	-0.838
Skills	0.000	0.000	0.000	0.000		0.000	0.000
M20 Junction 10a	0.000	0.000	0.000	0.000		0.000	0.000
Unallocated	0.000	0.000	6.693	6.693		6.693	0.000
LGF Sub-Total	87.994	81.992	69.236	-18.758	78.7%	-12.755	-6.002
Retained	40.809	29.722	20.065	-20.743	49.2%	-9.657	-11.086
Total Spend Forecast	128.803	111.714	89.301	-39.501	69.3%	-22.413	-17.089

Table 2 - Summary LGF spend forecast – all years

	£m					
	LGF spend to end of 2019/20	LGF spend 2020/21	LGF spend 2021/22	LGF spend 2022/23 onwards	Total	% LGF allocation spent by end of 2019/20
East Sussex	59.699	8.684	10.202	1.579	80.165	74.47%
Essex	78.642	11.436	10.995	12.000	113.073	69.55%
Kent	87.784	22.823	16.033	0.000	126.640	69.32%
Medway	21.357	5.912	5.171	0.000	32.440	65.84%
Southend	25.299	5.649	2.362	0.000	33.310	75.95%
Thurrock	26.301	8.039	0.000	0.000	34.340	76.59%
Skills	21.975	0.000	0.000	0.000	21.975	100.00%
M20 Junction 10a	19.700	0.000	0.000	0.000	19.700	100.00%
Unallocated LGF	0.000	6.693	0.000	0.000	6.693	0.00%
Sub-total	340.758	69.236	44.763	13.579	468.335	72.76%
DfT retained	70.636	20.065	19.899	0.000	110.600	63.87%
Total spend forecast	411.394	89.301	64.661	13.579	578.935	71.06%

- 3.8 It is currently forecast that £78.240m LGF will remain unspent at the end of 2020/21. This figure includes £58.342m LGF from Ministry of Housing Communities and Local Government (MHCLG) and £19.899m LGF from the DfT.
- 3.9 It is proposed that at the end of this financial year, the remaining £58.342m unspent LGF from MHCLG will be swapped into local authority's wider capital programmes. This funding will then be 'swapped out' by local authorities in future years to be spent on the respective LGF project. This approach is set out in more detail in section 5 below.
- 3.10 The Strategic Board has previously extended the delivery of the Growth Deal period by six months to 30 September 2021. Any further extensions beyond this date must be considered by both the Strategic Board and Accountability Board on a case by case basis.
- 3.11 At the last meeting of the Board, an update was provided about the impact of the COVID-19 public health measures on the delivery of the Growth Deal programme. As anticipated, the impact of the public health measures and the economic downturn have resulted in project delays, project cost increases and/or funding gaps and is expected to slow the pace of benefit realisation. The risk rating for each project is presented in appendix B, having been reviewed to reflect the known impacts of the pandemic to date on project delivery. Further details about the high-risk projects are set out in Appendix C.

4. LGF spend beyond the Growth Deal period

- 4.1 Given the substantial impact of COVID-19 on the delivery of LGF projects, the Strategic Board agreed to extend the Growth Deal period to 30 September 2021.

- 4.2 Whilst MHCLG has made clear its expectation that LGF is spent in full in 2020/21, there are no conditions within the Grant Determination Letter from MHCLG which prohibit the spend of LGF beyond 31 March 2021. As such, SELEP intends to use Option 4 capital swaps to demonstrate LGF spend in full by the end of the Growth Deal where there are no substantial (Red) rated risks identified for the future delivery of the Project.
- 4.3 To ensure SELEP is fulfilling its responsibilities in overseeing the appropriate use of public funds, it is not recommended that Option 4 capital swaps should be applied, where there is a high risk to the project, such as issues in securing planning consent or where match funding contributions have not been confirmed.
- 4.4 At the next meeting of the Board on 12 February 2021, the Board will be asked to agree the estimated value of the Option 4 mitigation. For projects which are currently rated as of high risk, the Board will be asked to agree whether Option 4 mitigation should be applied or if the LGF should be reallocated to projects on the LGF pipeline.
- 4.5 Approval of LGF spend beyond the Growth Deal, as extended to 30 September 2020, also remains subject to the Board agreeing that five specific conditions have been met. These five conditions include projects demonstrating that:
- 4.5.1. there is a clear delivery plan with specific delivery milestones and completion date has been agreed by the Board;
 - 4.5.2. there is a direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
 - 4.5.3. all funding sources having been 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;
 - 4.5.4. endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period; and
 - 4.5.5. contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project
- 4.6 Table 3 lists all projects which are forecasting LGF spend beyond 2020/21. There is a risk that further LGF slippage beyond the Growth Deal will be identified over the coming months as a result of the COVID-19 pandemic slowing project delivery or results in project complications.

Table 3– Projects with forecast LGF spend beyond 31 March 2021

Projects spending LGF beyond 31 March 2021 (£m)									
SELEP number	Project Name	Spend to end of 2019/20	2020/21	2021/22	2022/23	2023/24 and beyond	All years	% LGF spend by 31 March 2021	RAG
East Sussex									
LGF00023	Hailsham/Polegate/Eastbourne Movement and A	1.262986	0.340	0.497	0.000	0.000	2.100	76.3%	4
LGF00024	Eastbourne and South Wealden Walking and Cycl	3.771727	0.818	2.010	0.000	0.000	6.600	69.5%	4
LGF00042	Hastings and Bexhill Movement and Access Packa	2.549348	1.632	3.240	1.579	0.000	9.000	46.5%	4
LGF00044	Eastbourne town centre LSTF access & improvem	5.244114	0.390	2.366	0.000	0.000	8.000	70.4%	4
LGF00108	Bexhill Enterprise Park North	0.000000	1.540	0.400	0.000	0.000	1.940	79.4%	5
LGF00109	Skills for Rural Businesses Post-Brexit	0.228805	1.189	1.500	0.000	0.000	2.918	48.6%	4
LGF00110	Churchfields Business Centre (previously known a	0.065315	0.246	0.189	0.000	0.000	0.500	62.2%	4
Essex									
LGF00070	Beaulieu Park Railway Station	0.000	0.000	0.000	0.000	12.000	12.000	0.0%	5
LGF00103	M11 Junction 8 Improvements	2.239	0.161	0.334	0.000	0.000	2.734	87.8%	5
LGF00113	USP College Centre of Excellence for Digital Techn	0.000	0.000	0.900	0.000	0.000	0.900	0.0%	3
LGF00118	Basildon Innovation Warehouse	0.000	0.000	0.870	0.000	0.000	0.870	0.0%	3
LGF00119	University of Essex Parkside (Phase 3)	0.000	0.750	4.250	0.000	0.000	5.000	15.0%	5
LGF00125	New Construction Centre, Chelmsford	0.000	0.432	0.863	0.000	0.000	1.295	33.4%	3
LGF00127	Colchester Grow on Space Queen Street	0.000	0.000	3.777	0.000	0.000	3.777	0.0%	3
Kent									
LGF00039	Maidstone Integrated Transport	3.564	2.966	2.370	0.000	0.000	8.900	73.4%	4
LGF00040	A28 Sturry Link Road	1.109	0.680	4.111	0.000	0.000	5.900	30.3%	5
LGF00041	Thanet Parkway	0.000	6.048	7.952	0.000	0.000	14.000	43.2%	4
LGF00120	M2 J5 improvements	0.000	0.000	1.600	0.000	0.000	1.600	0.0%	5
Medway									
LGF00022	Medway City Estate Connectivity Improvement M	0.621	0.579	1.000	0.000	0.000	2.200	54.5%	3
LGF00061	Rochester Airport - phase 1	0.877	1.998	1.525	0.000	0.000	4.400	65.3%	4
LGF00089	IPM (Rochester Airport - phase 2)	0.570	1.130	2.000	0.000	0.000	3.700	45.9%	5
LGF00115	IPM 2 (Rochester Airport - phase 3)	0.000	0.872	0.647	0.000	0.000	1.519	57.4%	5
Southend									
LGF00045	Southend Central Area Action Plan (SCAAP) - Tran	3.638	2.000	1.362	0.000	0.000	7.000	80.5%	3
LGF00115	Southend Town Centre	0.000	0.500	1.000	0.000	0.000	1.500	33.3%	3
DfT retained schemes									
LGF00079	A127 Fairglen Junction Improvements	1.500	0.000	13.500	0.000	0.000	15.000	10.0%	4
LGF00082	A127 The Bell	1.216	0.385	2.699	0.000	0.000	4.300	37.2%	2
LGF00083	A127 Essential Bridge and Highway Maintenance	1.702	2.598	3.700	0.000	0.000	8.000	53.8%	2
Total		30.159	27.254	64.661	1.579	12.000	135.653		

5. Deliverability and Risk

- 5.1 Appendix B 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.
- 5.2 The summary project risk assessment position is set out in Table 4 below. A score of 5 represents high risk (Red) whereas a score of 1 represents low risk (Green).
- 5.3 The risk assessment has been conducted for LGF projects based on:

5.1.1. **Delivery** – considers project delays and any delays to the delivery of project outputs/outcomes. SELEP has considered the delay between the original expected project completion date (as stated in the project business case) and the updated forecast project completion date.

To ensure consistency with MHCLG guidance on the assessment of LGF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of greater than 4 (Amber/Red), unless

the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.

5.1.2. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of LGF spent forecast beyond 31 March 2021.

5.1.3. **Reputation** – considers the reputational risk for the delivery partner, local authority and SELEP Ltd.

Table 4 LGF project risk

Risk Score	Number of projects	LGF allocation to projects (£m)	LGF spend in 2020/21 and onwards (£m)
Low risk - 1	47	179.470	0.900
Low/Medium risk - 2	17	101.499	8.132
Medium risk - 3	23	166.570	12.814
Medium/high risk - 4	10	77.555	27.275
High risk - 5	10	47.149	25.342
Total	107	572.242	74.463

5.4 Detail of the high-risk projects are set out in Appendix C. In total, £25.342m of unspent LGF is currently allocated to high risk projects.

6. LGF pipeline

6.1 Due to the Exceat Bridge (£2.111m LGF), Tilbury Riverside (£2.360m LGF) and Southend Forum 2 (£6.000m LGF) projects having been removed from the LGF programme, a total of £10.471m has been returned to SELEP for reallocation.

6.2 The only project remaining on the LGF pipeline, agreed in June 2019, is the Colchester Queens Street Grow on Space project, seeking £3.777m LGF. This project is due to be considered by the Board in February 2021.

6.3 A process has been agreed for SELEP Ltd to establish a new pipeline of LGF projects at the Strategic Board meeting on 11 December 2020.

6.4 Applications for additional LGF have been brought forward for 17 projects, seeking approximately £20m LGF in additional funding. These applications are currently being considered by SELEP's Federated Boards.

6.5 On 11 December 2020, the Strategic Board will be asked to agree how the remaining £6.693m unallocated LGF should be allocated. The Strategic Board will also be asked to establish a ranked pipeline of projects to proceed, should additional LGF become available.

6.6 Projects that receive an additional LGF allocation will come forward for funding approval by the Board in February or March 2021, to enable the

transfer of the LGF to the respective local authority before the end of the financial year.

7. LGF Programme Risks

- 7.1 In addition to project specific risks, Appendix D sets out the overall programme risks. The main risks include the impact of the COVID-19 crisis on the delivery (and pace of delivery) of project outputs and outcomes, which could impact the overall value for money achieved through the delivery of the programme.
- 7.2 The risk relating to the final third of LGF funding has been removed from the programme risk register, as the funding from MHCLG has now been received in full.

8. Financial Implications (Accountable Body comments)

- 8.1 All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has now received the final third of LGF from MHCLG in August 2020, meaning the full allocation of totalling £77.873m has been received.
- 8.2 The use of “Option 4 capital swap” as outlined in section 4 (LGF spend beyond the Growth Deal period) of this report is permissible under the SLA’s in place between ECC as Accountable Body and the local authority partners. Written confirmation from the S151 officer for each Local Authority that they are comfortable with the proposed approach to apply the option 4 LGF capital swap as required at the end of 2020/21, has been received.
- 8.3 The application of Option 4 capital swap will be subject to an Accountability Board Decision in February 2021.
- 8.4 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.
- 8.5 A key assessment made in the Annual Performance Review is effective delivery of the Programme; it is noted that there was a high level of slippage from 2019/20 into 2020/21 totalling £49.926m; in addition, slippage in excess of £45.808m (excluding DfT programmes) is already reported into 2021/22.
- 8.6 As part of the LGF programme review to Central Government in June 2020, the Accountable Body and SELEP reported spend in full of the LGF programme by 31 March 2020, either through deliverability of the projects or using the Option 4 mechanism. The LGF project delay’s outlined in Queensway Gateway Road, Sturry Link Road and Bexhill Enterprise Park

North reports, highlight a risk that SELEP and the Accountable Body will be unable to evidence project spend by the end of the Growth Deal. These Project's will be considered as part of an overall LGF programme review at the October 2020 meeting of the Strategic Board, in which they will be asked to consider all LGF projects deemed high risk. These projects will need to seek continued endorsement from the Board as to the viability of their delivery.

- 8.7 Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 8.8 Should the funding not be utilised in accordance with the conditions, the Government may request return of the funding, or withhold future funding streams.
- 8.9 The Accountable Body is ensuring that the grant is spent in line with the Grant Determination letter condition, which does not impose an end date for use.

9. Legal Implications (Accountable Body comments)

- 9.1 There are no legal implications arising from this report. As set out within this report, the grant funding will be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government, and used in accordance with the terms of the Service Level Agreements between the Accountable Body and the Partner Authorities.

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 – LGF spend forecast update
- 11.2 Appendix B – Project deliverability and risk update
- 11.3 Appendix C – High Risk Projects
- 11.4 Appendix D – LGF Programme Risks

12. List of Background Papers

- 12.1 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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	11/11/20

Appendix A LGF spend forecast update												
SELEP number	Project Name	Promoter	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 and beyond	All Years
East Sussex												
LGF00002	Newhaven Flood Defences	East Sussex	0.300	0.800	0.400	0.000	0.000	0.000	0.000			1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access	East Sussex	0.000	0.000	0.254	0.000	1.009	0.340	0.497			2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling	East Sussex	0.600	0.370	1.630	0.498	0.674	0.818	2.010			6.600
LGF00036	Queensway Gateway Road	East Sussex	1.419	1.121	5.000	0.890	1.066	0.504	0.000			10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth	East Sussex	0.505	0.895	0.000	0.000	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	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	0.000			18.600
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	0.000	0.000	0.345	0.796	1.408	1.632	3.240	1.579		9.000
LGF00043	Hastings and Bexhill LSTF walking and cycling package	East Sussex	0.000	0.000								
LGF00044	Eastbourne town centre LSTF access & improvement	East Sussex	0.000	0.550	0.245	3.700	0.749	0.390	2.366			8.000
LGF00073	A22/A27 junction improvement package	East Sussex	0.000	0.000								
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.000	0.667	0.000	0.000	0.000	0.000			0.667
LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	0.000	3.550	4.300	0.350	0.000	0.000			8.200
LGF00099	Devonshire Park	East Sussex	0.000	0.000	5.000	0.000	0.000	0.000	0.000			5.000
LGF00108	Bexhill Enterprise Park North	East Sussex	0.000	0.000	0.000	0.000	0.000	1.540	0.400			1.940
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	0.000	0.000	0.000	0.000	0.229	1.189	1.500			2.918
LGF00110	Churchfields Business Centre (previously known as	East Sussex	0.000	0.000	0.000	0.000	0.065	0.246	0.189			0.500
LGF00116	Bexhill Creative Workspace	East Sussex	0.000	0.000	0.000	0.000	0.014	0.946	0.000			0.960
LGF00117	Exceat Bridge Replacement	East Sussex	0.000	0.000	0.000	0.000	0.000	0.000	0.000			0.000
	Eastbourne Fisherman	East Sussex	0.000	0.000	0.000	0.000	0.000	1.080	0.000			1.080
Essex												
LGF00004	Colchester Broadband Infrastructure	Essex	0.200	0.000	0.000	0.000	0.000	0.000				0.200
LGF00025	Colchester LSTF	Essex	0.911	1.489	0.000	0.000	0.000	0.000				2.400
LGF00026	Colchester Integrated Transport Package	Essex	1.527	0.673	1.400	1.400	0.000	0.000				5.000
LGF00027	Colchester Town Centre	Essex	0.955	2.574	1.071	0.000	0.000	0.000				4.600
LGF00028	TGSE LSTF - Essex	Essex	2.131	0.869	0.000	0.000	0.000	0.000				3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Can	Essex	5.870	2.130	2.000	0.487	0.000	0.000				10.487
LGF00032	A414 Maldon to Chelmsford RBS	Essex	1.000	1.000	0.000	0.000	0.000	0.000				2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	0.409	0.605	1.248	0.738	0.000	0.000				3.000
LGF00034	Basilidon 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	5.800	0.000	0.000	0.000	0.000	0.000				5.800
LGF00048	A131 Chelmsford to Braintree	Essex	0.000	0.000	1.396	1.104	1.160	0.000				3.660
LGF00049	A414 Harlow to Chelmsford (removed from program	Essex	0.000	0.000	0.000	0.000	0.000	0.000				
LGF00050	A133 Colchester to Clacton	Essex	0.000	0.000	0.000	0.525	1.821	0.394				2.740
LGF00051	A131 Braintree to Sudbury (removed from program	Essex	0.000					0.000				
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 (removed fro	Essex	0.000	0.000	0.000	0.000	0.000	0.000				
LGF00070	Beaulieu Park Railway Station	Essex	0.000	0.000	0.000	0.000	0.000	0.000			12.000	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywic	Essex	0.000	0.000	0.667	0.000	0.000	0.000				0.667
LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000	5.000	0.000	0.000	0.000				5.000
LGF00098	Technical and Professional Skills Centre at Stansted	Essex	0.000	0.000	2.000	1.500	0.000	0.000				3.500
LGF00100	Innovation Centre - University of Essex Knowledge C	Essex	0.000	0.000	1.000	1.000	0.000	0.000				2.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	0.000	0.000	0.100	2.153	2.747	0.000				5.000
LGF00102	A127/A130 Fairgreen Interchange new link road	Essex	0.000	0.000	0.000	1.700	0.176	4.359				6.235
LGF00103	M11 Junction 8 Improvements	Essex	0.000	0.000	0.000	1.800	0.439	0.161	0.334			2.734
LGF00105	Mercury Rising Theatre	Essex	0.000	0.000	0.000	0.000	1.000	0.000				1.000
LGF00111	Basilidon Digital Technologies Campus	Essex	0.000	0.000	0.000	0.000	0.000	2.150				2.150
LGF00112	Colchester Institute training centre (Groundworks a	Essex	0.000	0.000	0.000	0.000	0.000	0.050				0.050
LGF00113	USP College Centre of Excellence for Digital Techno	Essex	0.000	0.000	0.000	0.000	0.000	0.000	0.900			0.900
LGF00114	Flightpath Phase 2	Essex	0.000	0.000	0.000	0.000	0.782	0.640				1.422
LGF00118	Basilidon Innovation Warehouse	Essex	0.000	0.000	0.000	0.000	0.000	0.000	0.870			0.870
LGF00119	University of Essex Parkside (Phase 3)	Essex	0.000	0.000	0.000	0.000	0.000	0.750	4.250			5.000
LGF00125	New Construction Centre, Chelmsford	Essex	0.000	0.000	0.000	0.000	0.000	0.432	0.863			1.295
LGF00127	Colchester Grow on Space, Queens Street								3.777			3.777
Kent												
LGF00003	I3 Innovation Investment Loan Scheme	Kent	0.000	0.389	2.950	0.941	1.360	0.361	0.000	0.000	0.000	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 (formerl	Kent	0.603	0.189	0.049	0.315	0.010	0.635	0.000	0.000	0.000	1.800
LGF00010	Kent Thameside LSTF	Kent	2.051	0.480	0.720	0.252	0.286	0.711	0.000	0.000	0.000	4.500
LGF00011	Maidstone Gyrotory 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	0.236	0.389	1.921	0.000	0.000	0.000	4.700
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	0.177	0.335	0.101	0.000			1.000
LGF00015	Kent Sustainable Interventions Programme	Kent	0.143	0.406	0.529	0.394	0.245	1.010	0.000	0.000	0.000	2.728
LGF00016	West Kent LSTF	Kent	0.800	1.308	0.333	1.388	0.196	0.875	0.000	0.000	0.000	4.900
LGF00017	Folkestone Seafront : onsite infrastructure and engi	Kent	0.533	0.008	0.000	0.000	0.000					0.541
LGF00038	A28 Chart Road - on hold	Kent	0.885	0.984	0.887	0.000	0.000					2.756
LGF00039	Maidstone Integrated Transport	Kent	0.000	0.265	1.114	0.668	1.517	2.966	2.370			8.900
LGF00040	A28 Sturry Link Road	Kent	0.000	0.401	0.385	0.285	0.038	0.680	4.111	0.000	0.000	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 (remov	Kent	0.022	0.005	0.056	0.000	-0.084					0.000
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	1.414	1.903	0.230				7.887
LGF00041	Thanet Parkway	Kent	0.000	0.000	0.000	0.000	0.000	6.048	7.952	0.000	0.000	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 Programm	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	0.511	0.093					0.667
LGF00086	Dartford Town Centre Transformation	Kent	0.000	0.000	0.000	0.000	2.732	1.046	0.000	0.000	0.000	4.300

Appendix A LGF spend forecast update												
SELEP number	Project Name	Promoter	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 and beyond	All Years
LGf00088	Fort Halsted (removed from programme)	Kent										
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	Kent	0.000	0.000	1.953	4.167	0.000					6.120
LGf00096	A2 off-slip at Wincheap, Canterbury (removed from programme)	Kent										
LGf00094	Leigh Flood Storage Area	Kent	0.000	0.000	0.000	0.983	0.810	0.556	0.000			2.349
LGf00106	Sandwich Rail Infrastructure	Kent	0.000	0.000	0.000	0.040	1.873	0.000	0.000	0.000	0.000	1.913
LGf00120	M2 J5 improvements	Kent	0.000	0.000	0.000	0.000	0.000	0.000	1.600	0.000	0.000	1.600
LGf00121	Kent and Medway Medical School - Phase 1	Kent	0.000	0.000	0.000	0.000	4.000	4.000	0.000	0.000	0.000	8.000
LGf00126	East Malling Advanced Technology Horticultural Zone	Kent	0.000	0.000	0.000	0.000	0.000	1.684	0.000	0.000	0.000	1.684
Medway												
LGf00018	A289 Four Elms Roundabout to Medway Tunnel Junction	Medway	0.298	0.402	0.347	0.393	0.177	0.204	0.000			1.821
LGf00019	Strood Town Centre Journey Time and Accessibility	Medway	0.200	1.772	0.944	1.384	3.172	1.129	0.000			8.600
LGf00020	Chatham Town Centre Place-making and Public Realm	Medway	0.870	0.945	0.881	0.747	0.756	0.000	0.000			4.200
LGf00021	Medway Cycling Action Plan	Medway	0.228	1.150	0.919	0.203	0.000	0.000	0.000			2.500
LGf00022	Medway City Estate Connectivity Improvement Measures	Medway	0.300	0.181	0.021	0.061	0.058	0.579	1.000			2.200
LGf00061	Rochester Airport - phase 1	Medway	0.000	0.179	0.182	0.104	0.412	1.998	1.525			4.400
LGf00089	IPM (Rochester Airport - phase 2)	Medway	0.000	0.000	0.000	0.099	0.471	1.130	2.000			3.700
LGf00091	Strood Civic Centre - flood mitigation	Medway	0.000	0.000	1.122	2.378	0.000	0.000	0.000			3.500
LGf00115	IPM 2 (Rochester Airport - phase 3)	Medway	0.000	0.000	0.000	0.000	0.000	0.872	0.647			1.519
Southend												
LGf00005	Southend Growth Hub	Southend	0.018	0.702	0.000	0.000	0.000	0.000				0.720
LGf00107	Southend Forum 2	Southend	0.000	0.000	0.000	0.470	0.668	-1.138				0.000
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	Southend	0.000	0.767	1.211	1.011	0.650	2.000	1.362			7.000
LGf00057	London Southend Airport Business Park Phase 1 and 2	Southend	0.000	2.366	2.076	4.127	10.234	4.287				23.090
LGf00115	Southend Town Centre	Southend	0.000	0.000	0.000	0.000	0.000	0.500	1.000			1.500
Thurrock												
LGf00030	TGSE LSTF - Thurrock	Thurrock	0.569	0.162	-0.015	0.160	0.125	0.000	0.000			1.000
LGf00046	Thurrock Cycle Network	Thurrock	0.000	0.096	2.384	2.520	0.000	0.000	0.000			5.000
LGf00047	London Gateway/Stanford le Hope	Thurrock	0.000	0.663	1.592	2.514	1.844	0.887	0.000			7.500
LGf00052	A13 Widening - development	Thurrock	0.000	2.708	0.000	2.292	0.000	0.000	0.000			5.000
LGf00056	Purfleet Centre	Thurrock	0.000	0.645	1.000	0.196	3.159	0.000	0.000			5.000
LGf00104	Grays South	Thurrock	0.000	0.000	0.000	0.000	3.659	7.181	0.000			10.840
LGf00123	Tilbury Riverside	Thurrock	0.000	0.000	0.000	0.000	0.029	-0.029				0.000
Managed Centrally												
LGf00001	Skills		9.923	11.980	0.071		0.000					21.975
LGf00071	M20 Junction 10a				8.300	11.400	0.000					19.700
	Unallocated						0.000	6.693	0.000			6.693
Sub-total			54.563	70.405	78.983	73.797	63.010	69.236	44.763	1.579	12.000	468.335
Provisional Funding Allocation from MHCLG			69.450	82.270	92.088	91.739	54.915	77.873				468.335
LGF slippage 2015/16 to 2016/17			14.887									
LGF slippage from 2016/17 to 2017/18				26.752								
LGF slippage from 2017/18 to 2018/19					39.858							
LGF slippage 2018/19 to 2019/20						57.800						
Forecast LGF slippage 2019/20 to 2020/21							49.705					
Forecast LGF slippage 2020/21 to 2021/22								58.342				
DfT retained schemes												
LGf00079	A127 Fairglens Junction Improvements	Essex	0.000	0.000	0.000	0.000	1.500	0.000	13.500			15.000
LGf00080	A127 Capacity Enhancements Road Safety and Network	Essex	0.513	3.487	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				4.300
LGf00082	A127 The Bell	Southend	0.000	0.000	0.000	0.369	0.848	0.385	2.699			4.300
LGf00083	A127 Essential Bridge and Highway Maintenance -	Southend	0.400	0.289	0.311	0.427	0.276	2.598	3.700			8.000
LGf00084	A13 Widening	Thurrock	0.000	0.000	13.408	11.507	33.002	17.083	0.000			75.000
Sub-total retained schemes			1.413	6.165	15.130	12.303	35.625	20.065	19.899	0.000	0.000	110.600
Provisional Funding Allocation from DfT			1.500	7.500	29.704	3.474	47.822	20.600				
LGF slippage 2015/16 to 2016/17			0.087									
LGF slippage from 2016/17 to 2017/18				1.422								
LGF slippage from 2017/18 to 2018/19					15.996							
LGF slippage 2018/19 to 2019/20						7.167						
Forecast LGF slippage 2019/20 to 2020/21							19.364					
Forecast LGF slippage 2020/21 to 2021/22								19.899				

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East Sussex															
Newhaven Flood Defences	Jun-15	Construction in progress	01/02/2020	01/02/2020	01/02/2020	0	0	1	£1,500,000	£1,500,000	£0	£0	1	1	1
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	01/03/2020	01/12/2021	01/12/2021	21	0	5	£2,100,000	£1,262,986	£340,014	£497,000	4	1	4
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	01/03/2021	01/08/2021	01/08/2021	5	0	4	£6,600,000	£3,771,727	£818,273	£2,010,000	4	3	4
Queensway Gateway Road	Mar-15	Construction in progress	01/03/2016	01/03/2021	01/09/2021	66	6	5	£10,000,000	£9,496,372	£503,628	£0	4	4	5
Swallow Business Park, Hailsham	Feb-16	LGF project delivered	01/03/2017	01/03/2017	01/03/2017	0	0	1	£1,400,000	£1,400,000	£0	£0	1	1	1
Sovereign Harbour	Feb-16	LGF project delivered	01/03/2017	01/03/2017	01/03/2017	0	0	1	£1,700,000	£1,700,000	£0	£0	1	1	1
North Bexhill Access Road and Bexhill Enterprise Park	Nov-15	LGF project delivered	01/03/2018	20/12/2018	20/12/2018	9	0	1	£18,600,000	£18,600,000	£0	£0	1	1	1
Hastings and Bexhill Movement and Access Package	Feb-18	Construction in progress	01/03/2021	01/08/2021	01/08/2021	5	0	4	£9,000,000	£2,549,348	£1,631,652	£4,819,000	5	3	4
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	01/03/2021	01/08/2021	01/08/2021	5	0	4	£8,000,000	£5,244,114	£389,886	£2,366,000	4	3	4
Coastal Communities Housing Intervention Hastings	Feb-17	LGF project delivered	01/04/2020	01/03/2020	01/03/2020	0	0	1	£666,667	£666,667	£0	£0	1	1	1
East Sussex Strategic Growth Project	Jan-17	LGF project delivered	01/03/2021	31/05/2021	31/05/2021	2	0	1	£8,200,000	£8,200,000	£0	£0	1	1	1
Devonshire Park	Mar-17	LGF project delivered	01/03/2020	01/03/2020	01/03/2020	0	0	1	£5,000,000	£5,000,000	£0	£0	1	1	1
Bexhill Enterprise Park North	Jun-19	Design in progress	01/03/2020	01/06/2021	01/06/2021	15	0	5	£1,940,000	£0	£1,540,000	£400,000	5	4	5
Skills for Rural Businesses Post-Brexit	Jun-19	Design in progress	01/03/2021	01/09/2021	01/06/2022	15	9	4	£2,918,000	£228,805	£1,189,195	£1,500,000	4	4	4
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	Jun-19	Design in progress	01/03/2021	01/10/2021	01/10/2021	7	0	4	£500,000	£65,315	£245,685	£189,000	4	3	4
Bexhill Creative Workspace	Sep-19	Design in progress	01/05/2020	31/01/2021	31/01/2021	8	0	2	£960,000	£13,949	£946,051	£0	2	2	2
Eastbourne Fisherman's Quayside and Infrastructure Development project	Jul-20	Construction in progress	01/07/2021	01/07/2021	01/09/2021	2	2	3	£1,080,000	£0	£1,080,000	£0	4	3	4
Essex															
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	01/03/2016	01/03/2016	01/03/2016	0	0	1	£200,000	£200,000	£0	£0	1	1	1
Colchester LSTF	Mar-15	LGF project delivered	01/03/2016	01/12/2016	01/12/2016	9	0	1	£2,400,000	£2,400,000	£0	£0	1	1	1
Colchester Integrated Transport Package	Mar-15	Construction in progress	01/03/2021	01/07/2020	01/03/2021	0	8	3	£5,000,000	£5,000,000	£0	£0	3	3	3
Colchester Town Centre	Mar-15	LGF project delivered	01/03/2016	01/01/2018	01/01/2018	22	0	1	£4,600,000	£4,600,000	£0	£0	1	1	1
TGSE LSTF - Essex	Mar-15	LGF project delivered	01/08/2016	01/03/2017	01/03/2017	7	0	1	£3,000,000	£3,000,000	£0	£0	1	1	1
A414 Pinch Point Package	Jun-15	LGF project delivered	01/03/2017	01/03/2019	01/03/2019	24	0	1	£10,487,000	£10,487,000	£0	£0	1	1	1
A414 Maldon to Chelmsford RBS	Jun-15	LGF project delivered	01/03/2017	01/12/2016	01/12/2016	0	0	1	£2,000,000	£2,000,000	£0	£0	1	1	1
Chelmsford Station/Station Square/Mill Yard	Jun-15	LGF project delivered	01/12/2017	01/05/2019	01/05/2019	17	0	1	£3,000,000	£3,000,000	£0	£0	1	1	1
Basildon Integrated Transport Package	Mar-15, May-17 and Feb-19	Construction in progress	01/03/2021	01/03/2021	01/03/2021	0	0	2	£6,586,000	£6,586,000	£0	£0	1	1	2
Colchester Park and Ride and Bus Priority measures	Mar-15	LGF project delivered	01/04/2015	01/04/2015	01/04/2015	0	0	1	£5,800,000	£5,800,000	£0	£0	1	1	1
A127 Fairglen junction improvements	Pending	Approval pending	01/09/2022	01/01/2023	01/01/2023	4	0	3	£15,000,000	£1,500,000	£0	£13,500,000	3	4	4
A127 capacity enhancements	Jun-15	LGF project delivered	01/12/2020	01/11/2018	01/11/2018	0	0	1	£4,000,000	£4,000,000	£0	£0	1	1	1
A131 Chelmsford to Braintree	Feb-17	LGF project delivered	01/03/2020	01/04/2020	01/04/2020	1	0	1	£3,660,000	£3,660,000	£0	£0	1	1	1
A133 Colchester to Clacton	Nov-17	LGF project delivered	01/03/2020	01/06/2020	01/06/2020	3	0	1	£2,740,000	£2,346,000	£394,000	£0	1	1	1
Chelmsford City Growth Area Scheme	Dec-17	Construction in progress	01/03/2021	01/03/2021	01/03/2021	0	0	2	£10,000,000	£7,500,000	£2,500,000	£0	1	2	2
Beaulieu Park Railway Station	Feb-19	Design in progress	01/03/2024	01/12/2025	01/12/2025	2	0	5	£12,000,000	£0	£0	£12,000,000	5	4	5

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Coastal Communities Housing Intervention Jaywick	Feb-17	LGF project delivered	01/06/2019	01/06/2019	01/06/2019	0	0	1	£666,667	£666,667	£0	£0	1	1	1	
Gilden Way upgrading	Dec-17	Design in progress	01/03/2021	30/01/2021	30/01/2021	0	0	2	£5,000,000	£5,000,000	£0	£0	1	1	2	
Technical and Professional Skills Centre at Stansted Airport	May-17	LGF project delivered	01/09/2018	01/09/2018	01/09/2018	0	0	1	£3,500,000	£3,500,000	£0	£0	1	1	1	
Innovation Centre - University of Essex Knowledge Gateway	Sep-17	LGF project delivered	01/01/2019	01/01/2019	01/01/2019	0	0	1	£2,000,000	£2,000,000	£0	£0	1	1	1	
STEM Innovation Centre - Colchester Institute	Dec-17	LGF project delivered	01/01/2019	01/12/2019	01/12/2019	11	0	1	£5,000,000	£5,000,000	£0	£0	1	1	1	
A127/A130 Fairglen Interchange new link road	Feb-19	Design in progress	01/04/2022	01/04/2022	01/04/2022	0	0	3	£6,235,000	£1,876,000	£4,359,000	£0	3	3	3	
M11 junction 8 improvements	Nov-17	Design in progress	01/03/2021	01/11/2022	01/11/2022	20	0	5	£2,733,896	£2,238,702	£161,298	£333,896	5	4	5	
Mercury Rising Theatre	Nov-17	Construction in progress	01/03/2020	01/08/2020	01/08/2020	5	0	1	£1,000,000	£1,000,000	£0	£0	3	3	3	
Basildon Digital Technologies Campus	Jun-19	Design in progress	01/09/2020	01/11/2020	01/11/2020	2	0	1	£2,150,000	£0	£2,150,000	£0	1	1	1	
Colchester Institute training centre (Groundworks and scaffolding)	Jun-19	LGF project delivered	01/01/2020	01/12/2020	01/12/2020	11	0	1	£50,000	£0	£50,000	£0	1	1	1	
USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Jun-19	Design in progress	01/09/2020	01/09/2021	01/09/2021	12	0	4	£900,000	£0	£0	£900,000	3	1	3	
Flightpath Phase 2	Jun-19	LGF project delivered	30/09/2020	01/09/2020	01/09/2020	0	0	3	£1,421,500	£781,944	£639,556	£0	1	1	1	
Basildon Innovation Warehouse	Jul-20	Design in progress	01/02/2022	01/02/2022	01/02/2022	0	0	3	£870,000	£0	£0	£870,000	3	1	3	
University of Essex Parkside (Phase 3)	Feb-20	Design in progress	31/03/2021	01/03/2022	01/03/2022	11	0	4	£5,000,000	£0	£750,000	£4,250,000	5	4	5	
New Construction Centre, Chelmsford	Jul-20	Design in progress	01/09/2021	01/09/2021	01/09/2021	0	0	3	£1,295,200	£0	£432,000	£863,200	4	2	3	
Colchester Grow on Space, Queen Street	TBC	Approval pending	TBC	TBC	TBC	0	0	3	£3,777,451	£0		£0	4	2	3	
Kent																
I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)	Nov-15	Project in progress	01/03/2021	01/03/2021	01/03/2021	0	0	2	£6,000,000	£5,639,269	£360,731	£0	1	1	1	
Tonbridge Town Centre Regeneration	Mar-15	LGF project delivered	31/03/2017	30/04/2017	30/04/2017	0	0	1	£2,631,269	£2,631,269	£0	£0	1	1	1	
Sittingbourne Town Centre Regeneration	Nov-15	LGF project delivered	01/09/2016	01/01/2020	01/01/2020	40	0	2	£2,500,000	£2,500,000	£0	£0	1	3	3	
M20 junction 4 Eastern Overbridge	Mar-15	LGF project delivered	31/03/2015	28/02/2017	28/02/2017	22	0	1	£2,200,000	£2,200,000	£0	£0	1	1	1	
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	Construction in progress	01/09/2019	31/03/2021	31/03/2021	18	0	4	£1,800,000	£1,165,393	£634,607	£0	2	2	3	
Kent Thameside LSTF	Mar-15	Construction in progress	31/03/2021	31/03/2021	31/03/2021	0	0	3	£4,500,000	£3,788,946	£711,054	£0	2	1	2	
Maidstone Gyrratory Bypass	Mar-15	LGF project delivered	01/02/2017	01/12/2016	01/12/2016	0	0	1	£4,600,000	£4,600,000	£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	31/03/2021	0	0	3	£4,700,000	£2,778,954	£1,921,046	£0	3	2	2	
Middle Deal transport improvements	Feb-16	Design in progress	01/12/2016	30/06/2020	30/06/2020	42	0	5	£800,000	£800,000	£0	£0	1	3	3	
Kent Rights of Way improvement plan	Mar-15	Construction in progress	31/03/2021	31/03/2021	31/03/2021	0	0	3	£1,000,000	£899,138	£100,862	£0	2	1	3	
Kent Sustainable Interventions Programme	Mar-15, Apr-16, Feb-17 and Feb-18	Construction in progress	31/03/2021	31/03/2021	31/03/2021	0	0	3	£2,727,586	£1,717,966	£1,009,620	£0	2	1	3	
West Kent LSTF	Apr-16	Construction in progress	31/03/2021	31/03/2021	31/03/2021	0	0	3	£4,900,000	£4,024,513	£875,487	£0	2	2	3	
Folkestone Seafront: onsite infrastructure	Mar-15	LGF project delivered	30/09/2015	31/03/2016	31/03/2016	6	0	1	£541,145	£541,145	£0	£0	1	1	1	
A28 Chart Road	Nov-15	Design in progress	01/03/2020	TBC	TBC	0	0	5	£2,756,283	£2,756,283		£0	5	4	5	
Maidstone Integrated Transport	Nov-15 and Jun-18	Design in progress	01/02/2020	01/12/2021	01/12/2021	22	0	4	£8,900,000	£3,564,187	£2,966,000	£2,369,813	4	3	4	
A28 Sturry Link Road	Jun-16	Design in progress	01/10/2021	01/12/2021	01/11/2023	22	0	5	£5,900,000	£1,109,051	£680,000	£4,110,949	5	4	5	

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Rathmore Road	Nov-15	LGF project delivered	01/11/2017	01/01/2018	01/01/2018	2	0	1	£4,200,000	£4,200,000	£0	£0	1	1	1	
Maidstone Sustainable Access to Employment	Nov-15	LGF project delivered	01/03/2016	01/06/2017	01/06/2017	15	0	1	£2,000,000	£2,000,000	£0	£0	1	1	1	
Ashford Spurs	Sep-16 and May-17	LGF project delivered	01/04/2018	01/04/2020	01/04/2020	24	0	1	£7,886,830	£7,656,775	£230,055	£0	1	1	1	
Thanet Parkway	Apr-19	Design in progress	01/12/2021	30/12/2022	30/12/2022	12	0	3	£14,000,000	£0	£6,048,000	£7,952,000	4	4	4	
Dover Western Docks revival	Feb-17	LGF project delivered	01/02/2017	01/04/2017	01/04/2017	2	0	1	£5,000,000	£5,000,000	£0	£0	1	1	1	
Folkestone Seafront (non-transport)	Feb-16	LGF project delivered	31/12/2027	31/03/2018	31/03/2018	0	0	1	£5,000,000	£5,000,000	£0	£0	1	1	1	
A226 London Road/B255 St Clements Way	Nov-16	LGF project delivered	01/03/2020	31/05/2019	31/05/2019	0	0	1	£4,200,000	£4,200,000	£0	£0	1	1	1	
Coastal Communities Housing Intervention (Thanet)	Feb-16	LGF project delivered	31/03/2021	31/03/2021	31/03/2021	0	0	3	£666,666	£666,666	£0	£0	3	2	3	
Dartford Town Centre Transformation	Apr-18	Construction in progress	31/03/2021	31/03/2021	31/03/2021	0	0	3	£4,300,000	£3,253,955	£1,046,045	£0	3	3	3	
A2500 Lower Road	Sep-17	LGF project delivered	01/12/2019	01/03/2019	01/03/2019	0	0	1	£1,264,930	£1,264,930	£0	£0	1	1	1	
Kent and Medway EDGE hub	Sep-17	Construction in progress	31/08/2020	30/09/2020	30/09/2020	0	0	1	£6,120,000	£6,120,000	£0	£0	1	2	2	
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Design in progress	01/07/2023	01/07/2023	01/07/2023	0	0	4	£2,348,500	£1,792,721	£556,279	£0	3	2	3	
Sandwich Rail Infrastructure	Nov-17	LGF project delivered	31/03/2020	28/02/2020	28/02/2020	0	0	3	£1,913,170	£1,913,170	£0	£0	3	2	3	
M2 Junction 5	Feb-20	Design in progress	01/01/2023	31/12/2021	31/12/2021	0	0	4	£1,600,000	£0	£0	£1,600,000	5	3	5	
Kent and Medway Medical School	Nov-19	Construction in progress	01/09/2020	31/01/2021	31/01/2021	4	0	2	£8,000,000	£4,000,000	£4,000,000	£0	1	2	2	
NIAB - EMR	Jul-20	Approval pending	01/07/2021	01/07/2021	01/07/2021	0	0	1	£1,683,600	£0	£1,683,600	£0	1	1	1	
Medway																
A289 Four Elms roundabout to Medway Tunnel	Mar-15	Design in progress	31/12/2020	01/03/2024	01/03/2024	38	0	4	£1,821,046	£1,617,067	£203,979	£0	2	3	3	
Strood Town Centre	Mar-15	Construction in progress	30/06/2018	01/12/2020	01/03/2021	32	3	4	£8,600,000	£7,471,388	£1,128,612	£0	2	2	3	
Chatham Town Centre	Mar-15	LGF project delivered	31/07/2017	01/10/2019	01/10/2019	26	0	1	£4,200,000	£4,200,000	£0	£0	1	1	1	
Medway Cycling Action Plan	Mar-15	LGF project delivered	31/03/2018	31/03/2019	31/03/2019	12	0	1	£2,500,000	£2,500,000	£0	£0	1	1	1	
Medway City Estate	Mar-15	Design in progress	31/03/2021	30/09/2021	30/09/2021	5	0	2	£2,200,000	£621,193	£578,807	£1,000,000	4	3	3	
Rochester Airport - phase 1	Jun-16	Design in progress	31/03/2018	01/09/2021	01/09/2021	41	0	4	£4,400,000	£876,915	£1,998,409	£1,524,676	4	3	4	
Innovation Park Medway (phase 2)	Feb-19	Design in progress	31/12/2020	01/03/2022	01/03/2022	14	0	5	£3,700,000	£570,071	£1,129,929	£2,000,000	5	4	5	
Strood Civic Centre - flood mitigation	Feb-18	LGF project delivered	30/04/2019	01/06/2019	01/06/2019	1	0	1	£3,500,000	£3,500,000	£0	£0	1	1	1	
Innovation Park Medway (phase 3)	Jul-20	Design in progress	31/12/2021	01/03/2022	01/03/2022	2	0	5	£1,518,500	£0	£871,838	£646,662	5	4	5	
Southend																
Southend Growth Hub	2015	LGF project delivered	31/12/2016	01/03/2017	01/03/2017	2	0	1	£720,000	£720,000	£0	£0	1	1	1	
TGSE LSTF - Southend	Mar-15	LGF project delivered	01/08/2016	01/03/2017	01/03/2017	7	0	1	£1,000,000	£1,000,000	£0	£0	1	1	1	
A127 Kent Elms Corner	Jun-16	LGF project delivered	19/05/2017	31/05/2019	31/05/2019	24	0	1	£4,300,000	£4,300,000	£0	£0	1	3	2	
A127 The Bell	Nov-18 and Feb-19	Construction in progress	31/03/2021	31/08/2021	31/08/2021	5	0	1	£4,300,000	£1,216,446	£385,000	£2,698,554	4	1	2	
A127 Essential Bridge and Highway Maintenance	Sep-16, Nov-18 and Feb-19	Construction in progress	31/03/2021	31/08/2021	31/08/2021	5	0	1	£8,000,000	£1,702,397	£2,597,603	£3,700,000	4	1	2	
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	Construction in progress	31/03/2021	01/07/2021	01/07/2021	3	0	3	£7,000,000	£3,638,123	£2,000,000	£1,361,877	4	2	3	
London Southend Airport Business Park	Feb-16, Sep-17 and Sep-18	Construction in progress	31/03/2021	30/09/2021	30/09/2021	5	0	3	£23,090,000	£18,802,773	£4,287,227	£0	3	2	2	
Southend Town Centre	Jul-20	Design in progress	01/03/2021	30/05/2021	30/06/2021	3	1	2	£1,500,000	£0	£500,000	£1,000,000	4	1	3	
Thurrock																
TGSE LSTF - Thurrock	Mar-15	LGF project delivered	31/03/2016	31/03/2020	31/03/2020	48	0	1	£1,000,000	£1,000,000	£124,976	£0	1	1	1	
Thurrock Cycle Network	Apr-16	LGF project delivered	31/03/2019	31/03/2019	31/03/2019	0	0	1	£5,000,000	£5,000,000	£0	£0	1	1	1	
London Gateway/Stanford le Hope	Feb-17	Construction in progress	31/12/2018	01/08/2021	01/08/2022	43	12	4	£7,500,000	£6,613,022	£1,844,371	£0	3	3	3	
A13 - widening development	Feb-17	Construction in progress	31/12/2019	31/12/2020	31/12/2020	12	0	3	£5,000,000	£5,000,000	£0	£0	3	3	2	
Purfleet Centre	Jun-16	LGF project delivered	01/09/2027	01/01/2030	01/01/2030	22	12	2	£5,000,000	£5,000,000	£3,158,843	£0	2	1	2	

Appendix B- Local Growth Fund Delivery and Risk															
Project	Deliverability								Financial						
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (August 2020)	Expected completion date (October 2020)	Months delay incurred (since original business case)	Months delay incurred (since last update)	Deliverability RAG rating (June 2020)	LGF allocation	LGF spend to date Up to end of 2019/20	Forecast LGF spend in 2020/21	LGF spend beyond 2020/21	Financials RAG rating (June 2020)	Reputational risk RAG rating (June 2020)	Overall (June 2020)
Grays South	Feb-19	Design in progress	01/07/2022	01/10/2023	01/10/2023	15	0	4	£10,840,274	£3,659,317	£3,659,317	£0	3	2	3
A13 widening	pr-2017 and Jul-20	Construction in progress	31/12/2019	01/09/2021	01/09/2021	20	0	4	£75,000,000	£57,917,460	£17,082,540	£0	3	3	3
Managed Centrally															
Capital Skills	Mar-15	LGF project delivered	31/03/2017	31/03/2017	31/03/2017	0	0	3	£21,974,561	£21,974,561	£0	£0	4	4	4
M20 Junction 10a	Feb-17	LGF project delivered	31/09/2020	31/09/2020	31/09/2020	0	0	1	£19,700,000	£19,700,000	£0	£0	1	1	1

Appendix C: High risk LGF projects

1. Purpose

- 1.1. There are a total of 10 high risk projects, with a further 10 projects identified as medium/high risk.
- 1.2. This appendix provides information on the projects considered high risk, with a risk score of 5 (high), based on deliverability, finance and reputational risk, on a 1 – 5 scale.
- 1.3. The high-risk projects include the following schemes:
 - 1.3.1. Queensway Gateway Road, East Sussex (£10m LGF)
 - 1.3.2. Bexhill Enterprise Park North, East Sussex (£1.9m LGF)
 - 1.3.3. Beaulieu Park Railway Station, Essex (£12m LGF)
 - 1.3.4. M11 Junction 8, Essex (£2.7m LGF)
 - 1.3.5. University of Essex Parkside Phase 3, Essex (£5m LGF)
 - 1.3.6. A28 Chart Road, Kent (£2.8m LGF)
 - 1.3.7. A28 Sturry Link Road, Kent (£5.9m LGF).
 - 1.3.8. M2 Junction 5, Kent (£1.6m LGF)
 - 1.3.9. Innovation Park Phase 2, Medway (£3.7m LGF)
 - 1.3.10. Innovation Park Phase 3, Medway (£1.5m LGF)
- 1.4. Updates are provided on the delivery of Queensway Gateway Road, M11 Junction 8, University of Essex Parkside Phase 3 and A28 Sturry Link Road under separate update reports as part of the meeting agenda pack.
- 1.5. An update on the delivery of the remaining six high risk projects is set out below, with the Innovation Park Medway Phases 2 and 3 having been combined into one update.

Project: Bexhill Enterprise Park North	LGF award: £1.94m	Risk Rating:	5
Status: Project development stage	Forecast LGF spend beyond 31 March 2021: £0.4m		
<u>Project description:</u> The Project will deliver the site and servicing infrastructure required to access individual development plots within the business park from the North Bexhill Access Road. The delivery of the enabling infrastructure will unlock the site and will allow delivery of the first light industrial units which are essential to address the local jobs deficit in the area. In the first instance 8,000sqm of light industrial (B1) space will be brought forward, with the potential for 8,000sqm of manufacturing (B2) space to follow.			
<u>Project benefits:</u> The key objectives of the Project are: <ul style="list-style-type: none">the delivery of employment floorspace;creation of jobs to benefit economic development;to enable private sector investment;			

- to encourage foreign investment; and
- to demonstrate market viability.

The wider Bexhill Enterprise Park North site has the capacity to support 493 net FTE jobs when fully delivered. Modelling of the take-up and occupancy of new development at the site suggests that the delivery of the wider project has the potential to generate £341m of GVA towards the economy by 2038.

Risk:

The planning committee has resolved to refuse the reserved matters application for the development. On 24th December 2019, an appeal was lodged with the Planning Inspectorate in respect of the refusal of the reserved matters application. The decision to refuse the reserved matters application presents a significant deliverability risk to the Project.

The Planning Inspectorate have indicated that the time to process appeals has been affected due to site COVID-19 and the outcome of the appeal will not expected to be confirmed until February 2021.

Mitigation/action required:

If the planning appeal is unsuccessful, the Board has agreed that the £1.94m LGF should be reallocated. On 11 December 2020, SELEP Ltd will be asked to agree a new pipeline of LGF projects which the £1.94m LGF will be reallocated to should the planning appeal be unsuccessful.

Project: Beaulieu Park Railway Station, Essex	LGF award: £12m	Risk Rating:	5
Status: Project is currently at GRIP Stage 3 (Option Selection) of project development through Network Rail processes.	Forecast LGF spend beyond 31 March 2021: £12m		
<u>Project description:</u> The delivery of a new railway station to support the delivery of 3,600 new homes in North East Chelmsford.			
<u>Project benefits:</u> Chelmsford’s transport network is acting as a constraint to growth in Chelmsford. There is neither the desire nor the space to expand the City Centre’s road network, which is widely reported to be at 96% capacity at peak periods. City Centre car parks and Chelmsford station itself are unable to cater for significant growth in demand. The Project is being brought forward to support the growth of North Chelmsford, tackle congestion issues within Chelmsford Town Centre, and improve rail access and capacity.			
<u>Risk:</u> The project is a large-scale infrastructure projects, estimated to cost between £154m and £157m. The project has been successful allocated Housing Infrastructure Fund (HIF) but the funding agreement has not yet been signed with Central Government to secure this funding. The delivery of the project extends beyond the Growth Deal, as construction works are not due to			



commence until 2023/24 and the project is due to complete in 2024/25. This creates a reputational risk to SELEP as the LGF is due to be spent by the end of 2020/21. As the LGF is not due to be spent until 2024/25, no LGF has been transferred to Essex County Council to date in relation to the project.

Mitigation/action required:

An update on the HIF agreement was provided to the Board at the next meeting in October 2020 and a further update is expected in February 2021 to confirm that the full funding package is in place for the project to proceed to delivery.

Project: A28 Chart Road	LGF award: £2.756m	Risk Rating:	5
Status: On hold	Forecast LGF spend beyond 31 March 20201: £0m		
<u>Project description:</u> The Project scope includes the dualling of the existing A28 Chart Road carriageway with two lanes being provided in both directions between Matalan (Brookfield Road) and Tank (Templer Way) roundabouts, separated by a central island. A new bridge over the railway line is proposed to take the southbound carriageway with the existing bridge carrying the northbound carriageway. The existing carriageway between Matalan and Tank is single carriageway with limited capacity.			
<u>Project benefits:</u> The Project is linked to the Chilmington Green development, with the Project needing to be completed in order to unlock this area for development including 5,750 dwellings.			
<u>Risk:</u> The project has been placed on hold, as the local funding contributions were not forthcoming within the timescales required to enable the project to proceed. The unspent portion of the £10.2m LGF award was reallocated but there remains a risk that the £2.756m LGF spent to date will become an abortive cost if the project is unable to proceed through delivery by the private sector.			
<u>Mitigation/action required:</u> Project to be kept under review.			

Project: M2 Junction 5	LGF award: £1.6m	Risk Rating:	5
Status: Awaiting approval to proceed	Forecast LGF spend beyond 31 March 20201: £1.6m		
<u>Project description:</u> The M2 Junction 5 project will deliver major improvements to the junction between the M2 and the A249. The project itself will be delivered by Highways England, with a total estimated cost of £94.5m.			
<u>Project benefits:</u> The improvements at the junction tackle existing congestion issues at the intersect of the M2 and A249 which are expected to worsen as a result of the New Lower Thames Crossing changing travel patterns.			

The Kent and Medway Growth and Infrastructure Framework (GIF) forecasts that between 2011 and 2031 the authorities of Swale, Maidstone, Medway and Canterbury will collectively deliver an increase of 65,800 homes and 59,000 jobs. Improvements to this junction are essential to enable delivery of this growth.

Risk:

The award of LGF to the project was made subject to confirmation being provided that the full funding package is in place and the project had been approved by the Secretary of State for Transport.

At the point of the funding decision being made by the Board it was expected that a Public Enquiry would take place in March 2020, with the outcome being confirmed by July 2020. As a result of delays due to COVID-19, the inquiry has been delayed and it now due to commence on 9 November 2020. This creates a risk that the project will not have been approved by the Secretary of State by the end of March 2021.

Mitigation/action required:

As all LGF must be spent by the end of 2020/21, the funding will either need to be transferred to KCC for spend across their wider capital programme before the project is approved by Central Government or the LGF will need to be reallocated.

An update report will be presented to the Board in February 2021 to provide an update on the Public Inquiry and the seek the Board's agreement on whether the £1.6m LGF should be transferred to Kent County Council or reallocated to the next project on the LGF pipeline.

If the project is not approved by the Secretary of State, the £1.6m LGF will need to be returned to SELEP as an abortive cost.

Project: Innovation Park Medway (Phases 2 & 3)	LGF award: £3.7m Phase 2, £1.5m allocated for Phase 3	Risk Rating:	5
Status: Awaiting planning consent	Forecast LGF spend beyond 31 March 2021: £2.0m – Phase 2 £0.647m – Phase 3		
<u>Project description:</u> The Innovation Park Medway (Phase 2) will deliver the enabling infrastructure required to bring forward development on the northern section of the Innovation Park. This includes the delivery of an access road and utility works. Innovation Park Medway Phase 3 seeks to deliver enabling works on a wider section of the northern site of the Innovation Park. This aims to allow accelerated development of commercial space and maximising the number of businesses who can benefit from establishing themselves within the North Kent Enterprise Zone.			
<u>Project benefits:</u> Phase 2 is expected to create 1,365 highly skilled jobs in engineering and technology.			



Phase 3 is expected to bring forward 38,500m² (gross external area) of commercial workspace and 1,300 highly skilled jobs in the engineering and technology sector. This is in addition to the jobs which will be delivered as a result of the LGF2 funded Innovation Park Medway (northern site) – Enabling Infrastructure project.

Risk:

The project has previously been brought to the Boards attention due to concerns that have been raised by Highways England in relation to the impact of the project on the Strategic Road Network (SRN). Until these concerns have been fully addressed, the planning consent cannot be secured to proceed with the delivery of the project.

Medway Council have confirmed that positive discussions have continued with Highways England to agree the scope of the mitigation work. This mitigation is currently being designed and costed, prior to formal approval by Highways England and Kent County Council. Once the mitigation works have been agreed, the revised Local Development Order will be consulted on. The Local Development Order is now not expected to be approved until December 2020. The project is unable to proceed until the LDO is in place and as such, the delivery programme for the project has been delayed.

It is intended that recommendations will only be made to the Accountability Board to implement an option 4 swap (i.e. the advanced payment of all remaining funding to Medway Council in relation to the project) at the end of 2020/21 if the Local Development Order is in place.

Mitigation/action required:

An update will be provided to the Board in February 2021 to confirm that the LDO has been approved to enable the project to proceed.

Appendix D - LGF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Affordability of LGF projects	There are likely to be substantial delays to LGF projects at each stage of project delivery as a result of COVID-19, with an impact on the total cost of LGF projects. In addition, there is also a risk to S106 funding contributions which have previously been committed towards LGF projects. Local authority budgets are likely to come under increased pressure and private sector contributions may not be available to the scale/timescales originally anticipated.	3	5	15	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all LGF projects.
Resource to deliver LGF projects	There is a risk to the availability of resource to deliver LGF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	4	12	SELEP Ltd has agreed to extend the delivery of the Growth Deal period by a minimum of six months to help ease some of the delivery pressures and to support the appropriate governance of projects.
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
Failure of third-party organisations to deliver LGF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver LGF projects. If the external organisations experience financial difficulty and are unable to deliver LGF projects, it may not be possible to recover the LGF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	3	15	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring LGF to third party organisations and to ensure clear processes are in place for the oversight of LGF projects delivered by third party organisations.
Oversight of the LGF programme by Accountability Board	The remit of the Accountability Board will be expanded to cover the consideration of Getting Building Fund projects. As all Getting Building Fund projects needs to be considered by the Accountability Board in Q3, this will reduce the focus on LGF projects.	3	4	12	An additional Accountability Board meeting has been scheduled in October to help reduce the pressure on the November Accountability Board meeting. A few format to Accountability Board papers and meetings will be introduced to enable the Accountability Board to cover more business during each meeting.
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of LGF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace to benefits realisation through the project.	4	4	16	As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery. Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.

LGF spend within Growth Deal period	<p>Based on the current LGF spend forecast, SELEP is now forecasting £49.139m LGF spend beyond the original Growth Deal deadline of 31 March 2021.</p> <p>As per section 3 of the report, there are clear expectations from MHCLG for the LGF to be spent in LGF in 2020/21. If SELEP is unable to demonstrate spend of LGF in full in 2020/21, this will increase the risk to the final third of SELEP's LGF allocation in 2020/21.</p>	3	5	15	<p>All projects which are forecasting LGF spend beyond the revised Growth Deal deadline are required to meet five criteria, to help ensure that LGF spend beyond the Growth Deal is only permitted on an exceptional basis.</p> <p>As set out in section 3 above, SELEP intends to use Option 4 Capital Swap to demonstrate the spend of the LGF in full in 2020/21. Whilst this is permitted under the terms of the grant from Central Government, there is a potential reputational risk to SELEP's delivery track record. This may impact SELEP's ability to successfully secure future funding from Central Government.</p>
Delivery of LGF project benefits	<p>Local partners have made substantial progress towards the delivery of LGF projects, including the outputs identified in the project business cases. However, the economic impact of COVID-19 is likely to substantially reduce the benefits achieved through LGF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the LGF programme.</p> <p>There is also a risk that in light of COVID-19 there may be changes to projects scope brought forward to the Board, which could impact the scale of benefits achieved through LGF investment. As such, the forecast outcomes to be achieved through the Growth Deal, in terms of houses and jobs, will require revision.</p>	3	5	15	<p>SELEP will work with local partners over the coming months to understand the potential impact of COVID-19 on the expected benefits to be received through LGF investment.</p> <p>For any new LGF funding decisions brought forward for the Boards consideration, consideration will be given to ensure there remains a strong strategic and economic case for investment in the projects, in light of the potential impacts of COVID-19 in leading to longer term behaviour change.</p>

Forward Plan reference number: FP/AB/315

Report title: A28 Sturry Link Road Project Update	
Report to Accountability Board on 20 November 2020	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 30/10/2020	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.mort@southeastlep.com	
SELEP Partner Authority affected: Kent	

Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to receive an update on the delivery of the A28 Sturry Link Road project (the Project), Canterbury, Kent.
- 1.2 At the time of writing this report, the planning consent for the development due to financially contribute to the Project has not yet been approved, but the application is due to be determined by the date of the meeting.
- 1.3 A verbal update will be provided at the meeting to inform the decision making of the Board in respect of whether the unspent proportion of the LGF allocation should remain allocated to the Project or be reallocated to an alternative project on the LGF pipeline.

2. Recommendations

- 2.1 The Board is asked to agree one of two options, depending on the outcome of the request for planning consent due to be considered by Canterbury City Council on 17th November 2020:

Option 1: If planning is approved

- 2.1.1 **Note** that planning consent has been secured for the Broad Oak Farm and Sturry developments; and
- 2.1.2 **Agree** to extend the deadline for planning consent to be secured for the Project itself to the end of the calendar year (31 December 2020). If the planning consent is not secured by this date, the remaining £4.791m LGF will be automatically reallocated from the Project to the next scheme on the LGF pipeline.

Under option 1, KCC will still be required to provide written confirmation that the funding package is in place by 12 February 2021 to enable the remaining £4.791m LGF to be transferred by the end of 2020/21, as set out in section 8.3.

Option 2: If planning is not approved

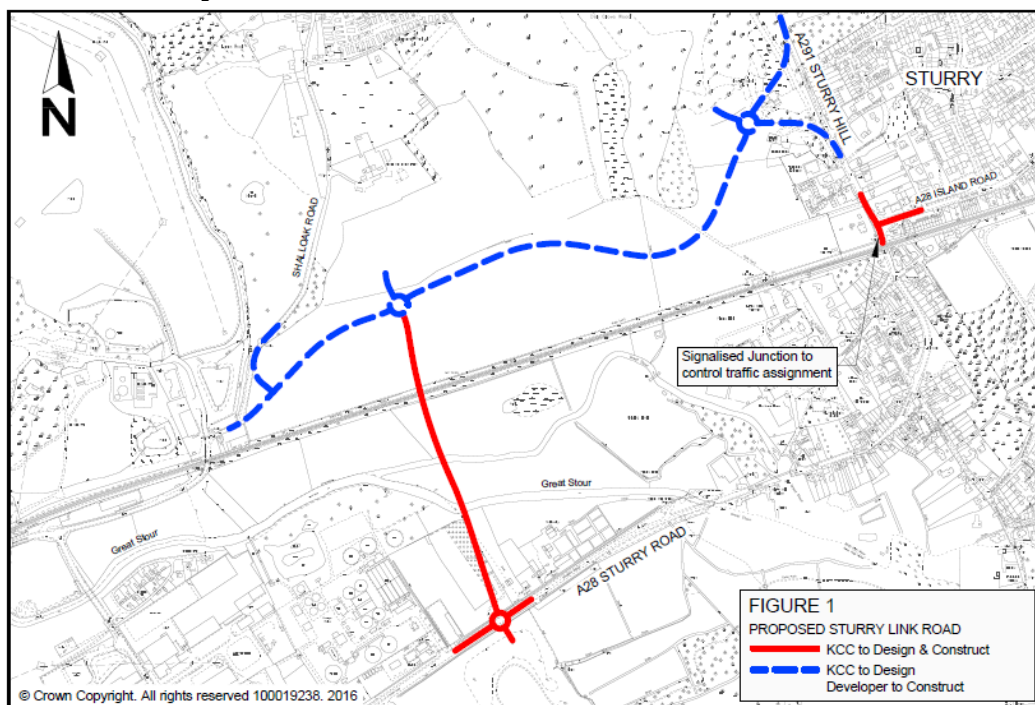
2.1.3 **Agree** the reallocation of £4.791m unspent LGF to the next project on the LGF pipeline, in accordance with the decision made by the Board in February 2020; and

2.1.4 **Agree** that there is compelling justification for SELEP Accountable Body not to recover the £1.109m LGF spent on the Project to date, provided it can continue to meet the LGF grant conditions for Capital expenditure.

3. A28 Sturry Link Road (the Project)

3.1 The Project is for the delivery of the new link road between the A291 and A28, to the south west of Sturry, Canterbury, Kent. The LGF is due to contribute to the cost of constructing a bridge over a railway line and the Great Stour River, to enable traffic to avoid the Sturry level crossing and the congested road network in the area. The sections shown in red in Figure 1 below show the sections of road included as part of the scope of the LGF Project.

Figure 1 - A28 Sturry Link Road



4. Background

- 4.1 The Project was approved in June 2016 for the award of £5.9m LGF but is identified as a high-risk project, due to the risk to the private sector funding contributions to the Project.
- 4.2 As a result of the project risks, the Board has received individual update reports on the Project since June 2019 and deadlines have been set on a number of occasions for planning consent to be secured for the Project itself and for the residential developments for the main sites due to financially contribute to the Project.
- 4.3 Due to the exceptional circumstances which have arisen, as a result of COVID-19, the Board agreed to award flexibility to enable the planning consent to be considered at the next opportunity once planning committee meetings resume and by no later than 18 September 2020. However, the Project has been unable to meet this revised deadline due to emerging issues relating to the planning consents, as set out in section 5.
- 4.4 In this report, the Board is asked to consider whether further flexibility should be awarded or if the unspent LGF should be reallocated to the next project on the LGF pipeline.

5. Project Cost and Funding

- 5.1 To date, of the £5.9m LGF award, £1.109m LGF has been spent by Kent County Council (KCC) on the delivery of the Project. In addition to the £5.9m LGF award to the Project, three developer funding contributions are expected to be made to fund the remaining project cost. These developer contributions are being made by three different developers from sites in the vicinity of the Project, as detailed within the confidential appendix. Appendix A also clarifies the current status in relation to each contribution including where agreements are subject to planning dependencies.

Table 1 – Project spend profile (£m)

Funding source	Expenditure Forecast (£m)								Total
	Prior to 2018	18/19	19/20	20/21	21/22	22/23	23/24	24/25 and onwards	
LGF	0.785	0.286	0.038	0.600	4.191				5.900
Developer Contribution	0.015		0.275		1.710	6.549	7.051	8.100	23.700
KCC borrowing						5.000	0.5	-5.500	0.000
Total	0.800	0.286	0.313	0.600	5.901	11.549	7.551	2.600	29.600

- 5.2 The delays in the programme and uncertainty caused by the COVID -19 crisis has had an impact on the commencement of development, as a result of the delays in securing planning consent. The impact of COVID-19 could also delay the payment dates for development contributions to be made to the Project. Whilst KCC remain committed to the funding model, set out in

Appendix A, the delayed payment for developer contribution could result in additional forward funding being required by KCC.

- 5.3 No change to the total Project cost has been reported to date as a result of the delays or increased delivery risk related to COVID-19. If such cost increases are identified, the onus will be on the developers to meet these increased costs.

6. Project delivery update

- 6.1 The original Project business case set out the intention to commence site mobilisation work in October 2019 and to complete the Project by October 2021. It is now proposed that the Project will open to traffic in February 2024.
- 6.2 The delivery of the Project has been slower than anticipated due to the interdependency between the Project and the planning applications for the residential/ commercial development which is associated with the Project. Project delays have also been experienced through the development of the environmental impact assessment (EIA), as stakeholder feedback has been considered and used to enhance the Project design work.
- 6.3 The interdependencies between the Project and the housing developments are complex and any resolution by Canterbury City Council to grant planning permission will be subject to the application for the relief road (the Project) being granted by KCC.
- 6.4 The outstanding planning applications, for the housing developments (being decided by Canterbury City Council) and the Project (being decided by KCC), are also subject of a joint Appropriate Assessment (AA) being considered as part of the planning application and being agreed by Natural England.
- 6.5 Positive steps have been made in September 2020 towards agreeing the AA, but previous delays to the AA meant that the planning applications could not be determined in August/September 2020, to achieve the revised deadline previously set by the Board.
- 6.6 Natural England have now accepted the AA produced in support of the planning application for the residential development, although Canterbury City Council have decided to undergo a further round of public consultation. This will enable the planning application for the two main residential developments to be considered by Canterbury City Council on 17 November 2020.
- 6.7 Natural England still need to formally accept the AA prepared for the Project, however, this mirrored the information presented in the AA for the residential development application so should be accepted by Natural England early in November 2020. There are no other foreseen barriers to the determination of the planning application for the Project and associated developments.

- 6.8 As the planning consent for the Project itself is not intended to be considered by Kent County Council until the residential developments have been considered, the next opportunity for the planning application for the Project to be considered is 9th December 2020. If the consideration of the application by Canterbury City Council is delayed, this will further delay the consideration of the Project by KCC Planning Committee.
- 6.9 Based on the latest Project delays, it is now anticipated that construction will start in January 2022, with the completion of the Project by November 2023. The key project milestones are summarised in Table 2 below. This is on the basis that the developer contributions are in place and that the land required to deliver the Project can be acquired voluntarily. Section 7 below provides further details on these Project risks.

Table 2 – Project Milestones

Key Milestones	Updated milestones
Canterbury City Council planning decision for the development	17 November 2020
Kent County Council planning decision on the Project	9 December 2020
Procurement and award of design and build contract	May 2021
Detailed Design	Oct 2021
Land acquisition	November 2021
Construction start	January 2022
Construction complete	November 2023
Open to traffic (including developer portion)	February 2024

- 6.10 Though the LGF would be spent before the other funding sources, on costs such as land acquisition, it is expected that due to the latest delays and the current pause on LGF spend, the full LGF award to the Project will not be spent in full prior to the end of the Growth Deal (30 September 2021; as extended by SELEP Ltd in April 2020).
- 6.11 The conditions which need to be satisfied for LGF spend to be permitted by the Board beyond 30 September 2021 are set out in Appendix B. Three of the five conditions have been met but written confirmation is required from KCC to confirm that the funding sources have been secured to deliver the project and updated endorsement is required from SELEP Ltd for LGF spend beyond 31 March 2021.

7. Project risk

- 7.1 The most significant Project risk is the availability of the private sector funding contributions towards the delivery of the Project. As detailed in Appendix A, potential options have been identified to manage the cash flow position and to secure developer contributions which have been identified towards the delivery of the Project. Although all of the sites are allocated in the adopted

Local Plan (July 2017), full planning consent has not yet been approved for any of the main three developers due to financially contribute towards the delivery of the Project.

- 7.2 Given the complex funding package for the Project, there are a large number of dependencies to secure the full local funding package required to deliver the Project. These dependencies include:

- 7.2.1 Planning consent being secured for the developments which are due to financially contribute to the delivery of the Project;
- 7.2.2 The pace of housing delivery for the other development sites which are financially contributing towards the delivery of the Project;

Based on the expected pace of housing delivery, the developer contributions will not immediately be available to enable the delivery of the Project as per the current programme.

A forward funding model has been identified to cover any short fall in which KCC will forward fund the developer contributions to the Project, in advance of the developer contributions being paid. As this pace of housing delivery may slow, due to the impact of COVID-19, this will likely further delay the developer contributions to the Project, thereby increasing the duration of the forward funding by KCC.

As a result of the planning delays and therefore the signing of the S106 agreements, the work to consider the viability of the funding model has been delayed. The likely borrowing costs will be costed by KCC over the next few months, to ensure the current funding model remains viable. If the Board agree that the Project should retain its full LGF allocation, the outcome of this assessment will be considered as part of the next update report to the Board in February 2021.

- 7.2.3 A security bond is being provided to Kent County Council to forward fund Source 1, as set out within the confidential appendix. The provision of a bond has been agreed in principal with the developer.
 - 7.2.4 KCC securing a charge on the land to enable Kent County Council to forward fund Source 2. The provision of a land charge has been agreed in principal with the developer, however, details are still to be provided and agreed.
- 7.3 As the developers are also delivering the spine road, to connect the bridge with the existing road network to the north east, any delays to the developer's construction of the spine road will impact the opening date for the Project.
- 7.4 The draft Head of Terms agreement with the developer, who is constructing the spine road, sets out the requirement to deliver the spine road at the same

time as the Project. As full planning consent has not yet been granted to this site, this remains a substantial Project risk. A detailed planning submission has been made for the spine road which will be determined as part of the application for the site in November 2020.

- 7.5 A Compulsory Purchase Order (CPO) inquiry may be required to secure the land to complete the Project. A land agent has been appointed to lead on land negotiations, and the landowners have been consulted during the design phase to enable their initial concerns to be mitigated through design amendments. Once the planning has been confirmed, KCC will be in a better position to progress negotiations, with the intention of acquiring the land through voluntary negotiations.
- 7.6 If a CPO is required this will added to the timescales for delivering the project and risks an increase in LGF spend beyond 30 September 2021. KCC intend to run the CPO in parallel with the negotiations to reduce the impact on the construction programme.

8. Next steps and potential options

- 8.1 LGF spend on the Project has been placed on hold since July 2019, whilst Kent County Council seek to address the project risks.
- 8.2 The main barrier to the Project's ability to proceed relates to planning consents having not been secured for the Project, nor for the main residential developments due to financially contribute. There also remain considerable risks, as Kent County Council are not currently in a position to provide confirmation of the match funding and a CPO may also be required.
- 8.3 The Board has previously agreed that written confirmation must be provided by Kent County Council to SELEP Accountable Body, by 12 February 2021, to confirm the funding package is in place for the Project. This confirmation is required to enable the release of the remaining £4.791m LGF to Kent County Council for the delivery of the Project beyond 31 March 2021.
- 8.4 It is expected that a verbal update will be presented to the Board at the meeting to confirm whether the planning consent has been agreed for the development.
- 8.5 If the planning consent has been confirmed for the Broad Oak Farm and Sturry developments, Option 1 is recommended to the Board:

Option 1

- 8.5.1 **Note** that planning consent has been secured for the Broad Oak Farm and Sturry developments; and
- 8.5.2 **Agree** to extend the deadline for planning consent to be secured for the Project itself to the end of the calendar year. If the planning consent is not secured by this date, the remaining £4.791m LGF will be automatically reallocated to projects on the LGF pipeline.

- 8.6 If planning consent has not been awarded to the Broad Oak Farm and Sturry developments by the date of the meeting, it is recommended that the Board agree Option 2:

Option 2

- 8.6.1 **Agree** the reallocation of £4.791m unspent LGF to the next project on the LGF pipeline, in accordance with the decision made by the Board in February 2020; and
- 8.6.2 **Agree** that there is compelling justification for SELEP Accountable Body not to recover the £1.109m LGF spent on the Project to date, provided it can continue to meet the LGF grant conditions for Capital expenditure.
- 8.7 At the last meeting of the Board, the Board were advised against awarding further extensions to the deadline for planning consent to be secured beyond the September 2020 extension. For SELEP to remove the hold on LGF project spend and transfer the remaining LGF allocation for the project by the end of 2020/21, SELEP will require firm confirmation that the full funding package is in place to deliver the Project. There remain a number of hurdles to overcome before this assurance can be provided, as set out in section 5.
- 8.8 If the Project is unable to proceed and an alternative project is brought forward, SELEP must be in a position to demonstrate to Government that the funding is contractually committed and can be spent on the new project by the end of 2020/21. Allowing a further extension to the deadline will reduce the amount of time available for an alternative project to be brought forward.
- 8.9 If the remaining £4.791m unspent LGF is withdrawn from the Project (Option 2), it is still expected that the Project will proceed and be funded through development contributions, as the completion of the Project remains essential to the planning residential developments in North East Canterbury. However, the withdrawal of the LGF could potentially impact the viability of the development and the affordable housing allocation for the developments would be reduced or lost. If there was still a remaining viability issue then there would be further impacts of the S106 contributions such as towards education and health care.
- 8.10 The Project is still expected to proceed, even if the remaining £4.791m LGF is reallocated, and KCC have confirmed that the £1.109m LGF spend to date remains a capital cost in line with the grant conditions. As such, under Option 2, it is recommended that the Board agree the £1.109m LGF spend to date should not be recovered on the basis that the spend to date will enable the eventual delivery of the Project
- 8.11 If the Project is not able to proceed and the £1.109m LGF spend to date becomes an abortive revenue cost this funding must be repaid to the SELEP

Accountable Body, as the spend will no longer meet the grant conditions from Central Government.

9. Financial Implications (Accountable Body comments)

- 9.1 The proposals for funding this Project are complex and whilst there has been good progress in drafting the s106 agreements with the promoters of the developments, not all arrangements are confirmed and have varying degrees of associated risk.
- 9.2 To address some of this risk and to enable the development to be progressed, it is noted that KCC are considering the viability of the options to forward fund up to £5.5m of the Project costs, in advance of the developer contributions being secured. This approach remains subject to confirmation by KCC to the February 2021 Board meeting, as part of the overall funding package.
- 9.3 All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the decisions of the Board.
- 9.4 Should the necessary funding or planning permissions not be secured, there is a risk that the Project may need to be cancelled and any LGF funding spent to date may no longer meet the conditions of funding. In these circumstances, under the terms of the Funding Agreement in place with KCC, the LGF spent to date may need to be returned to Essex County Council (ECC), as the Accountable Body, and reallocated through the SELEP investment pipeline.
- 9.5 If the Board agree to reallocate the LGF to another Project on the LGF pipeline, but are assured that there is compelling justification for the Accountable Body not to recover the £1.109m LGF spent on the Project to date, then provided KCC can demonstrate that the LGF grant conditions for Capital expenditure continue to be met, there will be no requirement for this funding to be repaid.
- 9.6 Under the terms of the SLA, any abortive costs that become revenue will need to be returned to the Accountable Body, Essex County Council, as the requirements of the grant agreement will no longer be met.
- 9.7 It is noted that currently further LGF spend is paused on this project until the funding is secured. Given the complexities and size of the risks associated with this Project, on-going monitoring of the risks and dependencies is necessary, to support effective decision making with regard to the use of LGF.
- 9.8 Option 1 of this report's recommendations states that KCC must provide written confirmation to the Accountable Body to confirm the funding package is in place for the Project by 12 February 2021. If KCC are unable to confirm the funding by this time, then there is a risk that SELEP will be unable to demonstrate spend by 31 March 2021.

- 9.9 As part of the LGF programme review to Central Government in June 2020, the Accountable Body and SELEP reported spend in full of the LGF programme by 31 March 2021, either through deliverability of the projects or using the Option 4 mechanism. The delay in confirmation of the Project allocation to February 2021, presents a risk that SELEP and the Accountable Body will be unable to evidence project spend by the end of the Growth Deal and meet the spend commitment made in June 2020.

10. Legal Implications (Accountable Body comments)

- 10.1 There are no legal implications arising from the proposals set out in this report. If the Project is cancelled at a later date, the provisions set out with the SLA in place between ECC, as Accountable Body, and KCC will be activated, and ECC will work with KCC to recover the abortive revenue costs.

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 it is possible to identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1 Appendix A – Confidential appendix – developer contributions
12.2 Appendix B – LGF spend beyond the Growth Deal

13. List of Background Papers

- 13.1 Business Case for the A28 Sturry Link Road

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	10.11.2020

Sturry Link Road Update Report - Appendix B

Consideration of the Project against the five conditions for LGF spend beyond the Growth Deal		
Requirement	Has project met requirement?	Explanation
A clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	Yes	There is a clear delivery plan in place for the Project and has been shared with the SELEP Secretariat. The key milestones are summarised in Table 2 in the main report. However, there remain risks to the delivery schedule as the funding package has not yet been secured and there is a risk of CPO being required.
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;	Yes	The Project is integral to the delivery of the Canterbury Local Plan adopted in July 2017. It is necessary to deliver of the allocation of 2526 new homes at Sturry, Broadoak and Hersden. It also supports over 3000 homes at Herne Bay which are identified within the Local Plan.
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;	No	As set out in section 5 of the report, written confirmation has not yet been provided to confirm the availability of the local funding sources.
Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31 March 2021	Yes	The Strategic Board agreed the extension of LGF beyond the 30 September 2021 at its meeting on 2 October 2020.
Contractual commitments being in place with construction contractors by 30 September 2021 for the delivery of the project.	Yes	Based on the current project programme it is expected that design and build contract will be awarded in April 2021.

Report title: Queensway Gateway Road Project Update	
Report to Accountability Board on 20th November 2020	
Report author: Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, SELEP Capital Programme Officer	
Date: 15 th October 2020	For: Information
Enquiries to: Helen Dyer, Helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex	
Confidential Appendices This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.	

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to receive a further update on the delivery of the Queensway Gateway Road (the Project).
- 1.2 The updates set out the current position in relation to the land acquisition issues which are impacting on the delivery of the final section of the new road and which represent a significant risk to delivery.
- 1.3 The Board will be provided with regular updates on the Project whilst work continues to address the ongoing land acquisition delays. Once the programme for the delivery of the permanent solution has been confirmed, further updates will be provided to the Board on an exception basis, should there be any substantial changes to the project programme.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the latest position on the delivery of the Project; and
 - 2.1.2 **Agree** that the Board will be provided with a further update on the Project at its meeting on 12th February 2021.

3. Background

- 3.1 The Project will deliver a single carriageway road link between A21 Sedlescombe Road North and Queensway. Construction of this road link provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward. Further information regarding the Project can be found in Appendix A - LGF Project Background Information. The Project has an LGF award of £10m.
- 3.2 In light of the delays encountered with the required acquisition of the land for the final section of the road, a temporary connection to the A21 is being progressed which will enable vehicles to use the road for access to the A21 as an interim solution until the permanent connection can be delivered.
- 3.3 The interim solution is expected to be in place for 18 months and will be funded by Sea Change Sussex, as scheme promoter.
- 3.4 This report provides an update on the delivery of both the temporary connection and the permanent road link.

4. Delivery of the temporary connection with the A21

- 4.1 Sea Change Sussex (SCS) is currently working with Hastings Borough Council, East Sussex County Council and Highways England to progress the necessary approvals for the temporary connection. The plans for the temporary connection have been agreed and an instruction has been issued for a Section 278 agreement, which is required to allow connection to the existing public highway.
- 4.2 A contractor has been appointed to deliver the temporary connection with the A21, with work due to commence onsite on Monday 23rd November 2020. This will follow the completion of the next phase of the permanent connection which is currently being constructed and will provide access to the remaining businesses which have a frontage on Queensway Gateway Road; further information is provided in section 6.2 . It is anticipated that the works on the temporary connection will take four weeks to complete, although the timing of the works is dependent upon when the necessary road space can be booked with Highways England for the works on the A21.
- 4.3 The final element of the temporary traffic solution involves the installation of traffic lights at the junction between the A21 and Junction Road, securing a temporary Traffic Regulation Order (TRO) and a stopping-up order for the section of road between Junction Road and The Ridge. The opening of the temporary link is also contingent upon Sea Change Sussex providing a proposal for implementing a traffic management scheme for the junction of Maplehurst Road and the Ridge. This will also be done through a Temporary TRO. Sea Change Sussex are progressing the necessary temporary TROs with ESCC at present.

It is expected that the temporary connection will be delivered and fully open to traffic by early 2021.

- 4.4 Completion of the temporary connection will allow traffic to use the road as a through route, thereby reducing the volume of traffic currently using the Ridge and helping to address local congestion issues.

5. Update on the land acquisition negotiations

- 5.1 In order to allow the final section of the permanent connection to progress it is essential that the required land acquisitions are completed. Sea Change Sussex have actively engaged with the identified landowners with the aim of progressing these acquisitions.
- 5.2 Whilst East Sussex County Council's preference is that Sea Change Sussex continue to pursue acquiring the necessary land for the permanent connection by negotiation, where it becomes clear that this is not possible, then the Compulsory Purchase Order (CPO) of this land will be progressed; as a last resort.
- 5.3 A detailed update on the land negotiations is set out in confidential appendix B.

6. Delivery of the permanent connection with the A21

- 6.1 Work is continuing to progress towards the construction of the remaining sections of the permanent connection to the A21.
- 6.2 Work on the next phase of the permanent solution, referred to in section 4.2 commenced on 12 October 2020. It is anticipated that the works will take 11 weeks, with completion expected for early 2021. These works will provide access to the remaining businesses which have a frontage on Queensway Gateway Road and will deliver the permanent road to the boundary of the properties which are still to be acquired.
- 6.3 The final section of the permanent connection principally involves the creation of a roundabout junction with the A21. These works can effectively be progressed offline, thereby having minimal impact on the existing road network during the construction programme.

At this stage it is not possible to give a definite timeline for the completion of the final phase of the permanent solution as it is dependent upon the outcome of the ongoing acquisition negotiations. However, the use of the Compulsory Purchase Order (CPO) process may be required to enable work on the final section of the permanent solution to proceed. The construction works to complete the permanent connection are currently scheduled to commence in

Summer 2021. Based on this best-case scenario, the Project could complete in January 2022.

- 6.4 Delivery of the permanent connection will ensure that the required infrastructure is in place to allow the employment sites to be brought forward for development, whilst also permanently addressing congestion issues in the area.
- 6.5 If it is not possible to deliver the final section of the permanent connection, which will enable the full realisation of the benefits set out within the Project Business Case, steps may be taken by the Board and Accountable Body to recover the £10m LGF allocation to the Project from East Sussex County Council under the terms of the Grant Agreement that the Council has in place with the Accountable Body.

7. Project budget

- 7.1 The Project was considered by the Strategic Board in March 2015, and the award of £15m LGF funding was approved. Subsequent to this decision, East Sussex County Council identified a need to amend their LGF allocations to a number of their projects to facilitate successful delivery. This was achieved by reallocating funding between the projects. As a result, the LGF allocation to the Project was reduced to £10m.
- 7.2 The funding package available to enable delivery of the Project totals £12m. In addition to the £10m LGF allocation, Sea Change Sussex are contributing £2m towards Project delivery. This contribution is fully committed by Sea Change Sussex and the funding has been ring-fenced for the sole purpose of delivering the Project within their accounts.
- 7.3 Spend on the Project to the end of September 2020 totals £9.496m and has been fully funded through the £10m LGF allocation.
- 7.4 In recent months the construction industry has been impacted by the COVID-19 pandemic and the associated lockdown and social distancing measures introduced by Government. At this stage, the full impacts of the COVID-19 pandemic on the construction industry are still unknown, however, a number of potential impacts have been identified including availability of materials and extended delivery programmes, which have the potential to increase project costs.
- 7.5 Despite the potential impacts of the COVID-19 pandemic on the construction industry and the delays encountered in delivering the Project, Sea Change Sussex remain confident that the Project can be delivered within the available budget. Costs have now been identified for the majority of the outstanding works including the construction of the next phase of the permanent connection and the remainder of the temporary solution, professional and management fees for the completion of the Project and CPO indemnity costs including land compensation payments. Assurances have been provided that,

after consideration of these identified costs, sufficient funding remains within the funding package to deliver the final phase of the permanent connection.

7.6 If any cost increases are identified over the £12m budget currently available, these costs will be met by Sea Change Sussex.

7.7 The updated Project spend profile is set out in Table 1 below.

Table 1 Queensway Gateway Road spend profile

Queensway Gateway Road	Spend to end of	Forecast spend in	Forecast spend in	Total
Forecast Project Spend	FY 2019-20	FY 2020-21	FY 2021-22	
	£	£	£	£
SELEP LGF Grant	9,496,372	503,628	0	10,000,000
Sea Change Sussex	0	352,588	1,647,412	2,000,000
Total	9,496,372	856,216	1,647,412	12,000,000

8. Next steps

8.1 The next steps, in terms of Project delivery, are:

8.1.1 to commence work on the next phase of the permanent connection to the A21. Completion of these works will facilitate completion of the temporary connection, which will allow traffic to use the road as a through route whilst work continues to progress the final section of the permanent connection;

8.1.2 to continue progressing the land acquisition negotiations, which would facilitate acquisition of the remaining properties on the route allowing works to complete on the permanent connection;

8.1.3 provision of the required evidence to allow East Sussex County Council to progress making the CPO, which will release the land required for delivery of the final section of the permanent connection.

8.2 The Board will continue to receive regular updates on the Project until satisfied that the deliverability risk has been fully addressed and has reduced to an acceptable level.

8.3 The next update report will be provided at the February 2021 Board meeting and will include a full update on the delivery of the permanent connection and the outputs/outcomes stated in the original business case. It is expected that the update will include consideration of progress on the required land acquisitions, the delivery programme and the Project budget.

9. Financial Implications (Accountable Body Comments)

- 9.1 There remain a number of challenges to the completion of this project, albeit that the majority of the LGF has been spent to date; this presents risks on assuring delivery of the expected outcomes, especially given the lack of certainty on the timelines for completion of the permanent solution and the risks associated with that.
- 9.2 All LGF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the decisions of the Board.
- 9.3 Should it not be possible to deliver the final section of the permanent connection, which will enable the full realisation of the benefits set out within the Project Business Case, there is a risk that the Project may no longer meet the conditions of the Funding Agreement. In these circumstances, the Board may consider recovering some or all of the £10m LGF allocated to the Project.
- 9.4 It is noted that the remaining LGF allocated to the Project is intended to be spent in 2020/21, with the remaining costs of the Project to be met by SCS. However, due to the risks highlighted to delivery means that progress on this Project should continue to be considered by the Board.
- 9.5 As part of the LGF programme review to Central Government in June 2020, the Accountable Body and SELEP reported spend in full of the LGF programme by 31 March 2021, either through deliverability of the projects or using the Option 4 mechanism. Spend of the remaining LGF in 2020/21 on this Project will support this approach; any further delay will increase the risk to meeting this requirement.

10. Legal Implications (Accountable Body Comments)

- 10.1 There are no substantive legal implications arising out of this decision.

11. Equality and Diversity implications (Accountable Body Comments)

- 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 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

12.1 Appendix A - LGF Project Background Information

12.2 Appendix B – Confidential information

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	12/11/2020

Appendix A – LGF Project Background Information

Name of Project	<p>Queensway Gateway Road, Hastings</p> <p>East Sussex County Council</p>
Local Growth Fund (LGF) allocation	£10,000,000
Description of what Project delivers	<p>The Queensway Gateway Road scheme comprises a single carriageway road link between A21 Sedlescombe Road North and Queensway. The road will connect with Queensway running south of its junction with the Ridge West, crossing the Hollington Stream valley on an embankment and then running south of Whitworth Road to join the A21 at a new junction north of the existing Sainsbury's store, as shown below. The road will include roundabout junctions at either end and a roundabout junction with Whitworth Road facilitating access to employment sites to the north and south.</p> <p>The road will connect the Combe Valley Way (formerly known as the Bexhill Hastings Link Road) via Queensway to the A21, redistributing traffic from Combe Valley Way and The Ridge heading towards the A21. The opening of the Combe Valley Way changed the balance of traffic movements in the Hastings and Bexhill area, and has resulted in increased traffic volumes along the Ridge and Queensway. By relieving congestion, the Queensway Gateway Road will improve strategic connectivity in the Bexhill Hastings Growth Corridor, improving employment development potential in Queensway and employment and housing growth potential in North Bexhill.</p> <p>The key objectives of the project are:</p> <ul style="list-style-type: none"> • to support the development and employment potential of the Bexhill Hastings Growth Corridor; • to improve strategic access between the A21 and Queensway/ Combe Valley Way and thereby strategic access to employment and housing sites in North Bexhill and Hastings; and • to alleviate congestion at junctions to the A21 enabling Combe Valley Way to perform to its full potential as a driver of economic growth.
Project benefits	<p>The Queensway Gateway Road provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward.</p> <p>The new road allows land to be released for employment development, as set out within Hastings Local Plan 2004 and Hastings Planning Strategy. Specifically, the road opens up the development potential of key sites south of The Ridge, with capacity for up to 12,000sqm of employment floorspace.</p>

	<p>It is expected that the Project will lead to the creation of 900 new jobs. In addition, the development of Queensway Gateway Road and Combe Valley Way are expected to directly contribute to the delivery of at least 60,000 sqm of new employment workspace and construction of 3,100 new homes in North Bexhill by 2028 as a result of improved connectivity.</p>
Project constraints	<p>The Project is being delivered in phases with the first phase having started early in 2017. In March 2019, the western section of road was completed (70% of the total length of the road) and was opened for access to local businesses only.</p> <p>The final section of the road, to connect the already completed sections with the A21, requires the purchase of remaining properties on the route. These acquisitions are under negotiation, however, there is currently no clear timeline as to when the acquisitions will be completed either through negotiation or potentially through a Compulsory Purchase Order. This issue has delayed the completion of the Project and is identified as a significant risk to delivery.</p>
Link to Project page on the website with full Business Case and links to any previous decisions by Accountability Board and/or Strategic Board	<p>https://www.southeastlep.com/project/queensway-gateway-road/</p> <p>Funding decision (note: original LGF allocation to the project was £15m): https://www.southeastlep.com/app/uploads/2018/06/Minutes-SELEP-Board-20th-March-2015-V3.pdf</p> <p>Project changes: https://www.southeastlep.com/app/uploads/2020/08/Accountability-Board-Summary-of-Decisions-23.02.18.pdf</p>

Report title: M11 Junction 8	
Report to Accountability Board on 20 November 2020	
Report author: Howard Davies, SELEP Capital Programme Officer	
Date: 26/10/2020	For: Decision
Enquiries to: Howard Davies, howard.davies@southeastlep.com	
SELEP Partner Authority affected: Essex	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to receive an update on the delivery of the M11 Junction 8 project (the Project), Essex.

2. Recommendations

- 2.1 The Board is asked to agree:

2.1.1 **Agree** that written confirmation must be provided by Essex County Council to SELEP Accountable Body, by 12 February 2021, to confirm the funding package is in place for the Project, to enable the release of the remaining £0.495m LGF to Essex County Council for the delivery of the Project beyond 31 March 2021.

2.1.2 **Agree** that if written confirmation is not provided by Essex County Council as stated in 2.1.1 then the remaining £0.495 LGF will be reallocated to the LGF pipeline.

2.1.3 **Agree** that if written confirmation is not provided by Essex County Council as stated in 2.1.1 there is compelling justification for SELEP Accountable Body not to recover the £2.239m LGF spent on the Project to date, subject to the LGF spend to date on the Project continuing to meet the LGF grant conditions for capital expenditure.

3. Background

- 3.1 The Project was approved in November 2017 for the award of £2.734m LGF but is identified as a high-risk project, due to the risk to other funding contributions to the project and increasing costs attributed to the works packages.
- 3.2 The original report to the Board, in November 2017, indicated the funding breakdown, as shown in Table 1.
- 3.3 A funding contribution was also being sought from Stansted Airport (Manchester Airport Group) at the point of the funding decision being sought

however, they were not in a position to confirm this funding at the time of the original LGF bid.

Table 1 Original Project Funding Breakdown (£m)

Funding Source	Amount (£m)
SELEP LGF	2.734
The Cambridge and Peterborough Business Board (CPBB) (formerly Greater Cambridge Greater Peterborough LEP)	1.000
Essex County Council	0.914
Department of Transport (National Productivity Investment Fund)	4.087
Housing developers	0.321
Total	9.056

- 3.4 In September 2020, the Board were made aware of issues relating to the funding package for the Project. The update highlighted that there was a funding gap of approximately £7m, due to the increase in tender cost for the project and a possible reduction in other funding sources. To date £2.239m LGF has been spent on the delivery of the Project, relative to a total allocation of £2.734m, leaving £0.495m unspent.

4. Project delivery update

- 4.1 LGF spend on the Project has been placed on hold whilst Essex County Council (ECC) seek to address the funding gap. For the Board to remove the hold on LGF project spend and transfer the remaining LGF allocation for the project by the end of 2020/21, the Board will require firm confirmation that the full funding package is in place to deliver the Project.
- 4.2 Options are being considered by ECC to bridge the funding gap. This includes looking to reduce the total project cost through seeking invitations to tender for the Project through a new procurement framework and options to increase the funding contributions to the Project.

Reducing the project cost through revised procurement exercise

- 4.3 The total cost of the project has increased since the business case was approved for the project in November 2017, by up to £6.029m. The original project cost stated in the business case was £9.056m, whilst the mid-price tender cost from the procurement exercise in early 2020 was identified as £15.085m.
- 4.4 The previous tender process was completed at the height of the first wave in the COVID-19 pandemic. As such, it is ECC's view that the tender prices were inflated to reflect the increased risk at that time.

- 4.5 It is ECC's intention to repeat the tender exercise using the newly created Eastern Highways Alliance Framework 3 (EHA3) framework to encourage a more competitive procurement process. The timescales for the procurement exercise are set out in Table 2 below.

Table 2 – Proposed Project timeline

Task	Date
Invitation to Tender (8 weeks) *	January 2021
Tender returned and assessed	March 2021
Start of Works	May 2021
Works complete	November 2022

*Note: re-tender process cannot start earlier than this due to the need to resolve Highway England sign offs and organise road space bookings for the scheme.

Options to increase funding contributions to the Project

- 4.6. Verbal confirmation has been received from Manchester Airport Group that they are prepared to contribute circa £1m towards the scheme and they continue to support the project. Written confirmation is being sought.
- 4.7. The Cambridge and Peterborough Business Board have confirmed that they still regard the project as a priority going forward, however, they are unable to confirm their funding allocation, £1m, as they are currently looking at their priorities. They have not ruled out supporting the scheme and maybe able to with future funding streams but their current Growth Deal to March 2021 is committed.
- 4.8. ECC are seeking an additional £1m LGF contribution through the LGF pipeline development process. The Project will be considered by the SELEP Strategic Board on the 11 December 2020, as part of the prioritisation exercise. If the Project is successfully allocated additional LGF, the funding decision will be considered by the Board in February 2021.
- 4.9. ECC are also exploring opportunities to increase their funding contribution to the project. This option is currently being considered through ECC's internal governance processes.
- 4.10. It is understood that should the new tender process produce a similar price return as previously, £15.085m, ECC will seek to fund the remaining £6.646m funding gap through their own capital programme, as set out in Table 3.

Table 3 – Revised Funding Profile, prior to new tender process

Revised Funding Profile (£m)						
Source	Spend to end of 2019/20	2020/21	2021/22	2022/23	2023/24	Total
Manchester Airports Group	0.000			1.019		1.019
DfT (NPIF)	0.138		2.882	0.667		3.687
LGF	2.239	0.050	0.445			2.734
ECC	0.862			5.178	0.605	6.645
Additional LGF*	0.000			1.000		1.000
Total	3.239	0.050	3.327	7.864	0.605	15.085
*(subject to Success Essex prioritisation and SELEP Board approval)						

5. Value for money

- 5.1 As a result of the project cost increases it is expected that the value for money for the project has reduced.
- 5.2 The benefit cost ratio (BCR) previously calculated for the project was 3.32, which presents high value for money but the increase in project cost is likely to have reduced this ratio.
- 5.3 If the project is successfully allocated an additional £1m LGF by the Strategic Board in December 2020 an updated business case will need to be prepared to confirm that the project continues to present high value for money.

6. Next steps

- 6.1 SELEP must be in a position to demonstrate to Government that the funding is contractually committed and can be spent on the new project by the end of 2020/21. As such, the Board is asked to agree that written confirmation must be provided by Essex County Council to the Board by February 2021, to confirm the funding package is in place for the Project, to enable the release of the remaining £0.495m LGF to Essex County Council for the delivery of the Project beyond the Growth Deal. The £0.495m unspent LGF would be reallocated to the LGF project pipeline.
- 6.2 If the deadline is not met and the remaining £0.495m unspent LGF is withdrawn from the Project in February 2021, it is still expected that the Project will proceed and be funded through alternative funding pipelines as the Project remains essential to growth plans in the surrounding area.

- 6.3 ECC have provided confirmation that the LGF spend to date remains a capital cost and the Project would still progress to delivery using other funding sources. As such, in the event that the £0.495m LGF is withdrawn by the Board, it is not recommended that the £2.239m LGF should be recovered, as long as ECC continue to report that the spend of the grant to date meet the conditions for capital expenditure.
- 6.4 Updates will be sought from Essex County Council at the end of each financial year, until the point of project completion, to ensure that the LGF spend to date remains a capital cost, in line with the grant conditions

7. Financial Implications (Accountable Body comments)

- 7.1 In considering the recommendations of this report, the Board is advised to assess the risk of a further delay in spend of LGF in ensuring best use of funding and securing value for money in the use of the grant.
- 7.2 As part of the LGF programme review to Central Government in June 2020, the Accountable Body and SELEP reported spend in full of the LGF programme by 31 March 2020, either through deliverability of the projects or using the Option 4 Capital swap mechanism (see Agenda item 5 for further details). As this project will be delivered post March 2021, the option 4 Capital swap approach will be applicable.
- 7.3 To progress with the Project and to enable an option 4 swap to be agreed in February 2021, it is expected that confirmation is provided that a full funding package is in place and that the outstanding planning issues have been resolved.
- 7.4 Delivery of the Growth Deal forms part of the Annual Performance Review (APR) assessment undertaken by Government in advance of confirming the annual LGF funding allocations. The slippage experienced by this Project detrimentally impacts on this delivery assessment, placing a risk over the outcome of this APR.
- 7.5 It should be noted that delivery of this project beyond the Growth Deal in March 2021 is subject to meeting the five conditions agreed by the Board on 15 February 2019, including obtaining endorsement from the Strategic Board. The risk of delays in the delivery of this Project increase the risks associated with the overall Project completion within the Growth Deal period.
- 7.6 Essex County Council, as the Accountable Body for SELEP, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.

8. Legal Implications (Accountable Body comments)

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

9. Equality and Diversity implication

- 9.1 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.
- 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 9.3 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.

10. List of Appendices

- 10.1 Appendix A – Background of Project M11 J8

11. List of Background Papers

- 11.1 Business Case for the M11 J8

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	11.11.2020

Appendix A – LGF Project Background Information

Name of Project – M11 J8, Essex County Council
Local Growth Fund value - £2.734m
Project Description
<p>The M11 Junction 8 is a key junction for access to Stansted Airport, Bishop Stortford to the West and the A120 for access to Braintree and Colchester in the East.</p> <p>The junction is already operating at capacity and experiences significant queuing during peak periods</p> <p>Stansted Airport is growing at an unprecedented rate of 2 million passengers per annum. The current capacity of the junction is unable to accommodate this scale of growth.</p> <p>There is also a substantial amount of residential and commercial development planned in locations dependent upon access to the strategic road network via M11 Junction 8.</p> <p>The Project is situated within the London – Stansted- Cambridge Corridor area which already has a population of 2.7million, but which is forecast to increase by 20% by 2032.</p> <p>There are a number of planned developments in the area, including in Bishop's Stortford, where there is a commitment to deliver 2,300 homes which will add to this congestion. Local Plans for East Hertfordshire and Uttlesford are also being progressed, and this junction is an integral part of the infrastructure need to ensure that these Local Plans are sound.</p> <p>The primary aim of the Project is to improve traffic flow through and around the junction, to accommodate the scale of planned growth.</p> <p>The Project consists of measures at four locations to improve access to Stansted Airport, the Services area and between the M11 and the A120. The four locations include:</p> <ul style="list-style-type: none"> ▪ Location 1: South-west of the M11 Junction 8 – The provision of an additional approach lane on the northbound exit slip from the M11 Junction 8 onto the A120 towards Birchanger Green Services and Bishop's Stortford. ▪ Location 2: A120/A1250 Roundabout (West of the M11 Junction 8) - Replace the existing A120/A1250 roundabout with a multi-arm signalised junction. In addition, the A120 "west link" will be widened from two lanes to three and the A120 "eastern link" will be widened to three lanes in the eastbound direction. ▪ Location 3: M11 Junction 8 slip road onto A120 East - Improving and widening the slip road between the M11 in the southbound direction and

the A120 in the east bound direction. A gantry will also be installed to span the five lanes at the junction with the roundabout.

- Location 4: M11 Junction 8 exit onto B1256 Dunmow Road - Improving and widening the two-lane entry to B1256 Dunmow Road from roundabout. *This final measure will be funded and delivered by private sector residential development.*

The package of schemes will help alleviate existing congestion and capacity constraints at the junction, which will achieve the following outcomes: -

- Deliver committed housing growth, including planned development at Bishop's Stortford (2,300 homes), Uttlesford District (3,400 homes) and Harlow (16,000 homes), along with the potential for a further 4,000 homes around Bishop's Stortford;
- Unlock 2,400 new jobs in the surrounding area, including Stansted Airport, through mitigating the impact of planned growth;
- Improve air quality; and
- Incentivise skills and apprenticeship opportunities, such as at Stansted Airport and through project delivery by Ringway Jacobs.

Project Benefits

- Journey time improvements;
- Assist Stansted airport expansion plans
- Help to unlock jobs
- Help to unlock new housing development
- Help to deliver the Local Plan

Link to Project webpage

<https://www.southeastlep.com/project/m11-junction-8-improvements/>

Forward Plan reference number: FP/AB/318

Report title: University of Essex Parkside 3	
Report to Accountability Board on 20 November 2020	
Report author: Howard Davies, SELEP Capital Programme Officer	
Date: 27/10/2020	For: Decision
Enquiries to: Howard Davies, howard.davies@southeastlep.com	
SELEP Partner Authority affected: Essex	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to receive an update on the delivery of the University of Essex Parkside 3 project (the Project), Essex.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Agree** that the Project be paused and no LGF grant transferred until confirmation can be provided to the Board at its next meeting on 12 February 2021 that the outstanding planning and funding issues have been resolved.
- 2.1.2 **Agree** that should the Council of the University of Essex NOT agree to continue to support the Project at their meeting on 30 November 2020, the LGF grant allocation will be removed from the Project and allocated to the next project available in the LGF pipeline once agreed by Strategic Board in December 2020.
- 2.1.3 **Agree** that if all issues aren't resolved by 12 February 2021 the funding should be considered for reallocation to the next project in the LGF pipeline
- 2.1.4 **Note** that following the confirmations set out above, further approval will be required from SELEP Strategic Board in March 2021 to allow spend beyond the Growth Deal period.

3. Background

- 3.1 The Project was approved in February 2020 for the award of £5m LGF, subject to the necessary planning consents being secured. Planning permission was granted at the July meeting of the Colchester Borough Council Planning

Committee; however, permission was contingent on S106 agreements being signed. The S106 Agreement is now agreed in draft and is awaiting final approval which is expected in the next few weeks. Board will be updated at the 20 November meeting as to whether the legal agreement is complete.

- 3.2 Since the decision by Board in February 2020, the COVID-19 crisis has caused significant disruption across all sectors, not least Higher Education. The University of Essex (the University) has put into place a cash conservation strategy and as a result put a number of projects on hold; including the Parkside Phase 3 project.
- 3.3 The Council of the University is meeting on 30 November to consider whether the project will proceed at this time. The Project remains a key component of the vision for the Knowledge Gateway development which the University remains committed to progress. However, without the approval of the Council the Project will be unable to progress.
- 3.4 An additional risk of increased project costs has been identified and the University has indicated that it will seek an additional LGF grant allocation through the process for LGF re-allocation agreed at Strategic Board, but this bid has not yet been considered by Success Essex. Success Essex is required to provide its prioritised projects for additional LGF grant allocation by 20 November 2020. A verbal update will be provided to Board at its meeting on the same day.
- 3.5 These risks have had an impact on the timeline for the Project. Should the additional approvals and funding be secured the Project will now slip beyond the Growth Deal period and require further approval from Strategic Board.
- 3.6 Given the high number of uncertainties at this time it is recommended that a further update be brought back to Board in February where assurances can be provided to the deliverability of the Project in the near term and within the requirements of the LGF Programme.

4. Risk – Planning Consents

- 4.1 At the start of the Covid-19 pandemic all planning functions of Colchester Borough Council (CBC) were halted and therefore the University's application did not progress in accordance with the original timeframe in the programme.
- 4.2 CBC have implemented a delegation of authority process for some planning applications that have gone through an agreed interim arrangement process. The application for Parkside 3 (application no, 192457) was approved on this basis by the Planning Committee on the 9 July 2020, subject to the signing of the S.106 agreement and a condition was set on agreeing elements of the façade design as part of the detailed design process. Confirmation that the S.106 Agreement has been signed and completed will be provided at the Board meeting.

5. Risk – Affordability and Funding

- 5.1 The significant impact of the COVID-19 crisis on the Higher Education sector is well documented. The original approval made by Accountability Board in February of this year was on the basis of a £5.5m contribution from the University. The University is still in the process of assessing its financial position and its ongoing risk exposure.
- 5.2 The University is unable to provide assurances around both its intention to continue with the project at this time and its ability to fund the £5.5m. However, the University Council is due to meet on 30 November 2020 to consider these matters. It is recommended that a decision is made now to return the LGF allocation to the pipeline if the approval on the 30 November is not secured. This is to ensure that monies are able to be reallocated as quickly as possible in advance of the end of the Growth Deal period.
- 5.3 If the University does want to proceed with the Project but is unable to provide its contribution at the level indicated in the business case an alternative funding stream will be required for the Project to proceed. When the Project reports back to the February meeting of Accountability Board, it must be fully funded to proceed.

6. Risk – Project Cost Increase

- 6.1 The University's Capital and Development team has identified a risk around increased contractor costs due to the impact of Covid-19, Brexit and inflation, on all capital programmes, and this risk has been factored into their future pricing estimates. The original business case included a contingency of £0.5m, which was approximately 5% of the original cost estimate of £10.5m, but the current estimation of additional funding required is £1.6m
- 6.2 The University has indicated that it will seek a further LGF contribution through the LGF reallocation exercise that is happening at the meeting of SELEP Strategic Board in December 2020. However, this request will require the backing and prioritisation of Success Essex and that process will not be completed until 20 November 2020. If approval at either a Federated Board or Strategic Board level is not secured an alternative funding stream will be required to be identified to enable the Project to proceed.
- 6.3 If costs have increased the Benefit/Cost Ratio (BCR) will decrease. The Board will need to be informed of the impact on the BCR and any potential change to the assessment of the Value for Money that the Project provides. If there is a significant change this will require a further approval by Board. This information will be included in the report to be presented in February 2021.
- 6.4 The University continues to explore other funding opportunities to support the build.

7. Issue – Programme

- 7.1 Due to uncertainty created by the COVID-19 pandemic, the Project was halted. This resulted in the tender for works being postponed. The Project construction works were originally due to commence in August 2020 and complete in September 2021 for project opening in April 2022.
- 7.2 A revised indicative programme has been developed by the University to show how the project will be brought forward, if approval is given by the University's Council to proceed. The revised programme is outlined in Table 1 below. The timetable does not include any delays due to requiring approvals for additional funding as a result of cost increases. These could further delay the project.

Table 1 – Proposed programme of works, yet to be confirmed

Task	Date
University Council Meeting	30 November 2020
Signing of S. 106 agreement confirming Planning Permission is granted (Façade works dealt with under a discharge of planning)	29 October – 31 December 2020
Design Team Re-appointed	7 December 2020
Discussions with Local Authority re Façade Design	11 January 2021
Discharge of planning condition for facade	17 May 2021
Issue Tender for Works	14 June 2021
Tender Returns	23 July 2021
Award Works Contract*	13 September 2021
Works commence	6 December 2021
SELEP Funding Spent	31 March 2022
Practical completion of works	27 January 2023

8. Issue – LGF spend beyond 30 September 2021

- 8.1 The award of a works contract in mid-September 2021 does mean there would be a high level of risk of the project not meeting the 5 criteria set for spend beyond the Growth Period. The proposed timeline may also slip further if approval from Strategic Board is required for a further LGF allocation or if an alternative funding stream has to be found.
- 8.2 A revised spend profile is set out in Table 2

Table 2 – revised spend profile

Revised Funding Breakdown (£m)							
Funding Source	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
University of Essex	0.28	0.44	0.87	0.44	2.33	1.14	5.50
LGF				3.27	1.70	0.03	5.00
Additional LGF application *					0.25	1.40	1.65
Total	0.28	0.44	0.87	3.71	4.28	2.57	12.15

*subject to prioritisation by Success Essex and by Strategic Board and approval by Accountability Board

9. Viability of the Project

9.1 Given the impact of the COVID-19 crisis on working patterns and practices the University has instructed work on a Building and Market Appraisal. This will be presented to the next meeting of the University Council on the 30 November 2020. We have been advised the initial observations show:

- The flexible market (or service office sector) has expanded rapidly in recent years, with demand moving up the size curve out from London to the regional market. Whilst Covid-19 will be a major test for the sector, this could present an opportunity at a regional level with firms looking to move away from expensive city accommodation
- On a regional basis, whilst available stock to be let or sold is currently at a 7-year high, the amount of space that is vacant is below the 5-year average.
- Parkside 3 will represent one of the largest office buildings in Colchester, but it will also represent the best, modern, quality spaces available in the market capitalising on the success witnessed at the Knowledge Gateway.
- The recommendation is to split the floor plates into two so that a company may wish to start at the Innovation Centre, as they grow seek to retain and provide space at Parkside 1 and 2 where they would further grow. Having the option of Parkside 3 would then give those occupiers further expansion space
- Parkside 3 has the flexibility to be let as a whole or subdivided to complement the facilities for start-up businesses or scale up businesses that have already established themselves in the existing Parkside units.
- Despite the impact of COVID-19 on the economy, Parkside Office village is at 100% occupancy and has remained buoyant; a recent enquiry from a known tenant to occupy 10,000 sq. ft. space on a three-year lease term, shows a degree of confidence returning to the market.

10. Next steps

- 10.1 In order to transfer the remaining LGF allocation for the project by the end of 2020/21 SELEP Accountable Body will require written confirmation that the full funding package is in place to deliver the Project and planning consents have been granted. The University is not currently in a position to do this.
- 10.2 The following assurances must be given to February Accountability Board:
 - 10.2.1 Confirmation that the S106 Agreement is in place
 - 10.2.2 Confirmation that the Council of the University of Essex gave its backing to the Project at its meeting on 30 November 2020
 - 10.2.3 Confirmation that the University of Essex is able to make its contribution of £5.5m or alternative funding stream has been identified
 - 10.2.4 Confirmation that any potential cost increases have been properly identified, the impact of any cost increase on the BCR calculated and presented to Board and funding secured to cover the cost increase
 - 10.2.5 Confirmation of a revised timeline
- 10.3 If the Project is unable to proceed and an alternative project is brought forward, SELEP must be in a position to demonstrate to Government that the funding is contractually committed and can be spent on the new project by the end of 2020/21.
- 10.4 If the £5m unspent LGF is withdrawn from the Project, it is unlikely that the Project will proceed at this time.
- 10.5 Given the number of uncertainties and risks associated with the Project it is recommended that a further report be made to February Accountability Board. If all consents and assurances are in place at that time a further decision by Strategic Board will be required to allow the Project to spend beyond the Growth Deal period.
- 10.6 If assurances cannot be provided by February, the funding allocation will be diverted to the next appropriate project in the pipeline. In this case the outputs and outcomes of this Project will be lost and will be unlikely to be replaced as remaining LGF allocations are now being made to projects already within the Programme with cost increases.

11. Financial Implications (Accountable Body comments)

- 11.1 In considering the recommendations of this report, the Board is advised to assess the risk of a further delay in spend of LGF in ensuring best use of funding and securing value for money in the use of the grant.
- 11.2 As part of the LGF programme review to Central Government in June 2020, the Accountable Body and SELEP reported spend in full of the LGF programme by 31 March 2020, either through deliverability of the projects or

using the Option 4 Capital swap mechanism (see Agenda item 5 for further details). As this project will be delivered post March 2021, the option 4 Capital swap approach will be applicable.

- 11.3 To progress with the Project and to enable an option 4 swap to be agreed in February 2021, it is expected that confirmation is provided that a full funding package is in place and that the outstanding planning issues have been resolved.
- 11.4 Delivery of the Growth Deal forms part of the Annual Performance Review (APR) assessment undertaken by Government in advance of confirming the annual LGF funding allocations. The slippage experienced by this Project detrimentally impacts on this delivery assessment, placing a risk over the outcome of this APR.
- 11.5 It should be noted that delivery of this project beyond the Growth Deal is subject to meeting the five conditions agreed by the Board on 15 February 2019, including obtaining endorsement from the Strategic Board. This Project will require approval from the Strategic Board in March 2021 to spend beyond the growth deal period.
- 11.6 Essex County Council, as the Accountable Body for SELEP, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 11.7 If the Project is approved to proceed in February 2021, all LGF will be transferred to the sponsoring authority under the terms of a Funding Agreement or SLA; this agreement makes clear the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the decisions of the Board.

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 A – Project background information

15. List of Background Papers

- 15.1 Business Case for the University of Essex, Parkside 3 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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	11.11.2020

Appendix 1 – LGF Project Background Information

Name of Project – University of Essex, Parkside 3
Local Growth Fund value - £5m
Project Description <ul style="list-style-type: none"> ▪ The University of Essex has a vision for the Knowledge Gateway for it to become a national centre of excellence for businesses in high-value, knowledge-based sectors linked to the University's research expertise, employing over 2,000 people. This facility is intended to form the next logical development of the Knowledge Gateway, both providing further accommodation for growing businesses and enabling larger businesses to come to site for the first time, driving growth in the wider economy. ▪ This Project will be an extension of the Parkside Office Village on the Knowledge Gateway site which is already home to Parkside Phase 1, consisting of nine units, Parkside Phase 1a, consisting of three units and Parkside Phase 2, consisting of seven Units. Parkside Phase 1 completed in June 2014 and has been a significant success. Phase 1a completed in September 2016 and Phase 2 completed in November 2018. ▪ There are now 25 businesses located at Parkside Office Village, employing 270 people, of whom 34 are graduates or students of the University, demonstrating how the Knowledge Gateway is providing an effective mechanism for retaining highly skilled individuals within the local economy who would otherwise move away from the area post-graduation. Market interest in the units within Parkside Phase 2, comprising an additional 1,353 sq. m net internal area (14,571 sq. ft.), was strong and all the units were pre-let before opening. ▪ SELEP has previously provided Growing Places Fund (GPF) loan funding to support earlier phases of development at Parkside. This includes a £3.250m GPF loan to enable the initial phase of the SME business space as the University of Essex Parkside development. The £3.250m GPF loan has been repaid to SELEP in full. ▪ The aim of the Parkside Phase 3 development is to support growth in the region by providing high quality office space on the main campus of a world leading University, with the unique potential to attract and sustain high-value employment within the region. ▪ Previous developments have focused on start-up and smaller office units. Parkside Phase 3 has design flexibility where a single tenant could occupy a single unit in its entirety, or the space could be sub divided into 14 units. Through the development of this project, the Knowledge Gateway aspires to secure an anchor tenant occupying the entire unit. ▪ The delivery of the Project will, based on one single unit occupier or up to 14 office units with a total area of 3,775 sqm net and assuming an employment density of 12 sq m per FTE, create in the region of 300 jobs by 2022 ▪ Parkside Phase 3 aims; <ul style="list-style-type: none"> ▪ To leverage research expertise of the University of Essex more effectively, for the benefit of the local and regional economies.

<ul style="list-style-type: none"> ▪ To create more jobs in the region, high-value employment opportunities which are under-represented within Essex economy ▪ To provide additional grow-on space to complement the current business eco-system available on the Knowledge Gateway, including the Innovation Centre which opened Spring 2019, further enabling the University to achieve its aim of developing Parkside into a technology cluster and SME hotspot ▪ To enable the Knowledge Gateway to become the 'location of choice' for innovative companies seeking business premises and innovation services to support their growth ▪ To stimulate and support University/business collaboration across the stages of the business cycle, from early-stage, small, and innovative businesses to larger, more established companies ▪ To facilitate close collaboration and interchange between business and academic researchers, graduates and placement students both in the University and through extended academic networks, nationally and internationally ▪ To facilitate recruitment of skilled graduates by businesses within the local economy ▪ To overcome a shortage of private investment in office space suitable for businesses within the knowledge economy ▪ To provide and facilitate access to business support to enable businesses on Knowledge Gateway to thrive ▪ To stimulate international collaboration and investment through SELEP, Essex County Council, Colchester Borough Council, academic, industry and other networks ▪ The business case over a 10-year period generates 300 jobs at a GVA per job of £43,200, which is the average for Colchester. The Project delivers present value benefits of £75.6m and a Benefit-Cost Ratio of 11.2:1. 	
Project Benefits	
<ul style="list-style-type: none"> ▪ The project will deliver a single four storey building with a total area of 4,772sqm (51,355sqft) gross. ▪ This can be offered as single tenant occupant or sub-divided in a multiple of ways providing a net total of 3,777sqm (40,645sqft). 	
Link to Project webpage	https://www.southeastlep.com/project/university-of-essex-parkside-phase-3-colchester/

Report title: Growing Places Fund Update	
Report to Accountability Board on 20th November 2020	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 29 th October 2020	For: Decision
Enquiries to: Helen Dyer, Helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1 The purpose of this report is 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 **Approve** the revised repayment schedule for the Workspace Kent project;
- 2.1.3 **Approve** the revised repayment schedule for the Live Margate project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan;
- 2.1.4 **Approve** the revised repayment schedule for the No Use Empty Commercial project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan;
- 2.1.5 **Approve** the revised repayment schedule for the North Queensway project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan;
- 2.1.6 **Approve** the revised repayment schedule for the Sovereign Harbour project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan.

3. Background

- 3.1 In total, £49.21m 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 27 capital infrastructure projects, as detailed in Appendix A. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and a further £2m was ring-fenced to support the activities of SELEP's Sector Working Groups (known as the Sector Support Fund); as agreed by the Strategic Board.
- 3.2 In June 2020, the Strategic Board took the decision to repurpose £10m of the GPF funding to enable delivery of interventions which will support economic recovery post COVID-19. Subsequent to this decision being taken by the Strategic Board, HM Government confirmed the payment of the final third of SELEP's 2020/21 LGF allocation thereby releasing the £3.6m of GPF funding which had been repurposed to underwrite the risks associated with the change in approach regarding the payment by Government of LGF funding to LEP's. This funding has now been returned to the GPF pot for reinvestment in pipeline projects.
- 3.3 Quarterly updates are provided to the Board on the latest position of the GPF projects in terms of delivery progress, realisation of project benefits and any risks to the repayment of the GPF loans

4. Current Position

COVID-19 Impacts

- 4.1 The impact of the COVID-19 pandemic and the associated social distancing measures introduced by Government have resulted in a severe shock to our economy. Whilst the full impact is not yet known, the existing GPF projects are feeling the effects and longer-term risks have been identified which may affect the delivery of the projects, the realisation of expected project benefits and the ability to repay the current GPF loans.
- 4.2 Further information regarding the effects and risks identified as a result of the COVID-19 pandemic is provided in Appendix F.
- 4.3 GPF project risks will continue to be monitored over the coming months as the wider impacts of the COVID-19 pandemic become evident. This may result in currently unidentified risks being highlighted in future Board reports.

Cash Flow Position

- 4.4 Through the latest round of GPF reporting, risks to repayment schedules for eight projects have been identified predominantly as a result of the impact of the COVID-19 pandemic. The GPF repayment schedules are set out in Appendix B.

- 4.5 Scheme promoters have been working to understand the impacts of COVID-19 on their projects and their intended repayment mechanism. Revised repayment schedules for five projects are set out within this report and it is expected that a revised repayment schedule for the Javelin Way Development project will be brought to the Board for consideration in February 2021.
- 4.6 No update reporting has been received in relation to the Centre for Advanced Engineering project since the onset of the COVID-19 pandemic and therefore it is unknown if the repayment schedule is likely to be impacted. To be prudent a repayment risk has been flagged until further information is provided. In addition, a repayment risk has been flagged for the Colchester Northern Gateway project as a result of delayed drawdown of the GPF funding due to issues finalising the loan agreement between Essex County Council (as Accountable Body) and Essex County Council (as Upper Tier Local Authority).
- 4.7 Table 1 below sets out the current cash flow position based on the planned GPF investment and the GPF available for re-investment through loan repayments. The cash flow is based on the assumption that the six projects at the top of the GPF round 3 project pipeline, agreed by the Strategic Board in June 2020, will receive Board approval during the course of 2020/21.
- 4.8 This cash flow reflects the assessment of repayment risk set out in Appendix D and assumes repayments in 2020/21 against the four projects currently showing no repayment risk. This will continue to be monitored and updated in accordance with updates from scheme promoters.
- 4.9 Proposed changes to the repayment schedules for the Live Margate and No Use Empty Commercial projects are set out in this report. Under these revised repayment schedules, repayments will be made in 2020/21, and therefore these changes have been included in Table 1.
- 4.10 Revised repayment schedules for all other projects which were due to make repayments in 2020/21 have been provided by scheme promoters. Under the revised repayment schedules, no repayments will be made against these projects in 2020/21. Repayments forecast for 2021/22 under the revised repayment schedules have been included in the updated cash flow position.

Table 1: GPF Cash Flow Position

£	2020/21	2021/22
GPF available at the outset of year	25,347,202	15,167,202
GPF funding repurposed	6,400,000	-
GPF available for investment	18,947,202	15,167,202
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	3,055,000	0
GPF Round 3 planned investments	5,320,000	9,250,000
Position before GPF repayments are made	10,572,202	5,917,202
GPF repayments expected	4,595,000	4,664,042
Carry forward	15,167,202	10,581,244

- 4.11 As shown in Table 1 total GPF drawdown of £8.375m is forecast for 2020/21. Sufficient GPF funding is currently being held to meet these drawdown requirements. It is expected that by the end of 2020/21 all currently approved Round 1 and 2 GPF projects will have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix C.

Growing Places Fund Round 3 Projects

- 4.12 On 12th June 2020 the Strategic Board agreed a GPF prioritised pipeline of projects, which will be used to inform the allocation of any available GPF funding during 2020/21, 2021/22 and early 2022/23. The first four projects from this pipeline have now come forward for consideration of funding approval by the Board. The remaining project pipeline is set out in Table 2.

Table 2: GPF prioritised pipeline of projects

Project	Federated Area	GPF ask (£)	Cumulative total (£)
Barnhorn Green Commercial and Health Development (Phase 1)	TES	1,750,000	6,970,000
Leigh Port Quay Wall (Cockle Wharf)	OSE	3,500,000	11,070,000
No Use Empty Commercial South Essex	OSE	1,000,000	15,570,000
No Use Empty Commercial Phase II	KMEP	2,000,000	17,570,000
Observer Building, Hastings (Phase 2)	TES	1,616,500	19,186,500

Barnhorn Green Commercial and Health Development (Phase 2)	TES	1,750,000	20,936,500
No Use Empty Homes Initiative	KMEP	2,500,000	23,436,500

- 4.13 There is sufficient GPF funding currently available to support investment in the Barnhorn Green Commercial and Health Development (Phase 1) and Leigh Port Quay Wall (Cockle Wharf) projects during 2020/21. Funding decisions on these projects will be sought at the February 2021 Board meeting.

5. Growing Places Fund Project Delivery to Date

- 5.1 A deliverability and risk update is provided for each GPF project in Appendix A. A high delivery risk has been identified for the Innovation Park Medway (southern site enabling works) project, as the adoption of the Local Development Order (LDO) is required prior to commencement of the GPF southern site works. Adoption of the LDO is subject to statutory consultee comments being satisfactorily addressed, including comments raised by Highways England.
- 5.2 A high risk in relation to repayment of the GPF loan has been identified in relation to the following projects: Workspace Kent, North Queensway and Sovereign Harbour. Proposed revised repayment schedules for all three of these projects are set out within this report.
- 5.3 Eleven GPF projects have now been completed, with the benefits of this infrastructure investment starting to be realised. It is reported that 2,292 jobs have been delivered through investment in commercial space and new business premises, as set out in Appendix E.
- 5.4 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.
- 5.5 A RAG rating is being used, on Appendix E, 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 Grays Magistrates Court project has exceeded the number of jobs stated within the project Business Case, and that the Charleston Centenary project has met the forecast jobs figure for the project.
- 5.6 The North Queensway project has been completed, however, due to slower uptake of land than originally anticipated no jobs outcomes have been delivered to date. Steps are being taken by the scheme promoter to accelerate development at the site.

- 5.7 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, including Harlow West Essex and Fitted Rigging House.
- 5.8 Due to the COVID-19 pandemic a number of projects have raised risks in relation to the realisation of these benefits. In most cases it is expected that the project benefits will still be realised, however, this is now likely to be over a longer time period than originally anticipated. This is for a number of reasons, including extended construction programmes, likely impact on the tourism sector, uncertainty regarding the effect on the property sales and rental market and the as yet unknown long-term impact on the economy and the viability of businesses. This will continue to be monitored as scheme promoters gain a clearer understanding of the wider economic impacts of the ongoing COVID-19 pandemic.

6. Workspace Kent – revised repayment schedule

- 6.1 The Workspace Kent project aims to unlock jobs and employment opportunities by enabling increased provision of business incubator space and other workspace. The project provides funding to bring forward business premises that would otherwise not be developed through a Challenge Fund managed by Kent County Council.
- 6.2 The project was awarded £1.5m GPF and to date repayments totalling £1.18m have been made.
- 6.3 In response to the COVID-19 pandemic, Kent County Council took the decision to apply a 12 month repayment free period from 28th March 2020 on all loans issued as part of this project. This is in line with the overarching approach by Kent County Council to support all their loan recipients. As a result, repayment of the remaining GPF allocation will be delayed.
- 6.4 It is anticipated that there could be further requests for contract variations involving the reprofiling of repayments, however, at this stage it is not possible to accurately forecast these changes. Therefore, a conservative approach has been adopted when establishing the proposed revised repayment schedule. The revised repayment set out below accounts for all potential requests for further reprofiling of repayments. If no contract variations are requested, repayment of the outstanding GPF funding will be accelerated in line with repayments received by Kent County Council.
- 6.5 As outlined at the July 2020 Board meeting, there is an ongoing risk in relation to repayment from one of the Workspace Kent loan recipients. Kent County Council received individual voluntary arrangement (IVA) documentation from the loan recipient, who has an outstanding balance of £18,767. Kent County Council have submitted their response to this documentation and are awaiting the outcome of the IVA process, to find out whether there will be a payment made to creditors which could be applied to the outstanding balance. The

Board will receive further updates on this risk as the IVA process progresses but, until confirmed otherwise, full repayment of the GPF loan is forecast.

- 6.6 The proposed revised repayment schedule is set out in Table 3 below.

Table 3: Proposed revised repayment schedule for the Workspace Kent Project

£m	Repaid to date	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Repayment schedule									
Current	1.176633	0.0764	0.0084	0.0084	0.0086	0.0096	0.0112	0.200767	1.5
Revised	1.176633	0	0.07	0	0	0	0	0.253367	1.5

7. Live Margate – revised repayment schedule

- 7.1 Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor-quality building stock in order to deliver improvements which achieve social and economic benefits in the local area.
- 7.2 The Live Margate project specifically targets long-term derelict or problem buildings in Margate for refurbishment into family homes. The project was awarded £5m through the first round of the GPF which has been provided to individual property owners in the form of a loan by Kent County Council.
- 7.3 The preferred repayment mechanism for the individual property owners who are in receipt of GPF funding, is through refinancing of the properties following completion of the works. The COVID-19 pandemic has had an impact on the ability for property valuations to be undertaken, with a back log of work in this area. This has impacted on the ability of loan recipients to refinance their properties. In addition, withdrawal of some mortgage products and tighter lending criteria has resulted in some repayment risks being identified.
- 7.4 Where required, Kent County Council are offering extensions of 6 to 9 months on the original agreed repayment schedules to assist property owners. Therefore, a revised repayment schedule has been brought forward for Board consideration. Should property owners meet their original repayment dates, repayment of the GPF funding will be accelerated.
- 7.5 The proposed revised repayment schedule is set out in Table 4 below.

Table 4: Proposed revised repayment schedule for the Live Margate Project

£m	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Repayment schedule						
Current	1.0	1.0	1.0	1.0	1.0	5.0
Revised	0.5	1.0	1.0	1.0	1.5	5.0

8. No Use Empty Commercial – revised repayment schedule

- 8.1 Kent County Council launched its 'No Use Empty' campaign in 2005, with the primary aim of improving the physical urban environment in Kent by bringing long-term empty properties back into use as quality housing accommodation.
- 8.2 The No Use Empty campaign has a proven track record, returning more than 6,300 empty homes back into use across Kent.
- 8.3 As part of round 2 of the GPF, Kent County Council received GPF loan funding of £1m for the No Use Empty Commercial Property Scheme. The aim is to return long-term empty commercial properties to use, either as residential, alternative commercial use or for mixed-use purposes through the provision of a short-term loan to the property owner.
- 8.4 The preferred repayment mechanism for the individual property owners who are in receipt of GPF funding, is through refinancing of the properties following completion of the works. The COVID-19 pandemic has had an impact on the ability for property valuations to be undertaken, with a back log of work in this area. This has impacted on the ability of loan recipients to refinance their properties. In addition, withdrawal of some mortgage products and tighter lending criteria has resulted in some repayment risks being identified.
- 8.5 Where required, Kent County Council are offering extensions of 6 to 9 months on the original agreed repayment schedules to assist property owners. Therefore, a revised repayment schedule has been brought forward for Board consideration. Should property owners meet their original repayment dates, repayment of the GPF funding will be accelerated.
- 8.6 The proposed revised repayment schedule is set out in Table 5 below.

Table 5: Proposed revised repayment schedule for the No Use Empty Commercial Project

£m	2020/21	2021/22	2022/23	Total
Repayment schedule				
Current repayment schedule	0.55	0.5	-	1.0
Revised repayment schedule	0.3	0.5	0.2	1.0

9. North Queensway – revised repayment schedule

- 9.1 The North Queensway project has received GPF investment totalling £1.5m, which has been used to fund junction improvements and preliminary site infrastructure works to prepare the site for development. The expectation was that completion of the GPF works would enable the development of a new business park providing serviced development sites with the capacity for approximately 16,000m² (gross) of high quality industrial and office premises.
- 9.2 The GPF funded aspects of the project have been delivered, the GPF has been invested in full and to date repayments totalling £1.0m have been made

to SELEP. However, the repayment of the remaining £500,000 remains outstanding.

- 9.3 As outlined at the February 2020 Board meeting, the development of the site has been delayed as a result of challenges in securing planning consent for the commercial development due to concerns raised by statutory consultees; particularly in relation to drainage issues. The challenges in securing planning consent have deterred private sector investment in the site.
- 9.4 In order to mitigate this issue Sea Change Sussex, as the delivery organisation for the project, are intending to carry out further site enabling works. This will provide additional infrastructure to address the identified challenges to enable the stalled development to progress. These infrastructure works include the installation of a pumping station and provision of mains drainage, water and electricity supplies to the site.
- 9.5 Due to the COVID-19 pandemic, the delivery of the further site enabling works has been delayed. As a result, it is expected that development of commercial space on the site will also be delayed. The intention is to repay the GPF loan through income generated by sale of development plots and therefore a revised repayment schedule has been brought forward for Board consideration.
- 9.6 The proposed revised repayment schedule is set out in Table 6 below.

Table 6: Proposed revised repayment schedule for the North Queensway Project

£m	Repaid to date	2020/21	2021/22	Total
Repayment schedule				
Current repayment schedule	1.0	0.5	-	1.5
Revised repayment schedule	1.0	-	0.5	1.5

10. Sovereign Harbour – revised repayment schedule

- 10.1 The Sovereign Harbour project was awarded £4.6m GPF in 2014, for the delivery of high-quality office space in Eastbourne. This development was the first major development in the Sovereign Harbour Innovation Park and was expected to facilitate up to 299 jobs.
- 10.2 The Project is now complete and has delivered 2,345sqm of office space in Pacific House, which has facilitated delivery of 214 jobs to date.
- 10.3 Repayments totalling £825,000 have been made against the Project, leaving an outstanding balance of £3.775m which is still to be repaid.
- 10.4 In April 2020, as a direct result of the COVID-19 pandemic, Sea Change Sussex (as delivery partner) offered all tenants at Pacific House a three month

rent-free period. This measure was offered to try and protect the tenants long term survival and their ability to meet their rental payments following the COVID-19 pandemic.

- 10.5 Despite this measure, as the COVID-19 crisis continues to have an effect on the UK property market and with the likelihood of a second wave lasting until July 2021 at best, there is a high risk of tenants serving notice and/or business failures resulting in empty workspace within Pacific House. As a result, a proposed revised repayment schedule has been brought forward for Board consideration.

- 10.6 The proposed revised repayment schedule is set out in Table 7 below.

Table 7: Proposed revised repayment schedule for the Sovereign Harbour Project

£m	Repaid to date	2020/21	2021/22	2022/23	Total
Repayment schedule					
Current repayment schedule	0.825	0.3	3.475	-	4.6
Revised repayment schedule	0.825	-	0.2	3.575	4.6

11. Financial Implications (Accountable Body Comments)

- 11.1 A total of £15.167m (table 1) GPF is expected to be available by the end of the 2020/21 for reinvestment into the pipeline; this is on the assumption that repayments are made in line with current expectations.
- 11.2 The 2020/21 forecast cashflow position indicates that there is enough funding available to meet the agreed GPF investments due at present in this financial year including the funding decision coming forward at this meeting.
- 11.3 The Board are advised to note that in consideration of the reprofiling request and the further repayment risks that are highlighted, that a delay in the amount of GPF repaid by existing projects, as a result of re-profiled repayment schedules, will reduce the amount of GPF available for reinvestment in 2021/22.
- 11.4 If an existing GPF project is put forward for a change to its repayment schedule, under the terms of the credit agreement with Essex County Council, the lead County/Unitary Authority is required to provide assurance that there is reasonable justification for a delay in repayment and that the project is still viable in the longer term to make the repayments in full.
- 11.5 If any loan is confirmed by the lead County/Unitary Authority as not repayable in part or in full due to failure, or part failure, of the project, under the terms of the credit agreement with Essex County Council and, the Board will be updated and asked to agree that the balance is written off. The Board will not

be asked to make this decision until there is certainty that the funding cannot be recovered. The status of the at-risk projects and all GPF projects in train are being closely monitored by SELEP.

- 11.6 There is a continued risk that scheduled repayments by existing projects will not be made as planned due to difficulties experienced by projects as a result of COVID-19. At its June 2020 meeting the Strategic Board agreed to offer flexibility to delay GPF repayments for existing projects due to the impact of COVID-19, therefore, it is likely that there will be a further reduction in the amount of GPF repaid by existing projects in 2020/21.
- 11.7 In June 2020 the Strategic Board agreed to utilise the available GPF of £22.3m in 2020/21 (value is prior to scheduled repayments being made) in response to the COVID-19 pandemic and allocate £12m to a prioritised list of GPF projects. The pot has subsequently increased by £3.6m in August 2020 following the receipt of the final third of LGF from BEIS, and therefore LGF project allocations are fully funded, resulting in the contingency fund of £3.6m (table 1) no longer being required and automatically reallocated to invest in the GPF pipeline.
- 11.8 It is noted that actual delivery of jobs and homes reported to date remained out of line with the expected levels identified in the business cases for most completed projects and there has been some evaluation of why delivery of outcomes is lower than expected. This should continue to form part of the on-going monitoring with reasons for under delivery explained fully to the Board. This is critical due to the Covid-19 situation and to help monitor the economic impact of the crisis on the SELEP region and project outcomes. Where appropriate, these reviews should be used to inform future business case estimations of growth to ensure there is not a pattern of over-ambition.

12. Legal Implications (Accountable Body Comments)

- 12.1 The Growing Places Fund is provided by the Accountable Body to the partner authorities for each project under a loan agreement. Revising a payment schedule for a project under a GPF loan agreement will be subject to the terms of the loan agreement and Accountability Board approval.

13. Equality and Diversity implications (Accountable Body Comments)

- 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 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

- 14.1 Appendix A – GPF Project Update
- 14.2 Appendix B – GPF Repayment Schedule
- 14.3 Appendix C – GPF Drawdown Schedule
- 14.4 Appendix D – Assessment of GPF Repayment Risk for 2020/21
- 14.5 Appendix E – Monitoring of GPF Project Outcomes
- 14.6 Appendix F – COVID-19 impacts

15. List of Background Papers

- 15.1 Strategic Board Agenda Pack 12th June 2020, including decision to repurpose an element of the GPF funding to support economic recovery post COVID-19.

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	09.11.2020

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	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	Round Two	<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 will 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>Demolition of the disused building is now complete.</p> <p>Detailed design work has now been completed. Once the Local Development Order (LDO) has been adopted, the final design will be taken through the self-certification process and work will subsequently begin on site.</p> <p>There remains a risk to the adoption of the LDO as any comments submitted by statutory consultees must be satisfactorily addressed before the LDO can be taken forward. A further round of public consultation on the proposed content of the LDO is currently in progress.</p>	Adoption of the LDO is required prior to commencement of the GPF southern site works. Adoption of the LDO is subject to statutory consultee comments being satisfactorily addressed.	<p>Spend of the GPF funding may be delayed depending upon when it is possible to adopt the LDO. The design concept has been agreed and the detailed design is being revised so that the self-certification process can commence as soon as the LDO is adopted.</p> <p>Options to accelerate delivery of the scheme are being reviewed to minimise spend delay.</p>	Despite work not yet having commenced onsite due to the need for the LDO to be adopted, Medway Council have confirmed that they are comfortable with the current repayment schedule and that they will make the first repayment prior to the end of 2020/21 as required.	Delivery of Project outcomes is dependent upon the LDO being adopted. Once the LDO is in place there will be minimal risk to the realisation of Project outcomes as there has been significant interest in the site.	The COVID-19 pandemic has impacted on the delivery programme, with an estimated three month delay reported.	Delivery of the project is dependent upon the adoption of the LDO.
Workspace Kent	Kent	Round One	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 five projects within this programme. Of these, one project is working through the approval processes, one project has been completed and has repaid in full, two projects are meeting their repayment schedules and one project is behind on their targeted repayment schedule.	<p>Previously identified final loan recipient declined their loan offer as a result of the COVID-19 pandemic.</p> <p>Alternative project identified and full application for funding is currently being prepared. It is expected that a decision will be made in November, regarding the award of the loan.</p>	Spend of the remaining GPF funding is dependent upon the final project being approved.	<p>Kent County Council have offered all loan recipients a 12 month repayment holiday. This will impact on the GPF repayment schedule.</p> <p>Paperwork has been received regarding an Individual Voluntary Arrangement (IVA) in relation to one of the loan recipients. A Proof of Debt form has been submitted by Kent County Council and the outcome of the IVA process is awaited.</p>	Whilst the creation of some jobs has been delayed, the majority of the projects have remained on track to deliver in line with forecasts. However, the COVID-19 pandemic could result in further delays to job outcomes as loan recipients seek to safeguard their current workforce as they emerge from lockdown and try to recover and become more resilient. There is also a risk of job losses as a result of the impact of COVID-19.		Revised repayment schedule has been brought forward for Board consideration.
North Queensway	East Sussex	Round One	The project has delivered the construction of a new junction and preliminary site infrastructure in order 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.	<p>GPF invested, project complete and repayments are being made.</p> <p>Development of the site has been delayed as a result of challenges in securing planning consent for the commercial development due to concerns raised by statutory consultees, particularly in relation to drainage issues. To mitigate this issue, further site enabling works will now be delivered.</p>	Project Complete	Project Complete and GPF funding spent in full	The COVID-19 outbreak has impacted on the delivery of the additional site enabling works and on the sale of plots, meaning that the repayment schedule needs to be revised. Revised repayment schedule set out within the GPF update report.	Slower uptake of land than was initially anticipated has impacted on the delivery of project outcomes. Further site enabling works are being undertaken to mitigate planning risks. The COVID-19 pandemic has further increased to risks to delivery of project outcomes.	COVID-19 has resulted in delays in obtaining competitive tenders for the additional site enabling works. This means that these works will now be undertaken during autumn and winter, risking delays to the delivery programme as a result of bad weather.	Site development impacted by COVID-19 pandemic, resulting in the need for a revised repayment schedule.

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Sovereign Harbour	East Sussex	Round One	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.	Project Complete	Project Complete	Support offered to tenants during COVID-19 pandemic has impacted on income projections, therefore resulting in a risk to the repayment schedule. Revised repayment schedule set out within GPF update report.	Project outcomes are still achievable as the economy recovers from the impacts of COVID-19.	COVID-19 impacts - risk of business failures, loss of income and increased business rate charges on empty properties.	As a result of COVID-19 impacts, a revised repayment schedule is required.
Colchester Northern Gateway	Essex	Round Two	This development is located at Cuckoo Farm, off Junction 28 of the A12. The overall scheme consists of: relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes, providing in total around 35% affordable units and on site infrastructure improvements facilitating the development of the Sports and Leisure Hub.	The new sports hub is nearing completion, with work in progress to install fixtures, fittings and equipment.	There is no delivery risk in relation to the delivery of the Sports Hub complex as work is nearing completion. However, there is a risk that the highway works will be delayed.	GPF draw down schedule has been amended due to delays in finalising the required loan agreement.	No update provided on repayment risk.	Project outcomes will be delivered as per the Business Case		Delays to finalising required loan agreement has impacted on drawdown of the GPF allocation.
Centre for Advanced Engineering	Essex	Round Two	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 an 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.	Project delivered	GPF funding spent in full	No update provided on repayment risk.	No update provided on delivery of project outcomes.		No update provided on repayment risk and realisation of project outcomes
Chatham Waterfront	Medway	Round One	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 175 homes over 6 to 10 storeys with ground floor commercial space.	Ground obstructions removal is continuing onsite. The programme is on track for piling work to commence onsite in November. Impact of the COVID-19 pandemic on project delivery is currently being assessed.	UKPN substation relocation needs to take place. COVID-19 impact on project delivery to be fully assessed and continually monitored.	The GPF Funding has been spent.	Medway Council is comfortable with the current repayment schedule.	Development project will deliver 175 new homes and additional commercial space.	Project delays are expected as a result of the COVID-19 restrictions. Duration of the delay unknown at this stage.	Impact of COVID-19 pandemic on project delivery currently being assessed.

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	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	Round One	Live Margate is a programme of interventions 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>A former school site was acquired on 1st April 2020, which contains a number of derelict homes that will be refurbished and brought back into use as family homes.</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>Currently the GPF funding is being used to support the creation of 73 new homes. To date 53 units have been completed and occupied.</p>	Delays are expected due to COVID-19 impacts on working practices in the construction sector.	GPF spend may be delayed due to COVID-19 impacts on the construction sector, however, risk is considered low in terms of the GPF funding actually being spent.	<p>COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use.</p> <p>In addition, it is unknown at present how much of an impact COVID-19 will have on sales values of the new homes.</p> <p>Revised repayment schedule set out within the GPF update report</p>	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 2024/25.	As with any development project, there is a planning risk, although for the identified properties this is considered to be low risk.	Repayment and Delivery risk as a result of COVID-19 impacts. Revised repayment schedule brought forward for Board consideration.
Fitted Rigging House	Medway	Round Two	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit space initially providing a base for eight 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.	<p>Building works to the project were complete as of 31st March 2020. The building is now fully occupied, with all 8 tenants operating from their new working spaces.</p> <p>Immediate impacts of the COVID-19 pandemic have been experienced, resulting in delays to repayment of the GPF loan.</p>	Project complete.	GPF allocation spent in full.	Tenant spaces are now fully occupied, however, requests for rent holidays from commercial tenants have been received which has resulted in a delay to the repayment schedule. Revised repayment schedule approved at July Board meeting.	Due to the COVID-19 pandemic there is a risk to the survival of the businesses that are housed within the Fitted Rigging House.		Revised repayment schedule agreed to July Board meeting but uncertainty remains regarding survival of commercial tenants post COVID-19.
Javelin Way development project	Kent	Round Two	The project aims to develop the Javelin Way site for employment use, with a focus on the development of Ashford's creative economy. The project consists of two elements: the construction of a 'creative laboratory' production space and the development of 29 light industrial units.	<p>The project has secured Getting Building Fund investment of £578,724 (subject to Board approval) to bridge a viability gap which has arisen as a result of COVID-19 impacts on the property market.</p> <p>A contractor has now been appointed to deliver the scheme and it is expected that work will be completed in March 2022.</p> <p>The impact of COVID-19 on the sale of the industrial units is not currently known. If sale of the units is delayed to allow time for the market to recover, this will impact on the timetable for repaying the GPF loan.</p>	Contractor has now been appointed to deliver the works with works expected to be complete by March 2022.	Contractor has been appointed and work is due to commence onsite.	<p>Repayment schedule is based on sales value of the industrial units before COVID-19. The repayment schedule will need to be deferred if sales values do not recover or if the expected sales programme is not met.</p> <p>This risk has been reduced as a result of securing the Getting Building Fund allocation (subject to Board approval).</p>	Delivery of project outcomes may be delayed depending upon the impact of COVID-19 on the project, however, it is still expected that the project outcomes will be as set out in the Business Case.		Impact of COVID-19 on the sales market of industrial units and the construction sector is not currently known. A revised repayment schedule may need to be brought forward.

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
No Use Empty Commercial	Kent	Round Two	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.	<p>The project has contracted with 12 projects in Dover, Folkestone and Margate.</p> <p>These projects will provide 15 commercial units and 28 residential units in total. To date, 13 commercial and 23 residential units have been brought back into use.</p> <p>The remaining 2 projects are progressing well but have experienced delays in obtaining required materials, such as plaster, since the COVID-19 lockdown.</p>	As a result of COVID-19 work was paused on all projects, however, work has now recommenced with all but 2 projects complete.	The full £1.0m of GPF funding has been allocated to projects	The individual projects currently supported by No Use Empty Commercial have repayment dates which will fulfil the requirement to repay the first £500,000 by March 2021. However, due to COVID-19 impacts some borrowers may request a longer repayment schedule. Revised repayment schedule set out within the GPF update report.	<p>Contracts are now in place to ensure delivery of the outcomes stated within the Business Case.</p> <p>Timeframe for realisation of benefits will be affected by COVID-19 construction delays.</p>	No other risks identified. The number of commercial units in contract exceed the total stated in the Business Case.	As a result of COVID-19 impacts, a revised repayment schedule is required.
Bexhill Business Mall	East Sussex	Round One	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.	<p>Glover's House has been delivered.</p> <p>The building has been sold which allowed full repayment of the GPF loan to be made during 2019/20</p>	Project Complete	Project Complete	GPF funding repaid in full	As the building has now been sold, it is difficult to obtain data regarding the number of jobs created as a result of the project		Project completed and GPF repaid in full
Chelmsford Urban Expansion	Essex	Round One	The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, 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.	Expected project outcomes not yet delivered.		Project Complete
Grays Magistrates Court	Thurrock	Round One	The project has converted the Magistrates Court to business space as part of a wider Grays South regeneration project which aims to revitalise Grays town centre.	<p>GPF invested, project complete and repayment made in full.</p> <p>The refurbished building is now in use and having a positive impact in the town centre.</p>	Project Complete	GPF funding spent in full	GPF funding repaid in full	Project outcomes delivered.	COVID-19 is likely to impact on the economy and therefore there may be reduced occupancy of the business space in the short term.	Project delivered.
Harlow West Essex	Essex/ Harlow	Round One	To provide new and improved access to the London Road site designated within the Harlow Enterprise Zone.	Project delivered to a reduced scope.	Project Complete	Project Complete	GPF funding repaid in full	The job and housing outcomes are likely to be delivered over a 7 to 10 year period. As project delivered to a reduced scope, approximately 1,000 less jobs will be delivered as a result of the project.		Further works in the programme ongoing in Harlow that help improve the overall viability and attractiveness of the Enterprise Zone.
Priory Quarter Phase 3	East Sussex	Round One	The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m ² of high quality office space with the potential to facilitate up to 440 jobs.	<p>The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m² 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.</p> <p>Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.</p>	Project Complete	Project Complete	Havelock House has been sold enabling full repayment to be made in 2018/19.	As the building has now been sold, it is difficult to obtain data regarding the number of jobs created as a result of the project		Project completed and GPF repaid in full

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	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	Round Two	The Charleston Trust have created 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.	<p>The GPF funded works on the café-restaurant are now complete and the café-restaurant is open.</p> <p>Immediate impacts of the COVID-19 pandemic have been experienced, resulting in delays to repayment of the GPF loan.</p>	Project complete	GPF funds spent	Following impacts of COVID-19, a revised repayment schedule was approved by the Board in July 2020.	Significant benefits have been realised since completion of the Centenary Project. Impacted by COVID-19 pandemic but steps being taken to try and ensure recovery in 2021.		Project delivered. Revised repayment schedule agreed as a result of the immediate impacts of the COVID-19 pandemic on the tourism industry.
Eastbourne Fisherman Quayside and Infrastructure Development	East Sussex	Round Two	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>Work commenced onsite on 27th July 2020 and an official ground breaking ceremony was held on 24th August.</p> <p>Work is progressing to programme, with the groundworks nearing completion. The steel frame of the new building has ben erected and timber framing is underway.</p>	<p>Construction has now commenced and project is progressing to programme.</p> <p>The main risk to project delivery is the threat of a further lockdown due to COVID-19.</p>	Works have now commenced onsite so GPF allocation will be spent in full.	A revised repayment schedule, reflecting the delays in commencing work onsite, was approved by the Board in September 2020.	Objectives and deliverables are still as per the original Business Case, but will be delivered to a different timetable due to the delays encountered.		Project is progressing to programme. Main risk faced by the project is the threat of a further lockdown due to COVID-19.
Parkside Office Village	Essex	Round One	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.	Project complete and GPF funding repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	All units fully occupied, with enquiry waiting list.		Project Complete and expected project outcomes delivered.
Rochester Riverside	Medway	Round One	<p>The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways.</p> <p>This development is to be completed over 7 phases and should take approximately 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 and 10 acres of public open space.</p>	<p>The first housing units were completed in Q2 of 2019. 160 homes are now occupied, with a further 203 under construction with work expected to be complete by Q4 2021.</p> <p>A new planning application is being submitted for a 2 form entry school, with construction expected to commence in March 2021.</p>	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 schedule.	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.	Contractors stopped work onsite due to the COVID-19 pandemic, which caused a 10 week delay to the programme. However, the contractor has accelerated delivery of later phases of the project and completion of the development is now expected ahead of programme.	Overall the project is on track to deliver outputs and outcomes.
Discovery Park	Kent	Round One	The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.	The project promoter has informed Kent County Council that they no longer wish to proceed with the GPF loan and therefore the project has been removed from the GPF programme. The GPF funding has been repaid in full by Kent County Council and will be reallocated through GPF round 3.	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Harlow EZ Revenue Grant	n/a	n/a		n/a						
Revenue admin cost drawn down	n/a	n/a		n/a						

Appendix B - Growing Places Fund Repayment Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total Drawn Down to date	Total Spent to Date	Total Repaid by 31st March 2020	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	2,000	2,000									2,000
Harlow EZ Revenue Grant	n/a	1,244,000	1,244,000	1,244,000									1,244,000
Round 1 Projects													
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	7,000,000	7,000,000								7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	1,500,000	1,000,000		500,000						1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	4,410,000	1,890,000	2,520,000							4,410,000
Chatham Waterfront	Medway	2,999,042	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	6,000,000	6,000,000								6,000,000
Parkside Office Village	Essex	3,250,000	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								1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	1,400,000	1,400,000								1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	4,600,000	825,000		200,000	3,575,000					4,600,000
Workspace Kent	Kent	1,500,000	1,500,000	1,437,000	1,176,633		70,000					253,367	1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	1,500,000	1,500,000								1,500,000
Discovery Park	Kent	5,300,000	5,300,000	-	5,300,000								5,300,000
Live Margate	Kent	5,000,000	5,000,000	2,477,000	-	500,000	1,000,000	1,000,000	1,000,000	1,500,000			5,000,000
Sub Total		46,705,042	46,705,042	38,819,042	31,341,633	4,020,000	2,769,042	4,575,000	1,000,000	1,500,000	-	253,367	46,705,042
Round 2 Projects													
Colchester Northern Gateway	Essex	2,000,000	-	-	-		2,000,000						2,000,000
Charleston Centenary	East Sussex	120,000	120,000	120,000	-		20,000	20,000	40,000	40,000			120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	1,150,000	-	-	225,000	675,000	250,000					1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000	2,000,000	-		2,000,000						2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	-		100,000	200,000	250,000				550,000
Javelin Way Development	Kent	1,597,000	1,597,000	366,262	-		1,597,000						1,597,000
Innovation Park Medway	Medway	650,000	650,000	189,076	-	50,000	600,000						650,000
No Use Empty Commercial	Kent	1,000,000	1,000,000	1,000,000	-	300,000	500,000	200,000					1,000,000
Sub Total		9,067,000	7,067,000	4,225,338	-	575,000	7,492,000	670,000	290,000	40,000	0	0	9,067,000
Round 3 Projects (subject to Board approval)													
Wine Innovation Centre	Kent	600,000	-	-	-				100,000	250,000	250,000		600,000
Green Hydrogen Generation Facility	Kent	3,470,000	-	-	-					350,000	3,120,000		3,470,000
Observer Building, Hastings - Phase 1	East Sussex	1,750,000	-	-	-						1,750,000		1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-	-	-						1,750,000		1,750,000
Leigh Port Quay Wall (Cockle Wharf)	Southend	3,500,000	-	-	-				62,000	63,000	3,375,000		3,500,000
Herne Relief Road	Kent	3,500,000	-	-	-						3,500,000		3,500,000
Sub Total		14,570,000	0	0	-	-	-	-	162,000	663,000	13,745,000	-	14,570,000
Total		70,342,042	53,772,042	43,044,380	31,341,633	4,595,000	10,261,042	5,245,000	1,452,000	2,203,000	13,745,000	253,367	70,342,042

Appendix C - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total drawn down to end 2019/20		2020/21 total	2021/22 total	Total scheduled for drawdown
Round 1 Projects							
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000				7,000,000
North Queensway	East Sussex	1,500,000	1,500,000				1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000				4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042				2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000				6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000				3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000				1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000				1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000				4,600,000
Workspace Kent	Kent	1,500,000	1,500,000				1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000				1,500,000
Discovery Park	Kent	5,300,000	5,300,000				5,300,000
Live Margate	Kent	5,000,000	5,000,000				5,000,000
Sub Total		45,459,042	45,459,042		-	-	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				120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	575,000		575,000		1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000				2,000,000
Fitted Rigging House	Medway	550,000	550,000				550,000
Javelin Way Development	Kent	1,597,000	1,597,000				1,597,000
Innovation Park Medway	Medway	650,000	170,000		480,000		650,000
No Use Empty Commercial	Kent	1,000,000	1,000,000				1,000,000
Sub Total		9,067,000	6,012,000		3,055,000	-	9,067,000
Round 3 Projects (subject to Board approval)							
Wine Innovation Centre	Kent	600,000	-		100,000	500,000	600,000
Green Hydrogen Generation Facility	Kent	3,470,000	-		3,470,000		3,470,000
Observer Building, Hastings - Phase 1	East Sussex	1,750,000	-		1,750,000		1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-			1,750,000	1,750,000
Leigh Port Quay Wall (Cockle Wharf)	Southend	3,500,000	-			3,500,000	3,500,000
Herne Relief Road	Kent	3,500,000	-			3,500,000	3,500,000
Sub Total		14,570,000	-		5,320,000	9,250,000	14,570,000
Total		69,096,042	51,471,042		8,375,000	9,250,000	69,096,042

Appendix D – Assessment of GPF Repayment Risk for 2020/21

Project	Repayment due (£)	RAG Rating	Comment
Live Margate	500,000		Revised repayment schedule brought forward for consideration by the Board
No Use Empty Commercial	300,000		Revised repayment schedule brought forward for consideration by the Board
Rochester Riverside	2,520,000		No repayment risk identified
Chatham Waterfront	1,000,000		No repayment risk identified
Eastbourne Fisherman	225,000		Revised repayment schedule approved by the Board in September 2020. No further repayment risk identified.
Innovation Park Medway	50,000		No repayment risk identified
Total repayment due	4,595,000		

Appendix E – 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	1,004	374	25	160
Chatham Waterfront	211	159	0	0
Bexhill Business Mall	299	0	98	0
Parkside Office Village	127	0	163	0
Chelmsford Urban Expansion	600	4,000	0	1,251
Grays Magistrates Court	200	0	206	0
Sovereign Harbour	299	0	214	0
Workspace Kent	198	0	149	0
Harlow West Essex	3,000	1,200	970	618
Live Margate	0	66	0	53
Round 2 GPF Projects				
Colchester Northern Gateway	81	450	0	0
Charleston Centenary	6	0	6	0
Eastbourne Fisherman	4	0	0	0
Centre for Advanced Engineering	56	0	0	0
Fitted Rigging House	300	0	195	0
Javelin Way Development	311	0	0	0
Innovation Park Medway	307	0	0	0
No Use Empty Commercial	16	28	26	23
Total	9,324	6,277	2,292	2,105

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.

Appendix F – COVID-19 impacts

Through recent reporting on the GPF projects, it is apparent that there are a number of high-level risks which will have an impact across the GPF programme. The key overarching risks highlighted are:

- **The effect of social distancing measures on construction practices** – these measures are resulting in extended construction periods and unknown delays to the completion of projects, which in turn will have an impact on the ability of the scheme promoter to repay the GPF funding in line with the agreed repayment schedule.
- **The impact on the property sales and rental market** – a number of projects are dependent upon the sale or rental of properties delivered using the GPF funding, in order to meet the agreed repayment schedules. At this stage, the impact on the property market is not known meaning that a number of risks have been identified including realisation of project benefits, project delivery and repayment of the GPF loan.
- **Income from commercial tenants** – GPF funding is often used to support the development of commercial workspace, which is then rented to businesses to generate the income required to repay the GPF loan. Due to the impacts of COVID-19, scheme promoters of this type of project have expressed a desire to support their commercial tenants during this period. This support is often in the form of rent deferrals or rent holidays. Whilst this support increases the likelihood of their tenants being able to survive the current period of uncertainty, it places significant pressures on the cash flow of the scheme promoters as they see a drop in rental income. There is also a risk that, despite the support offered, businesses will not survive leading to further losses in service charge income and an increase in business rates payable on empty commercial space. Whilst the Government are encouraging landlords to be flexible during this period, there is currently no support being offered to landlords to help mitigate the impact on their cash flow position thus raising a significant risk to the repayment of the GPF funding.

Report title: <i>Update on SELEP Revenue Budget 2020/21 and Proposed Revenue Budget 2021/22</i>	
Report to Accountability Board	
Report author: Lorna Norris, Senior Finance Business Partner	
Date: 20 th November 2020	For: Decision
Enquiries to: lorna.norris@essex.gov.uk	
SELEP Partner Authority affected: <i>Pan SELEP</i>	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the latest financial forecast position for the SELEP Revenue budget for 2020/21. In addition, a proposed budget for 2021/22 is recommended for approval, based on current best knowledge of funding streams in 2021/22.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Note** the current forecast revenue outturn position for 2020/21 of an underspend of £142,000;
- 2.1.2 **Approve** the revenue budget for 2021/22 set out in Table 5, including the net contribution to reserves of £96,000 as set out in Table 8;
- 2.1.3 **Confirm** that Local Authority partners will contribute the match funding required to secure the core funding expected from MHCLG in 2021/22 as set out in Table 7;
- 2.1.4 **Approve** the recommended increase in the minimum level of reserves to £260,000 from 2021/22, held to meet the costs of closure should SELEP cease to function.

3. 2020/21 revenue budget update

- 3.1 The updated 2020/21 SELEP revenue budget was agreed by Accountability Board at its July 2020 meeting. The latest forecast outturn position indicates an underspend of £142,000 compared to the budgeted net expenditure of £727,000; details can be seen in Table 1 overleaf. This forecast underspend means that the contribution from reserves required to support the net expenditure can be reduced to £585,000.

3.2 The main movements from the forecast position reported to the Board in September 2020 are summarised as follows:

- A reduction in staffing related expenditure, arising from delays in recruitment to vacant posts and a higher than budgeted use of grant funding to offset staffing costs.
- An increase in the planned spend on consultancy and project work in relation to the delivery of the activity funded by the Skills Analysis Panels (SAP) Grant. To note, however, that, overall, the spend on consultancy and project work is underspending due to the reprioritisation of activity to support delivery of the Getting Building Fund (GBF) programme and COVID-19 recovery activity.
- A decrease in the grants to third parties to reflect the reprofiling of the SSF grant awards into 2021/22; an offsetting reprofiling of the grant income has also been applied to reflect this (see table 2 for further information).
- Additional grant income of £125,000 has also been reflected; this grant was awarded to SELEP by the MHCLG in October 2020 to provide revenue support to the implementation of the GBF programme. This funding is planned to be utilised to meet the costs of the additional Capital Programme Officer recruited to support delivery of the programme across 2020/21 and 2021/22 and to meet the costs of the Independent Technical Evaluation of the respective GBF business cases. The total proposed spend of the grant in 2020/21 is £83,000, with the remaining £42,000 planned to be spent in 2021/22. The £125,000 is less than the estimated cost of supporting of the GBF programme which was in the region of £200,000.

Table 1 – Total SELEP Revenue Budget Outturn Forecast – October 2020

	Forecast Outturn	Latest Budget	Variance	Variance	Previous reported Forecast	Forecast Movement
	£000	£000	£000	%	£000	£000
Staff salaries and associated costs	955	987	(32)	-3%	1,008	(52)
Staff non salaries	10	11	(0)	-5%	10	1
Recharges (incl. Accountable Body)	382	410	(28)	-7%	381	0
Total staffing	1,347	1,408	(60)	-4%	1,399	(52)
						-
Meetings and admin	37	44	(7)	-16%	40	(3)
Chair's allowance	40	34	6	16%	40	(0)
Consultancy and project work	366	408	(42)	-10%	265	101
Grants to third parties	2,157	2,081	76	0%	2,693	(536)
Total other expenditure	2,600	2,567	33	1%	3,039	(439)
						-
Total expenditure	3,947	3,975	(28)	-1%	4,437	(490)
						-
Grant income	(3,083)	(2,969)	(114)	4%	(3,431)	348
Contributions from partners	(200)	(200)	-	0%	(200)	-
Other Contributions	-	-	-	0%	-	-
External interest received	(79)	(79)	-	0%	(79)	-
Total income	(3,362)	(3,248)	(114)	4%	(3,710)	348
						-
Net expenditure	585	727	(142)	-20%	727	(142)
						-
Contributions to/(from) reserves	(585)	(727)	142	-20%	(727)	142
						-
Final net position	-	-	-	0%	-	-

- 3.3 Currently it is forecast that external interest received will be on-line with budget, however, this position is being regularly monitored as the current climate of economic recovery means that interest rates continue to be deflated and at risk of becoming negative. The unbudgeted receipt of the £42.5m GBF funding in September 2020 has presented an opportunity to attract additional external interest, however, this has not currently been reflected in the forecast position due to the high level of risk of negative interest.
- 3.4. There also remains considerable uncertainty with regards to the impact that Britain's Exit from the EU may have on interest rates and as such the forecast position may change in this respect. This position continues to be monitored to consider the budget impact for SELEP in the current and future financial years
- 3.5. Table 2 sets out the forecast position for the specific revenue grants, the in-year movement of which is incorporated into Table 1. It is currently assumed that the majority of specific grants will spend in line with budget; however, where it is known that the programmes or workstreams funded by the grant are planned to be delivered post 2020/21, this has been reflected in the grant forecast spend profile.

Table 2 – Specific Revenue Grants 2020/21 Forecast Summary

Grant	Grant brought forward £000	Forecast Grant Received £000	Forecast Grant Applied £000	Grant Carried Forward £000
GPF Revenue Grant	(987)	-	-	(987)
Sector Support Fund (SSF)	(590)	(1,000)	699	(891)
Growth Hub	-	(656)	656	-
Growth Hub - Core Funding Uplift Grant	-	(234)	234	-
Growth Hub - Peer Network Grant	-	(195)	195	-
Brexit Readiness Funding	(44)	-	44	-
ERDF Legacy Funds	-	(350)	350	-
Skills Analysis Panels (SAP) Grant	(44)	(75)	119	-
Local Digital Skills Partnership Catalyst Grant	(108)	-	69	(38)
Delivering Skills for the Future	(37)	(96)	133	0
Careers Enterprise Company (CEC)	(0)	-	0	-
Energy Strategy Grant	(7)	-	-	(7)
Total Grant Income Applied	(1,817)	(2,606)	2,500	(1,923)
SELEP Core and GBF Capacity Grants	-	(625)	583	(42)
Total Revenue Grant Income Applied	(1,817)	(3,231)	3,083	(1,965)

- 3.6 In addition to the above grants, the Accountable Body administers the following funds on behalf of SELEP, to support investment through grants or loans to third parties to support delivery of the SELEP priorities, including delivery of the Growth Deal, the Getting Building Fund and to support the COVID-19 recovery:

Table 3: Funds Administered by SELEP in 2020/21

Fund	Fund balance brought forward £000	Forecast Funding Received / Repaid £000	Forecast Funding Applied £000	Forecast Fund Balance Carried Forward £000
Local Growth Fund (LGF) (MHCLG)	(41,413)	(77,873)	119,286	-
Local Growth Fund (LGF) (DfT)	(26,650)	(20,600)	27,352	(19,899)
Growing Places Fund (GPF) (on-going Loan Fund)	(25,347)	(4,595)	8,375	(21,567)
Growing Places Fund (GPF) reallocated to the priorities below:				
COVID-19 Skills Fund	(2,000)	-	2,000	-
COVID-19 SME Business Support Fund	(2,400)	-	2,400	-
Contribution to the Sector Support Fund (SSF)	(1,000)	-	1,000	-
Ring-fenced funding to support future year budgets	(1,000)	-	-	(1,000)
Getting Building Fund (GBF)	-	(42,500)	42,500	-
Total Funds	(99,810)	(145,568)	202,912	(42,466)

Notes to Table 3:

- Local Growth Fund (LGF) – in order to secure the remaining third of the 2020/21 LGF allocation from the MHCLG, the s151 of the Accountable Body and the Chief Executive Officer of the SELEP were required to provide confirmation that the full allocation is planned to be spent in 2020/21; either through direct delivery of projects or the application of a capital swap (referred to as Option 4) against alternative capital expenditure by the

respective local partner authorities in line with the Grant Agreements in place (further information on the LGF position can be found in Agenda item 5);

- The GPF funding carried forward into 2021/22 will be available for reinvestment into the GPF pipeline; this amount is subject to receipt of the loan repayments due in 2020/21 (further information on the GPF position can be found in Agenda item 10);
- In July 2020, the Board agreed to reallocate £6.4m of the GPF funding to measures to support the COVID-19 recovery, including allocation of £1m to the SELEP reserved in 2021/22, to support the Secretariat budget in that and the subsequent financial year (see section 5.7 below);
- The Sector Support Fund (SSF) contribution of £1m increases the funding available in this Fund to £1.59m in 2020/21 – this fund is included in table 1 and 2 above, but also included in table 3 for completeness;
- The MHCLG have confirmed that SELEP has been awarded Getting Building Fund (GBF) totalling £85m; the MHCLG have allocated £42.5m of this fund in 2020/21, with the remaining indicative allocation of the same amount due to be received in 2021/22; further information is included in Agenda item 13.

4. Reserves

- 4.1 The SELEP budget includes a contribution from reserves in 2020/21 of £747,000 to ensure sufficient funding is available to support the planned spend, however the forecast underspend reduces the contribution required to £585,000. The current forecast position for the general reserve at the end of financial year 2020/21 is £742,000 as shown in Table 4.

Table 4 – Forecast Reserves

	Forecast Outturn £000	Latest Budget £000
Opening balance 1st April 2020	(1,326)	(1,326)
Planned Utilisation		
Planned withdrawal 20/21	565	727
Adjustment to replenish grant	20	20
Total	585	747
Balance remaining	(742)	(579)
Minimum value of reserve	(200)	(200)

*Note: The Board agreed to increase the minimum level of reserves to £200,000 in July 2020

- 4.7 The minimum level of reserves is set at £200,000 to ensure that sufficient funds are available to support any wind down costs of SELEP, should these be required. This amount has been subject to review as part of the 2021/22 budget process; this is considered further in section 5.7 below.

5. 2021/22 Proposed Revenue Budget

- 5.1. The delivery priorities of SELEP within a single financial year are constrained by the budget available to support those activities. The Strategic Board are due to consider the high level priorities to form the basis of the Delivery Plan for 2021/22 at their meeting in December 2020; in advance of that, the SELEP Secretariat have advised that the budget will be required to support delivery of the following key activities:
- Capital Programme Delivery including wrap up of LGF; full spend and substantial delivery of GBF programme before the end of the financial year; continued reporting on outputs and outcomes of all programmes
 - Design and implementation of Recovery and Renewal Plan
 - Continued work to understand the impact of COVID-19 and end of EU Transition on the SE Economy
 - Supporting major national policies including Freeports, Towns Deals, Business Support Reform
 - Working with Catalyst South and LEP Network on future policy development – national Recovery Plans and Funds, and potentially preparing for UKSPF
 - Recruitment of Chair and 2 year review of board members
 - Communication and support to businesses through CV19 and EU Exit, including Growth Hub
 - Delivery and monitoring of CV19 Support Funds
 - Work to support the Skills agenda including the continuation of the Skills Advisory Panel and the Digital Skills Partnership
- 5.2. The proposed budget to support delivery of the SELEP is set out in table 5 below.
- 5.3. There is currently no confirmation from Government with regards to the funding position for SELEP beyond the current financial year which presents a challenge to ensure appropriate budget planning for 2021/22 onwards. The proposed budget has been prepared on the assumption of continuation of the £500,000 of Core funding from Government in line with that received in the current and preceding financial years.
- 5.4. The proposed budget set out in table 5 includes those specific grants where funding is anticipated to be received in 2021/22, however, these have yet to be confirmed. Further information on levels of specific grant in 2021/22 is expected to be received from Government Departments and agencies over the next few months and an updated position will be presented to the Board during the first quarter of 2021/22.
- 5.5. Table 6 sets out the assumed position for the specific grants in the 2021/22 proposed budget. In the event that any of the assumed specific grants are not received, the planned activity in those areas would need to be reassessed; consequently the implications for any resources aligned to delivering that activity that are funded by the grant would need to be addressed.

Table 5 – Proposed 2021/22 Budget

	2020/21	2020/21	2021/22		
	Forecast Outturn	Latest Budget	Proposed Budget	Budget Movement	Budget Movement
	£000	£000	£000	£000	%
Staff salaries and associated costs	955	987	1,101	114	12%
Staff non salaries	10	11	10	(1)	-9%
Recharges (incl. Accountable Body)	382	410	281	(129)	-32%
Total staffing	1,347	1,408	1,392	(16)	-1%
Meetings and admin	37	44	40	(4)	-9%
Chair's allowance	40	34	41	7	21%
Consultancy and project work	366	408	309	(99)	-24%
Local Area Support	-	-	-	-	0%
Grants to third parties	2,157	2,081	1,518	(563)	0%
Total other expenditure	2,600	2,567	1,908	(659)	-26%
Total expenditure	3,947	3,975	3,300	(675)	-17%
Grant income	(3,083)	(2,969)	(2,246)	723	-24%
GPF Contribution to Reserves	-	-	(1,000)	(1,000)	0%
Contributions from partners	(200)	(200)	(150)	50	-25%
Other Contributions	-	-	-	-	0%
External interest received	(79)	(79)	-	79	0%
Total income	(3,362)	(3,248)	(3,396)	(148)	5%
Net expenditure	585	727	(96)	(823)	-113%
Contributions to/(from) reserves	(585)	(727)	96	823	-113%
Final net position	-	-	-	-	0%

Table 6: Specific Revenue Grants incorporated in the 2021/22 Proposed Budget

Grant	Grant brought forward £000	Forecast Grant Received £000	Forecast Grant Applied £000	Grant Carried Forward £000
GPF Revenue Grant	(987)	-	-	(987)
Sector Support Fund (SSF)	(891)	-	891	-
Growth Hub	-	(656)	656	-
Brexit Readiness Funding	-	-	-	-
ERDF Legacy Funds	-	-	-	-
Skills Analysis Panels (SAP) Grant	-	(75)	75	-
Local Digital Skills Partnership Catalyst Grant	(38)	(75)	75	(38)
Delivering Skills for the Future	-	-	-	-
Careers Enterprise Company (CEC)	-	-	-	-
Energy Strategy Grant	(7)	-	7	-
Covid 19 Skills Fund	-	-	-	-
Covid 19 SME Business Support	-	-	-	-
GPF Contribution to Reserves	-	(1,000)	1,000	-
Total Grant Income Applied	(1,923)	(1,806)	2,704	(1,025)
SELEP Core and GBF Capacity Grants	(42)	(500)	542	-
Total Revenue Grant Income Applied	(1,965)	(2,306)	3,246	(1,025)

Note: Specific grants forecast to be received from Government in 2020/21 have yet to be confirmed.

- 5.6. An explanation of the proposed key budget movements from 2020/21 is set out below:
- 5.6.1. Staff salaries - The budget proposed includes the full year staffing costs of the Secretariat at its current established level with the addition of two new posts in recognition of the increased requirement for sector engagement and data analysis. A number of the posts are funded through the application of specific grants; should those grants not be continued, an assessment will need to be made as to whether those posts should be discontinued or alternative funding identified if they are required on-going.
- 5.6.2. Grant Income – The specific grant income included reflects those grants where there is an expectation that existing grants will continue to be available; a number of grants applied in 2020/21 are due to end in that year so the total grant income is budgeted to reduce. A consequence of this is that there have also been corresponding decreases in grants to third parties, consultancy and project work and staffing recharges.
- 5.6.3. External Interest – in previous financial years, external interest accrued on capital balances held by the Accountable Body on behalf of SELEP has been a significant funding stream; since the outset of the COVID-19 pandemic, interest rates have dropped significantly and in some circumstances have become negative. Additionally, with expectations that the level of capital balances held will be significantly lower in 2021/22, no interest is currently included in the budget.
- 5.6.4. Core Funding - It is assumed that the Core Funding from Government, a grant of £500,000, will continue to be available to apply for in 2021/22; previous years have required match funding of £250,000 to be evidenced. If this grant is not awarded as previously, the proposed budget will need to be reviewed to incorporate any necessary amendments to ensure that the budget remains affordable.
- 5.6.5. Contributions from Partners - In previous years, £200,000 of the match contribution for the Core Funding has been met from the six upper tier local authority partner authorities in SELEP. For 2021/22, however, a reduced contribution by the local authority partners is proposed, totalling £150,000; this suggested reduction in contribution is an acknowledgement of the huge financial pressures Local Authorities are currently under.
- 5.6.6. Table 7 sets out the proposed contributions to be approved; contributions have been reduced in proportion to the previous year's allocation.

Table 7 – Proposed Match Funding Contributions to release the Core Grant from Government

Name of Authority	Contribution to Funding (£)
East Sussex County Council	19,635
Essex County Council	53,820
Kent County Council	54,375
Medway Council	9,780
Southend-on-Sea Borough Council	6,300
Thurrock Council	6,090
Total	150,000

- 5.6.7 It is intended to provide evidence of the additional £100,000 match funding required to secure the full £500,000 of Core funding through the contributions in kind of Board member time to supporting the activities of SELEP.

5.7. 2021/22 Reserves Summary

- 5.7.1. The following table sets out the anticipated reserves position as at April 2021 of £742,000; this assumes that end of year position reflects the forecast planned withdrawal in 2020/21 as set out in table 1 above.

Table 8 – Planned Reserves 2021/22

	2020/21 Forecast £000	2021/22 Proposed Budget £000	2022/23 Maximum withdrawal £000	2023/24 Maximum withdrawal £000
Opening balance 1st April	1,326	742	838	260
Planned Utilisation				
Planned withdrawal	(565)	(904)	(578)	-
Adjustment to replenish grant	(20)	-	-	-
GPF Contribution to Reserves	-	1,000	-	-
Total	(585)	96	(578)	-
Balance remaining 31st March	742	838	260	260
Minimum value of reserve	200	260	260	260

- 5.7.2. The proposed budget for 2021/22 includes a net contribution to reserves of £96,000. This net contribution is on the basis that the £1.0m of GPF funding is repurposed into reserves to support the Secretariat budget, as part of the COVID-19 measures agreed by the Board in July 2020; if this contribution

wasn't made, there would be a requirement for a net withdrawal of £904,000. This, however, would be unaffordable as the forecast reserves are insufficient to support this level of contribution.

- 5.7.3. The proposed budget leaves the reserves balance at £838,000 by the end of 2021/22. This position will be kept under review through the regular budget monitoring undertaken by the Accountable Body to assure balances held remain at an appropriate level.
- 5.7.4. The minimum level of reserves is currently set at **£200,000**; this minimum value is set to ensure that sufficient funds are available to support any wind down costs of SELEP, should these be required. The latest review of these costs, based on the proposed staffing levels of the SELEP Secretariat into 2021/22, suggests that it would be prudent to increase this value to **£260,000**, to ensure that sufficient funding remains in place.
- 5.7.5. Taking into account the revised minimum reserves level, table 8 above sets out the maximum withdrawal from reserves that would be available to support the SELEP budget, noting that in 2023/24, this value would be nil based on current assumptions.
- 5.7.6. The implications for the Secretariat element of the 2022/23 budget and beyond, on the assumption of no new funding sources being identified, are exemplified in table 9 below. This indicates that the level of activities that the Secretariat would be able to support would need to be significantly scaled back; the Accountable Body would require assurance that, as a minimum, any on-going commitments in relation to delivery of contractual or grant obligations could be met.

Table 9: Exemplifications of the Secretariat budget to 2023/24

	2020/21 Updated Budget £'000	2021/22 Proposed Budget £'000	2022/23 Budget Exemplification £'000	2023/24 Budget Exemplification £'000	2022/23 Budget Reduction %	2023/24 Budget Reduction %
Total expenditure	1,506	1,596	1,228	650	-23%	-47%
Grant income	(500)	(542)	(500)	(500)		
GPF Contribution to Reserves	-	(1,000)	-	-		
Contributions from partners	(200)	(150)	(150)	(150)		
Other Contributions	-	-	-	-		
External interest received	(79)	-	-	-		
Total income	(779)	(1,692)	(650)	(650)		
Net expenditure	727	(96)	578	-		
Contributions to/(from) reserves	(727)	96	(578)	-		
Final net position	-	-	-	-		

- 5.7.7. The above table indicates that, if no new funding sources are identified, the Secretariat budget will need to reduce by 23% and a further 46% in 2022/23 and 2023/24 respectively.

- 5.7.8. The Accountable Body will continue to work with the SELEP Secretariat to consider the options to address the on-going funding challenges.

6. Financial Implications (Accountable Body comments)

- 6.6 This report has been authored by the Accountable Body and the recommendations are considered appropriate.
- 6.7 A key continuing risk for SELEP remains with regard to the lack of assurance of future funding streams from Government; a number of new funding streams have been awarded in 2020/21 which, whilst welcome, have no on-going commitment and include conditions that makes planning and assuring value for money a challenge.
- 6.8 A number of Secretariat staff are funded through specific grants which are only confirmed on an annual basis; this builds in additional risk to assuring employment and delivery.
- 6.9 The Board is advised to seek assurances from Government that any delay in confirmation and receipt of funding will be taken into consideration in any conditions applied to these funds.
- 6.10 Continued allocation of funding on a short-term basis by Government does not support effective planning by the SELEP to deliver its Strategies and gives greater challenges to assuring value for money, which is a requirement of the SELEP Assurance Framework.
- 6.11 The proposed 2021/22 revenue budget is considered to be robust and the level of reserves held is appropriate; however, should the funding streams not be confirmed, this budget will need to be reviewed. Also, any further changes to the staffing structure within the SELEP Secretariat 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 minimum level level of reserves held are recommended to increase to the value set out in section 5.7 above; this position will remain under review to ensure that they are appropriate to meet any future commitments arising, in this regard.

7. Legal Implications (Accountable Body comments)

None

8. Equality and Diversity implication

- 8.6 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.

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

8.8 In the course of the development of the budget, the delivery of the service and their ongoing commitment to equality and diversity, the accountable body 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.

9. List of Appendices

None

10. List of Background Papers

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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer Essex County Council)	12/11/2020

Forward Plan reference number: (N/A)

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Suzanne Bennett Chief Operating Officer	
Date: 23 October 2020	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 be updated on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report includes details on risk management and updates on items of governance. The financial update is in a separate report.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the new 2020 Assurance Framework as agreed by the Strategic Board and the updated Assurance Framework monitoring; and
 - 2.1.2. **Note** the Risk Register at Appendix C.

3. Assurance Framework update

- 3.1. The Framework Agreement requires this Board to be consulted on any changes to the Assurance Framework before they are presented for approval by the Strategic Board. The changes to the Assurance Framework were presented to this Board at the September 2020 meeting.
- 3.2. The Assurance Framework was updated to reflect recent developments around COVID-19 Recovery Funding and the new Getting Building Fund introduced by Government in response to the COVID-19 pandemic.
- 3.3. The updated Assurance Framework has now been approved by the Strategic Board at their October 2020 meeting.
- 3.4. The current version of the Assurance Framework can be found [here](#).
- 3.5. There have still been no updates to the National Assurance Framework and there have been no indications from Government that an update is in the pipeline.

4. Assurance Framework Monitoring

- 4.1. It is the role of the Accountability Board to oversee the implementation of the requirements of the Local Assurance Framework (LAF). To receive grant funding from central Government, SELEP must have in place a LAF which demonstrates full compliance with the National Assurance Framework, published by central Government in January 2019.
- 4.2. An assessment has been made of compliance to the requirements of the current Assurance Framework. The following actions are required:

Increasing gender diversity to 50/50 by 2023	This has been indicated by Government as a target in the National Assurance Framework.
Framework agreement signed	Completion by final few parties is now being sought as a matter of urgency. All parties have agreed to enter into the Framework Agreement.
LIS	Current indications are that HMG will be changing the policy on Local Industrial Strategies to Recovery and Renewal Plans but further details have yet to be shared. A locally driven Recovery and Renewal Plan is being advanced in the interim.
A formal agreement between SELEP Ltd and the Accountable Body for services provided	The Service Level Agreement is being developed but the completion date is currently unknown due to resourcing and prioritising during the Covid-19 Crisis. It is not anticipated that the lack of this agreement will create any issues in the operations of the LEP.
2020/21 Delivery Plan	The 2020/21 Delivery Plan was presented to the October Strategic Board meeting and is available here .
2019/20 Annual Report	The Annual Report was presented to the 2 October Strategic Board meeting and is available here .

- 4.3. The Board will be updated on progress against these actions at each meeting. There are ongoing actions that involve keeping deadlines relating to publishing or maintaining up-to-date information, which will continue to be reviewed. More detail can be found at Appendix A.

5. Key Performance Indicators

- 5.1. We are tracking a number of KPIs to ensure there is compliance with the governance requirements in the Assurance Framework. These can be found at Appendix B.

6. Risk Register

- 6.1. The Secretariat Management Team continue to manage a large number of risks during this time of uncertainty; there are seven high-rated risks and five medium-rated risks on the register.
- 6.2. Risk number 36 that related to the lack of ability to plan during the first phase of the crisis has been downgraded to low. Since the last report to Board the Secretariat has been able to spend time planning for the remainder of this financial year and beyond. A Delivery Plan for the final two quarters of the year has been approved by Strategic Board and agreement given to pushing forward with a locally shaped Recovery and Renewal Plan as no further guidance has been provided by HM Government (HMG).
- 6.3. The Secretariat has been collating data on the secondary economic impacts of the lockdown since the start of the crisis and that economic impact work continues. The true impact of the crisis on the economy is yet to be known but this collection of data is assisting with our planning.
- 6.4. A risk to the Team and Service Delivery that had been previously ranked as low is now considered to have a higher likelihood of occurring and therefore is now ranked as a medium risk. This is risk 17 – Increased workload due the end of EU Exit Transition. HMG has begun a series of national campaigns to raise awareness of the requirement for changes in processes following the end of the EU Exit Transition but it is likely that they will again look to Growth Hubs to both pass out messages and provide information and intelligence back to the centre. This will require oversight and administration and increase the workloads of the team.
- 6.5. Whilst there has been uptick in the number of infections and part of the region (at time of writing) has entered into Tier Two restrictions, the risk of infection and large scale absences from the team continues to be managed and the Secretariat have now been instructed to attend only virtual meetings and events again.
- 6.6. The seven high rated risks remain the same as the last report to Board and details can be found at Appendix C.
- 6.7. There are three risks that are currently scored at 25, the highest score available. The first is risk 19, the non-delivery of outputs and outcomes expected of the capital programme. The bulk of projects were devised and evaluated before the Covid-19 crisis and it is not yet understood whether the assumptions used will still be valid in the new economy. The team continues to work with project delivery organisations to understand the impacts of the

crisis on the programme and is in communication with HMG officials to ensure they understand the economic impact on our programme delivery.

- 6.8. The other two risks scored at 25 are related to the cliff edge in LEP funding beyond 31 March 2022. It has recently been announced that the Spending Review this year will only cover a single year and therefore it is expected that details on UK Shared Prosperity Fund or any other successor funds to both Local Growth Fund and the European Structure Funds won't be forthcoming this year.
- 6.9. As detailed in the Finance Update Report to this Board (Agenda item 11), a balanced operational budget is proposed for 2021/22 but based on current assumptions of revenues available, this will not be possible for financial year 2022/23 and considerations are being given to how both the cost base and the activities of the Secretariat can be reduced.
- 6.10. As stated above, work is beginning on the Recovery and Renewal Plan but without access to funding to support the interventions that will be identified as part of that plan, it is highly unlikely that the strategy will be realised.
- 6.11. The Secretariat is working with the Chair, Deputy Chair and other members of Strategic Board to continue to raise this issue with HMG. All LEPs are facing this same risk and the LEP Network is also lobbying HMG for future multi-year funding packages for LEPs.

7. Accountable Body Comments

- 7.1. It remains a requirement for SELEP to have an assurance framework in place that complies with the requirements of the National Local Growth Assurance Framework.
- 7.2. 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.
- 7.3. A requirement for the release of the Local Growth Fund (LGF) grant to SELEP for 2020/21, was that the S151 officer of the Accountable Body had to provide confirmation to the Government, by the 28th February 2020, that the SELEP has the following in place:
 - 7.3.1. the processes to ensure the proper administration of its financial affairs;
 - 7.3.2. compliance with the minimum standards as outlined in the National Assurance Framework (2016) and the Best Practice Guidance (2018); and
 - 7.3.3. whether or not SELEP was expected to be compliant with the new National Local Growth Assurance Framework (2019) by 1 April 2019.

- 7.4. This confirmation was provided to the Government, by the S151 Officer on the 28 February 2020.
- 7.5. The S151 Officer of the Accountable Body is required to ensure that their oversight of the proper administration of financial affairs within SELEP continues throughout the year.
- 7.6. In addition, the S151 Officer is required to provide an assurance statement to Government 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 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.
- 7.7. At present, no significant issues are arising with regards to the financial affairs of SELEP, however a number of risks to the future financial position of SELEP which are noted in this report and considered further in the Finance update (agenda item 11).

8. Financial Implications (Accountable Body comments)

- 8.1. The 2020/21 Core funding has been received by the Accountable Body And the full allocation of LGF has now been received, with the final £25.9m transferred in September 2020.
- 8.2. There continues to be a significant impact on interest earned on existing SELEP capital balances, due to the drop in interest rates in April 2020 to 0.1% in response to the Covid-19 crisis. This has had and will continue to have a substantial impact on the operational budget of SELEP if this interest rate (average interest %earned) is maintained throughout the year, with a further risk of interest rates becoming negative to be considered. The impact of this risk is considered further in the Finance update report (agenda item 11).
- 8.3. A longer term funding risk remains relating to the receipt of future funding from Government and the continued confirmation of funding on an annual basis; this undermines future planning and is counter-intuitive to the expectations of Government within the National Assurance Framework for planning and prioritisation of investment. This risk regarding uncertainty of future funding is now exacerbated in light of the Covid-19 Crisis and the subsequent economic impact.
- 8.4. Essex County Council, as the Accountable Body for the SELEP, is only able to meet funding commitments made by the SELEP, where it is in receipt of sufficient funding to do so and any spend is in line with the requirements of the Local Assurance Framework and any conditions associated with individual funding allocations.

9. Legal Implications (Accountable Body comments)

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

10. List of Appendices

- 10.1. Appendix A – Assurance Framework monitoring
- 10.2. Appendix B - Governance and Transparency KPIs
- 10.3. Appendix C – Extract of Risk Register

11. List of Background Papers

- 11.1. 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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	09/11/20



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING 2020-21

Updated October 2020



CHANGES TO IMPLEMENT

Creating a Local Industrial Strategy

Develop an evidence-based Local Industrial Strategy that sets out a long-term economic vision.

Deadline: January 2020

Risk: MEDIUM/HIGH

Status: IN PROGRESS

Task	Expected Completion Date	Risk factors	Status
Stage 1: Draft evidence base creation & review	September 2019	<p>Delivery Risk: MEDIUM Two members of staff (part-time job share) are dedicated to this work solely. This is a large piece of work with many elements, including evidence gathering and consultations, but is currently on schedule.</p> <p>Impact of non-delivery: HIGH This is a key priority from the Government, and the SELEP would be non-compliant with Government, with a real risk to funding, without this strategy.</p>	<p>COMPLETE The draft evidence base has been completed, for a final version to be approved in March 2020.</p>

<p>Stage 2: Developing Propositions/Intervention (wide consultation, drafting of the LIS and finalising evidence base)</p>	<p>December 2019</p>	<p>Delivery Risk: MEDIUM Two officers (part-time job share) are dedicated to this work solely. This is a large piece of work with many elements, including evidence gathering and consultations, but is currently on schedule.</p> <p>Impact of non-delivery: HIGH This is a key priority from the Government, and the SELEP would be non-compliant with Government, with a real risk to funding, without this strategy.</p>	<p>COMPLETE LIS Workshops with wider stakeholders are occurred through October and November. Feedback from these events was fed into the development of the LIS. Draft content was discussed at the December 6th Strategic Board meeting.</p>
<p>Stage 3: Government co-design</p>	<p>Presented for approval at January 2020 Strategic Board meeting, to be finalised/published with Government by March 2020.</p>	<p>Delivery Risk: MEDIUM Two members of staff (part-time job share) are dedicated to this work solely. This is a large piece of work with many elements, including evidence gathering and consultations, but is currently on schedule.</p> <p>Impact of non-delivery: HIGH This is a key priority from the Government, and the SELEP would be non-compliant with Government, with a real risk to funding, without this strategy.</p>	<p>AFFECTED BY COVID-19 Current indications are that HMG will be changing the policy on Local Industrial Strategies to Recovery and Renewal Plans but further details have yet to be shared. A locally driven Recovery and Renewal Plan is being advanced in the interim</p>

Formalising the independent Secretariat

The independence of the Secretariat needs to be reflected and enshrined in the governance documentation.

Deadline: 31st March 2020

Risk:
MEDIUM

Status: IN
PROGRESS

Task	Expected Completion Date	Risk factors	Status
Include the independence of the secretariat in the Assurance Framework.	June 2019		COMPLETE A section on the independent secretariat is included in the Assurance Framework June 2019.
Put in place a formalised SLA between the Accountable Body and the SELEP Ltd, including the role of the Secretariat.	September 2020	<p>Delivery Risk: MEDIUM Resource requirements for this task have been affected by the COVID-19 crisis.</p> <p>Impact of non-delivery: MEDIUM This is a crucial document to enshrine the relationship between the Accountable Body and the SELEP as a new legal personality. Although this document is not explicitly requested by the LEP review, it is fundamental in the running of the SELEP and has been identified as an action by ECC audit.</p>	<p>IN PROGRESS This is being supported by Essex Legal Services. This has been delayed due to the COVID-19.</p>
Make sure the Assurance Framework includes the independence of the SELEP Secretariat.	March 2020		COMPLETE The Assurance Framework contains an Independent Secretariat section.

ONGOING ACTIONS

INCORPORATION

Requirement	Status
Maintain the records at Companies House and fulfil all legal requirements	COMPLETE/ONGOING (supported by the Accountable Body)

BOARD COMPOSITION

Requirement	Status
To improve the gender balance and representation of those with protected characteristics on the Board.	COMPLETE/ONGOING

DECLARING INTERESTS

Requirement	Status
To publish all Registers of Interest on the SELEP website for all Strategic Board, Accountability Board and Federated Board members, with signatures redacted.	COMPLETE/ONGOING
Declarations of interest must be noted for the outset of each meeting.	COMPLETE/ONGOING
All members of the Strategic Board, Accountability Board and Federated Boards are required to complete a Register of Interests form.	COMPLETE/ONGOING
All senior members of staff or staff involved in advising on decisions must also have a valid register of interests, reviewed the same as for board members.	COMPLETE/ONGOING

CAPITAL PROJECTS

Requirement	Status
To use the SELEP Business Case Template for all strategic outline business cases.	COMPLETE/ONGOING
To inform the Accountability Board where there are concerns around a project including presenting the Board with legal options around recovering funding	COMPLETE/ONGOING

Implementing the monitoring and evaluation of projects including reporting on delivery of outputs and outcomes against the delivery of the ESS

ONGOING

POLICIES AND PROCEDURES

Requirement	Status
For each Federated Board to apply the prioritisation process as approved by the Strategic Board.	COMPLETE/ONGOING
To have an and delivery plan in place for the year.	COMPLETE/ONGOING
To create and maintain a log of SELEP engagement activities.	COMPLETE/ONGOING
To hold Annual General Meetings open to the public to attend	COMPLETE/ONGOING (delayed by COVID-19)
To collaborate across boundaries, with other LEPs and the LEP network, and be open to peer review	COMPLETE/ONGOING
Review of Assurance Framework to be a standing item on the last Strategic Board meeting of each calendar year.	COMPLETE/ONGOING
To ensure that all policies are refreshed annually according to the requirements in the Assurance Framework.	COMPLETE/ONGOING

ACCOUNTABLE BODY

Requirement	Status
The Secretariat to extend invitations to the Section 151 Officer or representative for all board meetings.	COMPLETE/ONGOING
The Secretariat should ensure that Business Case Templates include a section for assurance from the Section 151 Officer of the promoting authority that the value for money statement is true and accurate.	COMPLETE/ONGOING
For the Section 151 officer or their representative to review and comment on all board papers in advance of publication	COMPLETE/ONGOING

PUBLISHING INFORMATION

Requirement	Status
To publish Strategic and Accountability Board papers to agreed timescales	COMPLETE/ONGOING
To publish the Local Assurance Framework on the website	COMPLETE
To create, maintain and publish a register of all board member expenses and hospitality costs.	COMPLETE/ONGOING
To publish the Gate 2 outline business base at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish the Gate 4 and 5 full business cases for relevant projects at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish information around the process for applying for funding on the SELEP website, as agreed by the Strategic Board.	COMPLETE/ONGOING
To publish on the SELEP website a rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funding designated by year.	COMPLETE/ONGOING
To publish on the SELEP website the Terms of Reference, calendar of dates and papers of the Working Groups.	COMPLETE/ONGOING
To use Government and SELEP branding on all marketing.	COMPLETE/ONGOING
To publish all key decisions of the Strategic and Accountability Boards on the Forward Plan, SELEP website and upper tier authority websites.	COMPLETE/ONGOING

Governance Key Performance Indicators

Forward Plan of Decisions

Is the Forward Plan of Decisions, including any associated business cases, published at least 28 days in advance of the Accountability Board meeting?

Meeting date	Met (Y/N)?
12/04/19	Y
7/06/19	Y
13/09/19	Y
15/11/19	Y
14/02/20	Y
15/05/20	Y
03/07/20	Y
18/09/20	Y
16/10/20	Y
20/11/20	Y

Publication of Papers

Are all papers published on the SELEP website 5 clear working days in advance of the meeting?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	03/07/20	Y	18/09/20	Y	16/10/20	Y
Strategic Board	16/07/20	Y	04/09/20	Y	02/10/20	Y
SE	10/08/20	N	28/09/20	N		
KMEP	03/06/20	Y	23/09/20	N		
OSE	03/06/20	Y	23/09/20	N		
TES	30/07/20	Y	28/09/20	Y		

Draft Minutes

Are all draft minutes published within 10 clear working days following the meeting?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)? Meeting date Met (Y/N)?
Accountability Board	03/07/20	Y			18/09/20	Y	16/10/20	Y
Strategic Board	12/06/20	Y	16/07/20	Y	04/09/20	Y	02/10/20	Y
SE	08/06/20	N	10/08/20	N				
KMEP	03/06/20	Y						
OSE	03/06/20	Y						
TES	08/06/20	Y	30/07/20	Y				

Final Minutes

Are final minutes published within 10 clear working days following approval?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	03/07/20	Y			18/09/20	Y
Strategic Board	12/06/20	Y	16/07/20	Y	04/09/20	Y
SE	08/06/20	N	10/08/20	N		
KMEP	03/06/20	Y				
OSE	03/06/20	Y				
TES	08/06/20	Y	30/07/20	Y		

Registers of Interest- Board Members

Are registers of interests in place for all board members?

Board	Percentage completed	Comments
Accountability Board	100%	In place for all Board members. There is a 28-day grace period for all new Board members (must be before attending a meeting).
Strategic Board	100%	As above
Investment Panel	100%	As above
EBB	100%	As above
KMEP	100%	As above
OSE	100%	As above
TES	100%	As above

Registers of Interest- Officers

Are registers of interest in place for all officers?

Category	Percentage completed
SELEP Secretariat	100%
Accountable Body	100%
Federated Board Lead Officers	100%

Declarations of interests in meetings

Are all interests declared and recorded in the meetings as a standing item with a note of any actions taken?

Board	Met (Y/N)?
Accountability Board	Y
Strategic Board	Y
Investment Panel	Y
EBB	Y
KMEP	Y
OSE	Y
TES	Y

Business Case Endorsement

Have all new and amended projects/business cases been endorsed by the respective Federated Board in advance of submission to any of the SELEP boards?

Board	Met (Y/N)?	Comments
LGF	Y	Through prioritisation process for LGF3b
GPF	Y	Through prioritisation process
SSF	Y	Applications are considered by Federated Boards in advance of being brought forward for Strategic Board endorsement.

Publication of Business Cases

Are all business cases published 1 month in advance of funding decisions at Accountability Board meetings?

Meeting date	Met (Y/N)?
12/04/19	N (but were published in advance)
7/06/19	N (but were published in advance)
13/09/19	N (but were published in advance)
15/11/19	N (but were published in advance)
14/02/20	Y
15/05/20	Y
03/07/20	Y
18/09/20	Y
16/10/20	Y
20/11/20	Y

Date	Percentage of female board members (excluding co-opted)
24/05/19	18%
05/08/19	21%
28/01/20	25%
16/04/20	35%

South East LEP

Risk Register - medium and high risks only

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
Risks Related to the Team/Service Delivery									
9	Workload Risk: Increase in scope of work overwhelm team. Stress increases and with a consequent increase in staff turnover and sickness. Further impacting the ability to achieve deadlines	4	5	20	High	Workloads were already high but have now increased as the response to COVID-19 drives additional work. Pressures are exacerbated by extended working from home arrangements and potential isolation impacting on the mental health of the team. Workloads continue to be high but sickness levels are still low	Management Team (MT) is meeting on a weekly basis to discuss how resources can be redeployed to address, additional 1:1s with line managers to be added. Daily 'All Hands' meeting instigated. Team members will be referred to ECC support and resources for the lockdown and following period. Additional business continuity risk from Covid-19 has been added.	All Man Team	Ongoing
17	Workload due to end of EU Transition Risk Increased expectations from Govt dept for information on impact of Brexit/end of EU Transition	3	4	12	Med	As the ned of EU Transition comes closer it is clear there is a huge requirement to ready businesses for evitable changes. National campaigns are being run but likely to see a big uptick in intelligence/insight requests and potentially additional funding released at short notice which will require administration resource	Work is being done on the Growth Hub CRM to improve functionality and reliability so that information flow can be further automated. Business Support team are working with BEIS to understand what might needed. Resource may need to be redirected from other parts of the Secretariat	AB/SB	Ongoing
34	COVID-19 - Secretariat Risk significant numbers of Secretariat fall ill and are unable to work, reducing resource availability and capacity. Social distancing measures may prevent or delay day to day operations of the team.	3	5	15	Med	Coronavirus has been classed a global pandemic by the WHO. There is a risk that the Secretariat could be infected and unable to work. Remote working is now the norm and further public health measures are in place but as the UK enters into the second wave of infections, mitigations have been increased	Remote working for the Secretariat will continue as the default and risk assessments undertaken where in-person contact is required. Given the increasing numbers of cases and the introduction of stricter restrictions in some parts of the LEP region, members of the Secretariat have been instructed to move back to remote meetings only and no face to face meetings.	All Man Team	Ongoing
Risks Related to Outcomes/Outputs of Programmes									
19	Non achievement of Outcomes/Outputs of the Capital Programme	5	5	25	High	Given the impact of lockdown on the economy, there is now a very high risk that not all of the outcomes and outputs that were stated in the business cases for both GPF and LGF projects will be achieved. These outcomes were calculated on the assumptions of a pre Covid-19 economy. The extent to which the economy bounces back will impact the likelihood of this risk and different sectors are likely to be impacted to varying degrees. There may also be fundamental changes to the ways in which we live and work which would not form part of the assumptions of businesses cases and therefore estimates of outputs and outcomes	The capital programme continues to be closely monitored and updates provided by project deliverers. The long term impact of the Covid-19 crisis on the economy is not known, to a large extent we are still in the respond phase of the emergency rather than recovery. The ongoing work on the economic impact will be useful to understand what potential impacts on outputs and outcomes there may be. Continued dialogue with HMG to manage their expectations.	RM	Ongoing

40	Getting Building Fund Risk - given the very short timelines for the application of the fund it may not be possible to deliver a full programme in the time available	5	4	20	High	The GBF programme requires all funding to be spent by 31 March 2022 and all projects to be substantially delivered. This is a very tight deadline to work to and there is a significant reputational risk should SELEP not be able to deliver the full programme. The likelihood of this risk occurring is increased by the delay to HMG providing full details on what conditions will be associated with the grant	Additional staffing resource is being appointed to oversee the 34 projects that make this programme. Additional resource has also been allocated to ensuring that projects can come forward to Accountability Board for investment approval as soon as possible. A reserve list process is being put into place so any projects that can't come forward can be replaced as quickly as possible.	RM	31/03/2022
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Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
Risks Related to Funding/Financial Position									
12	GPF projects do not repay in line with original repayment schedules	5	4	20	High	GPF Projects are already requesting changes to repayment schedules due to the lockdown impact on the economy. There is a high risk that some of the projects won't be able to make repayments if the economy does not bounce back or does not bounce back in all sectors	Capital Programme Team are working with project leads to understand where projects are impacted. Future rounds of GPF allocations are currently held and assumptions about future repayments will be downgraded to take into account additional risks	RM	Ongoing
15	Grants aren't properly administered/applied and are clawed back by Government	4	4	16	Med	Grants issued by HMG can potentially be clawed-back by HMG if SELEP cannot demonstrate that they have been used in line with the conditions and restrictions set at the time of award by the grant awarding body. Back to back agreements are in place but should HMG claw back we would be required to pay immediately whilst legal action to claw back from the recipient of the grant could take some time.	Back to back agreements are in place and the Accountable Body provides advice on the correct application of grants by SELEP. A further review of the capital programme and assessment of application of grant funding was planned for 2020/21 but this has been put on hold due to social-distancing. Consideration will be given as to how oversight of the application of grants can be structured and in a virtual manner if necessary. Each Management Team member who has grant funded activity takes responsibility for ensuring that grant conditions are understood and met	All Man Team	Ongoing
20	Uncertainty of future capital funding	5	5	25	High	The LGF programme ends on 31 March 2021 and the GBF programme finishes one year later. Currently there is no funding for LEPs beyond 31 March 2022. The Spending Review this year is now single year, not multiple year and so is unlikely to contain any details on UKSPF or other fund. This now presents an existential threat to the future of LEPs, with access to no investment funds the LEP will be unable to deliver any strategy agreed	The LEP Network continues to work together to make the case for LEPs to play a pivotal role in the economic recovery from lockdown. Further action is expected following the details of the SR being issued.	AB/SB	Ongoing
29	Incorrect application of LGF grant awarded to Hadlow College	4	4	16	Med	£11m of LGF funding across 4 projects has been awarded to Hadlow College which has entered into Education Administration. There is a risk that some of this funding has not been correctly applied by the College. There is a further risk that the benefits related to the projects may not be realised. Although the grant has been correctly applied by the Accountable Body, there may be a view from HMG that not all conditions have been met by the college. In these circumstances there may be a requirement from HMG for the repayment of the grant	Communication with the Administrators continues but a clear view on whether the grant has been incorrectly applied has still not been reached. Discussions will be held with MHCLG to raise awareness of the issue and to agree any mitigations required. Provision may need to be made in the SELEP budget for any potential cost of clawback of funding. Further work is being undertaken to assess proportionate measures that could be implemented to protect investments in future as set out for risk 15	LA	Ongoing

38	Future viability of the operational budget	5	5	25	High	Whilst a balanced budget for 2021/22 has been constructed it is not possible to do so for future years with the current cost base and assumed income levels. If additional funding for LEPs beyond next financial year is not announced, it will be necessary to begin a cost cutting exercise beginning in the middle part of 2021/22. This risk links closely with the wider LEP funding risk at number 20	Senior management in the Secretariat are working with Board members to raise awareness of this issue. The LEP Network is already lobbying strongly for multi-year funding packages for LEPs, including operational income however it is now known that the Spending Review in November 2020 will be single year	SB	Ongoing
Risks Related to Service Design and Reputation									
22	Growth Hubs - the current model may hinder progress in changing the service shape of Growth Hubs to comply with Government policy requirements and to assist with the Recovery phase of the Covid-19 Crisis and beyond	3	4	12	Med	During the preparation for Brexit period HMG used the Growth Hub infrastructure to push out messaging and provided additional funding to support this work. This messaging has increased exponentially following the release of various packages of support for business during the lockdown period. However the sub-contracted nature of the SELEP Growth Hubs mean that there is a risk that it is not possible to meet HMG expectations in a timely manner or that the model that HMG prefers does not fit the Board preferred model. BEIS are currently carrying out a Business Support Reform and the outputs of that will give a better indication of direction of travel	Continued conversations on Growth Hub between the sub-hubs are ensuring more of a joint approach on areas of work where that is appropriate. Some funding has been earmarked to resource a review of the Growth Hub model. Evidence on what business support will be needed as we move into to Recovery is being collated. Secretariat is working closely with Growth Hub Cluster (SELEP, Herts and London) to understand the emerging requirements from both business and HMG.	JS	Ongoing
37	COVID-19 - HMG Expectations Risk HMG anticipating a growing role for LEPs, expectations may exceed what can delivered by SELEP within the resources available and impact on the reputation of the partnership within Whitehall	4	5	20	High	HMG has increased requirements for Growth Hubs to report on impacts of COVID-19 on local businesses. HMG may also expect LEPs to take on an additional role during the recovery period that we do not have the capacity or capabilities to undertake creating a large reputational risk and potentially undermining the future of LEPs. HMG may seriously raise local businesses expectations of what support LEPs can provide, undermining our creditability with our business base. HMG may also require strategies to align with a national policy that has not yet been communicated.	Using the Chair's role on the LEP Network, officials and ministers will be informed as to what LEPs are able to do. Any additional asks from HMG should be countered with an ask for the appropriate level of funding to allow it to be undertaken. The Secretariat are working on intelligence gathering and understanding the new economy and what role the LEP can play during the recovery and renewal phase	All Man Team	Ongoing

Forward Plan reference number: FP/AB/320

Report title: Getting Building Fund Programme Update	
Report to Accountability Board on 20 November 2020	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Meeting Date: 20 November 2020	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 provide an overview of the Getting Building Fund (GBF) programme and agree the planning spend in 2020/21.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1. **Agree** the updated total planned GBF spend of £29.687m GBF in 2020/21.

3. Summary

- 3.1 SELEP has been successfully allocated a total of £85m GBF by the Ministry of Housing, Communities and Local Government (MHCLG). This funding must be spent by 31 March 2022.
- 3.2 The Strategic Board has prioritised 34 projects to be included within the GBF programme. The scheme promoter for each of these projects has been required to bring forward a business case to be reviewed by SELEP's appointed Independent Technical Evaluator (ITE) and to be considered by the Board for the award of funding.
- 3.3 To date, eight projects have been approved by the Board and awarded £16.1m GBF. A further 25 projects are considered for a funding award under agenda items 14 - 16.
- 3.4 The projects are considered under different agenda items depending on the certainty around the economic appraisal and the perceived level of risk, following assessment by the ITE.

4. GBF planned spend

- 4.1 A total of £42.5m GBF has been transferred to SELEP by MHCLG to date. A further £42.5m GBF has been provisionally allocated to SELEP in 2021/22 but formal confirmation of this funding is not expected until April 2021. This presents a programme risk, as set out in section 7.
- 4.2 Based on the information presented in the project business cases, GBF spend in 2020/21 is expected to total £29.687m, with the remaining £55.313m due to be spent in 2021/22.
- 4.3 There is a £12.813m forecast variance between the amount of GBF transferred by MHCLG and the forecast GBF spend on GBF projects in 2020/21. To help mitigate this issue, provisions have been made within the GBF Service Level Agreement (SLA), under which GBF will be transferred to partner authorities, to enable Option 4 capital swaps to be implemented.
- 4.4 Option 4 capital swaps refers to the transfer of grant funding into the local authorities own wider capital programme, to be spent on non-GBF projects. In the subsequent financial year, the local authority funds the spend on the project through their own capital programme.
- 4.5 The total GBF allocation to the project remains the same, but this approach can be used to demonstrate that the GBF has been spent in full at the end of the financial year.
- 4.6 The use of an option 4 capital swap will require approval from the Board in Q4 2020/21. The feasibility of this mitigation option is currently being considered between the SELEP Accountable Body and partner authorities. As option 4 capital swaps are also required for Local Growth Fund at the end of 2020/21, it may not be feasible for partner authorities to implement Option 4 swaps for GBF too. However, if a suitable approach can be identified, a proposal will be brought forward for consideration by the Board at its next meeting on 12 February 2021.

Table 1 – GBF spend summary

	£m		
	2020/21	2021/22	Total
East Sussex	4.288	6.892	11.180
Essex	10.137	16.365	26.502
Kent	11.732	2.296	14.028
Medway	5.300	1.460	6.760
Southend	2.400	5.500	7.900
Thurrock*	0.600	2.132	2.732
Total	29.687	55.313	85.000
GBF available	42.5	42.5	85
Carry forward	12.813	-12.813	

*Includes £1,808,865 in 2021/22 which is being considered for reallocation by Opportunity South Essex

5. GBF pipeline

- 5.1 At the Strategic Board in October 2020, SELEP Ltd were made aware of the need to develop a GBF pipeline, in case any project is found to be unable to proceed.
- 5.2 As there were exceptionally short timescales available for the initial GBF programme to be identified, the Strategic Board has agreed that on 11 December 2020, Federated Board's may put forward any changes to the GBF programme that they wish to see agreed by SELEP Ltd.
- 5.3 At the meeting on the 11 December 2020, the Strategic Board will also be asked to agree an approach for the development of a GBF pipeline, should any unallocated GBF become available from January 2021 should an approved GBF be unable to proceed.
- 5.4 Since the list of projects to be included in the GBF programme was agreed by the Strategic Board, issues have been identified for the Grays Shopping Centre project as the site is currently up for sale.
- 5.5 The original application was supported by SELEP Ltd due to the expected project outcomes in creating 1,000 new residential units. As the shopping centre is now up for sale, assurances cannot be provided around the delivery of the project outcomes detailed in the original submission to Government or the business case which has been developed subsequently.
- 5.6 It is expected that an alternative project proposal will be brought forward by Opportunity South Essex Federated Board for consideration by the Strategic Board at its meeting on 11 December 2020.

- 5.7 Unallocated GBF funding has also been identified due to a reduced GBF funding ask for the New Performance and Production Digital Arts Facility, North Kent College project. The GBF ask has reduced from £12.625m to £12.302m GBF, making £323,204 available for alternative investment.
- 5.8 It is therefore expected that the Kent and Medway Federated Board will bring forward an additional project proposal, to be considered by the Strategic Board for the allocation of £323,204.
- 5.9 Once the Strategic Board have agreed how the unallocated funding in relation to the Grays Shopping Centre and the New Performance and Production Digital Art Facility should be redeployed, business cases will need to be brought forward for consideration by the ITE and approval by the Board. The project changes will also need to be agreed with Central Government.

6. GBF outputs and outcomes

- 6.1 Within the correspondence between MHCLG and SELEP to confirm the GBF allocation, the expected outputs and outcomes of the GBF investment were stated, as shown in Table 2 below. A copy of the letter from MHCLG is provided as appendix B. These outputs reflect the expected benefits of GBF investment stated in the original submission to Central Government.
- 6.2 Through the development of the detailed business case information for each GBF project, changes to the expected outputs and outcomes have been reported to SELEP.
- 6.3 SELEP is required to agree all project changes with Central Government and therefore the revised information about the expected outputs and outcomes will need to be agreed with MHCLG.
- 6.4 MHCLG have circulated a request for SELEP to provide an updated baseline of each GBF project's outputs and outcomes. This includes a detailed quarterly breakdown of metrics such as jobs and houses delivered. The submission of this information to Central Government provides a means to agree the changes to project outputs and outcomes.
- 6.5 At future meetings the Board will be provided with quarterly updates on the delivery of the GBF programme, including project spend, risks and the delivery of project outputs and outcomes.

Table 2 – GBF programme outcomes Original Submission

Direct Jobs Created	9,170
Construction Jobs Created	2,180
Jobs Safeguarded	3,340
Houses Unlocked	7,234
Commercial Space Unlocked (sqm)	50,813

New Learning Space Unlocked (sqm)	9,128
New Learners Assisted	8,663
Businesses Assisted	1,261
Roads/Cycle Lanes/Walkways Unlocked (km)	2.427
R&D Floorspace (sqm)	9,788
Improved Learning/ Training Space Unlocked (sqm)	9,128
Public Realm/ Green Space Created (sqm)	132,050
New Superfast Broadband Connections	18,333
CO2 Emissions Saved (kg)	1,146,874

7. GBF Programme Risks

- 7.1 Appendix C sets out the overall programme risks. The main programme risk relates to the GBF allocation for 2021/22.
- 7.2 Due to the exceptionally short timescales to deliver the GBF programme and spend the £85m GBF in full by 31 March 2022, the Board is asked to consider the award of funding to projects seeking funding across 2020/21 and 2021/22. There is a risk, however, that if the remaining £42.5m GBF for 2021/22 is not secured, there will be insufficient funding to support all the GBF projects agreed by the Board.
- 7.3 This creates a substantial risk for local authority partners who are entering funding commitments for the GBF funding when the remaining £42.5m GBF has only been provisionally allocated by Central Government.
- 7.4 If this risk were to materialise and the GBF was not forthcoming, or if there is a delay to MHCLG transferring the GBF in 2021/22 (as with the Local Growth Fund in 2020/21), the Board will need to agree which projects should be prioritised. It would likely be recommended to the Board that projects which have received part of their funding allocation in 2020/21 should be prioritised.

8. Financial Implications (Accountable Body comments)

- 8.1 All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has now received the first tranche of GBF for £42.5m from MHCLG in September 2020. The second tranche of GBF for £42.5m is unconfirmed by MHCLG and is expected to be confirmed and received in April 2021.
- 8.2 Should the second remaining tranche of GBF for £42.5m from Government be delayed or withdrawn in 2021/22 resulting in insufficient funding to the programme, there could be a risk to completion of GBF projects and delivery of outcomes.
- 8.3 Any spend by Scheme Promoters of GBF in advance of receipt by the Accountable Body is undertaken at risk by the respective local authority under the terms of the funding agreement being put in place.

- 8.4 The use of “Option 4 capital swap” as discussed in section 4 (GBF Planned Spend) of this report is permissible under the SLA’s which have been drafted between ECC as Accountable Body and the local authority partners. Written confirmation from the S151 officer for each Local Authority that they are comfortable with the proposed approach to apply the option 4 GBF capital swap as required at the end of 2020/21, will be requested.
- 8.5 The application of Option 4 capital swap will be subject to an Accountability Board Decision.
- 8.6 Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 8.7 Should the funding not be utilised in accordance with the conditions, the Government may request return of the funding, or withhold future funding streams.
- 8.8 Any changes to the original list of GBF projects approved by Government must be agreed in writing with MHCLG via a change request. Should the Board approve the award of funding in Agenda Item’s 14, 15 & 16, the Accountable Body will transfer GBF funding to the sponsoring authorities on confirmation from Government that the changes (where applicable) to the Project outputs and outcomes are accepted.

9. Legal Implications (Accountable Body comments)

- 9.1 There are no legal implications arising from this report. As set out within this report, the grant funding will be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government, and used in accordance with the terms of the Service Level Agreements between the Accountable Body and the Partner Authorities.

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.

5. List of Appendices

- 11.1 Appendix A - GBF spend forecast
- 11.2 Appendix B – Letter from Government
- 11.3 Appendix C – GBF Programme Risks

6. List of Background Papers

12.1 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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	11.11.2020

Appendix A - GBF spend profile						
Project Name	Authority Area	Outcome of ITE assessment (Certainty of value for money being achieved)	Has funding been approved?	GBF 2020/21	GBF 2021/22	Total GBF
Charleston's access road: removing the barrier to growth	East Sussex	Medium/Low	See agenda item 15	£ 89,293	£ -	£ 89,293
Creative Hub, 4 Fisher Street, Lewes	East Sussex	Medium/Low	See agenda item 15	£ 250,000	£ -	£ 250,000
Fast Track Business Solutions for the Hastings Manufacturing Sector	East Sussex	High	Yes	£ 250,000	£ 3,250,000	£ 3,500,000
Restoring the Glory of the Winter Garden	East Sussex	Medium/High	Yes	£ 599,500	£ 1,000,500	£ 1,600,000
Riding Sunbeams Solar Railways	East Sussex	Medium	See agenda item 16	£ 1,685,000	£ 842,500	£ 2,527,500
Sussex Innovation Falmer - Covid Secure adoptions-	East Sussex	Medium/Low	See agenda item 15	£ 200,000	£ -	£ 200,000
The Observer Building, Hastings (Phase 2) Option A	East Sussex	High	Yes	£ 914,000	£ 799,000	£ 1,713,000
UTC Maritime & Sustainable Technology Hub	East Sussex	High	See agenda item 14	£ 300,000	£ 1,000,000	£ 1,300,000
Javelin Way Development	Kent	High	See agenda item 14	£ 578,724	£ -	£ 578,724
Romney Marsh Employment Hub	Kent	High	See agenda item 14	£ 1,564,000	£ 1,972,466	£ 3,536,466
Thanet Parkway Railway Station	Kent	High	See agenda item 14	£ 6,514,389	£ 5,484,611	£ 11,999,000
Digitally Connecting Rural Kent and Medway	Kent	High	Yes	£ 260,543	£ 2,029,609	£ 2,290,152
First and Second Floors, Building 500, Discovery Park, Sandwich	Kent	High	See agenda item 14	£ 500,000	£ 2,000,000	£ 2,500,000
New Performing & Production Digital Arts Facility @ North Kent College	Kent	High	See agenda item 14	£ 2,102,263	£ 10,199,533	£ 12,301,796
The Meeting Place Swanley	Kent	High	See agenda item 14	£ 211,949	£ 1,278,051	£ 1,490,000
Britton Farm Redevelopment Learning, Skills & Employment Hub	Medway	High	Yes	£ 530,000	£ 1,460,000	£ 1,990,000
Better Queensway	Southend	Medium	See agenda item 16	£ 1,000,000	£ 3,200,000	£ 4,200,000
LFFN	Southend	Low	Yes	£ 1,000,000	£ 1,500,000	£ 2,500,000
South Essex No Use Empty	Southend	Medium/Low	See agenda item 15	£ 400,000	£ 800,000	£ 1,200,000
Grays Shopping Centre redevelopment	Thurrock	-	-	£ -	£ -	£ -
Transport and Logistics Institute	Thurrock	High	See agenda item 14	£ 600,000	£ -	£ 600,000
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach	Essex	High	Yes	£ 680,000	£ -	£ 680,000
Enterprise Centre for Horizon 120 Business Park	Essex	High	See agenda item 14	£ -	£ 7,000,000	£ 7,000,000
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach	Essex	High	Yes	£ 1,820,000	£ -	£ 1,820,000
Harlow Library	Essex	High	See agenda item 14	£ -	£ 977,000	£ 977,000
Jaywick Market & Commercial Space	Essex	Medium	See agenda item 16	£ 170,973	£ 1,801,027	£ 1,972,000
Labworth Car Park, Canvey Island modernisation	Essex	Medium/Low	See agenda item 15	£ 326,000	£ 374,000	£ 700,000
Modus	Essex	Medium/High	See agenda item 16	£ 1,960,000	£ -	£ 1,960,000
Nexus	Essex	Medium/Low	See agenda item 15	£ 1,600,000	£ -	£ 1,600,000
Remodelling of buildings at Harlow College to provide new 'T'-levels	Essex	High	See agenda item 14	£ 120,672	£ 1,379,328	£ 1,500,000
Rocheway	Essex	Medium	See agenda item 16	£ 713,000	£ -	£ 713,000
Swan modular housing factory	Essex	High	See agenda item 14	£ 2,046,625	£ 2,483,375	£ 4,530,000
Tendring Bikes & Cycle Infrastructure	Essex	Medium/High	See agenda item 16	£ 700,000	£ 1,600,000	£ 2,300,000
Tindal Square, Chelmsford	Essex	Medium/Low	See agenda item 15	£ -	£ 750,000	£ 750,000
Unallocated					£ 2,132,069	£ 2,132,069
Total				£ 29,686,931	£ 55,313,069	£ 85,000,000
				£ 42,500,000	£ 42,500,000	£ 85,000,000
				£ 12,813,069	-£ 12,813,069	£ -



Ministry of Housing,
Communities &
Local Government

Cities and Local Growth
Unit
1st Floor
Fry Building
2 Marsham Street
London
SW1P 4DP

Adam Bryan
Chief Executive
South East

18 September 2020

By email: adam.bryan@southeastlep.com

Dear Adam,

RE: Getting Building Fund

I would like to thank you and your teams for the work done in helping us to agree those strategically important “shovel ready” projects that will be delivered over the next 18 months as part of the Getting Building Fund (GBF). I am pleased to write to you to confirm the arrangements for the initial payment of the GBF by the Ministry of Housing, Communities and Local Government (‘MHCLG’) to Essex County Council (‘the Council’) as the Accountable Body for South East LEP.

A breakdown of payments can be found in the table below. This includes the payment being made in September 2020 to which this letter relates and the indicative amount to be paid around April 2021. The agreed allocation has been split equally between the two financial years on the understanding that you have the freedoms and flexibilities to manage capital spend between programmes.

September 2020 Payment (Financial Year 2020-21)	Indicative April 2021 Payment (Financial Year 2021-22)	Total Funding Allocated
£42,500,000	£42,500,000	£85,000,000

Funding Requirements

Use of funding should be used to fulfil the following requirements:

1. To be used to support the Getting Building Fund (GBF) projects agreed between you and the Government set out in the Getting Building Fund agreement at **Annex A**.
2. To be used to secure the outcomes set out in the Getting Building Fund agreement at Annex A.
3. We expect that all funding allocated in the financial year 2020-21 would be expended by 31 March 2021. We expect that you and your accountable body will use the freedom and flexibilities that you have to manage your capital budgets between programmes. For the avoidance of doubt we expect all Getting Building Fund monies to be expended by the end of the programme, 31 March 2022. Any changes to the list of projects must be agreed in writing with the Department via a change request.

4. To be deployed solely in accordance with decisions made through the local growth assurance framework agreed between the LEP and the Accountable Body. This must be compliant with the standards outlined in the National Local Growth Assurance Framework.
5. That you track project progress against core metrics and outcomes, in line with monitoring and evaluation in the National Local Growth Assurance Framework. To also provide quarterly monitoring reports to update on progress and track performance against agreed outputs.
6. That the LEP and Accountable Body will communicate the on-going outcomes and outputs of their Getting Building Fund projects, following the branding guidance to ensure that local people understand how Government money is being spent.

Monitoring

Throughout the delivery period the Cities and Local Growth Unit's area team will liaise with you on a regular basis. From time to time they may inspect GBF funded projects and may require additional information from you to enable us to monitor progress.

Other

Councils and Combined Authorities are reminded that, as accountable bodies for their LEPs, they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, state aid and public procurement law.

The LEP and Accountable Body are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning LGF funding.

For the avoidance of doubt, we may withhold further instalments of payment if you do not comply with the performance monitoring requirements or where in our opinion progress on the project delivery is not satisfactory or the future of the project/s supported is/are in jeopardy.

Towards the end of each financial year we will hold an Annual Performance review meeting. This will be used to gain assurance the programme is on track and that further funding can be released.

I am copying this letter to the Section 151/73 officer for your Accountable Body and to your Cities and Local Growth Unit Area Lead.

Yours Sincerely,



Steven Greenwood,

Deputy Director, Cities and Local Growth Unit

ANNEX A: SOUTH EAST LEP GETTING BUILDING FUND

The Government is making £900 million available through the new Getting Building Fund (GBF) for investment in local, shovel-ready infrastructure projects to stimulate jobs and support economic recovery across the country. South East LEP has been allocated £85m from the GBF for a wide-ranging package of projects that will deliver a much-needed boost to the local economy.

In South East LEP, the 34 funded projects are expected to stimulate and better integrate economies in some of the most economically depressed and Covid-affected parts of the South East, including persistently vulnerable areas such as Thanet, Hastings and Tendring. People in coastal areas and provincial towns will see their town centres enhanced, with old or disused buildings brought back to life. New business and educational spaces will provide grow-on commercial space and develop the skills infrastructure so that existing and new, growing sectors – innovative green technologies, manufacturing, transport and logistics, housing, cultural and creative - can thrive. Much-needed investment in broadband rollout will stimulate economic activity in rural and more remote areas.

Outputs

Direct Jobs Created	9,170
Construction Jobs Created	2,180
Jobs Safeguarded	3,340
Houses Unlocked	7,234
Commercial Space Unlocked (sqm)	50,813
New Learning Space Unlocked (sqm)	9,128
New Learners Assisted	8,663
Businesses Assisted	1,261
Roads/Cycle Lanes/Walkways Unlocked (km)	2.427
R&D Floorspace (sqm)	9,788
Improved Learning/ Training Space Unlocked (sqm)	9,128
Public Realm/ Green Space Created (sqm)	132,050
New Superfast Broadband Connections	18,333
CO2 Emissions Saved (kg)	1,146,874

Summary of projects

Project	Description
Full fibre broadband in rural south Essex	Rollout of full fibre broadband to remote and rural parts of south Essex to support businesses needing faster connectivity.
Better Queensway electrical networks, Southend	Upgrade of electrical networks to support estate regeneration in central Southend, providing 1700 new homes.
Britton Farm Learning, Skills & Employment Hub, Medway	A new learning and skills hub in a repurposed shopping mall, supporting adults to retrain, upskill and access employment opportunities in Medway.
Charleston access road, Lewes	Upgrading access to Charleston, an artists' house and studio museum of international significance in the South Downs National Park, opening it up to more visitors, including by cycle.
Creative hub, Fisher St, Lewes	Conversion of an old building to a café and new business space for creative sector SMEs.
Digitally connecting rural Kent & Medway	Rollout of full fibre broadband to remote and rural parts of Kent and Medway to support businesses needing faster connectivity.
Enterprise Centre, Horizon 120 Business Park, Braintree	Provision of a new innovation and entrepreneurship hub, with a full range of spaces and support services for start-up and growon SMEs.
Broadband rollout in rural Essex	Rollout of full fibre broadband to remote and rural parts of Essex to support businesses needing faster connectivity.
Fast track business solutions, manufacturing in Hastings	Provision of modernised industrial space for manufacturers, using low and zero carbon technologies to support low maintenance and energy costs.
Laboratory space upgrade, Discovery Park, Sandwich	Upgrade of chemistry, biology and write-up space in Building 500 at Discovery Park, supporting many life sciences companies based on the Enterprise Zone.
Grays shopping centre redevelopment	Upgrade of electrical infrastructure to support redesign of shopping centre, improving resilience of retail offer and facilitating provision of new homes.

Harlow Library redevelopment	Library refurbishment and relocation to town centre of adult and community learning facilities, allowing redevelopment for housing of existing ACL premises.
Javelin Way (educational/light industrial), Ashford	Provision of new educational and light industrial facilities, supporting growth of SME base in Ashford and facilitating building of a new sports complex.
Jaywick market and commercial space, Clacton	Provision of new covered market space and small business units to encourage economic development and activity in the most deprived community in England.
Labworth car park modernisation, Canvey Island	Modernisation of a seafront car park which is critical to local visitor economy, with flood risk mitigation, electric vehicle charging points and improved disabled parking.
LFFN – broadband rollout to south Essex care sector	Extension of existing broadband rollout to 130 additional sites, providing a basis for the private sector to extend social and economic benefits to remote communities and businesses.
MODUS – light industrial space in Harlow	Development of manufacturing and light industrials units specifically designed to support the life sciences and supportive supply chain and production sectors in Harlow.
Performing & Production Digital Arts, North Kent College	Provision of industry-leading training facilities for Performance and Production Arts at the heart of the Thames Estuary Production Corridor.
Nexus – office space at Harlow Science & Innovation Park	Provision of high grade office space at Harlow Science and Innovation Park, bringing valuable employment to the town within the life science and wider supportive sectors.
T-level adapted educational space at Harlow College	Adaptation of educational facilities to permit teaching of ‘T’ levels in Construction, Digital, Education & Childcare and Health & Science.
Restoring the Glory of the Winter Garden, Eastbourne	Restoration of Grade 2 listed Victorian pavilion as a cultural destination of regional importance that supports and enhances Eastbourne’s year round visitor economy.
Riding Sunbeams, Solar Railways (green technology)	Collaborative project between green tech company and Network Rail to develop and supply clean energy from solar farm to rail network.
Rocheway (construction/housing delivery), Rochford	Development of new private homes and independent living apartments to meet needs of Essex’s ageing population, with associated improvements to community facilities.
Romney Marsh Employment Hub, Folkestone	Provision of new employment hub with business space to help mitigate the effects of job losses from closure of Dungeness nuclear power station on this vulnerable community.
South Essex ‘No Use Empty’ (repurposed commercial space)	Repurposing of empty or disused commercial properties for residential alternative commercial uses, with focus on SMEs adversely affect by Covid or changing consumer demand.
Sussex Innovation Centre, Falmer – Covid adaptations	Renovation of innovation space to make suitable for use post-Covid, helping to safeguard businesses and deliver new jobs.
Swan Modular Housing Factory, Basildon	Extension of existing factory to deliver increased volumes of modular housing, up to 1000 units annually, helping housing provision across east London and Essex.
Tendring Bikes and Cycle Infrastructure	New cycling infrastructure easing local transport challenges and providing access to employment opportunities in Clacton and the deprived community of Jaywick.
Thanet Parkway Railway Station	A new train station in Thanet that will open up investment and growth opportunities in east Kent and reduce HS1 journey times between the area and London.
The Meeting Place, Swanley (business space)	Provision of new business space and homes in an economically challenged town centre. The project will restore high street frontage and footfall and encourage investor confidence.
Observer Building, Hastings (regeneration of derelict space)	Provision of significant workspace and jobs as well as enterprise support and skills development by refurbishment of a building derelict for 35 years. Also will provide affordable housing units and is key component of local High Street Heritage Action Zone.
Tindal Square, Chelmsford (improved town centre space)	Removal of traffic from a city centre square will improve public realm and reconnect city centre spaces currently disconnected, bringing increased activity and life to centre.
Transport & Logistics Institute Grays	Provision of educational facilities which will enable improved transport and logistics learning to young people seeking employment in this growing sector in Thurrock and the wider Thames Estuary area.

Maritime & Sustainable Technology Hub, Newhaven	Bringing back into use the former UTC building to provide educational facilities and commercial space for SMEs, especially those in the marine sector.
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South East LEP will be expected to deliver the agreed projects but will have flexibility to deliver the greatest economic benefits to the area. Any significant changes to the projects should be agreed with the Government in advance, and all investment decisions must be undertaken in line with locally agreed audit and scrutiny arrangements.

Appendix C - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
SELEP Ltd GBF funding for FY21/22	Of the £85m GBF allocation secured by SELEP, £42.5m has been transferred to the Accountable Body in 2020/21. The second tranche of £42.5m funding due to be received in April 2021 has, at this stage, only been provisionally allocated to SELEP and remains subject to confirmation from Central Government that the funding will be transferred in 2021/22. There is therefore a risk that the second tranche of funding will not be received. This presents a risk to the delivery of GBF projects	5	2	10	Regular updates will be provided to Central Government on progress in delivering LGF projects. Mitigation options are being considered to enable the spend of the 2020/21 GBF allocation by the end the financial year, to make a strong case for the second tranche of funding.
Affordability of GBF projects	There may be delays to the delivery of GBF projects due to COVID-19, with an impact on the total cost of GBF projects. In addition, the second national lockdown may place greater financial strain of those partners due to provide contributions to the delivery of the projects. This could create a funding gap. The impact of Covid-19 on project costs and availability of local funding sources may impact the affordability of GBF projects.	3	5	15	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all GBF projects. GBF projects have been identified to support the
Resource to deliver GBF projects	There is a risk to the availability of resource to deliver GBF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	4	16	As part of the business case, SELEP ask scheme promoters to confirm they have the resources available to deliver the project. SELEP Ltd have also made this a requirement within the SLA and so risks to delivery of the projects would be monitored and reported to the Board. Projects are also still allowed to continue project delivery past the March 2022 deadline as long as the GBF allocation to projects has been spent.
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
Failure of third-party organisations to deliver GBF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver GBF projects. If the external organisations experience financial difficulty and are unable to deliver GBF projects, it may not be possible to recover the GBF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	3	15	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring GBF to third party organisations and to ensure clear processes are in place for the oversight of GBF projects delivered by third party organisations.
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of GBF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace to benefits realisation through the project.	4	4	16	As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery. Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.

Appendix C - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Delivery of GBF project benefits	The economic impact of COVID-19 is likely to reduce the benefits achieved through GBF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the GBF programme.	3	5	15	Any changes to benefits achieved through GBF investment will be monitored and reported to the Board and decisions will need to be made on an as needed one whether projects still offer high value for money. Any changes will also need to be agreed with Central Government.
Central Government fail to agree to the new baseline outcomes	Through the development of the Business Cases, there have been changes to some of the project outputs/outcomes as more detailed assessment has been carried out to consider the project's expected benefits since the original Government submission. If Central Government do not agree to accept those changes, those projects are then at risk of being unable to deliver the full benefits or will need to be withdrawn.	4	2	8	A baseline report is presented as appendix D which will provides a revised position for the expected outputs/outcomes relative to the original submission to Centra Government. Central Governmet will be asked to agree the revised baseline information. If agreement isn't obtained, a further decision will be sought from the Board, to confirm that revisions will be made to the project to ensure that the original project outputs/outcomes can be delivered or to agree how the funding should be reallocated, based on the advice from Central Government.

GBF (GBF) Funding Decisions

Forward Plan reference numbers: FP/AB/323, FP/AB/324, FP/AB/329, FP/AB/331, FP/AB/337, FP/AB/338, FP/AB/339, FP/AB/340, FP/AB/341, FP/AB/342, FP/AB/343, FP/AB/345.

Report title: Award of Getting Building Fund funding – high certainty	
Report to Accountability Board: 20 November 2020	
Report author: Katherine Wyatt	
Date: 30 October 2020	For: Decision
Enquiries to: katherine.wyatt@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex, Kent and Thurrock	

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £48,636,190 Getting Building Fund (GBF) to the twelve projects (the Projects) detailed at Appendix C. The Projects are included in the £85m package of 34 GBF projects agreed with Government in July 2020.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Approve** the award of a total of £48,636,190 GBF to the following twelve projects which have been assessed as offering High Value for Money with High certainty of achieving this:

- 2.1.1.1 Enterprise Centre for Horizon 120 Business Park, Essex - £7,000,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.4 of the report).
- 2.1.1.2 Harlow Library, Essex - £977,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.5 of the report) and the full funding package being confirmed by 9th November 2020 or the GBF will be automatically reallocated to the next project on the GBF pipeline.
- 2.1.1.3 Harlow College, Essex - £1,500,000, subject to government agreeing a change to the project outcomes (detailed in section 4.6 of the report).
- 2.1.1.4 Swan Modular Housing Factory, Essex - £4,530,000 GBF award, subject to agreeing a change to the project outcomes

(detailed in 4.7 of the report) and written confirmation being provided by the scheme promoter to confirm that the four risks to the project proceeding have been mitigated. If written confirmation has not been provided by 30th November 2020, the GBF will be automatically reallocated to the next project on the GBF pipeline.

2.1.1.5 UTC Maritime & Sustainable Technology Hub, East Sussex - £1,300,000 GBF award, subject to agreeing a change to the project outcomes (detailed in 4.8 of the report).

2.1.1.6 First and Second Floors, Building 500, Discovery Park, Sandwich, Kent - £2,500,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.9 of the report).

2.1.1.7 Javelin Way Development, Kent - £578,724 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.10 of the report).

2.1.1.8 New Performing & Production Digital Arts Facility @ North Kent College, Kent - £12,301,786 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.11 of the report).

2.1.1.9 Romney Marsh Employment Hub, Kent - £3,536,466 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.12 of the report).

2.1.1.10 Thanet Parkway Railway Station, Kent - £11,999,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.13 of the report).

2.1.1.11 The Meeting Place Swanley, Kent - £1,490,000 GBF award.

2.1.1.12 Transport and Logistics Institute, Thurrock - £600,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.15 of the report).

2.1.2 **Note** that the award of GBF funding to the twelve projects is subject to sufficient GBF being received by SELEP from Central Government in 2021/22. *This point is considered further in the GBF update report (agenda item 13).*

3. Background

3.1 In July 2020 a package of 34 projects totalling £85m was agreed with Government to be suitable for GBF investment.

- 3.2 A business case has been developed for each GBF project and has been subject to independent assessment by the Independent Technical Evaluator (ITE) against the requirements of the SELEP Assurance Framework.
- 3.3 All twelve projects considered in this report have completed the ITE process. The GBF projects considered in this report have been assessed as presenting high value for money with a high level of certainty.
- 3.4 Full details of the projects can be found in the appendices and the outcome of the ITE assessment of each project under consideration in this report can be found at Appendix A.

4. Case for Investment

- 4.1 This report considers the award of £48,636,190 GBF funding to twelve new projects, as prioritised for inclusion in the £85m funding package awarded by Government to SELEP. Further information on all twelve projects can be found in Appendix C.
- 4.2 Information was presented to the Strategic Board about the expected project outputs/outcomes to inform the prioritisation of projects and was included within the bid to Central Government to secure GBF. Through the development of the Business Case, there have been changes to some of the project outputs/outcomes as more detailed assessment has been carried out to consider the project's expected benefits. Further information on any projects that have had changes to the project's outputs/outcomes can be found in Appendix E.
- 4.3 The overall programme outputs and outcomes included within the original funding submission have been agreed with Central Government and SELEP is required to agree any changes to the project outputs and outcomes with MHCLG.
- 4.4 A GBF baseline report was provided to Central Government on 13 November 2020, which provided updated information on the expected project outputs and outcomes, in line with the project business cases and the changes set out in Appendix E.
- 4.5 Government approval will be sought for this revised baseline before GBF is transferred to partner authorities for those projects listed in appendix E. If the change is not agreed by Central Government, a further decision will be sought from the Board, to confirm that revisions will be made to the project to ensure that the original project outputs/outcomes can be delivered or to agree how the funding should be reallocated, based on the advice from Central Government
- 4.6 **Enterprise Centre for Horizon 120 Business Park, Braintree**
 - 4.6.1 Table 1 provides an overview of the Horizon Business Park project.

4.6.2 The project seeks to deliver the provision of an Enterprise Centre for local businesses, with a variety of office spaces and a flexible conference space that can be transformed into smaller units.

4.6.3 The selection of this site came from Braintree commissioned feasibility study and it was found to support the delivery of relevant business space and thus help deliver the ambitions within Braintree's Plan for Growth

Table 1: Overview of the Enterprise Centre for Horizon 120 Business Park project

GBF allocation: £7.0m	Total project cost: £16.0m
Key project benefits as stated in the business case: <ul style="list-style-type: none">• 187 new jobs will be created.• Apprenticeships will increase as some of the SMEs flourish and expand.• Use of new technology to promote the green agenda.• Inclusion ancillary retail, a food outlet, serviced offices/meeting rooms and possibly childcare facilities create a sense of place.• Offering "best in class", fibre-optic connectivity and Wi-Fi hotspots*¹.	

4.7 **Harlow Library, Essex**

4.7.1 Table 2 provides an overview of the Harlow Library project.

4.7.2 The scheme will see the relocation of ACL from its current site into a refurbished Harlow Library providing a significant opportunity for redevelopment into a modern skill and learning hub for the district.

4.7.3 Through development of new facilities and alignment with the courses offered by Harlow College and requirements of businesses, it is envisaged that the skills levels of residents can be enhanced to meet the needs of expanding and relocating employers to Harlow such as Public Health England (PHE) and Princess Alexandra Hospital (PAH).

4.7.4 The approval of the GBF funding allocation to this project is subject to the full funding package being confirmed. ECC's funding contribution has been agreed at Recovery Advisory Board but just needs final sign off at with Cabinet Member, scheduled for 9th November 2020.

Table 2: Overview of the Harlow Library project

GBF allocation: £0.977m	Total project cost: £1.143m
Key project benefits as stated in the business case: <ul style="list-style-type: none">• 452sqm of new learning space supporting 177 gross enrolments per annum.• £2.241m of gross GVA generated over a 10-year period.	

¹ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- The project enables the delivery of a further phase of activity. Phase 2 has been scoped and can accommodate an estimated 33 new homes, including affordable housing^{*2}.

4.8 **Harlow College, Essex**

- 4.8.1 Table 3 provides an overview of the Harlow College project.
- 4.8.2 The Project will repurpose accommodation to a centre for delivering healthcare, health science, education and childcare, sustainable modern construction methods and digital technologies, embedding innovation in the different vocational pathways and fully preparing the College for the introduction and delivery of T Levels.
- 4.8.3 The Project will also improve accommodation and teaching spaces for the Education and Childcare T level pathway and ensure access to state-of-the-art equipment and facilities to support delivery including apprenticeships and higher technical levels.
- 4.8.4 The project will support growth in Harlow and the wider West Essex area including the £400m relocation of Public Health England, the need for health professionals including for the potential new hospital in West Essex and the growth at the Harlow Enterprise Zone.
- 4.8.5 There is a substantial change to the project's outcomes from the original submission to Central Government to the Business Case, however considering the scope of the project, it is understood that the original outcomes provided were made in error.

Table 3: Overview of the Harlow College project

GBF allocation: £1.5m	Total project cost: £3.5m
<p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • Provide training that will address skills shortages and support skills development in growing sectors. • The annual GVA for the centre is £578,220, with a GVA over a 20 year period of £30,062. When tested against a scenario showing a 50% reduction in learner take up due to COVID-19 and/or lack of employer buy in and an increase in estimated costs, the 20 year GVA is £15,031,173. • Greater collaboration with employers through alignment with local skills priorities • Renewal and modernisation of 4,900m2 teaching and learning accommodation • Widen participation 	

² *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- Growth due to development of new T Level programmes and technical qualifications leading to 1,148 learners completing T Level programmes across 4 T level routes by 2026*³.

4.9 **Swan Modular Housing, Essex**

- 4.9.1 Table 4 provides an overview of the Swan Modular Housing project.
- 4.9.2 The project will enable the company to both increase its current production capacity of Cross Laminated Timber (CLT) housing modules, as well as establish an innovative in-house capability to manufacture fabricated steel modules, which are essential for the construction of higher buildings (over 18m high) meeting changes to legislation regarding combustible materials.
- 4.9.3 This will enable Swan to deliver circa 830 new homes per annum by 2024, already a leader in Modern Methods of Construction (MMC), as well as further innovate and more efficiently produce a range of construction modules.
- 4.9.4 This new factory will facilitate reduced development costs and accelerated delivery as well as creating new and innovative jobs, building industry capacity, upskilling the local workforce and allowing for the supply of modular components to other local authorities / developers.
- 4.9.5 There are four project constraints listed in Confidential Appendix D which need to be satisfied before the project is able to proceed to delivery. Funding approval is subject to written confirmation being provided to confirm that these four risks being mitigated. A verbal update on these risks will be provided at the Board meeting. If the risks have not been addressed by 30th November 2020, it is recommended that the GBF allocation should be automatically reallocated to the next project on the GBF pipeline.
- 4.9.6 The information provided in the Business Case shows an increase in the scale of the project outputs and outcomes relative to the original submission to SELEP Ltd and Central Government.

Table 4: Overview of the Swan Modular Housing project

GBF allocation: £4.53m	Total project cost: See confidential Appendix D.
Key project benefits as stated in the business case:	
<ul style="list-style-type: none"> • 248 FTE gross operational jobs (124 net additional FTE jobs for South Essex, after adjusting for deadweight, leakage, displacement and multiplier effects) 	

³ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- 144 new learners assisted
- Manufacturing of 2,500 steel MMC modules per annum by year 5, along with expansion of cross laminated timber (CLT) MMC module production to 1000 by year 5
- Supporting the development of 1,500 new homes over a five-year period, of which 40% (600) are estimated to be affordable*⁴.

4.10 **UTC Maritime & Sustainable Technology Hub, East Sussex**

- 4.10.1 Table 5 provides an overview of UTC Maritime & Sustainable Technology Hub project.
- 4.10.2 The project is to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site.
- 4.10.3 This will comprise of F1 educational/training and business support space for the maritime sector, commercial office space and ancillary space.
- 4.10.4 There has been no change to the overall project outputs and outcomes, however, more detail has been provided in terms of the breakdown of these outcomes for space use between the submission to Central Government and the Business Case.

Table 5: Overview of the UTC Maritime & Sustainable Technology Hub project

GBF allocation: £1.3m	Total project cost: £1.778m
Key project benefits as stated in the business case:	
<ul style="list-style-type: none"> • 1,630sqm of F1 class training/education space • 1,595sqm of E class office space • 1,500sqm of Ancillary zones, including storage, lift shafts, stairwells etc. • 133 gross jobs (46 net new jobs) • £3,683,095 in Land Value Uplift • £2,054,948 in external benefits associated with workforce upskilling • Additional Maritime Businesses supported each year from 2022/23 (number to be agreed) • 346 trainees achieving qualifications each year*⁵. 	

4.11 **First and Second Floors, Building 500, Discovery Park, Sandwich, Kent**

- 4.11.1 Table 6 provides an overview First and Second Floors, Building 500, Discovery Park, Sandwich project.

⁴ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

⁵ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.11.2 The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000sqft of net lettable incubator space.

4.11.3 The new facility will include self-contained laboratory units, informal breakout and café space and shared lab support facilities.

Table 6: Overview of the First and Second Floors, Building 500, Discovery Park, Sandwich project

GBF allocation: £2.0m	Total project cost: £5.5m
<p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • An increase in the number and survival rate of life science businesses in Kent and Medway • Increased collaboration between start-up and growing firms, larger businesses and academic institutions • Increased investment at Discovery Park (and in East Kent more broadly) as a result of the increase in business activity • Increased investment in start-ups and growing businesses through the opportunity to create a network of investors • Longer term benefits through the growth of the life science cluster as a driver of growth in East Kent, contributing to the greater resilience of the sector and regional productivity growth⁶. 	

4.12 **Javelin Way Development, Kent**

4.12.1 Table 7 provides an overview Javelin Way Development project.

4.12.2 The project will support the development of the site for employment use, with a focus on the development of Ashford's creative economy.

4.12.3 Consisting of two elements, the project will look at the construction of a 'Creative Laboratory' production space leased by Kent County Council and the development of 29 light industrial units for sale and/or lease suitable for additional creative businesses as well as the general market.

4.12.4 The Javelin Way project was awarded a loan of £1.597m from the Growing Places Fund in November 2018. The GBF funding has been sought to bridge an anticipated shortfall in the funding package as a result of COVID-19 related uncertainty in the property sales market.

4.12.5 As a result the GBF funding does not directly deliver any additional benefits, however, it does ensure that the project can progress as planned thereby safeguarding the jobs and employment workspace expected to be delivered through the Growing Places Fund supported project.

⁶ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

Table 7: Overview of the Javelin Way Development project

GBF allocation: £578,724	Total project cost: £11.2m including £1.597m Growing Places Fund.
Key project benefits as stated in the business case: <ul style="list-style-type: none"> • Creation of 171 new jobs (12 within the Creative Laboratory and 159 within the industrial units) • Safeguarding of 12 jobs within the Creative Laboratory, and a further 15-21 freelance roles • Increased student learners and creative internships • Longer term sustainability of Ashford's cultural infrastructure • Growth in creative industries supply chain • Opportunities for business growth • Wider access to cultural and creative education*⁷ 	

4.13 **New Performing & Production Digital Arts Facility @ North Kent College, Kent**

4.13.1 Table 8 provides an overview New Performing & Production Digital Arts Facility @ North Kent College project.

4.13.2 The project will provide a new Performing and Production Digital Arts Facility at North Kent College's Dartford campus.

4.13.3 This will enable the College to maintain and develop its established strengths in performing arts and digital design, respond to growing student demand and contribute to the long-term growth of the creative and cultural sector.

4.13.4 The amount of GBF sought has decreased from £12.625m to £12.302m with there now being £323,204 of unallocated GBF funding. This change in funding ask reflects a change to the total cost of delivering the project. This change of cost has been identified through the more detailed project development work which has been undertaken to support the business case. There are no changes to the project scope relative to the original project scope considered by SELEP Ltd and Central Government.

4.13.5 The Strategic Board will be asked on 11 December 2020 to agree how the £323,204 GBF funding should be reallocated.

Table 8: Overview of the New Performing & Production Digital Arts Facility @ North Kent College project

GBF allocation: £12.302m	Total project cost: £13.981m
Key project benefits as stated in the business case:	

⁷ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- The safeguarding and consolidation of North Kent College as a leading centre for performing and digital arts in the Thames Estuary
- An increased supply of skills linked with the creative economy
- The greater sustainability – financially and environmentally – of North Kent College’s Dartford campus*⁸.

4.14 **Romney Marsh Employment Hub, Kent**

4.14.1 Table 9 provides an overview Romney Marsh Employment Hub project.

4.14.2 The project will further develop the Mountfield Road Industrial Estate including the development of a business hub divided into 14 rooms of varying sizes, with offices built for businesses that will range in size from 2-10 employees.

4.14.3 The planned flexibility of the space within the business hub will mean that it could also lend itself to providing space for skills training and there is land within the hub site for the building to be further extended depending on demand.

Table 9: Overview of the Romney Marsh Employment Hub project

GBF allocation: £3.536m	Total project cost: £7.081m
<p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • Unlock the delivery of 6 hectares of employment land which is expected to be capable of delivering some 15,000sqm of new Gross External Area industrial space • 751sqm business/skills hub • 620 FTE Gross Jobs (64 business hubs + 556 on developed land) over a 10 year period. 335 jobs over a 5 year period. • Net Land Value Uplift NPV of £1,067,476 • Welfare-related impacts, estimated at £30.6m, or £22.0m at NPV. These GDP impacts are a mix of additional tax revenues and negated welfare payments nationally. <p>Alongside the monetised benefits, the project has the potential to bring a number of wider economic output, including potential to:</p> <ul style="list-style-type: none"> • Retain and attract inward investment in the County and the SELEP area • Provide the opportunity for local companies to expand their operations within the area • Support the delivery and attractiveness of the Mountfield Road Industrial Estate • Provide quality business accommodation in Romney Marsh that can meet the needs of local employers*⁹ 	

⁸ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

⁹ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.15 **Thanet Parkway Railway Station, Kent**

- 4.15.1 Table 10 provides an overview Thanet Parkway Railway Station project.
- 4.15.2 The project will deliver a new train station which will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line.
- 4.15.3 The proposed station will provide two platforms suitable for use by 12-car trains and the station forecourt will include two ticket vending machines, two bus shelters and a set down area will be provided for buses, taxis and passenger drop off, together with staff parking.
- 4.15.4 Parking will be provided inclusive of short stay bays for passenger drop off and taxis, disabled bays, provision for electric vehicle charging, motorcycles spaces and pedal cycle parking spaces.
- 4.15.5 To provide access to the station, a new direct access road will be provided from the A299 Hengist Way. Pedestrian and cycle access are provided from Cliffsend village via Clive Road, ensuring sustainable access to the station.
- 4.15.6 The Thanet Parkway project was awarded £14m from the Local Growth Fund in February 2020, subject to conditions. These conditions were related to planning and funding.
- 4.15.7 The planning conditions have been met as planning consent was awarded to the project on the 2 September 2020.
- 4.15.8 In terms of the funding conditions, Kent County Council have provided written confirmation to confirm that the funding package is in place to proceed with the delivery of the Project. Whilst Kent County Council are waiting for confirmation as to whether a £3,402,731 bid to the New Station Fund has been successful. Kent County Council have committed to bridge this funding gap if the application is unsuccessful.

Table 10: Overview of the Thanet Parkway Railway Station project

GBF allocation: £11.999m	Total project cost: £31.513m, including £14m Local Growth Fund.
Key project benefits as stated in the business case: <ul style="list-style-type: none">• Accelerate the pace of housing delivery in Thanet• Stimulate the creation of additional jobs• Generate additional passenger boardings and new rail journeys• Improve the journey time from Thanet to London St Pancras International• Offer enhanced connectivity between areas of deprivation and employment	

- Increase the use of sustainable transport by offering sustainable access to the station, i.e. electric vehicle charging points and cycle parking spaces
- Positively contribute to economic growth by attracting higher skilled workers to the area
- Generate increased attractiveness of the area to prospective residents and developers
- Reduce unemployment in the local area*¹⁰.

4.16 **The Meeting Place Swanley, Kent**

4.16.1 Table 11 provides an overview The Meeting Place Swanley project.

4.16.2 The project will deliver The Meeting Point in Swanley town centre – a new and innovative ‘work hub’ alongside 17 new homes.

4.16.3 This will be achieved through the redevelopment of a prominent site which is in Sevenoaks District Council ownership and which has been redundant for several years.

4.16.4 The housing element of the scheme responds to the identified need for smaller units, especially for younger workers.

4.16.5 The Meeting Point will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer, contributing to a coordinated regeneration strategy for the town.

Table 11: Overview of The Meeting Place Swanley project

GBF allocation: £1.49m	Total project cost: See Confidential Appendix D.
<p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • Additional housing to meet demand • Increased town centre living, contributing to the vitality of the area and reducing the need for private transport use • Additional jobs and business activity generated by the work hub • Increased business and worker productivity (estimated £3.331m additional GVA) • Stronger local SME networks and collaboration • Demonstration of innovation to the market, potentially driving further demand and commercial responses • Increased footfall and economic activity on the High Street – leading to further diversification and investment • ‘Catalytic’ contribution to wider regeneration, by demonstrating demand and supporting the viability of subsequent schemes. 	

¹⁰ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.17 **Transport and Logistics Institute, Thurrock**

4.17.1 Table 12 provides an overview the Transport and Logistics Institute project.

4.17.2 The project is looking to create a transport and logistics facility in Grays town centre to help raise the profile of Thurrock as the logistics capital of the UK through the provision of the first college based bespoke training facility in the country.

4.17.3 The project wants to provide a range of training opportunities to meet skills gaps in the transport, logistics and warehousing industry and raise the profile of the Logistics sector as a good career route for both young people and adults by upskilling and reskilling adults to retain and/or gain employment in the logistics industry, particularly those who have been made redundant due to the COVID pandemic.

Table 12: Overview of the Transport and Logistics Institute project

GBF allocation: £0.6m	Total project cost: £999,840
<p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none">• Upskill residents to support job retention and providing new skills will enable residents to access new employment opportunities. This would reduce strain on universal credit applications and claims.• Skilled employees will maximise the economic potential and competitiveness of the local area and attract inward investment.• Increased local employment would reduce the strain on other local services such as health and housing.• Providing the first College logistics training facility in the country will raise the profile of the logistics industry as a career which will significantly benefit the sector.• Attracting more staff and students to the facility based in Grays town centre would further aid the regeneration of the local area^{*11}.	

5. **Risks**

5.1 Of the £85m GBF allocation secured by SELEP, £42.5m has been transferred to Essex County Council (as the Accountable Body for SELEP) in 2020/21. The second tranche of £42.5m funding due to be received has, at this stage, only been allocated to SELEP and remains subject to confirmation from Central Government that the funding will be transferred in 2021/22. There is therefore a risk that the second tranche of funding will not be received, which will present a risk to the completion of the twelve projects set out in this report which are due to be delivered across the two-year period. If it is not possible for the projects to be completed, the realisation of project outcomes and impacts will also be adversely affected.

¹¹ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

5.2 SELEP have been asked for a total award of £48,636,190 for these twelve projects. £33,773,898 of this total is not due to be spent until 2021/22 and therefore is at risk until confirmation from Central Government for the 2021/22 funding has been received by SELEP. Please refer to Appendix B for further details.

5.3 Each of the projects under consideration in this report has produced a comprehensive risk register which identifies the key risks faced by the Projects and sets out appropriate individual mitigating actions in each case. No high risks have been identified in relation to the delivery of any of the Projects included in this report.

6. Financial Implications (Accountable Body Comments)

6.1 All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has now received GBF for 2020/21 from MHCLG in September 2020 of £42.5m.

6.2 Should the second remaining tranche of GBF for £42.5m from Government be delayed or withdrawn in 2021/22 resulting in insufficient funding to the programme, there could be a risk to completion of GBF projects and delivery of outcomes.

6.3 The Accountable Body has now received GBF grant conditions from MHCLG and is working with SELEP to establish service level agreements (SLA's) with each Lead Authority.

6.4 Essex County Council as Accountable Body to SELEP, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.

6.5 All GBF will be transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that funding can only be made available when HM Government has transferred GBF to the Accountable Body.

6.6 Should the Board approve the award of funding in this report, the Accountable Body will transfer GBF funding to the sponsoring authorities on confirmation from Government that the changes to the Project outputs and outcomes are accepted.

6.7 The Agreements will set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

7. Legal Implications (Accountable Body Comments)

- 7.1 The terms set out in the grant conditions between the Accountable Body and Central Government for the GBF will set out how the GBF is to be administered and used.
- 7.2 Service Level Agreements will be put in place between the SELEP Accountable Body, SELEP Ltd and the six County/Unitary Authorities for the transfer of the funding in line with the terms of the grant conditions received from Central Government.
- 8. Staffing and other resource implications (Accountable Body Comments)**
 - 8.1 An additional Capital Programme Officer role has been created within the SELEP team to help oversee the delivery of the GBF.
- 9. Equality and Diversity implications (Accountable Body Comments)**
 - 9.1 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.
 - 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
 - 9.3 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.
- 10. List of Appendices**
 - 10.1 Appendix A – Report of the Independent Technical Evaluator
 - 10.2 Appendix B – GBF Funding Awards
 - 10.3 Appendix C – GBF Project Information
 - 10.4 Appendix D – Confidential Appendix – funding package information
 - 10.5 Appendix E – Changes of Outcomes

11. List of Background Papers

- 11.1 Business Case for Enterprise Centre for Horizon 120 Business Park
- 11.2 Business Case for Harlow Library
- 11.3 Business Case for Harlow College
- 11.4 Business Case for Rocheway Independent Living
- 11.5 Business Case for Swan Modular Housing Factory
- 11.6 Business Case for Riding Sunbeams Solar Railways
- 11.7 Business Case for UTC Maritime & Sustainable Technology Hub
- 11.8 Business Case for First and Second Floors, Building 500, Discovery Park, Sandwich
- 11.9 Business Case for Javelin Way Development
- 11.10 Business Case for New Performing & Production Digital Arts Facility @ North Kent College
- 11.11 Business Case for Romney Marsh Employment Hub
- 11.12 Business Case for Thanet Parkway Railway Station
- 11.13 Business Case for The Meeting Place Swanley
- 11.14 Business Case for Transport and Logistics Institute

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer Essex County Council)	11.11.2020

Identification		Jobs Created			Construction Jobs			Safeguarded Jobs			Housing Units Unlocked			Housing Units Delivered		
Project Name	Council/Authority	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference
Enterprise Centre for Horizon 120 Business Park	Essex County Council	450	200	-250	60	0	-60	150	0	-150	0	0	0	0	0	0
Harlow Library	Essex County Council	39	0	-39	9	16	7	50	20	-30	33	0	-33	33	0	-33
Harlow College	Essex County Council	1095	1095	0	0	0	0	0	0	0	0	0	0	0	0	0
Swan Modular Housing Factory	Essex County Council	87	248	161	32	0	-32	0	0	0	0	0	0	1030	3500	2470
UTC Maritime & Sustainable Technology Hub	East Sussex County Council	32	133	101	74	0	-74	184	0	-184	0	0	0	0	0	0
First and Second Floors, Building 500, Discovery Park, Sandwich	Kent County Council	250	29	-221	15	46	31	0	0	0	0	0	0	0	0	0
Javelin Way Development	Kent County Council	311	119	-192	110	110	0	21	27	6	0	0	0	0	0	0
New Performing & Production Digital Arts Facility @ North Kent College	Kent County Council	35	15	-20	100	104	4	28	5	-23	0	0	0	0	0	0
Romney Marsh Employment Hub	Kent County Council	700	335	-365	28	0	-28	0	0	0	0	0	0	0	0	0
Thanet Parkway Railway Station	Kent County Council	800	52	-748	40	280	240	10	100	90	3200	212	-2988	0	0	0
Transport and Logistics Institute	Thurrock Council	10	10	0	0	0	0	8	0	-8	0	0	0	0	0	0

*The revised baseline will be agreed with Central Government and will provide the a fixed baseline against which the project's outputs and outcomes will be measured against each quarter.

Identification		Sqm Commercial Floorspace			Sqm R&D Facilities Floorspace			Number of Businesses/Institutions assisted			KM of roads, cycle lanes and walk ways			Sqm of new or improved learning/training		
Project Name	Council/Authority	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference
Enterprise Centre for Horizon 120 Business Park	Essex County Council	2500	3100	600	2000	0	-2000	50	0	-50	0	0	0	0	0	0
Harlow Library	Essex County Council	0	0	0	0	0	0	3	0	-3	0	0	0	1200	1700	500
Harlow College	Essex County Council	0	0	0	0	0	0	0	0	0	0	0	0	0	4900	4900
Swan Modular Housing Factory	Essex County Council	0	116841	116841	0	0	0	0	0	0	0	0	0	94	0	-94
UTC Maritime & Sustainable Technology Hub	East Sussex County Council	1300	3095	1795	0	0	0	5	0	-5	0	0	0	2601	1630	-971
First and Second Floors, Building 500, Discovery Park, Sandwich	Kent County Council	0	0	0	5000	2860	-2140	0	0	0	0	0	0	0	0	0
Javelin Way Development	Kent County Council	4682	4382	-300	0	0	0	30	0	-30	0.5	0	-0.5	1257	1293	36
New Performing & Production Digital Arts Facility @ North Kent College	Kent County Council	0	0	0	0	0	0	0	0	0	0	0	0	2826	2836	10
Romney Marsh Employment Hub	Kent County Council	751	751	0	0	0	0	0	0	0	0.379	0.35	-0.029	0	0	0
Thanet Parkway Railway Station	Kent County Council	0	0	0	0	0	0	166	68	-98	0.32	0.32	0	0	0	0
Transport and Logistics Institute	Thurrock Council	0	0	0	0	0	0	0	0	0	0	0	0	600	0	-600

*The revised baseline will be agreed with Central Government and will provide the a fixed baseline against which the project's outputs and outcomes will be measured against each quarter.

Identification		Number of new learners assisted			Number of new super/ultrafast broadband			Number of new retrofits delivered			KG of CO2 emissions avoided			Sqm of public realm or green space improved or		
Project Name	Council/Authority	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference	Original Submission	Revised Baseline*	Difference
Enterprise Centre for Horizon 120 Business Park	Essex County Council	0	0	0	50	0	-50	0	0	0	0	0	0	0	0	0
Harlow Library	Essex County Council	350	1800	1450	0	0	0	0	0	0	0	0	0	0	0	0
Harlow College	Essex County Council	0	1148	1148	0	0	0	0	0	0	615600	0	-615600	0	0	0
Swan Modular Housing Factory	Essex County Council	87	114	27	0	0	0	0	0	0	0	0	0	0	0	0
UTC Maritime & Sustainable Technology Hub	East Sussex County Council	346	346	0	0	0	0	1	0	-1	0	0	0	0	0	0
First and Second Floors, Building 500, Discovery Park, Sandwich	Kent County Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Javelin Way Development	Kent County Council	50	48	-2	30	0	-30	0	0	0	0	0	0	0	0	0
New Performing & Production Digital Arts Facility @ North Kent College	Kent County Council	650	650	0	0	0	0	0	0	0	0	0	0	0	0	0
Romney Marsh Employment Hub	Kent County Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Thanet Parkway Railway Station	Kent County Council	0	0	0	0	0	0	0	0	0	0	0	0	1040	1040	0
Transport and Logistics Institute	Thurrock Council	500	1011	511	0	0	0	0	0	0	0	0	0	0	0	0

*The revised baseline will be agreed with Central Government and will provide the a fixed baseline against which the project's outputs and outcomes will be measured against each quarter.

Independent Technical Evaluator - Business Case Assessment – November 2020/21 Report

Independent Technical Evaluator - Business Case Assessment – November 2020/21 Report

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1 Independent Technical Evaluation of Getting Building Fund 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 the Getting Building Fund. Recommendations are made for funding approval on 20 November 2020 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: Central Government Guidance on Appraisal and Evaluation*¹, and related departmental guidance such as the Department for Transport's TAG (Transport Analysis Guidance. TAG, formerly WebTAG) 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 DfT's TAG and MHCLG's Appraisal Guide.

¹ Source:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.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 – this includes the need for a Monitoring and Evaluation Plan and Benefits Realisation Plan.
- 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 between September and October 2020.

Getting Building Fund

- 1.11 26 business cases have been assessed for schemes seeking Getting Building Fund (GBF) allocation. Below are our recommendations to the Accountability Board, including key findings from the evaluation process and details of any issues arising.
- 1.12 With all schemes at outline business case stage there remains a residual risk to value for money and deliverability until the contractor costs are confirmed, however this should not present a barrier to approval of funding at this stage.

High value for money, high certainty

- 1.13 The following GBF schemes achieves **high value for money** with a **high certainty** of achieving this.
- Romney Marsh Employment Hub (£3.5m)*
- 1.14 Getting Building Fund investment is being sought as part of a funding package to further develop the Mountfield Road Industrial Estate in New Romney. This includes the development of a business hub of 751 square metres divided into 14 rooms of varying sizes, with offices built for businesses that will range in size from 2 to 10 employees.
- 1.15 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. Completing the development of the whole employment hub, including unlocking the remaining employment land, will enable up to 620 jobs, mitigating the loss of more than 1,000 jobs arising from the closure of Dungeness A Nuclear Power Station and programmed closure of Dungeness B Power Station in 2028 . It is also a scheme which will support the Green Recovery, maintaining the productive use of an underused facility. The scheme promoter acknowledges that Covid-19 and social distancing may have an impact on the jobs realisation in the short term, but in the medium term the facility will offer sustainable employment opportunities.
- 1.16 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the land value uplift of the scheme in line with Ministry for Homes Communities and Local Government Appraisal Guide as well as the labour supply impacts with a bespoke assessment approach, aligned with Green Book principles. This assessment shows the scheme to have a benefit cost ratio of 3:1 which falls within a “high” value for money categorisation
- 1.17 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers “high” value for money with high levels of certainty.
- Javelin Way (£0.6m)*
- 1.18 The Javelin Way development was fully funded, with the support of a Growing Places Fund loan approved by SELEP in 2017. However, due to a fall in the anticipated values that would be achieved from the light industrial units brought about by market uncertainty during the Covid-19 pandemic, the commercial agents acting for the Kent County Council recommend allowing an additional commercial risk allowance. This amounts to £578,724. Getting Building Funding is therefore sought to bridge the gap resulting from the fall in anticipated values. This will enable the scheme to move forward as planned, bring forward employment at an early stage and deliver the full scheme, including its cultural element.
- 1.19 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The funding will safeguard the delivery of 159 jobs expected to result from the wider Javelin Way scheme. It supports the Green Recovery by bringing back into use an otherwise non-productive site. Moreover, it bridges a scheme viability gap which has been caused by market uncertainty resulting from Covid-19 and will support local economic recovery from the pandemic.

- 1.20 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 2.45:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job safeguarding rather than land value uplift.
- 1.21 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.
- Discovery Park (£2.5m)*
- 1.22 The Discovery Park Incubator project will deliver flexible, collaborative workspace responding to evidence of growing local demand for this type of facility. It will also address the widespread lack of life science laboratory space across the UK. The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000 square feet of net lettable incubator space. The new facility will involve self-contained laboratory units, informal breakout and café space and shared lab support facilities.
- 1.23 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate 62 additional jobs and will support the Green Recovery by facilitating increased collaboration and productivity in the Life Sciences sector. The scheme promoter acknowledges that Covid-19 has had a significant impact on the commercial property market, particularly the retail and office sectors however, demand for laboratory and specialist production space is currently strong with a pipeline of enquiries.
- 1.24 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 4.7:1 which falls within a "very high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 1.25 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.
- Thurrock Logistics Centre (£0.6m)*
- 1.26 This project creates a dedicated logistics training facility in the ground floor of the Thurrock campus in Grays town centre covering approximately 400 square metres. The new centre will provide a range of programmes focussed on training for the logistics industry.

- 1.27 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate 10 jobs as well as 144 adult learners per year. The scheme promoter notes that Covid-19 has had a significant impact on local unemployment levels. This proposal will provide the facilities to enable the College to provide upskilling and reskilling to get many of those unemployed people back into the workplace quickly. The alignment of the scheme with the Green Recovery aim is unclear.
- 1.28 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken in line with Education and Skills Funding Agency's appraisal toolkit. This assessment approach is aligned with Green Book principles and shows the scheme to have a benefit cost ratio of 2.7:1 which falls within a "high" value for money categorisation.
- 1.29 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

The Meeting Point (£1.5m)

- 1.30 This project will deliver The Meeting Point, a high-quality facility in Swanley town centre providing workspace as well as 17 new homes. This will be achieved through the redevelopment of a prominent site which is in public ownership and which has been redundant for several years.
- 1.31 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate 22 additional jobs and will support the Green Recovery by bringing back into productive use a previously derelict building. The Meeting Point project is quickly deliverable and will help to bring forward economic activity to support economic recovery post-Covid-19.
- 1.32 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 3.3:1 which falls within a "very high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 1.33 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

NU Living Modular Housing Factory (£4.5m)

- 1.34 Funding is being sought from the Getting Building Fund to allow Swan NU living to bring forward a second modular housing factory adjacent to their existing factory in Basildon. This will allow the company to increase its current production capacity and further support its provision of affordable housing.

- 1.35 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate 124 additional jobs and will support the Green Recovery by supporting construction of more energy efficient homes with incorporated smart heating, lighting and monitoring technology. The scheme will significantly improve the certainty of affordable housing supply, which has been negatively affected by Covid-19
- 1.36 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 4.2:1 which falls within a "very high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 1.37 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

Maritime and Sustainable Technology Hub (£1.3m)

- 1.38 The aim of the project is to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising 1,630 square metres of educational, training and business support space for the maritime sector, 1,595 square metres of commercial office space and 1,500 square metres of ancillary space. The completed development will enable a Maritime and Sustainable Technology Hub, run by National Maritime Ltd, to be established in Newhaven to support the maritime sector across East Sussex.
- 1.39 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate 133 jobs as well as accommodating 346 new trainees achieving qualifications each year. It supports the Green Recovery by investing in a facility aligned with Newhaven Enterprise Zone's strategic aspiration of clean, green and marine technologies. Covid-19 has increased the need for public sector organisations to seek new, more efficient workspaces. This scheme responds to that demand.
- 1.40 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the land value uplift of the scheme in line with Ministry for Homes Communities and Local Government Appraisal Guide as well as the labour supply impacts with a bespoke assessment approach, aligned with Green Book principles. This assessment shows the scheme to have a benefit cost ratio of 2.9:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation and improved learner outcomes rather than land value uplift.
- 1.41 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022.

Therefore, it has been assessed that the scheme delivers “high” value for money with high levels of certainty.

New Performing & Production Digital Arts Facility (£12.3m)

- 1.42 The project will provide a new performing and production digital arts facility at North Kent College’s Dartford campus. This will enable the College to maintain and develop its established strengths in performing arts and digital design, respond to growing student demand and contribute to the long-term growth of the creative and cultural sector. The scheme will involve the construction of a new, high-quality, two-storey building containing nearly 3,000 square metres of educational floorspace, including a performance venue, dance studios, music performance spaces, digital design classrooms and workshops, and a new food court and social zone serving the whole College campus.
- 1.43 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate an additional eight jobs as well as providing for 264 net additional student places per year with an expected GVA impact of more than £50m. It supports the Green Recovery as the new educational facility will be built to high environmental standards, reducing energy consumption and making more efficient use of materials. This will reduce the College’s overall carbon footprint. The scheme promoter acknowledges that there the creative sector has been disproportionately negatively affected by Covid-19 but is confident that, in the long term, the creative sector will be more resilient than other sectors which have been similarly impacted by Covid-19 and that there will be sufficient demand for the new student places made available by this scheme.
- 1.44 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the expected learner outcomes of scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency’s The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 3.6:1 which falls within a “high” value for money categorisation. While this approach is not strictly in line with HMT’s The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme’s intended outcomes are improved learner outcomes rather than land value uplift.
- 1.45 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers “high” value for money with high levels of certainty.

Harlow Library (£1.0m)

- 1.46 Funding is sought for refurbishment of Harlow Library to allow relocation of Adult Community Learning from its current sub-optimal building into this site. The scheme will also facilitate the initial feasibility of delivery of up to 33 homes on the current Adult Community Learning site furthering the ongoing estate regeneration programme and accelerating the transformation of Harlow.
- 1.47 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate an additional 20 jobs as well as providing for 1,800 new adult learners per year. It supports the Green Recovery by bringing back into productive use the former Adult Community Learning

site. The scheme promoter acknowledges that those in lower-paid, lower-skilled, less secure work were among the first to become unemployed as a result of Covid-19. This facility is key contributor to the upskilling that is required to support economic recovery.

- 1.48 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the expected learner outcomes of scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 2.2:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are improved learner outcomes rather than land value uplift.
- 1.49 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

Remodelling of 'T' Level buildings at Harlow College (£1.5m)

- 1.50 The investment will repurpose and underutilised building for use as a centre for delivering healthcare, health science, education and childcare, sustainable modern construction methods and digital technologies. These works will embed innovation in the different vocational pathways provided by the College and ensure it is fully prepared for the introduction and delivery of 'T' Levels.
- 1.51 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to provide space for more than 1,000 learners on T Level pathways between 2021 and 2026 which will convert into a significant increase in high value jobs outcomes. It supports the Green Recovery by bringing underutilised buildings into more productive use. The College has strong links with key sector based employers enabling it to respond to business needs. This will ensure that benefits of this scheme can be optimised to help the local economy recovers from Covid-19.
- 1.52 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the expected learner outcomes of scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 2.6:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are improved learner outcomes rather than land value uplift.
- 1.53 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

Thanet Parkway (£12.0m)

- 1.54 The proposed station will provide two platforms of 252 metres in length and 2.6 metres in width to cater for 12-car rolling stock. The station forecourt will include two ticket vending machines, two bus shelters and bus passenger information. A set down area will be provided for buses, taxis and passenger drop off, together with staff parking. Parking will be provided for 297 cars plus 20 short stay bays for passenger drop off and taxis, motorcycles spaces, 40 pedal cycle parking spaces and a set down area for 2 buses.
- 1.55 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to stimulate creation of a total of 400 jobs and it support the Green Recovery by enabling a greater number of people to travel by train rather than private car. Moreover, infrastructure schemes such as Thanet Parkway create construction employment and provide for employment and training opportunities once completed. This will help support the UK's economic recovery from Covid-19.
- 1.56 The value for money assessment has been conducted in a reasonable and robust way, and the value for money category is "Very High" (NB. A 'conventional' Benefit-Cost ratio is not reported as the scheme generates revenues that are greater than the costs resulting in a net 'negative' cost, and, therefore, provides a 'negative' benefit cost ratio).
- 1.57 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

Enterprise Centre for Horizon 120 Business and Innovation Park (£7.0m)

- 1.58 Funding is sought to enable the provision of an enterprise centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth as well as businesses aiming to stabilise and consolidate their activities.
- 1.59 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate an additional 160 jobs and supports the Green Recovery, supporting the creation of a business park that aspires to be environmentally conscious and to protect and enrich biodiversity. 40% of Braintree residents in work having been furloughed from their employment and the early impacts of the Covid-19 has been felt heavily in some of the key sectors of the Braintree economy (including construction, retail, manufacturing), therefore there is a need to accelerate delivery of the enterprise centre to support economic recovery.
- 1.60 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the land value uplift of the scheme in line with Ministry for Homes Communities and Local Government Appraisal Guide. This assessment shows the scheme to have a benefit cost ratio of 3.1:1 which falls within a "high" value for money categorisation.
- 1.61 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

High value for money, high/medium certainty

- 1.62 The following GBF scheme achieves **high value for money** with a **high/medium certainty** of achieving this.

Tendrings Bikes and Cycle Infrastructure (£2.3m)

- 1.63 Investment is sought to deliver a bespoke bike scheme and cycle network infrastructure between Jaywick Sands and Clacton with the aim of tackling inequality within one of the most deprived areas of the country.
- 1.64 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will significantly increase access of residents of Jaywick Sands to employment opportunities in Clacton. It also supports the Green Recovery by enabling mode shift from private car to active modes. The scheme promoter notes that the limited economic activity in Jaywick Sands, has been significantly affected by Covid-19 and that delivery of this cycling infrastructure will support the local economic recovery.
- 1.65 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the journey time benefits of the scheme in line with Department for Transport's Active Mode Appraisal Toolkit as well. This assessment shows the scheme to have a benefit cost ratio of 2.12:1 which falls within a "high" value for money categorisation though a benefit cost ratio this close to 2:1 means that the value for money categorisation will be very sensitive to any net downside risks.
- 1.66 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. However, before determining whether or not to approve funding for the scheme, we recommend the Accountability Board consider the risk that cost increases would reduce the outturn value for money categorisation to medium.

Modus – Harlow Science Park (£2.0m)

- 1.67 Modus will provide collection of 5 mid-tech buildings to a total space of 4,774 square metres within Harlow Science Park for businesses focusing on all areas of science, technology, research and innovation. The units will offer complete flexibility to occupiers along with relevant localised landscaping and parking provision, as well as access to the wider science park services.
- 1.68 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will stimulate creation of 190 jobs at the science park and will support the Green Recovery by facilitating increased collaboration and productivity in the Life Sciences sector. The scheme promoter recognises that Covid-19 has triggered adverse economic impacts in Harlow with disproportionately high levels of furlough and unemployment. Stimulation of employment space provided by this scheme has an important role to play in the economic recovery.
- 1.69 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 2.01:1 which falls within a "high" value for money categorisation though a benefit cost ratio this close to 2:1 means that the value for money categorisation will be very sensitive to any net downside risks. While this approach is not strictly in line with HMT's The

Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.

- 1.70 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. However, before determining whether or not to approve funding for the scheme, we recommend the Accountability Board consider the risk that cost increases would reduce the outturn value for money categorisation to medium.

High value for money, medium certainty

Better Queensway (£4.2m)

- 1.71 Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2hectare site to the north of Southend town centre. The project will include the demolition of 4 tower blocks through a phased demolition of existing residential and commercial units, pedestrian footbridge, and associated structures and redevelopment to provide up to 1,669 dwellings and 7,945 square metres of commercial space made up of retail, office, and community and leisure space.
- 1.72 Getting Building Funding is required to upgrade the local electrical networks to provide the needed grid capacity to meet the new Future Homes Standard on energy use and energy efficiency of newly built homes.
- 1.73 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The wider scheme will generate 211 net jobs. It also supports the Green Recovery by enabling new homes to be more energy efficient. The scheme promoter notes that the Southend residential market has remained particularly buoyant during the Covid-19 pandemic which provides assurance that the expected benefits will still be realised.
- 1.74 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the land value uplift of the scheme in line with Ministry for Homes Communities and Local Government Appraisal Guide. This assessment shows the scheme to have a benefit cost ratio of 3:1 which falls within a "high" value for money categorisation.
- 1.75 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Planning permission is not expected to be secured until February 2021. The scheme promoter has provided high levels of assurance that it will be secured, however we would recommend that the Accountability Board considers the risk that this poses to certainty of deliverability before deciding whether or not to approve funding for the scheme.

Jaywick Market (£2.0m)

- 1.76 The Jaywick Market and Commercial Space project will result in construction and operation of a covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area, which is one of the most deprived in the country.
- 1.77 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will stimulate creation of 40 jobs and will support the Green Recovery by providing an improved public realm and improved walkability of the area to increase the use of active modes. The scheme promoter notes that the limited economic

activity in Jaywick Sands, has been significantly affected by Covid-19 and that delivery of this facility will support the local economic recovery.

- 1.78 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 5:1 which falls within a "very high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 1.79 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Planning permission has not yet been secured. The scheme promoter has provided high levels of assurance that it will be secured, however we would recommend that the Accountability Board considers the risk that this poses to certainty of deliverability before deciding whether or not to approve funding for the scheme.

Riding Sunbeams (£2.5m)

- 1.80 The project sets out to build and connect the world's first, large scale, renewable solar energy plant directly powering a railway. It will be delivered in a collaboration between green technology start up Riding Sunbeams and Network Rail to develop the route to market for subsidy free renewable energy generators to directly supply the UK's largest energy user.
- 1.81 A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The scheme is expected to generate a total of 40 jobs, and it supports the Green Recovery by enabling trains to be powered by renewable energy. Moreover, this investment is in line with the UK government's aim to stimulate post Covid-19 economic recovery through investment in infrastructure.
- 1.82 The value for money assessment has been conducted in a reasonable and robust way monetising the carbon emissions reduction and air quality improvements as well as wider economic impacts. The value for money category is "Very High" (NB. A 'conventional' Benefit-Cost ratio is not reported as the scheme generates savings in grid electricity costs which outweigh additional costs of the project, resulting in a net 'negative' cost, and, therefore, provides a 'negative' benefit cost ratio).
- 1.83 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. However, Network Rail have only committed to a short lease contract of 2–4 years to be provided with power from Riding Sunbeams. This is a testing phase with the potential for extension if the testing is successful. Beyond this timescale there is no obligation for Network Rail to purchase power from Riding Sunbeams. This raises the risk that the carbon saving benefits might not materialise beyond the initial four year period which would significantly reduce the overall benefits of the scheme. We would, therefore, recommend that the Accountability Board considers the risk that this poses to certainty of benefits realisation before deciding whether or not to approve funding for the scheme.

Rocheway (£0.7m)

- 1.84 Getting Building Funding is sought for site infrastructure and enabling works to support delivery of 60 units of independent living (Extra Care) for older people at an Essex County Council owned site in Rochford. This scheme contributes to addressing the shortfall in general needs housing and the delivery of independent living units for older people.
- 1.85 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. Its delivery will support 229 construction jobs and 30 permanent, care sector jobs. It also supports the Green Recovery by bringing back into productive use a previously underutilised building. The alignment with the Covid-19 recovery aim is unclear.
- 1.86 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 2.7:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 1.87 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. However, a private sector partner has not yet been identified to deliver the Phase 2 development which reduces certainty of deliverability of this Phase. We would, therefore, recommend that the Accountability Board considers the risk that this poses to certainty of benefits realisation before deciding whether or not to approve funding for the scheme.

High value for money, low/medium certainty

- 1.88 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 schemes are subject to this exemption and it is estimated that they will achieve **high value for money**. However, without quantified benefit cost analysis we cannot guarantee this outturn Value for money categorisation. Therefore, our recommendation is that there is a **low/medium certainty** of achieving high value for money.

Harlow Science Park – Nexus (£1.6m)

- 1.89 Nexus will be a 2,800 square metre multi-tenant office building within Harlow Science Park. This project seeks to establish the required fit-out across the first and second floors ready for tenant occupation and also to establish a co-working space within the ground floor.
- 1.90 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will stimulate creation of 296 jobs at the science park and will support the Green Recovery by facilitating increased collaboration and productivity in the Life Sciences sector. The scheme promoters recognise that Covid-19 has triggered adverse economic impacts to Harlow with disproportionately high levels of furlough and unemployment. Stimulation of employment space provided by this scheme has an important role to play in the economic recovery.
- 1.91 Economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green

Book principles, uses assumptions from Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 1.94:1 which falls within a "medium" value for money categorisation. However, a benefit cost ratio this close to 2:1 means that the value for money categorisation will be very sensitive to any net upside risks. There is a compelling strategic case and a number of additional benefits have been qualitatively assessed. Were they to be monetised they would be likely to increase the benefit cost ratio above 2:1. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.

- 1.92 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. However, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme.

Charleston Access Lane (£0.1m)

- 1.93 Funding is sought to widen and resurface the access track to Charleston from its junction with the A27 east of Firle. Charleston is an artists' house and studio museum of international significance in the heart of the South Downs National Park in East Sussex and home to the renowned Charleston Festival.
- 1.94 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will generate growth in repeat visits to Charleston Trust stimulating increased GVA of the local visitor economy. It supports the Green Recovery by making Charleston more safely accessible by bicycle. The scheme promoter acknowledges that the impact of Covid-19 means that visitor numbers will be affected in the coming year but, growth in UK domestic tourism will boost visitor numbers to Charleston and providing safe access to the site is integral to that.
- 1.95 Identification of the likely economic impacts of the scheme has indicated that, were full, monetised economic appraisal undertaken the scheme would represent "high" value for money however the lack of full, monetised economic appraisal does reduce the certainty of value for money.
- 1.96 To demonstrate deliverability, a programme has been provided which indicates that spend of the Getting Building Fund allocation and implementation of the scheme will be completed before March 2022. Moreover, there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme.

South Essex No Use (£1.2m)

- 1.97 Getting Building Funding is sought to return long-term empty commercial properties back into use, for residential, alternative commercial or mixed-use purposes. The project will focus on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the Covid-19 and which may have been impacted by larger regeneration schemes
- 1.98 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme is expected to generate 18 additional jobs through regeneration of commercial premises. It supports the Green Recovery by bringing back into productive use previously derelict or underused buildings. The scheme promoter has stated

that one of the impacts of Covid-19 is that there is increased demand for the types of loan products that will be provided through this scheme.

- 1.99 Identification of the likely economic impacts of the scheme has indicated that, were full, monetised economic appraisal undertaken the scheme would represent “high” value for money however the lack of full, monetised economic appraisal does reduce the certainty of value for money.
- 1.100 To demonstrate deliverability, a programme has been provided which indicates that spend of the Getting Building Fund allocation and implementation of the scheme will be completed before March 2022. Moreover, there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme.

Tindal Square (£0.8m)

- 1.101 This investment will remove traffic from Tindal Square, Chelmsford and create a high quality public space that will compliment investment in Shire Hall, a vacant Grade II listed building and connect the northern end of the pedestrianised High Street with the Bond Street development in Chelmsford City Centre.
- 1.102 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The overall Tindal Square programme will enable delivery of an additional 100 jobs at Shire Hall. The scheme supports the Green Recovery by creating a more people-friendly square and improving air quality in central Chelmsford. The scheme promoter acknowledges that Covid-19 has resulted in decreased footfall and some city centre business failure, but public realm investment plays an important role in revitalising these city centres.
- 1.103 Identification of the likely economic impacts of the scheme has indicated that, were full, monetised economic appraisal undertaken the scheme would represent “high” value for money however the lack of full, monetised economic appraisal does reduce the certainty of value for money.
- 1.104 To demonstrate deliverability, a programme has been provided which indicates that spend of the Getting Building Fund allocation and implementation of the scheme will be completed before March 2022. The majority of the scheme does not require planning permission as it is works to the highway. However, the new access to the Shire Hall requires both planning permission and listed building consent which it is expected will be secured in March 2021. The scheme promoter has provided high levels of assurance that it will be secured however, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents to value money and the need to secure planning permission presents to deliverability before determining whether or not to approve funding for the scheme.

Sussex Innovation, Falmer: COVID Secure adaptations (£0.2m)

- 1.105 Funding is sought to refurbish Sussex Innovation Centre at Falmer to make it a Covid-19 secure work environment. This will ensure that the space will be adapted to accommodate social distancing and updated to offer services that are required to safeguard businesses and jobs in the centre.
- 1.106 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. It is expected that the scheme will safeguard 180 jobs and support a further 90 new jobs. The scheme supports the Green Recovery by targeting and increase in the number of people who commute to the centre by sustainable modes. The impact of the Covid-

19 has reduced occupancy levels of the centre to 60% and this investment is required to increase the occupancy level back to 95%.

- 1.107 Identification of the likely economic impacts of the scheme has indicated that, were full, monetised economic appraisal undertaken the scheme would represent “high” value for money however the lack of full, monetised economic appraisal does reduce the certainty of value for money.
- 1.108 To demonstrate deliverability, a programme has been provided which indicates that spend of the Getting Building Fund allocation and implementation of the scheme will be completed before March 2022. Moreover, there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme.

Creative Hub, 4 Fisher Street (£0.3m)

- 1.109 The aim of the project is to convert vacant Grade-II listed former office premises in Lewes town centre into a co-working hub for creative industries businesses.
- 1.110 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will provide capacity for 15 net new jobs and it supports the Green Recovery by making the building more environmentally sustainable with the introduction of energy efficient lighting, heating and solar power generation facilities. The scheme promoter states that this modest investment to support the growth locally is likely to mean that Lewes is better positioned to respond to the post Covid-19 opportunities that arise.
- 1.111 Identification of the initial economic impacts of the scheme has indicated that, were full, monetised economic appraisal undertaken the scheme would represent “high” value for money however the lack of full, monetised economic appraisal does reduce the certainty of value for money.
- 1.112 To demonstrate deliverability, a programme has been provided which indicates that spend of the Getting Building Fund allocation and implementation of the scheme will be completed before March 2022. Moreover, there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme.

Labworth Car Park, Canvey Island - resurfacing/ modernisation (£0.7m)

- 1.113 Funding is being sought to deliver a comprehensive package of improvements to the largest seafront car park serving Canvey Island seafront. These improvements have been identified by local residents and businesses as a key priority in order to improve the overall local environment, visitor experience, safeguard existing economic activity and potentially unlock future economic growth.
- 1.114 The strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. It is expected that the scheme will substantially increase visitor numbers which will stimulate the creation of additional jobs. The scheme will support the future resilience and growth of the local visitor economy which has been disproportionately, negatively affected by Covid-19. The alignment of the scheme with the Green Recovery aim is unclear.
- 1.115 Identification of the likely economic impacts of the scheme has indicated that, were full, monetised economic appraisal undertaken the scheme would represent “high” value for

money however the lack of full, monetised economic appraisal does reduce the certainty of value for money.

- 1.116 To demonstrate deliverability, a programme has been provided which indicates that spend of the Getting Building Fund allocation and implementation of the scheme will be completed before March 2022. Moreover, there is minimal risk in the other cases. However, we invite the Accountability Board to consider the risk that a lack of full, monetised benefit cost analysis presents before determining whether or not to approve funding for the scheme.

Table 1.1: Gate 1 and 2 Assessment of Getting Building Fund Schemes seeking Approval for Funding for Q3 2020/21

Scheme Name	Allocation	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
Getting Building Fund										
Romney Marsh	£3.5m	Gate 1: 3	Green	Amber /Green	Green	Green	Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with MHCLG’s Appraisal Guide.	Land value uplift and labour supply impacts resulting from the scheme have been appraised. Some of the core assumptions need to be justified.	A clear plan for delivery has been provided which demonstrated that spend will be complete by March 2022.
		Gate 2: 3	Green	Green	Green	Green	Green	As above	Identification and justification of assumptions underpinning economic appraisal have been clearly set out.	As above
Javelin Way	£0.6m	Gate 1: Not derived	Green	Red/ Amber	Green	Amber /Green	Amber /Green	A qualitative approach has been taken to economic appraisal. We would like to understand better the additionality of the GBF.	To assure value for money we suggest a more detailed economic appraisal.	As the GBF funding does not yield additional benefits to the GPF funding we need to understand better the economic impacts to assure value for money.
		Gate 2: 2.5	Green	Green	Green	Green	Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency’s The Additionality Guide which is appropriate and proportionate for this scheme.	An approach assessing the GVA impacts of the scheme has been pursued. Assumptions have been identified and justified.	Detailed economic appraisal has been undertaken to exhibit that, in spite of the additional funding, the scheme still represents high value for money.

Scheme Name	Allocation	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
Discovery Park	£2.5m	Gate 1: 4.7	Green	Amber /Green	Green	Green	Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme and assumptions have been set out and justified.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.
		Gate 2: 4.7	Green	Green	Green	Green	Green	As above.	As above.	As above.
Thurrock Logistics Centre	£0.6m	Gate 1: 2.7	Amber /Green	Amber /Green	Green	Green	Green	A monetised economic appraisal assessing the improved learner outcomes stimulated by the scheme. This is in line with Education and Skills Funding Agency appraisal guidance	The analysis has been undertaken in line with Education and Skills Funding Agency appraisal guidance and assumptions have been set out and justified.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.
		Gate 1: 2.7	Green	Green	Green	Green	Green	As above.	As above.	As above.
The Meeting Point	£1.5m	Gate 1: 3.3	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.

Scheme Name	Allocation	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 2: 3.3	Green	Green	Green	Green	Green	As above.	Assumptions have been identified and justified.	As above.
NU Living Modular Housing Factory	£4.5m	Gate 1: 4.5	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Amber /Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Could optimism bias be included in the central case.	There is some uncertainty around VfM as optimism bias is omitted from the central case.
		Gate 1: 4.2	Green	Green	Green	Green	Green	As above.	Optimism bias has been included in the economic appraisal.	Revised BCR including optimism bias represents high value for money.
Maritime and Sustainable Technology Hub	£1.3m	Gate 1: 2.9	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Amber /Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with MHCLG's Appraisal Guide.	Land value uplift and labour supply impacts resulting from the scheme have been appraised. Some of the core assumptions need to be justified.	A clear plan for delivery has been provided which demonstrated that spend will be complete by March 2022.
		Gate 2: 2.9	Green	Green	Green	Green	Green	As above	Identification and justification of assumptions underpinning economic appraisal have been clearly set out.	As above

Scheme Name	Allocation	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
New Performing & Production Digital Arts Facility	£12.3m	Gate 1: 3.6	Green	Green	Amber /Green	Green	Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme.	There is some uncertainty around the procurement and contracting.
		Gate 2: 3.6	Green	Green	Green	Green	Green	As above.	As above	Further detail has been provided which provides assurances that the scheme is deliverable.
Harlow Library	£1.0m	Gate 1: 2.2	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Amber /Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.
		Gate 2: 2.2	Green	Green	Green	Green	Green	As above.	Assumptions have been identified and justified.	As above.

Scheme Name	Allocation	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
Harlow College	£1.5m	Gate 1: 2.6	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Amber /Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.
		Gate 2: 2.6	Green	Green	Green	Green	Green	As above.	Assumptions have been identified and justified.	As above.
Thanet Parkway	£12.0m	Gate 1: "Very high" VfM	Amber /Green	Amber /Green	Amber /Green	Red/ Amber	Amber /Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with Department for Transport's Transport Appraisal Guidance.	The analysis has been undertaken in line with Department for Transport's rail appraisal guidance. Further detail is required around the justification for assumptions employed in the economic appraisal.	The business case assumes that more than half of the GBF spend will take place in 2022/23. This is not compliant with the grant conditions.
		Gate 2: "Very high" VfM	Green	Green	Green	Green	Green	As above.	Assumptions have been identified and justified.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.

Scheme Name	Allocation	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
Enterprise Centre for Horizon 120 Business and Innovation Park	£7.0m	Gate 1: 3.1	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Amber /Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with MHCLG's Appraisal Guide.	Land value uplift and labour supply impacts resulting from the scheme have been appraised. Some of the core assumptions need to be justified.	A clear plan for delivery has been provided which demonstrated that spend will be complete by March 2022.
		Gate 1: 3.1	Green	Green	Green	Green	Green	As above	Identification and justification of assumptions underpinning economic appraisal have been clearly set out.	As above
Tendring bikes and cycle infrastructure	£2.3m	Gate 1: 2.1	Green	Amber /Green	Green	Amber /Green	Amber /Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with Department for Transport's Transport Appraisal Guidance.	The analysis has been undertaken using a Department for Transport's Active Mode Appraisal Toolkit.	A benefit cost ratio of 2.1:1 means that the value for money is sensitive to downside risks.
		Gate 2: 2.1	Green	Amber /Green	Green	Green	Green	As above	As above	As above

Scheme Name	Allocation	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
Harlow Science Park – Modus	£2.0m	Gate 1: 2.1	Green	Amber	Green	Amber /Green	Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	A benefit cost ratio of 2.1:1 means that the value for money is sensitive to downside risks.
		Gate 2: 2.1	Green	Amber /Green	Green	Green	Green	As above	Assumptions have been identified and justified.	As above
Better Queensway	£4.2m	Gate 1: 3	Green	Amber /Green	Green	Amber /Green	Amber	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with MHCLG's Appraisal Guide.	Land value uplift resulting from the scheme has been appraised. Some of the core assumptions need to justified.	Planning permission will not be secured until February 2021. This raises some deliverability uncertainty.
		Gate 2: 3	Green	Green	Green	Green	Amber	As above	Identification and justification of assumptions underpinning economic appraisal have been clearly set out.	As above

Scheme Name	Allocation	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
Jaywick Market	£2.0m	Gate 1: 5	Green	Amber /Green	Green	Amber /Green	Amber	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	Planning permission has not been secured. This raises some deliverability uncertainty.
		Gate 2: 5	Green	Green	Green	Green	Amber	As above	Assumptions have been identified and justified.	As above
Riding Sunbeams	£2.5m	Gate 1: Not derived	Green	Red/ Amber	Green	Amber /Green	Amber /Green	A financial appraisal has been provided. We would like to understand economic impacts of the scheme.	To assure value for money we suggest a more detailed economic appraisal.	The financial appraisal undertaken has not provided sufficient certainty of the value for money of the scheme.
		Gate 2: "Very high" VfM	Green	Amber	Green	Green	Green	A monetised economic appraisal has been undertaken which is appropriate and proportionate for this scheme.	An approach assessing the environmental and social impacts as well as wider economic impacts of the scheme has been pursued. Assumptions have been identified and justified.	Network Rail have only committed to a short lease contract of 2–4 years to be provided with power from Riding Sunbeams. This raises the risk that the carbon saving benefits might not materialise beyond the initial four year period which would significantly reduce the overall benefits of the scheme presenting some uncertainty around the value for money categorisation.

Scheme Name	Allocation	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
Rocheway	£2.0m	Gate 1: 2.4	Amber /Green	Amber /Green	Amber /Green	Amber /Green	Amber	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	A private sector partner has not yet been identified to deliver the Phase 2 development which reduces certainty of deliverability of this Phase.
		Gate 2: 2.7	Green	Green	Green	Green	Amber	As above.	Assumptions have been identified and justified.	As above.
Harlow Science Park – Nexus	£1.6m	Gate 1: 2.2	Amber /Green	Amber /Green	Green	Amber /Green	Amber /Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of the scheme. Further detail is required around the justification for assumptions employed in the economic appraisal.	A clear programme for delivery has been included which is robust and demonstrates that spend will be complete by March 2022.

Scheme Name	Allocation	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 2 1.94	Green	Amber	Green	Green	Green	As above	Assumptions have been identified and justified.	A benefit cost ratio of 1.94:1 means that the value for money is sensitive to downside and upside risks. A number of additional benefits have been qualitatively assessed. Were they to be monetised they would be likely to increase the benefit cost ratio above 2:1
Charleston Access Lane	£0.1m	Gate 1: Not derived	Amber /Green	Amber	Green	Amber /Green	Amber /Green	A qualitative approach to assessing value for money of the scheme has been taken. This is proportionate and reasonable.	More commentary is required to support the case for the scheme representing high value for money.	Without quantified benefit cost analysis, we cannot guarantee that outturn value for money categorisation will be high.
		Gate 2: Not derived	Green	Amber	Green	Green	Green	As above	Additional commentary has been provided.	As above
South Essex No Use Empty	£1.2m	Gate 1: Not derived	Green	Amber	Green	Amber /Green	Green	A qualitative approach to assessing value for money of the scheme has been taken. This is proportionate and reasonable.	More commentary is required to support the case for the scheme representing high value for money.	Without quantified benefit cost analysis we cannot guarantee that outturn value for money categorisation will be high.
		Gate 2: Not derived	Green	Amber	Green	Green	Green	As above	Additional commentary has been provided.	As above
Tindal Square	£0.8m	Gate 1: Not derived	Amber	Amber	Amber /Green	Amber	Amber	A qualitative approach to assessing value for money of the scheme has been taken. This is proportionate and reasonable.	More commentary is required to support the case for the scheme representing high value for money.	Without quantified benefit cost analysis we cannot guarantee that outturn value for money categorisation will be high.

Scheme Name	Allocation	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 2: Not derived	Green	Amber	Green	Green	Green	As above	Additional commentary has been provided.	As above
Sussex Innovation, Falmer: COVID Secure adaptations	£0.2m	Gate 1: Not derived	Amber	Amber	Green	Amber /Green	Amber /Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	More commentary is required to support the case for the scheme representing high value for money.	Without quantified benefit cost analysis we cannot guarantee that outturn value for money categorisation will be high.
		Gate 2: Not derived	Green	Amber	Green	Green	Green	As above.	Additional commentary has been provided.	As above
Creative Hub, 4 Fisher Street	£0.3m	Gate 1: Not derived	Green	Amber	Green	Green	Green	A qualitative approach to assessing value for money of the scheme has been taken. This is proportionate and reasonable.	A strong case has been made for the scheme representing high value for money with identification of likely economic impacts and the risk profile of costs.	Without quantified benefit cost analysis we cannot guarantee that outturn value for money categorisation will be high.
		Gate 2: Not derived	Green	Amber	Green	Green	Green	As above	As above	As above
Labworth Car Park, Canvey Island - resurfacing/modernisation	£0.7m	Gate 1: Not derived	Green	Amber	Green	Green	Green	A qualitative approach to assessing value for money of the scheme has been taken. This is proportionate and reasonable.	More commentary is required to support the case for the scheme representing high value for money.	Without quantified benefit cost analysis, we cannot guarantee that outturn value for money categorisation will be high.
		Gate 2: Not derived	Green	Amber	Green	Green	Green	As above	Additional commentary has been provided.	As above

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V2.0 Draft for Client

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Appendix B - GBF Funding Awards

Name of Project	Sponsoring Upper Tier	ITE - Recommend ?	Secretariat Recommend ?	VFM	Certainty	BCR	Total GBF - £	GBF 2020/21 - £	GBF 2021/22 - £
Enterprise Centre for 120 Horizon Park, Essex	Essex County Council	Yes	Yes	High	High	3.1:1	7,000,000	0	7,000,000
Harlow Library, Essex	Essex County Council	Yes	Yes	High	High	2.2:1	977,000	0	977,000
Harlow College, Essex	Essex County Council	Yes	Yes	High	High	2.6:1	1,500,000	120,672	1,379,328
Swan Modular Housing Factory, Essex	Essex County Council	Yes	Yes	High	High	4.2:1	4,530,000	2,046,625	2,483,375
UTC Maritime & Sustainable Technology Hub, East Sussex	East Sussex County Council	Yes	Yes	High	High	2.9:1	1,300,000	300,000	1,000,000
First and Second Floors, Building 500, Discovery Park, Sandwich, Kent	Kent County Council	Yes	Yes	High	High	4.7:1	2,500,000	500,000	2,000,000
Javelin Way Development, Kent	Kent County Council	Yes	Yes	High	High	2.45:1	578,724	528,724	0
New Performing & Production Digital Arts Facility @ North Kent College, Kent	Kent County Council	Yes	Yes	High	High	3.6:1	12,301,796	2,102,263	10,199,533
Romney Marsh Employment Hub, Kent	Kent County Council	Yes	Yes	High	High	3:1	3,536,446	1,546,586	1,971,880
Thanet Parkway Railway Station, Kent	Kent County Council	Yes	Yes	High	High	Not reported as the scheme provides a ‘negative’ benefit cost ratio	11,999,000	6,514,389	5,484,611
The Meeting Place Swanley, Kent	Kent County Council	Yes	Yes	High	High	3.3:1	1,490,000	211,949	1,278,051
Transport and Logisitcs Institute, Thurrock	Thurrock Council	Yes	Yes	High	High	2.7:1	600,000	600,000	0
Total GBF Recommended for Approval							48,312,966	14,471,208	33,773,778

SELEP – Getting Building Fund Project Background Information

Name of Project	Enterprise Centre for Horizon 120 Business and Innovation Park Horizon 120 Business & Innovation Park, South of Great Notley Country Park, Braintree, Essex Essex
Getting Building Fund value	£7.0m
Description of what Project delivers	<p>The provision of an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth as well as businesses aiming to stabilise and consolidate their activities.</p> <p>This is a new 3,100 m² Enterprise Centre building with a variety of office spaces but no workshops and no laboratories or industrial use. There will also be a flexible conference space that can be transformed into smaller units.</p> <p>It will forge the character and setting for the Horizon 120 Business & Innovation Park aspiration as outlined in the Design Code of the Local Development Order.</p>
Need for Intervention	<p>In its Plan for Growth, Braintree identifies that to improve the prospects of economic growth, through the creation of more jobs and more high quality jobs, the authority recognises that businesses within the district need to be supported to grow and that new businesses need to be attracted to locate in the district. To that end, the Plan recognises that there is currently a lack of grow-on office space for businesses and general employment premises and sites that are at the point of being delivered.</p> <p>The result of this lack is that businesses already in the district either do not grow in order to remain within their manageable spaces or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree. In order to support this, the Plan specifically identifies the need to provide appropriate business premises as a key issue that needs addressing and that the private and public sector need to intervene by creating employment sites and a range of office accommodation that are fit for purpose for business needs, including targeted support to businesses in our growing and emerging sectors with innovation potential.</p> <p>Braintree District Council (BDC) commissioned a feasibility study to examine how an enterprise centre at the Horizon 120 Business and Innovation Park would support the delivery of relevant business space and thus help deliver the ambitions within the Plan for Growth. Whilst the feasibility study examines a broad range of sector specific land and premises requirements, the study recognises that there is strong forecast demand for office space in the Braintree district, with an East of England Forecast Model estimate of requirements increasing from the 2020 level of 136,800m² to 163,700m² in 2045 – an increase of nearly 20%. Importantly, the demand for serviced business park B1a office space is also forecast to increase over this period. To that end the feasibility study concludes that for B1a/B1b type office space, the sectoral mix of</p>

	businesses that operate within Braintree leans substantially towards those that would occupy B1a general type office space. The sectors considered relevant for this type of space include Information and communication; Financial and insurance; Professional, scientific and technical; and Administrative and support services (excluding call centre activities).		
Project benefits	<ul style="list-style-type: none"> • New jobs: 160 new jobs per a year will be created and this does not include people directed employed by the centre. • 3100sqm Commercial floorspace • Number of new staff – 4 (Business support, Innovation and Broadband • Virtual environment to support start-ups. • Business Training, leading to professional qualifications provided by an accredited training organisation • Enable nurturing environment to enable start up and grow + SMEs to thrive. • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Offer flexibility for tenant growth. • Better public transport integration Reductions in carbon emissions 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Getting Building Fund	7.0m	Subject to approval of Business Case
	Braintree District Council	9.0m	Approved by BDC on 15 October 2020
	Total project value	16.0m	
Project constraints and risks	<ul style="list-style-type: none"> • Cost escalation brought about by prevailing market conditions. • Unable to meet utilisation levels for lettable space due to Corona Virus and a downturn in the economy resulting in poor demand. This is considered low risk with the Council having good experience with the operation of the current Enterprise Centre. • Corona Virus: R rises above 1 leading to a second lockdown nationwide which could lead to delay to the programme. <p>Some additional risks have been covered in the Business Case</p>		
Options consideration	A long list of five options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline	Milestone	Planned Date of Delivery	
	Start of project (start spending Getting Building Fund or match funding)	1 August 2020	
	Detailed Design	November 2020	

	Full Planning Permission Granted	December 2020 Through adopted Local Development Order
	Site Mobilisation Works Commence	February 2021
	Completion of Section 1 of 2	Main construction Practical Completion 31/03/22
	Project Completion / Site Opening	Fit-out complete & opening end May 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project webpage	https://www.southeastlep.com/project/enterprise-centre-for-horizon-120-business-and-innovation-park/	

SELEP – Getting Building Fund Project Background Information

Name of Project	Harlow Library Harlow Library, The High, Harlow, CM20 1HA Essex County Council		
Getting Building Fund value	£977,000		
Description of what Project delivers	The scheme will see the relocation of Adult Community Learning (ACL) from its current site into a refurbished Harlow Library. Harlow Library occupies a prime site in the heart of the town centre and the building is oversized and under occupied, providing a significant opportunity for redevelopment into a modern skill and learning hub for the district. Through development of new visible facilities and alignment with the courses offered by Harlow College and requirements of businesses it is envisaged that the skills levels of residents can be enhanced through courses offering training and skills required by the expanding and relocating employers to Harlow such as Public Health England (PHE) and Princess Alexandra Hospital (PAH).		
Need for Intervention	<p>Harlow had the highest number of individuals on furlough and the highest number of unemployment claimants in Greater Essex.</p> <p>Intelligence shows us that Harlow has a large skills deficit with 26% of adult residents in Harlow having no qualifications and only 17.6% of adult residents in Harlow having Level 4 qualifications and above.</p> <p>The current site is not very accessible and has little visibility with a few bus routes and limited parking. Latterly, attendance at Adult Community Learning (ACL) Harlow has been declining, in part due to the location and facilities which do not meet the skills and learning needs of residents or businesses.</p> <p>Harlow Town is at a heart of several opportunities that are going to require sufficient skills provision to ensure that local residents are able to secure the job opportunities coming to Harlow via the Public Health England Relocation, delivery of the Harlow Science Park and Enterprise Zone and the provision of the new Princess Alexandra Hospital.</p>		
Project benefits	The expected benefits of the project are:		
	452sqm of new learning space supporting 177 gross enrolments per annum	£2.241m of gross GVA generated over a 10-year period	
	The project enables the delivery of a further phase of activity. Phase 2 has been scoped and can accommodate an estimated 33 new homes, including affordable housing. These wider benefits during Phase 2 sit outside the economic case.		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Getting Building Fund	£977,000	Approval of business case at Accountability Board in November 20

	Essex County Council contribution	£166,261	Confirmed at Recovery Advisory Board but needs final sign off by Cabinet Member, scheduled for 9th November 2020	
	Total project value	£1.143m		
	For Phase 1 only.			
Project constraints and risks	Following the initial feasibility study on the vacated ACL site, there will be a requirement to submit section 77 or schedule 1 application. The process of submitting an application for disposal of playing fields and land can take up to 2 years. Engagement has been had with the school and they are supportive of the proposals. The scheme promoter will seek to engage with the Department of Education and action any requirements to achieve the desired outcome.			
	Description	Mitigation	Owner	
	Construction costs exceed budget	Design assumptions will be challenged and specification will be value engineered to meet cost plan. Allowances and contingency for abnormal costs to cover worst case scenario and additional surveys to avoid unforeseen issues.	Essex County Council Localities Team	
	Government approvals required for disposal of playing fields and land in educational use	There will be a requirement to submit section 77 or Schedule 1 applications. Essex Property and Facilities will commission Mitie to undertake the application and manage the process with the Department for Education. The process of submitting an application for the disposal of playing fields and land usually take up to 2 years. Engagement has been had with the school and they are supportive of the proposals. We will seek to engage with the Department of Education and action any requirements to achieve the desired outcome	Essex County Council Property and Facilities Team	
	Harlow District Council do not agree to planning permission	Harlow District Council are aware of the scheme to relocate ACL to a central library location. Good quality affordable housing is required in Harlow and conversations will be had with both the Regeneration and Planning Teams.	Essex County Council Localities Team	

	Impact of COVID-19	Sensitivity testing suggests that a 15% reduction in learners would still result in a BCR over 2.0:1.0 – that's about nine months of closure Inflation in costs for refurb and relocation can be managed within the contingency attributed and design assumptions will be challenged and specification will be value engineered to meet cost plan	Essex County Council
Options consideration	A long list of three options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline	Task	Description	Timescale
	Refurbishment of Harlow Library	To reconfigure the existing Library to enable the relocation of ACL	April 2021 – October 2021
	Relocation of ACL	To move service and existing furniture from current site into Harlow Library	October 2021 – November 2021
	Initial Feasibility of vacated ACL Site	To commission feasibility study of current ACL site	January 2022 – February 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/harlow-library/		

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Remodelling of 'T' Level buildings at Harlow College</p> <p>Harlow College, Velizy Avenue, Harlow Essex CM20 3LH</p> <p>Essex County Council</p>
Getting Building Fund value	£1.5m
Description of what Project delivers	<p>The Getting Building Fund investment will repurpose accommodation to a centre for delivering healthcare, health science, education and childcare, sustainable modern construction methods and digital technologies, embedding innovation in the different vocational pathways and fully preparing the College for the introduction and delivery of T Levels.</p> <p>The project will also improve accommodation and teaching spaces for the Education and Childcare T level pathway. The investment will ensure access to state-of-the-art equipment and facilities to support delivery including apprenticeships and higher technical levels.</p> <p>The project will support growth in Harlow and the wider West Essex area including the £400m relocation of Public Health England (or its successor) from Wiltshire and North London to Harlow; the need for health professionals including for the potential new hospital in West Essex; the growth at the Harlow Enterprise Zone, including the £200m Kao Data Campus, with its wider digital technology requirements that support infrastructure, coding, business and big data.</p>
Need for Intervention	<p>The Sainsbury Report on Technical Education published in July 2016 highlighted the need for reform of the further education and skills system, with a specific focus on the technical education pathway as a compliment to the academic A-level pathway.</p> <p>Construction, Digital, Health & Science and Education & Childcare are four of the 15 routes identified in the Sainsbury report, in additional Social Care which is often linked with a Health curriculum is a route. The development of spaces in anticipation of delivering T Levels will allow the College to effectively prepare for delivery of these new technical qualifications, alongside apprenticeship standards.</p> <p>Harlow College has an important role to play in supporting industry to meet the skills challenges ahead:</p> <ul style="list-style-type: none"> • Supporting employers with the skills they need. The College works closely with Public Health England and Princess Alexandra Hospital, Harlow Enterprise Zone and the Digital Innovation Zone in West Essex as well as other partners to identify, plan and deliver appropriate skills and training interventions across sectors in line with the latest labour market intelligence. • Delivering strategic, cross-industry initiatives to ensure a steady supply of skilled labour for employers, developing skills solutions to meet local challenges and to provide support for upskilling and reskilling. • Helping employers to tackle current and future skills issues, including encouraging and enabling greater uptake of apprenticeships, supporting the development of T Levels and the provision of industry placements, and tackling issues of diversity. The College will work with the Careers and

	<p>Enterprise Company, National Careers Service and others to encourage more young people and returners to the workforce to pursue careers in healthcare and digital industries.</p> <p>Should Getting Building Fund not be secured this project will not go ahead in its intended scale and scope. With partial funding, the project would be scaled back and consist of minor refurbishment with significant areas of both K and N building still requiring remodelling and modernising. T Level provision would be difficult to deliver over the longer term, without further capital investment. In this scenario, the College would need to balance its ability to deliver across all T Level routes and the affordability to invest in the modernising of buildings still required in order to deliver an outstanding learner experience.</p> <p>The cost estimates have been prepared by our professional consultant team and experienced managers and has taken into account cost evidence from comparable refurbishment projects. All project activities will be subject to tendered prices with appropriate contingencies taking a guaranteed maximum price approach when procuring contractors. Our highly qualified and experienced project management and finance staff will ensure that the project is managed on time and in budget.</p>		
Project benefits	<p>Harlow College will provide training that will address skills shortages and support skills development in growing sectors. The annual GVA for the centre is £578,220), with a GVA over a 20 year period of £30.062m and a Benefit Cost Ratio of 8.6:1. When tested against a scenario showing a 50% reduction in learner take up due to COVID-19 and/or lack of employer buy in and an increase in estimated costs, the 20 year GVA is £15.031m with a BCR of 3.4:1. The repurposed accommodation and new equipment will provide a pipeline of individuals with the skills needed to enter or return to employment or to secure existing employment through up-skilling. This will meet skills shortages and gaps and will impact positively on employers.</p> <p>Other benefits include:</p> <ul style="list-style-type: none"> • Greater collaboration with employers through alignment with local skills priorities; • Renewal and modernisation of 4,900m² teaching and learning accommodation; • Widen participation; • Growth due to development of new T Level programmes and technical qualifications leading to 1,148 learners completing T Level programmes across 4 T level routes by 2026. 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	T Level Capital Fund	£1.5m	TLCF bid submitted June 2020. Funding is dependent on successful assessment of the bid. Outcome of bid expected in October 2020.
	Harlow College match funding	£500,000	This funding has been confirmed and is the maximum affordable College match.
	Getting Building Fund	£1.5m	Request under Getting Building Fund

	Total project value	£3.5m	Dependent on successfully securing all three sources of funding.															
Project constraints and risks	<p>The main constraint is refurbishing the buildings whilst teaching and learning is taking place on campus, in parts of the building adjacent to the planned work. The College, along with its consultant team, have built mitigating factors into the programme of scheduled works. These include careful planning and programming of the building works and a decant programme to other parts of the campus whilst phased work is completed.</p> <p>Key risks:</p> <p>Site and Delivery Risks An experienced project delivery team, with relevant experience of delivering construction programmes of similar size and complexity, will oversee the project. Our skilled and experienced Estates Team will undertake thorough preparatory work prior to their restoration of the buildings.</p> <p>Output Risks We consider output failure as a ‘low-risk’ to the project, because there is a constant requirement for such skills provision in West Essex and beyond. This is evidenced through job vacancies, demand for apprentices and through the current age profile of the existing workforce. The College is graded ‘Good’ by Ofsted and will apply its extremely effective curriculum planning and Learning, Teaching and Assessment Strategy to this project to ensure high levels of student success.</p> <p>COVID-19 could have the potential in reducing take up in the first two years of T Level delivery, through lack of employer engagement and/or low learner take up. Our strong links with key sector based employers enables the College to work closely with employers to map skills and needs as the local economy recovers from the pandemic and the pre COVID planned growth returns. Likewise, the College has strong links with our feeder schools and is able to deliver comprehensive CEIAG that enables young people to make fully informed choices in relation to their next steps.</p>																	
Options consideration	A long list of five options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.																	
Project Timeline	<table><tr><th>Task</th><th>Description</th><th>Timescale</th></tr><tr><td>Wider scope design work (Getting Building Fund)</td><td>Amending RIBA stage 2 report to include additional development into scope of works</td><td>September 2020-October 2020</td></tr><tr><td>Procurement of contractors and mobilisation</td><td>Development of a transparent procurement process in order to bring on contractors, whilst ensuring value for money is achieved.</td><td>December 2020-March 2021</td></tr><tr><td>Curriculum design</td><td>Development of a new industry relevant curriculum to support pathways into employment</td><td>May 2020– May 2021</td></tr><tr><td>Employer engagement</td><td>Engage with employers to develop pathways into employment, support curriculum relevance, develop industrial placement strategy and develop employer advisory boards</td><td>October 2020– May 2021 (and ongoing)</td></tr></table>			Task	Description	Timescale	Wider scope design work (Getting Building Fund)	Amending RIBA stage 2 report to include additional development into scope of works	September 2020-October 2020	Procurement of contractors and mobilisation	Development of a transparent procurement process in order to bring on contractors, whilst ensuring value for money is achieved.	December 2020-March 2021	Curriculum design	Development of a new industry relevant curriculum to support pathways into employment	May 2020– May 2021	Employer engagement	Engage with employers to develop pathways into employment, support curriculum relevance, develop industrial placement strategy and develop employer advisory boards	October 2020– May 2021 (and ongoing)
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	Construction phase 1	Remodelling of building N to develop a sustainable energy centre, including Digital labs within the adjoining A building and remodelling 1 st floor of N building ready for delivery of T levels in Sept 2021	March 2021-June 2021
	Construction phase 2	Remodelling of two floors to building K to develop medical environments, a hospital ward and assisted living spaces, as well as improving accommodation and teaching spaces ready for delivery of T levels in Sept 2021 including for the Education and Childcare pathway.	July 2021-October 2021
	T Levels provision commences	First cohorts of T Level learners enrolled and delivery commences with some pathways not in final accommodation.	September 2021
	T Level provision continues in final accommodation	Health & Science T Level pathway learners move to final accommodation	October 2021
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/remodelling-of-t-level-buildings-at-harlow-college/		

SELEP – Getting Building Fund Project Background Information

Name of Project	NU Living Modular Housing Factory Basildon 117, Christopher Martin Road, Basildon, SS14 3ES Essex County Council
Getting Building Fund value	£4.53m
Description of what Project delivers	<p>The project will enable the company to both increase its current production capacity of Cross Laminated Timber (CLT) housing modules, as well as establish an innovative in-house capability to manufacture fabricated steel modules, which are essential for the construction of higher buildings (over 18m high) given recent changes in legislation with regard to combustible materials. This will enable Swan, already a leader in Modern Methods of Construction (MMC) to deliver circa 830 new homes per annum by 2024, as well as further innovate and more efficiently produce a range of construction modules.</p> <p>Swan as both a housing association and a developer of housing for sale, is partnering with a number of Local Authorities in the area, on a number of key regeneration projects, and this newly refurbished factory will facilitate reduced development costs and accelerated delivery (creating higher levels of value for money) as well as creating new and innovative jobs, building industry capacity for MMC, upskilling the local workforce and allowing for the supply of modular components to other local authorities/developers.</p>
Need for Intervention	<p>Taking an investment decision of this scale is challenging at any time, not least in current circumstances, due to the uncertainties within the housing market and the serious economic impacts arising from COVID-19, which are still “unwinding” as the country emerges from lockdown, and potentially faces a further spike in infection rates during the autumn and winter periods.</p> <p>The economic consequences are not expected to become clear for some time, and looking at government and other forecasts suggest that the impacts on house values, land values, construction costs and transaction levels, could “dip” considerably, and take some years to fully recover to their pre-COVID levels.</p> <p>With the significant uncertainty in the market at the present time and without the availability of public funding to support this initiative, Swan will be unable to make the required investment, and the refurbished factory would certainly not proceed.</p> <p>Conversely, funding from the Getting Building Fund will allow investment to be made at this time, that will create additional skilled jobs at the factory, reduce costs of developing Swan’s own sites, utilising innovative construction techniques, accelerating delivery of housing and bringing forward modular housing</p>

	manufacturing capacity that will benefit the wider construction industry.	
Project benefits	Proposed / main outputs for the project are as follows: <ul style="list-style-type: none"> • 248 FTE gross operational jobs (124 net additional FTE jobs for South Essex, after adjusting for deadweight, leakage, displacement and multiplier effects) • 144 new learners assisted • Manufacturing of 2,500 steel MMC modules per annum by year 5, along with expansion of cross laminated timber (CLT) MMC module production to 1000 by year 5 • Supporting the development of 1,500 new homes over a five-year period, of which 40% (600) are estimated to be affordable 	
Financial Information	Funding Source	Amount (£)
	Getting Building Fund	4.53m
	Additional funding is outlined in Confidential Appendix C	
Project constraints and risks	<ul style="list-style-type: none"> • The key risks which the project is likely to face, have been identified/assessed and cover such issues as set-up and fit-out costs, approvals/accreditation required, staffing issues etc. Potential mitigation factors that will need to be addressed if issues arise, have also been considered. In all cases, the likelihood of an occurrence is not significant. 	
Options consideration	A long list of three options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Task	Timescale
	Detailed design specification for refurbishment	September 2020
	Procurement of contractors for refurbishment of Factory 2 building	September-November 2020
	Procurement of equipment and machinery for Factory 2	November 2020-February 2021
	Recruitment and training of employees	March 2021
	Commence manufacturing at Factory 2	April 2021
	Factory 2 reaches capacity	January 2024

Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.
Link to Project webpage	https://www.southeastlep.com/project/nu-living-modular-housing-factory-basildon/

SELEP – Getting Building Fund Project Background Information

Name of Project	Maritime and Sustainable Technology Hub Railway Quay, Railway Approach, Newhaven BN9 0ER East Sussex County Council
Getting Building Fund value	£1.3m
Description of what Project delivers	<p>The aim of the project is to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising:</p> <ul style="list-style-type: none"> • 1,630 sqm of educational/training and business support space for the maritime sector; • 1,595 sqm of commercial office space; and • 1,500 sqm of ancillary space.
Need for Intervention	<p><u>Equity and Redistribution</u> This project supports key national, SELEP and local objectives in supporting the regeneration of Newhaven a coastal town that is identified as requiring particular interventions to support its transition to a more productive economy.</p> <p>Establishing a specialist enterprise and training hub near the town centre will reposition the town as a regional centre of excellence for maritime business and contribute to its economic revitalisation, building on the work that is already underway through the Newhaven Enterprise Zone and the recent FHSF submission.</p> <p><u>Market Failure – Externalities</u> The main (although not sole) driver of this project is to provide the facilities to improve the productivity of the Maritime sector through business support and training. Although this will be delivered through the operator, without intervention any direct return on investment in the reconfiguration of the site is not expected to accrue for several years, making the project unviable without intervention. The Externalities relate to the wider benefits to the economy that will be gained from the national, regional and local economies as a result of the upskilling that will follow. In addition, there are additional potential economic benefits relating to the regeneration of Newhaven that cannot be captured directly by either Lewes District Council or its partner as a result of the investment in the project.</p>
Project benefits	<ul style="list-style-type: none"> • Redeveloped Building to include: <ul style="list-style-type: none"> ○ 1,630 sqm of class training/education space; ○ 1,595 sqm of office space; ○ 1,500 sqm of Ancillary zones, including storage, lift shafts, stairwells etc. • 133 gross jobs (46 net new jobs); • £3.683m in Land Value Uplift; • £2.055m in external benefits associated with workforce upskilling;

	<ul style="list-style-type: none"> Additional Maritime Businesses supported each year from 2022/23 (number to be agreed); 346 trainees achieving qualifications each year 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Getting Building Fund	1.3m	A reduced level of GETTING BUILDING FUND grant would impact on the ability of providing a viable Maritime and Sustainable Technology Hub. Listed Buildings and Planning Consents may be required for alterations that impact the significance of the building. Where appropriate, consents will be applied for.
	Lewes District Council	478,091	This public sector funding is dependent on securing sufficient GETTING BUILDING FUND to enable the delivery of a successful Maritime and Sustainable Technology Hub.
	Total project value	1.778m	
Project constraints and risks	<p><u>Planning Permission and Listed Building Consents</u> The site currently has a F1 planning use allocation (former Education use class). A change of use for part of the building will need to be secured in order to enable part of the building to be converted to E office use class. This is a Grade II listed building. Any change of use, therefore, and any works that have the potential to impact the significance of the listed building (internal and external) will require Listed Building and/or planning consents.</p> <p><u>Lease Variation</u></p> <p>The headlease for the land is with Newhaven Construction Ltd and the current lease for the site is with West Register Realisation Ltd and UTC@harbourside. The permitted use under the lease is for education and ancillary community fundraising and recreational use, not for office use. A variation in the terms of the lease may, therefore, need to be sought from the landlord. In addition, there is an overage clause which would apply if the property was disposed of before 2034 or planning permission implemented during this period.</p> <p>The key risks are:</p> <ul style="list-style-type: none"> Failure to secure planning and listed building consent for change of use; Failure to renegotiate lease terms to diversify site uses; Failure to agree contractual with the operator; Failure to attract businesses and/public sector organisations to occupy new commercial floorspace; Refurbishment costs higher than forecast; Change in key personnel leading to change in project brief or loss of key knowledge of the scheme. 		
Options consideration	A long list of five options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
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Project Timeline	Task	Description	Timescale
	Tenant negotiations	To agree lease documentation	August 2020 to January 2021
	Design	Develop and agree detailed designs	January 2021 to April 2021
	Specifications	Develop and agree project specifications	March 2021 to June 2021
	Procurement	Design and implement procurement of works	June 2021 to July 2021
	Construction	Construction works	July 2021 to March 2022
	Handover	Opening and handover of new facility	March 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/maritime-and-sustainable-technology-hub-newhaven/		

SELEP – Getting Building Fund Project Background Information

Name of Project	Discovery Park Incubator Building 500, Discovery Park, Sandwich Kent County Council
Getting Building Fund value	£2.5m
Description of what Project delivers	<p>The Discovery Park Incubator project will deliver flexible, collaborative workspace in which life science start-ups and SMEs can establish their operations and grow as part of an innovative community.</p> <p>The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000sqft of net lettable incubator space. The new facility will include self-contained laboratory units, informal breakout and café space and shared lab support facilities.</p> <p>As well as additional physical space and high-quality facilities, the Incubator will also offer a package of innovation support to tenants, encouraging collaboration between firms at Discovery Park and with higher education, and linking new and emerging businesses with the access to investment, skills and partners that they need to thrive.</p>
Need for Intervention	<p><u>Market failure in the supply of lab space to life science SMEs</u></p> <p>There is high demand for lab space, and there is evidence that this demand has been sustained during the current COVID-19 crisis. However, there is a lack of available lab space that is ready for the market.</p> <p>The key issue is why the market does not respond by increasing supply to meet levels of likely demand. The issue is not generally an absence of capacity (i.e. available floorspace that could be brought forward if it were economically viable to do so) but is more linked with the nature of demand and the costs of development. Issues include:</p> <ul style="list-style-type: none"> • The lack of financial strength of small firms in the life science sector: the ‘start-up’ phase for small businesses in the sector can be lengthy, as most firms in the sector are funded by raising capital to finance the next phase of R&D activity: many firms will not generate significant profits for several years. This is incompatible with normal long-term property deals, and in general, small life science businesses are unable to offer the financial guarantees that would conventionally meet landlords’ requirements. • The need for flexibility as companies scale up: In their early stages, firms’ requirements are likely to change substantially. Ideally, firms will want the flexibility to scale within or close to their existing location, but a lack of quality supply in the market overall tends to constrain businesses in smaller units, limiting expansion and preventing churn in the market.

	<ul style="list-style-type: none"> • Bespoke requirements: Different firms will often have unique wet lab requirements. This can make it challenging to re-let space to new tenants without additional investment and the resources to manage space across a facility in an integrated and coordinated way. • The need for support infrastructure: Typically, innovation/incubation centres for the sector provide support to businesses to enable them to focus on R&D, while providing access to networks and advisory support that will help them grow. This incurs additional cost, and also requires a level of critical mass to establish a collaborative community and make a support offer viable. • Relatively high costs associated with specialist facilities: Modern lab space is expensive to build and maintain. This is linked with equipment and fit-out costs and the ongoing costs of maintenance and capital reinvestment and the high energy costs generated by lab space. <p>Currently, the market failure appears to be resolved through firms remaining in premises that are too small for their needs or through re-purposing offices or industrial stock. The consensus view is that this is sub-optimal, given the inherent inflexibility of this solution and the isolation to which it tends to lead.</p>		
Project benefits	<p>The key benefits of the scheme are:</p> <ul style="list-style-type: none"> • An increase in the number and survival rate of life science businesses in Kent and Medway, as firms are attracted to the Incubator and are enabled to expand; • Increased collaboration between start-up and growing firms, larger businesses and academic institutions at Discovery Park; • Increased investment at Discovery Park (and in East Kent more broadly) as a result of the increase in business activity at the Incubator; • Increased investment in start-ups and growing businesses through the opportunity to create a network of investors; • Longer term benefits through the growth of the life science cluster as a driver of growth in East Kent, contributing to the greater resilience of the sector and regional productivity growth. 		
Financial Information	The total capital cost of the project is £5.5m .		
	Funding source	Amount £	Constraints, dependencies or risks and mitigations
	Discovery Park Ltd	£3m	This funding is committed, subject to approval of the Getting Building Fund allocation to the project
	Getting Building Fund	£2.5m	Subject to Board approval
	Total	£5.5m	

Project constraints and risks	Risk	Mitigation measures	Impact
	Delay due to complexity of design due to complexity of works by others	Procure early works under Construction Management route to protect schedule for specialist fit out. Contractor design input critical	Delay to delivery of project
	Downturn in property market	COVID-19 has had a significant impact on the commercial property market. Demand for laboratory and specialist production space is currently strong with a pipeline of enquiries.	Reduction in occupancy rates
	Lower take-up of space	Lack of wet lab space in SELEP market presents opportunity. Ensure rents and operating costs remain competitive	Reduction in forecast income, increased costs
	Full project risk register provided in project Business Case.		
Options consideration	A long list of nine options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline	Project milestone		Indicative date
	RIBA Stage 3 design completed		September to November 2020
	Mini-tender for site-wide works		November to December 2020
	Installation of site-wide works		January to March 2021
	Procurement of fit-out contractor		November to December 2020
	Enabling works and demolition		January to February 2021
	Construction		February to July 2021
	Incubator complete		August 2021
Outcome of ITE Review	The project has been assessed as offering High value for money with a High certainty of achieving this. For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/discovery-park-incubator/		

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Javelin Way</p> <p>Javelin Way, Henwood Industrial Estate, Ashford</p> <p>Kent County Council</p>
Getting Building Fund value	£578,724
Description of what Project delivers	<p>Javelin Way is an employment site on the Henwood Industrial Estate in Ashford. The project will support the development of the site for employment use, with a focus on the development of Ashford's creative economy.</p> <p>The scheme consists of two elements:</p> <ul style="list-style-type: none"> • The construction of a 'Creative Laboratory' production space (with a ground floor internal area of 1,293 sqm). This will be leased from Kent County Council by Jasmin Vardimon Company, a world-renowned dance company and creative organisation. • The development of 29 light industrial units (with a gross internal area of 3,046 sqm), for sale and/or lease, suitable for additional creative businesses as well as the general market. Mezzanine floors will be available for the 29 industrial units, with full flexibility on the sizes of mezzanines to meet market demand.
Need for Intervention	<p>Ashford is a strategically important location for population and employment growth, building on its excellent connectivity with London and continental Europe via High Speed One.</p> <p>In recognition of its role as an important growth location, investment in cultural infrastructure is a high priority for Ashford. To this end, Ashford Borough Council published an Arts and Creative Industries Strategy Report in May 2016. This identifies the Jasmin Vardimon Company's presence in Ashford as a strategic asset. The retention and expansion of the company is further identified by the council as one of the areas 'Big 8' major projects, with the aim of developing high quality cultural facilities as part of Ashford's growth programme.</p> <p>Given that the Jasmin Vardimon Company is the only National Portfolio Organisation based in Ashford, and the only one based in Kent which is engaged in direct production, it provides a 'unique offer'.</p> <p>The Jasmin Vardimon Company has outgrown its' current facilities and has commenced investigations to identify an alternative site. If alternative premises cannot be provided within Ashford, there is a risk that the Jasmin Vardimon Company will relocate outside the SELEP area.</p> <p>As well as providing cultural facilities, the Javelin Way project will deliver additional employment space. Ashford Borough Council's Employment Land Sites Assessment (2016) notes that there is a growing demand for smaller industrial units of less than 2,000 sq. ft, with less current supply in this category than in any other type of space, both locally and across the South East.</p>

	<p>The reasons for this shortfall in supply have been widely researched and are not unique to Kent. They relate to limited growth in rental values, landowner preferences for residential development, and in some cases an overhang of older secondary stock depressing market prices. However, where schemes have come forward, demand has been strong. In the context of Ashford's growth, it is a policy objective to increase capacity for employment of a range of types to complement residential development. Javelin Way is within an industrial area, there is strong planning policy support for a development of this type, and strong grounds to bring forward new industrial space.</p>			
Project benefits	<p>Delivery of the project is expected to deliver a number of benefits relating to employment, business rates growth, education and skills development and the growth of the creative economy. These benefits include:</p>			
	Creation of 171 new jobs (12 within the Creative Laboratory and 159 within the industrial units)	Safeguarding of 12 jobs within the Creative Laboratory, and a further 15-21 freelance roles	Increased student learners and creative internships	Longer term sustainability of Ashford's cultural infrastructure
	Growth in creative industries supply chain	Opportunities for business growth	Wider access to cultural and creative education	
Financial Information	<p>The total capital cost of the scheme is £11.2m.</p> <p>Kent County Council's contribution, and repayment of the Growing Places Fund loan, will be through capital receipts from the sale of the industrial units. The Council's agreement to proceed is therefore dependent on estimates of eventual sales values arising from the industrial units and the risks that these present in the current financial environment.</p>			
	Funding source	Amount £	Constraints dependencies and mitigations	
	Kent County Council	5.204m	Agreement to proceed, subject to risk on receipts	
	Growing Places Fund	1.597m	Loan secured in 2018. Revised repayment schedule due to be considered by Accountability Board in February 2021	
	Arts Council England	3.069m	Grant confirmed	
	Ashford Borough Council	750,000	Funding approved by Cabinet	
	Getting Building Fund	578,724	Subject to Board approval	
	Total	11.2m		

Project constraints and risks	<p>There are no major constraints associated with the project. Planning permission is in place and the site is within the ownership of Kent County Council.</p> <p>It should be noted that the terms for the Deed of Dedication required by Arts Council England will fetter the Creative Laboratory building for 20 years.</p> <p>The most significant project risks are set out below. A full risk register was included within the Business Case submission for the project.</p>	
	Risk	Mitigation measures
	Tender delay - delay to procurement process due to COVID-19 pandemic	<p>Adequate allowance for the main contractor pricing exercise was provided but lockdown disrupted the tenderer's ability to price the work and the ability of the tenderers supply chain partners who were also affected by the lockdown</p> <p>Extended procurement period leads to delay to commencement of the project</p>
	Tender price increase – lockdown increases risk pricing within the tender returns provided	<p>Risk pricing mitigated as far as possible with clear documentation and the off-set of opportunity to value engineer within the constraints of the employer's requirements</p> <p>Risk pricing shows increase in costs and caution surrounds value engineering</p>
	Governance delays - approval of the scheme to enter into contract delayed due to staffing shortages or insufficient resource due to the furlough scheme.	<p>Review of approvals process and management of risks.</p> <p>Delay to the commencement of the contract.</p>
Options consideration	<p>A number of options have been considered in the Business Case and justification has been provided as to why the preferred option has been selected.</p>	
Project Timeline	Milestone	Indicative Dates
	Planning permission granted	April 2019
	Construction of creative laboratory and light industrial units	October/November 2020 to January 2022
	Project handover	January 2022

	Specialist fit out of creative laboratory	February 2022
	Site opening	February/March 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project webpage	https://www.southeastlep.com/project/javelin-way-ashford/	

SELEP – Getting Building Fund Project Background Information

Name of Project	North Kent College – New Performing and Production Digital Arts Facility North Kent College, Dartford Campus, Oakfield Lane, Dartford Kent County Council
Getting Building Fund value	£12.302m
Description of what Project delivers	<p>The project will provide a new Performing and Production Digital Arts Facility at North Kent College's Dartford campus. This will enable the College to maintain and develop its established strengths in performing arts and digital design, respond to growing student demand and contribute to the long-term growth of the creative and cultural sector.</p> <p>Specifically, it will involve the construction of a new, high-quality two-storey building containing 2,836sqm (c.30,500sqft) of educational floorspace, including a performance venue, dance studios, music performance spaces, digital design classrooms and workshops, and a new food court and social zone serving the whole College campus.</p>
Need for Intervention	<p><u>Safeguarding existing provision to protect the quality of the 'asset' at North Kent College and to ensure its continued success</u></p> <p>North Kent College has an outstanding educational provision in performing and digital arts but much of this provision is being provided from sub-standard and outdated facilities. While significant efforts are being made to extract value from the existing facilities, challenges for the performing and digital arts offer include:</p> <ul style="list-style-type: none"> • Poor quality working environments, including congested facilities, poor temperature control and in some cases health and safety issues resolved through short-term mitigations; • Sub-optimal teaching conditions (e.g. subject provision over multiple floors); <p>Without intervention, it is likely that the quality of the existing offer will suffer. This may be through reduced attractiveness to students, although the strong educational offer has been sufficient to maintain (and grow) student numbers to date. More fundamentally, if there is no new investment, some parts of the campus will need to close, meaning that the College will be unable to maintain its existing offer.</p> <p><u>Expanding provision to meet market demand</u></p> <p>While there is a risk that provision could be reduced as facilities become unsustainable, there ought to be opportunities to expand provision to meet the rising demand, however, these are constrained by physical capacity. Applications exceed offers in all relevant subjects, and the gap has accelerated in the past year. This is because despite the popularity of Digital Design, the number of offers has been reduced substantially due to the physical limits on capacity</p> <p>In the event of non-intervention, the obsolescence of some buildings will mean that some provision will need to be consolidated in those parts of the campus that can be viably maintained. This will mean that areas will end up</p>

	<p>sharing common teaching rooms, restricting the College's ability to offer highly specialised training and courses. Over time, this will lead to a decline in offers, even if some provision is maintained.</p> <p><u>Ensure the viability and sustainability of the College estate</u></p> <p>Delivering the new Facility will have an impact on the College estate overall, as well as on the specific subject areas that will directly benefit. Currently, 49% of buildings on the Dartford site are assessed as either 'operational' (requiring investment in the next 3-5 years) or 'poor' (at risk of major failure), compared with a DfE benchmark of 24%. The consequence of this is that running costs are high, cost of major repair and maintenance are high and obsolescence and a need to consolidate provision will impact student numbers.</p>														
Project benefits	<p>The key benefits of the project are:</p> <ul style="list-style-type: none">the safeguarding and consolidation of North Kent College as a leading centre for performing and digital arts in the Thames Estuary, supporting the growth of the sector and helping to drive forward the Thames Estuary Production Corridor;an increased supply of skills linked with the creative economy;the greater sustainability – financially and environmentally – of North Kent College's Dartford campus.														
Financial Information	<p>The total capital cost of the project is £13.981m.</p> <table><tr><td>Funding source</td><td>Amount £</td><td>Constraints, dependencies and mitigations</td></tr><tr><td>North Kent College</td><td>1.679m</td><td>Funding contribution predominantly covers sunk costs.</td></tr><tr><td>Getting Building Fund</td><td>12.302m</td><td>Subject to Board approval</td></tr><tr><td>Total</td><td>13.981m</td><td></td></tr></table>			Funding source	Amount £	Constraints, dependencies and mitigations	North Kent College	1.679m	Funding contribution predominantly covers sunk costs.	Getting Building Fund	12.302m	Subject to Board approval	Total	13.981m	
Funding source	Amount £	Constraints, dependencies and mitigations													
North Kent College	1.679m	Funding contribution predominantly covers sunk costs.													
Getting Building Fund	12.302m	Subject to Board approval													
Total	13.981m														
Project constraints and risks	<p>No significant constraints have been identified for the project.</p> <ul style="list-style-type: none">Ownership: The site is fully owned by North Kent College. There are no land assembly or land acquisition issues to manage ahead of start on site.Planning: The facility was granted full planning permission on 1 March 2019. The College is in the process of dealing with pre-commencement planning conditions to enable a start on site in January 2021. <p>The most significant project risks are:</p> <table><tr><td>Risk</td><td>Mitigation measures</td></tr><tr><td>Insufficient capacity within existing utility services to serve new facility</td><td>Information available suggests sufficient capacity in gas, water and drainage. North Kent College to seek application for increase in electrical power as it is suspected that existing capacity is insufficient</td></tr><tr><td>Costs and delays resulting from the need to DBS check all contractor personnel</td><td>College safeguarding requirements to be maintained. Key personnel to be checked in advance</td></tr></table>			Risk	Mitigation measures	Insufficient capacity within existing utility services to serve new facility	Information available suggests sufficient capacity in gas, water and drainage. North Kent College to seek application for increase in electrical power as it is suspected that existing capacity is insufficient	Costs and delays resulting from the need to DBS check all contractor personnel	College safeguarding requirements to be maintained. Key personnel to be checked in advance						
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Insufficient capacity within existing utility services to serve new facility	Information available suggests sufficient capacity in gas, water and drainage. North Kent College to seek application for increase in electrical power as it is suspected that existing capacity is insufficient														
Costs and delays resulting from the need to DBS check all contractor personnel	College safeguarding requirements to be maintained. Key personnel to be checked in advance														

	Disruption to College utility services	Shutdowns and switchovers to be programmed for College holiday periods and planned in advance. Works to be conducted under Permit to Work system.
	A full risk register has been provided as part of the Business Case submission.	
Options consideration	A long list of ten options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Project milestone	Indicative dates
	Completion of detailed design	18 th December 2020
	Appointment of contractor	23 rd November 2020
	Start of construction onsite	4 th January 2021
	Construction complete	28 th February 2022
	Fit-out complete	26 th April 2022
	New Performing and Production Digital Arts Facility opens	27 th April 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project webpage	https://www.southeastlep.com/project/north-kent-college-performing-and-production-digital-arts-facility/	

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Romney Marsh Employment Hub</p> <p>Mountfield Road Industrial Estate, New Romney, TN28 8LD</p> <p>Kent County Council</p>
Getting Building Fund value	£3.536m
Description of what Project delivers	<p>Getting Building Fund investment is being sought as part of a funding package to further develop the Mountfield Road Industrial Estate. This includes the development of a business hub of 751 sqm (8084 sq. ft) (GEA) divided into 14 rooms of varying sizes, with offices built for businesses that will range in size from 2-10 employees. The planned flexibility of the space within the business hub will mean that it could also lend itself to providing space for skills training. There is land within the hub site for the building to be further extended by 427 sq. m to provide either more business space or a more bespoke skills facility depending on demand.</p> <p>The undeveloped 6 hectares on the industrial estate requires an access road and servicing. This would follow the masterplan for the site co-financed by Magnox/NDA and Folkestone & Hythe District Council (FHDC).</p> <p>Completing the development of the whole employment hub, including unlocking the remaining employment land, will enable up to 620 jobs to be created in the Romney Marsh area. However, it should be noted that as a result of COVID-19 and social distancing there may be some impacts on the jobs realisation in the short term.</p>
Need for Intervention	<p>The need for the Getting Building Fund funding is due to the funding gap which arises from the low investment returns currently being achieved in the Romney Marsh area and the failure of the market to deliver new high-quality business space which recent studies indicate is needed. Savills Valuation Report demonstrates there is a cost/value funding gap which means that the commercial development is unviable without some form of public sector support because it costs more to build than it is worth once completed.</p> <p>The Council can offer the land as serviced plots for development at a market value, not a price which is artificially high due to land-owners' aspirations for value. This will thereby bring much need serviced sites to the market for development by end users themselves or for developers to develop out. This demand has not been met elsewhere within the Romney Marsh area. This development will also provide an opportunity to attract new businesses into the Romney Marsh area to help diversify and grow the local economy.</p>
Project benefits	<p>The primary benefit of the project will be to unlock the delivery of 6 hectares of employment land which is expected to be capable of delivering some 15,000 sq. metres of new Gross External Area industrial space at Mountfield Road Industrial Estate. To uplift the employment offer locally, a 751sq.metre business/skills hub is proposed to initiate the creation of high-quality accommodation capable of meeting the demands of local growing enterprises and to attract new inward investment.</p> <p>Modelling of economic benefits has identified potential for the income to support:</p> <ul style="list-style-type: none"> 620 FTE Gross Jobs (64 business hubs + 556 on developed land);

	<ul style="list-style-type: none"> • Net Land Value Uplift NPV of £1.067m; • Welfare-related impacts, estimated at £30.6m, or £22.0m at NPV. These GDP impacts are a mix of additional tax revenues and negated welfare payments nationally; <p>Alongside the monetised benefits, the project has the potential to bring a number of wider economic output, including potential to:</p> <ul style="list-style-type: none"> • Retain and attract inward investment in the County and the SELEP area; • Provide the opportunity for local companies to expand their operations within the area; • Support the delivery and attractiveness of the Mountfield Road Industrial Estate; • Provide quality business accommodation in Romney Marsh that can meet the needs of local employers. 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Applicant – Folkestone & Hythe District Council	2.31m	Fully Approved
	East Kent Spatial Delivery Development Company	735,000	Approved for the Business Hub building
	Other Public – Nuclear Decommissioning Authority (NDA)	500,000	Approved for the Business Hub building
	Getting Building Fund	3.536m	To be confirmed
	Total project value	7.081m	
Project risks and constraints	<p>Land Ownership – the site is in the ownership of FHDC.</p> <p>Highways Access – site access can connect into the existing adopted highway network.</p> <p>Planning – Detailed planning consent has been secured for the business hub building and the remaining site infrastructure.</p> <p>Site Services - mains services will be provided as part of the project.</p> <p>Site Conditions – detailed site investigations have been carried out for the hub building and high-level desk top work has been undertaken for the remainder of the site.</p> <p>Match Funding – funding from NDA, East Kent Spatial Development Company and FHBC is already approved.</p> <p>Maintain Cost Envelope - Tender works for design and build Stage 1 (Business hub) due in September 2020, Stage 2 (site infrastructure and servicing) due December 2020.</p> <p>Key Risks:</p>		

	Risk Name	Risk Description & Triggers	Actions in place
	Procurement	Failure to secure a suitable contractor	Tenders for Stage 1 are in and within budget. Stage 2 tenders pack being worked up and a design build contract to be used to mitigate risks
	Statutory Consents	Failure to secure statutory Consents	Planning permission already in place (including conditions) – need to ensure building regs compliance
	COVID-19	Cost and timescale impact of COVID-19	Use of design and build contracts to share risk appropriately. Stage 1 tenders are in which have been tendered after the pandemic and reflect current market conditions.
	Site Conditions	impact on design and costs	Intrusive SI's complete for hub building, desktop for mains site infrastructure
	Actual build costs exceed projected costs	Project running over budget and requiring additional funding	Cost consultants have been employed and together with FHDC's experience in these matters strongly indicate that costs can be contained within the expenditure plan.
Options consideration	A long list of four options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline			
	Task	Description	Timescale
	Tenders received and evaluated for Stage 1	Currently being evaluated. Work has been commissioned since the Minister's announcement on 2 Aug 2020 to progress the project to a stage where it can be contracted immediately upon Getting Building Fund approval.	8 September 2020
	Design & build contract Stage 2 Infrastructure	Tenders received, evaluated and contractor appointment	8 December 2020
	Practical completion for Stage 1 (Business Hub)		30 September 2021
	Completion for Stage 2 (land infrastructure and Servicing)		28 February 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>Page 228 of 312</p>		

Assurance Framework?	
Link to Project webpage	https://www.southeastlep.com/project/the-romney-marsh-employment-hub/

SELEP – GBF Project Background Information

Name of Project	<p>Thanet Parkway Station</p> <p>Cliffsend, Ramsgate</p> <p>Kent County Council</p>
Getting Building Fund value	£11.999m
Description of what Project delivers	<p>The project will deliver a new train station which will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line.</p> <p>The proposed station will provide two platforms suitable for use by 12-car trains. Each platform will be fitted with lighting columns that host CCTV cameras and public address speakers; two customer information displays and one passenger help point; and shelters to provide weather protection. Lifts, stairs and an underpass will provide access to the platforms.</p> <p>The station forecourt will include two ticket vending machines, two bus shelters and bus passenger information points. A set down area will be provided for buses, taxis and passenger drop off, together with staff parking.</p> <p>Parking will be provided for 297 cars plus 20 short stay bays for passenger drop off and taxis (including 16 disabled bays and 60 spaces with provision for electric vehicle charging), motorcycles spaces, 40 pedal cycle parking spaces.</p> <p>To provide access to the station, a new direct access road will be provided from the A299 Hengist Way. Pedestrian and cycle access are provided from Cliffsend village via Clive Road, ensuring sustainable access to the station.</p>
Need for Intervention	<p>The East Kent area, specifically the districts of Canterbury, Dover, Shepway and Thanet, suffers from a higher level of deprivation when compared with West Kent and South East England as a whole. Poor accessibility is one factor that has discouraged major employers from locating in the area, which serves to undermine regeneration and has limited the employment catchment for local residents.</p> <p>Thanet's economic challenges stem from its peripheral location as well as a declining ferry port industry and the loss of major employers, such as Pfizer. Historically, there has been an overreliance on specific local employment sectors, such as the ferry industry, education, pharmaceuticals and the seasonal tourism sector.</p> <p>The journey time from London makes Thanet unattractive for potential employers for which London is the major commercial centre. 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.</p> <p>Whilst there is capacity in the local workforce to support economic growth, it is also true that the area has lower representation of residents with</p>

	<p>higher skills levels, which has been a constraint on economic growth in the past. Thanet Parkway station will stimulate additional housing because of the improvement to rail services to London, and that will attract higher skilled residents to the area. In turn, this will attract greater levels of inward investment. Without delivering the project soon, the area will continue to lag further behind the rest of the county (and the South East).</p> <p>The new Thanet Parkway station will reduce the journey time between central London and Thanet to around 1 hour and will therefore improve the attractiveness of the area to businesses. It will also increase the employment catchment area for Thanet residents so that they might be able to live in Thanet and work elsewhere in Kent or London. A parkway station will provide greater opportunity to access London via High Speed 1 and improve access to employment in Canterbury, Ashford and the rest of Kent.</p>		
Project benefits	<p>Delivery of the project will:</p> <ul style="list-style-type: none"> • Accelerate the pace of housing delivery in Thanet; • Stimulate the creation of additional jobs; • Generate additional passenger boardings and new rail journeys; • Improve the journey time from Thanet to London St Pancras International; • Offer enhanced connectivity between areas of deprivation and employment; • Increase the use of sustainable transport by offering sustainable access to the station, i.e. electric vehicle charging points and cycle parking spaces; • Positively contribute to economic growth by attracting higher skilled workers to the area; • Generate increased attractiveness of the area to prospective residents and developers; • Reduce unemployment in the local area. 		
Financial Information	The total capital cost of the project is £34.513m .		
	Funding source	Amount £	Constraints, dependencies or risks and mitigation
	Local Growth Fund	14m	Funding approved subject to conditions
	Kent County Council	5.814m	Funding secure but may reduce to £2.411m if application to New Stations Fund 3 is successful
	Thanet District Council	2m	Funding committed and grant agreement is in place
	East Kent Spatial Development Company	700,000	Funding secured
	Getting Building Fund	11.999m	Subject to Board approval
	Total	34.513m	

	The outcome of the New Stations Fund 3 application is expected in autumn 2020	
Project constraints and risks	<p>There are a number of potential project constraints:</p> <ul style="list-style-type: none"> • Level crossing constraints related to the need to carry out works within the section of track bounded by the automatic half barrier crossings at Sevenscore and Cliffsend. The aim is to utilise the same railway possessions to complete these level crossing works as scheduled for the main station works wherever possible; • Land ownership constraints related to the need to acquire privately owned land for the delivery of the project. The negotiations are advanced and the Heads of Terms for the sale are agreed and contracts in place. • Planning Permission constraints – planning permission was granted in September 2020, subject to compliance with a number of planning conditions. • Environmental constraints which may affect the construction of the station. Scoping work was undertaken as part of the planning application which was fed into the outline design and will be taken forward into the detailed design. These environmental constraints are well understood and reflected in the planning conditions associated with the consent. 	
	Risk	Mitigation measures
	Scope creep/changes to project scope	<p>Continuous dialogue between stakeholders to reduce the level of scope creep by ensuring that station design fits with expectations.</p> <p>Project scope clearly defined at the beginning of the project. This should help to ensure that changes are not required to the design of the station at a later stage.</p>
	Over-run of disruptive railway possessions	Contractor and Network Rail to work closely to ensure that possession over-run does not occur. Contractor and Network Rail incentivised through contractual mechanisms not to over-run possessions.
	Delays during construction works	Regular liaison between the contractor (managed by Network Rail), Kent County Council, Southeastern and other parties. Penalties may be included within the contract to incentivise the delivery of the project on time.
	Passenger forecasts do not materialise	Independent validation of passenger and revenue forecast. Further sensitivity tests undertaken in line with DfT guidance on potential impacts of COVID-19.

	Demand forecasts predicted in Business Case do not materialise	Independent validation of the demand forecast undertaken by Kent County Council and by DfT/Network Rail.
	Trains do not stop at the station	The previous new South Eastern Franchise Specification required the new franchisee to serve Thanet Parkway, as well as to not impede the delivery of the new station. They were also required to enter into a Station Lease, and therefore take responsibility for the operation and maintenance of the station. Kent County Council has requested dialogue with DfT to gain assurance that this previous commitment will continue with future train service operating arrangements.
Options consideration	A long list of six options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Milestone	Indicative dates
	Determination of planning application	September 2020
	Land acquisition process	September 2019 to December 2020
	GRIP Stage 5 (Detailed Design) sign off	June 2020 to March 2021
	GRIP Stage 6 (Construction) – advanced works	November 2020 to February 2021
	Access junction construction	January to May 2021
	GRIP Stage 6 (Construction) – station	March 2021 to March 2022
	GRIP Stage 7 (Project hand back)	March to October 2022
	Level crossing works	November 2021 to March 2023
	Station Open	Early 2023
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>Page 233 of 312</p>	

Link to Project webpage	https://www.southeastlep.com/project/thanet-parkway-station-getting-building-fund/
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SELEP – Getting Building Fund Project Background Information

Name of Project	The Meeting Point 27-37 High Street, Swanley Kent County Council
Getting Building Fund value	£1.49m
Description of what Project delivers	<p>The project will deliver The Meeting Point in Swanley town centre – a new and innovative ‘work hub’ alongside 17 new homes. This will be achieved through the redevelopment of a prominent site which is in Sevenoaks District Council ownership and which has been redundant for several years.</p> <p>The housing element of the scheme responds to the identified need for smaller units, especially for younger workers. The ‘work hub’ element will consist of 250sqm of flexible space aimed at start-ups, home workers and people who might otherwise have had to commute for work. It will provide support for business collaboration, as well as access to facilities on a ‘gym’-style membership basis.</p> <p>As well providing new uses on the site itself and directly delivering new homes and business opportunities, The Meeting Point will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer. It will bring forward the first of a series of sites in public ownership within Swanley town centre, contributing to a coordinated regeneration strategy for the town. It will also deliver significant environmental benefits, providing employment and housing in a sustainable town centre location, within a building constructed to high environmental standards.</p>
Need for Intervention	<p><u>Supporting a quality scheme to achieve regeneration outcomes</u></p> <p>The building in Swanley Town Centre has been in public ownership for many years. By 2014, it was no longer viable to maintain the existing building, and it was vacated at that point, on the basis that it would subsequently be redeveloped.</p> <p>There was therefore an accepted need that the public sector needed to act to provide alternative economic use for the site. Intervention would also need to contribute to the wider strategy for Swanley town centre, by providing additional housing supply, supporting a greater diversity of commercial uses and contributing to greater footfall and activity on the High Street. Given the other regeneration sites in the area, development at The Meeting Point should help to promote market demand for future schemes – and any solution would obviously need to be policy-compliant, especially in maintaining the active frontage of the building. While Sevenoaks District Council could have disposed of the site and allowed a private sector proposal to come forward, it is highly unlikely that any policy-compliant solution would have been proposed without some form of subsidy.</p> <p>Page 235 of 312</p>

	<p><u>Supporting innovation in the business workspace offer</u></p> <p>There is also a need for intervention to deliver the new model of business workspace that would be created through the work hub element. While the business plan for the work hub shows a small surplus after Year 3, this is insufficient to make the scheme viable without some form of initial public subsidy (and this would be the case were the work hub to be provided in an alternative location in Swanley). Some form of active frontage is required to make any scheme at the site policy compliant, and the prospects for alternative commercial uses in that location are weak.</p> <p>The proposition is that an innovative work hub offer could deliver economic benefits and provide a new product in the market: while there is evidence that there is likely to be demand, this is unproven and commercially unviable. At the same time, such a facility would make an important contribution to the strategy for the town and the quality of the site and its surroundings.</p>		
Project benefits	<p>The key project benefits are:</p> <p><u>Residential element</u></p> <ul style="list-style-type: none"> • Additional housing to meet demand, especially among younger workers; • Increased town centre living, contributing to the vitality of the area and reducing the need for private transport use. <p><u>Work hub element</u></p> <ul style="list-style-type: none"> • Additional jobs and business activity generated by the work hub; • Increased business and worker productivity (estimated £3.331m additional GVA); • Stronger local SME networks and collaboration; • Demonstration of innovation to the market, potentially driving further demand and commercial responses. <p><u>The project as a whole</u></p> <ul style="list-style-type: none"> • Increased footfall and economic activity on the High Street – leading to further diversification and investment; • ‘Catalytic’ contribution to wider regeneration, by demonstrating demand and supporting the viability of subsequent schemes. 		
Financial Information	Funding source	Amount £	Constraints, dependencies or risks and mitigation
	Getting Building Fund	1.49m	Subject to Board approval
	For full funding breakdown refer to confidential appendix C.		
Project constraints and risks	There are no significant constraints. Full planning permission is in place and Sevenoaks District Council has an accelerated timetable to bring forward project delivery.		
	Risk	Mitigation measures	
	Capital receipts from the sale of the residential units are not achieved.	Residential units are appropriately designed and to be finished for the target market. Intention is to commence marketing as soon as possible to receive achieve off-plan sales. In the event that sales are not achieved, Sevenoaks District Council will consider placing units on the market for rent	

		through an appropriate vehicle and delay the expected capital receipts
	Impact of COVID-19 pandemic (tender pricing, programme fixing, availability of labour, availability of materials) causes additional cost and/or delay to the programme.	Include COVID-19 question in procurement documents. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of COVID-19 as the situation develops
	Capital costs exceed budget due to factors including construction market tender disinterest, tender risk cover pricing, tender period over Christmas, COVID-19 costs	A single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality. Works tendered on RIBA stage 4 information gives tenderers confidence the design is thorough and coordinated. Realistic client contingencies in place for unforeseen. Robust change control process in place. Contract includes administration by Employers Agent.
	Delays in scheme approval lead to increased costs due to construction inflation	Robust information submitted to allow Sevenoaks District Council Committees/ Cabinet/Council to make timely decisions. Project Contract sum based on programme.
	An operator cannot be procured	An open tender will be held prior to the scheme achieving practical completion. Soft market testing has revealed interest in the provision of business hub services. If this interest does not materialise, Sevenoaks District Council will consider using the existing business support network in Kent, and failing this, the Council may consider operating this directly through its Economic Development Team.
Options consideration	A long list of eight options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Project milestone	Indicative date
	Procurement process for demolition works	September to November 2020
	Main contractor procurement process	September 2020 to February 2021
	RIBA Stage 4 design completed	October 2020
	Demolition work undertaken	January to February 2021
	Construction work undertaken	March 2021 to March 2022
	Procurement route for work hub operator agreed	March 2021
	'Virtual' launch of work hub	October 2021
	Work hub opens	May 2022
Outcome of ITE Review	The project has been assessed as offering High value for money with a High certainty of achieving this.	

	For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.
Link to Project webpage	https://www.southeastlep.com/project/the-meeting-point-swanley/

SELEP – Getting Building Fund Project Background Information

Name of Project	Thurrock Logistics Centre, Thurrock South Essex College - East Building, High Street, Grays, Essex, RM17 6TF Thurrock Council
Getting Building Fund value	£600,000
Description of what Project delivers	<p>This project creates a dedicated Logistics Training Facility in the ground floor of the Thurrock campus in Grays Town centre, circa 400m² (GIA). The new centre will provide a range of programmes focussed on training for the logistics industry. It will enable delivery encompassing wide areas of this high demand sector including software logistics management, supply chain management, logistics technologies including robotics, warehouse planning and management alongside to picking systems / equipment. In addition, it will train those who are recently unemployed due to the pandemic by providing short upskilling programmes including warehousing, LGV/HGV driving and fork lift truck driving, all of which are in demand in the region.</p>
Need for Intervention	<p>Transport and Logistics is an identified priority sector nationally and regionally employing 2.2m people, one in twelve UK workers. However, performance in the sector lags behind many European economies. The sector is vital to the UK economy, contributing £90 billion and employing 8% of the working age population. It is also seen to be a critical enabler in improving the competitiveness of the nation and local economies: the ability to connect to local and global markets is a key aspect of a country's capacity to compete, grow, attract investment and create jobs.</p> <p>The sector experiences significant skills shortages which is only set to widen in the face of further technological advancements and the COVID pandemic and underperforms with regard to education and training. The majority of employees only hold a Level 2 qualification or below. Although the vast majority of employers consider their workforce to be proficient, 67,339 logistics employees are regarded as not proficient in their job-roles. This is a concern as today's globalised economy requires well educated workers who are able to adapt rapidly to their changing environments. Research completed by Oxford Economics and PWC expects the Transport and Logistics sector to experience significant growth between now and 2025. This will require an additional 1.2m workers by 2022. Yet the sector struggles to recruit, 45% of workers are 45-or-over and only a very small minority are 25-or-under. Only 25% are female.</p> <p>Further compounding the sector's skills gaps/shortages in the region are substantial planned investments/developments including:</p> <ul style="list-style-type: none"> • Lower Thames Crossing; • London Gateway: one of Europe's largest logistical parks and rapidly expanding; • Port of Tilbury: projected 5,500 jobs created at London Distribution Park and Tilbury;

	<ul style="list-style-type: none"> Thames Enterprise Park: three key zones (food park, logistical innovation hub and energy park). Potential 5,000 new jobs. 		
Project benefits	<ul style="list-style-type: none"> The scheme would upskill residents to support job retention and providing new skills will enable residents to access new employment opportunities. This would reduce strain on universal credit applications and claims; Skilled employees will maximise the economic potential and competitiveness of the local area and attract inward investment. Increased local employment would reduce the strain on other local services such as health and housing; Providing the first College logistics training facility in the country will raise the profile of the logistics industry as a career which will significantly benefit the sector; Attracting more staff and students to the facility based in Grays town centre would further aid the regeneration of the local area. 		
Financial Information	Funding source	Value £	Constraints, dependencies or risks and mitigation
	South Essex College	399,840	College disposal of Nethermayne campus to Redrow Homes. Funds already received as sale became unconditional in 2019.
	Getting Building Fund Grant	600,000	Dependent on successful bid
	Total project value	999,840	
Project constraints and risks	<p>The works do not require planning consent or landlord's consent (the College has a 125 year ground lease and owns the buildings). Building control approval in principle has already been secured and the College's funding from Redrow regarding the sale of the Nethermayne Campus has already been received into the Project Development Account. The only risk to the project is this funding bid.</p>		
Options consideration	<p>A long list of options were considered before selecting this option all of which are detailed in the Business Case. The preferred option minimises spend whilst locating the scheme within one of their own buildings.</p>		
Project Timeline			
	Task	Description	Timescale
	JCT Stage 1	Stage 1 design and build contract	Oct 2020
	RIBA Stage 3 / 4	RIBA Stage 3 and 4 design	Nov 20 – Mar 21
	JCT Stage 2	Confirmation of CSA & contract execution	Mar 21 – May 21
	Mobilisation & Clear	Contractor mobilisation & clearance of existing space	Jun 21
	Construction	Fit out of IoT space and equipment installation	Jul 21 – Aug 21
	Opening	Opening of new Facility	Sep 21
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p>		

	For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.
Link to Project webpage	https://www.southeastlep.com/project/thurrock-logistics-centre/

Getting Building Fund (GBF) Funding Decisions

Forward Plan reference numbers: FP/AB/322, FP/AB/333, FP/AB/336, FP/AB/334/
FP/AB/328

Report title: Award of Getting Building Fund funding – High value for money, medium/low certainty	
Report to Accountability Board: 20 November 2020	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 26 October 2020	For: Decision
Enquiries to: rhiannon.mort@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex, Medway and Thurrock	

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £4.789m Getting Building Fund (GBF) to the seven projects (the Projects) detailed at Appendix B. The Projects are included in the £85m package of 34 GBF projects agreed with Government in July 2020.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Approve** the award of a total of £4.789m GBF to the following seven projects which have been assessed as offering High Value for Money with medium/low certainty of achieving this:

- 2.1.1.1 Charleston Access Road, East Sussex- £89,293 GBF award, subject to government agreeing the change to the project outcomes (detailed in Appendix C).
- 2.1.1.2 Tindal Square, Chelmsford - £750,000 GBF award
- 2.1.1.3 South Essex, No Use Empty - £1.200m GBF award
- 2.1.1.4 Sussex Innovation Falmer, Covid Secure adaptations - £200,000 GBF award, subject to government agreeing the change to the project outcomes (detailed in Appendix C).
- 2.1.1.5 Creative Hub, 4 Fishers Street, Lewes - £250,000 GBF award, subject to government agreeing the change to the project outputs and outcomes (detailed in Appendix C).
- 2.1.1.6 Nexus, Harlow - £1.600m GBF award

2.1.1.7 Labworth Car Park, Canvey Island modernisation - £700,000 GBF award

2.1.2 **Agree** that once the No Use Empty project has been completed, a decision must be brought back to the Board to agree how any GBF held by Southend Borough Council in relation to the project should be spent.

2.1.3 **Note** that the award of GBF funding to the seven projects is subject to sufficient GBF being received by SELEP from Central Government in 2021/22. *This point is considered further in the GBF update report (agenda item 13).*

3. Background

- 3.1 In July 2020 a package of 34 projects totalling £85m was agreed with Government to be suitable for GBF investment.
- 3.2 A business case has been developed for each GBF project and has been subject to independent assessment by the Independent Technical Evaluator (ITE) against the requirements of the SELEP Assurance Framework.
- 3.3 All seven projects considered in this report have completed the ITE process. The GBF projects considered in this report have been assessed as presenting high value for money but with medium/low certainty. The medium/low level of certainty over the value for money case is due to a full economic appraisal having not been undertaken for these projects, or due to the benefit-cost ratio (BCR) falling short of the requirement for each project to demonstrate a BCR of 2:1.
- 3.4 The seven projects all have a GBF ask of less than £2m and are therefore being considered under value for money exemption 1 of the SELEP Assurance Framework.
- 3.5 For projects to satisfy value for money exemption 1, the following five conditions must be met by each project:
 - 3.5.1 The project has a benefit to cost ratio greater than 1.5:1, or the project benefits are notoriously difficult to appraise in monetary terms; and
 - 3.5.2 The funding sought from SELEP Ltd is less than £2m; and
 - 3.5.3 To conduct further quantified and monetised economic appraisal would be disproportionate to the capital funding ask; and
 - 3.5.4 There is an overwhelming strategic case (with minimal risk in other cases of the business case); and
 - 3.5.5 There are qualitative benefits which, if monetised, would most likely increase the benefit-cost ration to above 2:1.

- 3.6 All seven projects are considered to meet the requirements of the value for money exemption and are therefore recommended to the Board for funding approval.
- 3.7 The scheme promoters for the Nexus project have completed an economic appraisal which demonstrates a BCR of 1.94:1. However it is the ITE's view that the multiplier effect of the project in supporting the wider economy has not been included in the BCR calculation. If the multiplier effect had been factored into the BCR, this would likely increase the BCR above the 2:1 threshold. As such, the project is expected to present high value for money and is recommended to the Board for funding approval.
- 3.8 For the other six projects, monetised economic appraisal has not been undertaken as the cost of undertaking the appraisal would be disproportionate to the project's GBF funding ask. Based on the qualitative assessment of the project, the investment in these schemes is expected to present high value for money.
- 3.9 Full details of the projects can be found in the appendices and the outcome of the ITE assessment of each project under consideration in this report can be found at Appendix A.

4. Case for Investment

- 4.1 This report considers the award of £4.789m GBF funding to seven new projects, as prioritised for inclusion in the £85m funding package awarded by Government to SELEP. Further information on all seven projects can be found in Appendix C.
- 4.2 Information was presented to the Strategic Board about the expected project outputs/outcomes to inform prioritisation of projects and was included within the bid to Central Government to secure GBF. Through the development of the Business Case, there have been changes to some of these project outputs/outcomes to be achieved through the delivery of the project as more detailed assessment has been carried out to consider the project's expected benefits. Further information on any projects that have had changes to the project's outputs/outcomes can be found in Appendix C.
- 4.3 The overall programme outputs and outcomes included within the original funding submission have been agreed with Central Government. SELEP is required to agree any changes to the project outputs and outcomes with Central Government.
- 4.4 A GBF baseline report was provided to Central Government on the 13th November 2020, which provided updated information on the expected project outputs and outcomes, in line with the project business cases and the changes set out in Appendix C. MHCLG will be asked to agree this revised baseline information, as a means to approve the project changes identified in this report.

4.5 Government approval will be sought for this revised baseline before GBF is transferred to partner authorities, for those projects listed in appendix C. If the change is not agreed by Central Government, a further decision will be sought from the Board. The Board will be asked to either confirm that revisions will be made to the project to ensure that the original project outputs/outcomes can be delivered or to agree how the funding should be reallocated, based on the advice from Central Government.

4.6 No GBF will be transferred to partner authorities until the project changes have been agreed with Central Government.

4.7 **Charleston Access Road, East Sussex**

4.7.1 Table 1 provides an overview of the Charleston Access Road project.

4.7.2 The project seeks to improve the access to the Charleston Centenary museum, which SELEP has previously supported with a £120,000 Growing Places Fund loan.

4.7.3 Visitors to the site frequently suffer from punctures or struggle to navigate the farm track access road to the site. This currently deters visitors from returning to the Charleston Centenary farmhouse museum.

4.7.4 The project will help address these issues by providing drainage, road widening and resurfacing part of the access road.

4.7.5 The £89,293 GBF contribution provides insufficient funding to deliver improvements along the whole length of the road and therefore the issues which the project seeks to address will not be fully mitigated through the GBF investment alone.

4.7.6 Whilst the delivery of the GBF works are not dependent on additional funding being secured, additional funding sources are being sought to deliver further works to complete the improvements along the whole length of the road.

4.7.7 There has been a substantial reduction to the expected benefits of the project identified since the project was prioritised by the SELEP Strategic Board the original project submission was made to Central Government. This is due to the project scope having been reduced, as the GBF allocation received by the project is lower than included in the original bid by the applicant to the Federated Board.

4.7.8 The project is no longer expected to have a direct impact on job creation, whereas the original submission to Government suggested

that 26 jobs could be created. Instead the business case for the GBF investment focuses increased visitor numbers, through return visits.

4.7.9 Specifically, the ITE has commented that “the strategic case is compelling, demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will generate growth in repeat visits to Charleston Trust stimulating increased GVA of the local visitor economy”.

4.7.10 Given that the project no longer claims to create new jobs through the GBF investment, the Board is asked to consider this project on the basis of its contribution to the visitor economy. This change to the project outcomes will need to be agreed with Central Government.

Table 1: Overview of the Charleston Access Road project

GBF allocation: £89,293	Total project cost: £99,293
Key project benefits:	
<ul style="list-style-type: none"> • Improvement in visitor experience at Charleston; • Growth in repeat visitors • Reduction in negative feedback about access and vehicle damage. 	

4.8 **Tindal Square, Chelmsford**

4.8.1 Table 2 provides an overview of the Tindal Square project.

4.8.2 The scheme will remove motorised traffic from part of Chelmsford City Centre; reducing carbon emissions and improving air quality. The project will introduce a shared pedestrian space with a key cycle route connection.

4.8.3 The project will create a new public square of over 3,000sqm that provides a destination space for art, events and celebrations.

Table 2: Overview of the Tindal Square project

GBF allocation: £750,000	Total project cost: £3.350m
Key project benefits:	
<ul style="list-style-type: none"> • Increased footfall • Creation of 4 new restaurants/shops in the Shire Hall building creating an estimated 100 new jobs. 	

4.9 **South Essex, No Use Empty**

4.9.1 Table 3 provides an overview of the No Use Empty project.

4.9.2 The Project will provide three-year short-term secured loans to enable the return of long-term empty commercial properties back into use, for residential, alternative commercial or mixed-use purposes.

- 4.9.3 The Project replicates the scheme which has been supported by SELEP in Kent and Medway through Growing Places Fund investment.
- 4.9.4 The GBF will be paid to Southend on Sea Borough Council by the SELEP Accountable Body as a capital grant. The capital loan scheme will then be managed by Southend Borough Council and will operate as a revolving fund, with repaid loans being reinvested in new premises.

It is expected that the GBF will be invested in 2020/21 and 2021/22 and the capital loans issued through the project will take approximately three years to repay.

- 4.9.5 Once the initial tranche of loans has been repaid to Southend Borough Council, the GBF fund will be used to establish a revolving loan funding to support similar initiatives.
- 4.9.6 If at the end of the initial cycle of investment, due to end in approximately March 2024, Southend on Sea Borough Council decides not to continue to operate the Project as a revolving fund to support the redevelopment of commercial and/or residential properties, a decision will need to be brought back to the Board. The Board will be asked to agree how the funding repaid to Southend Borough Council should be reinvested.

Table 3: Overview of the South Essex No Use Empty project

GBF allocation: £1.20m	Total project cost: £2.65m
<p>Key project benefits:</p> <ul style="list-style-type: none"> • Support economic growth through new commercial activity: attracting new business rates, and creating and safeguarding jobs • Increase the number of new homes available as a result of mixed-use development: generating new council tax receipts and attracting Government New Homes Bonus • Support wider regeneration, assisting in improving the vitality and viability of existing commercial areas, improving the quality of the local environment, complementing wider regeneration activities and supporting community safety and cohesion. 	

4.10 **Sussex Innovation, Falmer – COVID-19 secure adoptions project**

- 4.10.1 Table 4 provides an overview of the Sussex Innovation Falmer – COVID-19 secure adoptions project.
- 4.10.2 The Innovation Centre has experienced a substantial decline in business tenants due to the effects of the COVID-19 pandemic on the viability of businesses in some sectors. The centre has therefore lost

tenants and is experiencing an unprecedented increase in vacancy rates, which threatens the long-term financial viability of the centre.

4.10.3 The GBF investment is necessary to ensure that the space can be adapted to accommodate social distancing and updated to offer services that are required to safeguard businesses and jobs in the centre.

4.10.4 There has been a reduction in the expected benefits of the project identified since the project was prioritised by the SELEP Strategic Board the original project submission was made to Central Government.

4.10.5 The project was previously expected to create 100 jobs. This figure has now reduced to 90. The project was also expected to safeguard 190 jobs but has been revised to 180 jobs safeguarded. This change has been identified through the more detailed work which has been completed to set out the expected benefits of the project, as part of the GBF business case.

4.10.6 Central Government will be required to agree this change to the project benefits. If the Government do not agree the change in outputs a further decision will be sought from the Board.

Table 4: Overview of the Sussex Innovation Falmer COVID-19 secure adoptions project

GBF allocation: £200,000	Total project cost: £300,000
<p>Key project benefits:</p> <ul style="list-style-type: none"> • A better, more suitable, environment for local businesses, fuelling economic growth and supporting economic recovery post COVID-19; • Creation of 90 new jobs*¹; • Safeguarding of 180 existing jobs*. 	

4.11 **Creative Hub, Lewes**

4.11.1 Table 5 provides an overview of the Creative Hub project, Lewes.

4.11.2 The project will convert a Grade-II listed former office premise in Lewes town centre into a co-working hub for the creative industries.

¹ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.11.3 As with the Sussex Innovation, Falmer, the expected outputs and outcomes of the project have reduced slightly, relative to those agreed with Government through the bidding stage and considered by the Strategic Board when the project was prioritised.

4.11.4 The area of new commercial floorspace has been revised from 777sqm to 533sqm. The number of FTE jobs created has also reduced from 35 to 30 jobs. This change has occurred as the project has been refined to develop the business case for funding approval.

4.11.5 Central Government will be required to agree this change to the project benefits. If the Government do not agree the change in outputs a further decision will be sought from the Board.

Table 5: Overview of the Creative Hub project, Lewes

GBF allocation: £250,000	Total project cost: £646,387
Key project benefits: <ul style="list-style-type: none"> • deliver 533 sq. m of redeveloped commercial floorspace*; • provide capacity for 30 FTE jobs (gross)*; • deliver 13 new office units*; • deliver 2 new co-working spaces; • deliver £420,689 of Land Value Uplift. 	

4.12 **Nexus, Harlow**

4.12.1 Table 6 provides an overview of Nexus, Harlow project.

4.12.2 Nexus, a 2,800 sqm multi-tenant office building was selected as the first development within Harlow Science Park as part of the wider Harlow Enterprise Zone.

4.12.3 The project seeks to establish the required fit-out across the first and second floors ready for tenant occupation and to establish a co-working space within the ground floor.

Table 6: Overview of the Nexus, Harlow project

GBF allocation: £1.576m	Total project cost: £11.762m
Key project benefits: <ul style="list-style-type: none"> • 2,787m² new commercial floorspace • 296 new jobs • £17,927,400 of new GVA generated over a 10-year period 	

4.13 **Labworth Car Park, Canvey Island modernisation**

4.13.1 Table 6 provides an overview of the Labworth Car Park project, Canvey Island.

4.13.2 The proposed package of works will remedy existing deficiencies of the car park, improve its visual amenity, increase capacity and allow its year-round use by eliminating localised surface-water flood risk.

4.13.3 The combined effect will be to deliver an improved, high-quality car park to support the Canvey Island seafront visitor economy, delivering an enhanced parking facility which has been identified by local businesses as integral to supporting their aspirations for future growth. Supporting the future resilience and growth of the local visitor economy

Table 6: Overview of the Labworth Car Park project

GBF allocation: £700,000	Total project cost: £911,696
<p>Key project benefits:</p> <ul style="list-style-type: none"> • The existing sea wall access ramp will be removed to unlock a more efficient layout and an increase in capacity. • The two separate parking areas will be consolidated and resurfaced using porous 'ecoblocks' to provide improved drainage and eliminate localised surface water flooding; • Changes proposed to access/egress will improve safety and reduce potential vehicle conflict; • Bay markings will be introduced to increase the capacity from c.180 bays to 203 bays, including 12 Blue Badge bays (where there are currently none); • Provision of 10 Electric Vehicle (EV) charging points. 	

5. Risks

- 5.1 Of the £85m GBF allocation secured by SELEP, £42.5m has been transferred to Essex County Council (as the Accountable Body for SELEP) in 2020/21. The second tranche of £42.5m GBF funding due to be received has, at this stage, only been provisionally allocated to SELEP and remains subject to confirmation from Central Government that the funding will be transferred in 2021/22.
- 5.2 There is therefore a risk that the second tranche of funding will not be received, which will present a risk to the completion of three of the projects set out in this report which are due to be delivered across the two-year period. Of the £4.789m GBF being considered under this report, £1.924m is due to be spent in 2021/22 and therefore being awarded subject to the second tranche of GBF being confirmed by MHCLG in April 2021.
- 5.3 If it is not possible for the projects to be completed, the realisation of project outcomes and impacts will also be adversely affected.
- 5.4 Each of the projects under consideration in this report has produced a comprehensive risk register which identifies the key risks faced by the Projects and sets out appropriate individual mitigating actions in each case.

No high risks have been identified in relation to the delivery of any of the projects included in this report.

- 5.5 For the Sussex Innovation and Creative Hub projects, discrepancies have been identified to the expected outputs/outcomes of the project between the original information presented to Central Government and the updated information contained within the project business case.
 - 5.6 Within the letter to SELEP confirming the GBF, the overall expected outputs and outcomes to be delivered through the GBF have been specified based on the project information contained in the original application to Central Government. Any changes to GBF projects, including the project outputs and outcomes must be agreed with Central Government. The specific process for this has not been closely defined, but SELEP will initiate this change process.
 - 5.7 The GBF funding will not be transferred for the projects until the changes have been agreed with Central Government and if the changes are not agreed, a further decision will be sought from the Board.
- 6. Financial Implications (Accountable Body Comments)**
- 6.1 All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has now received Getting Building Funding for 2020/21 from MHCLG in September 2020 of £42,500,000.
 - 6.2 Should the second remaining tranche of GBF for £42.5m from Government be delayed or withdrawn in 2021/22 resulting in insufficient funding to the programme, there could be a risk to completion of GBF projects and delivery of outcomes.
 - 6.3 The Accountable Body has now received Getting Building Fund grant conditions from MHCLG and is working with SELEP to establish service level agreements (SLA's) with each Lead Authority.
 - 6.4 Essex County Council as Accountable Body to SELEP, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
 - 6.5 All GBF will be transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that funding can only be made available when HM Government has transferred GBF to the Accountable Body.
 - 6.6 Should the Board approve the award of funding in this report, the Accountable Body will transfer GBF funding to the sponsoring authorities on confirmation from Government that the changes to the outputs and outcomes for Sussex Innovation and Creative Hub projects are accepted.

6.7 The Agreements will set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

6.8 Use of GBF allocation as a revolving capital loan scheme is permissible. Southend on Sea Borough Council (SBC) as Lead Authority are required to ensure that the loan is used for capital expenditure purposes in line with the definition of capital expenditure at SBC.

7. Legal Implications (Accountable Body Comments)

7.1 The terms set out in the grant conditions between the Accountable Body and Central Government for the Getting Building Fund will set out how the Getting Building Fund is to be administered and used.

7.2 Service Level Agreements will be put in place between the SELEP Accountable Body, SELEP Ltd and the six County/Unitary Authorities for the transfer of the funding in line with the terms of the grant conditions received from Central Government.

7.3 The report states, under 2.9.6 that if Southend on Sea Borough Council decide not to continue to operate the No Use Empty project as a revolving fund, a decision will be brought back to the Board to agree how the GBF should be reinvested. This specific requirement will be included within the conditions of the Service Level Agreement between Southend on Sea Borough Council, SELEP Accountable Body and SELEP Ltd.

8. Staffing and other resource implications (Accountable Body Comments)

8.1 An additional Capital Programme Officer role has been created within the SELEP team to help oversee the delivery of the Getting Building Fund.

9. Equality and Diversity implications (Accountable Body Comments)

9.1 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.

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

- 9.3 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

10. List of Appendices

- 10.1 Appendix A – Report of the Independent Technical Evaluator (*see agenda item 13*).
- 10.2 Appendix B – GBF funding awards
- 10.3 Appendix C – GBF Project Information

11. List of Background Papers

- 11.1 Business Case for the Charleston Access Road project
- 11.2 Business Case for the Tindal Square project
- 11.3 Business Case for the South Essex No Use Empty project
- 11.4 Business Case for the Sussex Innovation, Falmer - COVID-19 secure adoptions project
- 11.5 Business Case for the Creative Hub project, Lewes
- 11.6 Business Case for Nexus project
- 11.7 Business Case for Labworth Car Park

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer Essex County Council)	11/11/2020

Appendix B - GBF Funding Awards

Name of Project	Sponsoring Upper Tier	ITE - Recommend?	Secretariat Recommend?	VFM	Certainty	BCR	Total GBF - £	GBF 2020/21 - £	GBF 2021/22 - £
Charleston Access Road	East Sussex County Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	89,293	89,293	0
Tindal Square, Chelmsford	Essex County Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	750,000	0	750,000
South Essex No Use Empty	Southend on Sea Borough Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	1,200,000	400,000	800,000
Sussex Innovation Falmer - COVID-19 Secure Adaptions	East Sussex County Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	200,000	200,000	0
Creative Hub	East Sussex County Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	250,000	250,000	0
Nexus Harlow	Essex County Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	1,600,000	1,600,000	0
Labworth Car Park, Canvey Island modernisation	Essex County Council	Yes	Yes	High	Medium/Low	VfM Exemption 1	700,000	326,000	374,000
Total GBF Recommended for Approval							4,789,293	2,865,293	1,924,000

SELEP – Getting Building Fund Project Background Information

Name of Project	Accessing Charleston: Removing the barrier to growth					
	Charleston, Firle, East Sussex					
	East Sussex County Council					
Getting Building Fund value	£89,293					
Description of what Project delivers	<p>Charleston is an artists' house and studio museum of international significance in the heart of the South Downs National Park in East Sussex and home to the renowned Charleston Festival.</p> <p>The access track is currently in a poor condition due to drainage issues which have led to a broken surface with cracks and large potholes. The poor quality of the access track discourages visitors from making repeat visits to Charleston and impacts on the ability of Charleston to grow their events and festivals programme.</p> <p>The project will address these issues by:</p> <ul style="list-style-type: none">• providing additional drainage along the access track; and• widening and resurfacing the lane.					
Need for Intervention	<p>The Charleston site is accessed via a farm track which is collapsing and suffers from a number of potholes and large cracks. Visitors to the site frequently suffer from punctures or drive into the ditch trying to navigate the access road.</p> <p>There is significant visitor feedback to indicate that people are discouraged from repeat visits due to the poor quality of the access track and expensive repairs to their vehicles. The current access track limits Charleston's ability to grow the events and festivals programme which their new buildings, following completion of the Charleston Centenary project, allow.</p> <p>The need for the proposed work has been pressing for many years but to date funding has only been secured for remedial repairs and a widening of the road at the point where it joins the entrance to the new car park at Charleston.</p> <p>As visitor numbers to Charleston have grown since the completion of the Charleston Centenary project, the work has become increasingly urgent as the current condition of the road is acting as a barrier to further growth.</p>					
Project benefits	<p>The project will deliver the following benefits:</p> <table><tr><td>Improvement in visitor experience at Charleston</td><td>Growth in repeat visits to Charleston</td><td>Reduction of 100% in negative visitor feedback about access and vehicle damage</td></tr></table>			Improvement in visitor experience at Charleston	Growth in repeat visits to Charleston	Reduction of 100% in negative visitor feedback about access and vehicle damage
Improvement in visitor experience at Charleston	Growth in repeat visits to Charleston	Reduction of 100% in negative visitor feedback about access and vehicle damage				

	Securing 3 posts in events and visitor services	Future potential to introduce sustainable transport to Charleston and the South Downs National Park via a regular minibus (subject to future funding for such a service)	
Financial Information	The total capital cost of the project is: £99,293		
	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Getting Building Fund	89,293	Subject to Board approval. There is a risk that this funding will not be sufficient to deliver the intended benefits. Work continues to secure further funding from alternative sources.
	Firle Estate	10,000	Benefit in kind. Estimated value of project management support being provided by Firle Estate.
	Total	99,293	
	Additional match funding is being sought to facilitate delivery of a larger project which will ensure that improvements are delivered along the whole length of the road.		
Project constraints and risks	Financial – the existing confirmed funding will provide a smaller intervention than originally intended to improve the road. Additional funding is being sought to deliver improved outputs and outcomes.		
	Timing – the work must be delivered whilst Charleston is closed. Charleston is due to reopen in April 2021.		
	Business – COVID-19 will have an ongoing impact on visitor numbers in 2021 which may reduce visitor growth in the short to medium term.		
	Risk	Mitigation measures	Impact
	Desired impact cannot be delivered within confirmed funding	Prioritise works to deliver most impact for available funds. Continue to seek further funding	Outputs and outcomes unable to be delivered
	Delays in appointing contractor result in work not being completed before Charleston reopens	Prioritise works to ensure work requiring full closure of road is delivered first	Costs of project increased due to need to provide alternative access for staff and public. Loss of income if reopening is delayed

	Delays to project due to COVID-19	Establish project committee with back up from key decision makers. Agree COVID contingency plans with contractors. Establish regular online meetings to ensure project management continues if lockdown occurs.	Local lockdown may affect availability of staff for contractor, project manager or project leads leading to delays in decision making or work
Options consideration	Four options have been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline	Project milestone	Indicative date	
	Detailed design	September/October 2020	
	Procurement of contractor	Late November 2020	
	Construction commences	January/February 2021	
	Construction complete	End of March 2021	
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Low/Medium certainty of achieving this.</p> <p>The project is subject to value for money exemption 1 as set out in the SELEP Assurance Framework.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>A full monetised economic appraisal has not been undertaken; however, the project complies with value for money exemption 1 as set out in the Assurance Framework.</p>		
Link to Project webpage	https://www.southeastlep.com/project/accessing-charleston-removing-the-barrier-to-growth/		

SELEP – Getting Building Fund Project Background Information

Name of Project	Tindal Square, Chelmsford Essex County Council
Getting Building Fund value	£750,000
Description of what Project delivers	<p>The scheme will create a new civic public square of over 3,000sqm that provides a destination space for arts, events and celebrations outside Shire Hall.</p> <p>The scheme will create a public space where pedestrians will have priority, cyclists will be able to move through the space between identified gateway points giving care to more vulnerable users.</p> <p>Replacement of all existing surfacing with quality/robust new paving, including a radial design pattern extending from Shire Hall. Existing street clutter to be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. DDA compliant and improved pedestrian access for all to Shire Hall.</p> <p>Provision of comfortable public seating and co-ordinated and well-managed seating area for tables and chairs potential to enable food and beverage businesses to expand their offer on the High Street.</p> <p>The scheme removes motorised traffic from this part of the City Centre (except for High Street service vehicles), reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.</p>
Need for Intervention	<p>City Centres and High Streets are under pressure, amplified now by the COVID-19 pandemic. They need public intervention to recover during a recession and at a time when online retail is increasing. The closure of some key High Street players in recent years and online shopping competition means that key destinations need to be able to offer not only an environment that encourages business investment, but also create a sense of place of high quality that encourages customers to want to be there and stay there for longer periods of time. One way of doing this is investing in the urban fabric of a town or city centre, creating environments that lend themselves to events, eating out, spaces to dwell in and simply enjoy being in a centre.</p>
Project benefits	<p>National research suggests public realm investment adds value and can add value of 4.9% to retail rentals in city centres. And that from studies in other locations for every £1 investment in public realm this generates a £3 economic multiplier in the city centre.</p> <p>Tindal Square element, it is estimated that the investment will support the following:</p> <ul style="list-style-type: none"> • Jobs – Indirectly supporting retail and food and beverage jobs in the centre by encouraging visits, increased footfall, events space and longer dwell time; • Footfall – As part of a wider improvement across the City Centre and linked to the retail development at Bond Street the public realm programme will support increased footfall in the city centre, creating a

	<p>quality environment where visitors will be likely to stay longer and support the retail and leisure offer of the City Centre;</p> <ul style="list-style-type: none"> • New investment – creation of 4 new restaurants/shops in the Shire Hall building, creating an estimated 100 new jobs; • Construction jobs during build – 50 jobs supported for a 6 month period; • Creation of a new space for events – the City's first Festival of Arts and Culture in 2018 generated an economic impact of £1.1m supporting FTE of 16 jobs. The project will add a further City Centre space for similar events in the coming years; • Reduction in motorised traffic and from this part of the City Centre, lowering carbon emissions and improving air quality; • Retaining a key link in the City Centre's cycle network to encourage increased cycling in the city centre as part of the ECC wider sustainable transport package for the city centre. 		
Financial Information	Funding source	Amount (£m)	Constraints, dependencies or risks and mitigation
	Community Infrastructure Levy (Chelmsford City Council)	1.600	Cabinet decision already taken
	Community Infrastructure Levy (Chelmsford City Council)	0.355	Decision to be taken at future Cabinet meeting once Getting Building Fund funding confirmed
	S106 contributions (Chelmsford City Council)	0.520	Funding already held specifically for public realm purposes
	Chelmsford City Council Capital Programme	0.135	Funding already committed and spent on the Preliminary Design (concluded March 2020)
	Getting Building Fund contribution	0.750	Subject to Board approval
	TOTAL	3.36m	
Project constraints and risks	<ul style="list-style-type: none"> • Programme delays if COVID-19 re-emerges; • Failure to implement the new Transport Regulation Order (TRO) due to objections; • Failure to agree an acceptable detailed public realm design that is compatible with the TRO and Shire Hall; • Planning permission/Listed Building consent not forthcoming; • Tender price exceeds budget; • Cost of stats/utilities requiring diversion and delays; • Insufficient response to tender requiring re-tender. <p>Risks will be actively managed throughout the life of the project.</p>		
Options consideration	The only other option considered was a do nothing option. This was dismissed as it would have resulted in a key opportunity to improve the environmental quality of this part of Chelmsford City being missed.		
Project Timeline	Task	Description	Timescale
	TRO	Formal process to put in place the Traffic Regulation Orders	September 2020 for 6 weeks.

	Detailed design – Stage 3C		April 2020 – March 2021
	Planning permission and Listed Building Consent	New DDA complaint access to the front of the Shire Hall.	April 2020 – March 2021
	Tender Management Stage 3D	Preparation of tender pack/documentation	March 2021 – October 2021
	Construction	Implementation of the Scheme	November 2021 – March 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a Medium certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/tindal-square-chelmsford/		

SELEP – Getting Building Fund Project Background Information

Name of Project	South Essex No Use Empty (NUE)					
	Southend on Sea Borough Council					
Getting Building Fund value	£1.2m					
Description of what Project delivers	<p>Southend on Sea Borough Council is seeking £1.2m Getting Building Fund funds to return long-term empty commercial properties back into use, for residential, alternative commercial or mixed-use purposes. The project will focus on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the pandemic and which may have been impacted by larger regeneration schemes</p> <p>South Essex NUE will:</p> <ul style="list-style-type: none"> • support economic growth through new commercial activity: attracting new business rates, and creating and safeguarding jobs; • increase the number of new homes available as a result of mixed-use development: generating new council tax receipts and attracting Government New Homes Bonus; • support wider regeneration, in particular assisting in improving the vitality and viability of existing commercial areas, improving the quality of the local environment, complementing wider regeneration activities and supporting community safety and cohesion. <p>South Essex NUE will achieve this by providing short-term secured loans (up to 3 years) to bring long-term empty commercial properties back into use. While the groundwork and project identification will be completed by local authorities in South Essex the project will also make use of the management and systems that are already in place for the existing NUE scheme in Kent.</p>					
Need for Intervention	<p>Excessive and long-term empty offices and retail units are evidence of local market failure: high risks and uncertain returns discourage commercial investors, and the presence of dilapidated and empty properties impacts negatively on neighbouring occupiers and the wider environment. Typically, the greatest negative impact is in 'secondary' retail areas, where floorspace exceeds demand. Intervention is required to bring properties into alternative use and to break the negative cycle of declining demand, rising dilapidations and rising risks and costs. South Essex experiences these high vacancy rates and as an example, in Southend the Business Improvement District (BID) reports a current vacancy rate of 12% across the Primary Shopping District. Indications are that there are further vacancies that have arisen as a result of the pandemic.</p> <p>At national level, the case for intervention is supported by the Nationwide Foundation's report Affordable Homes from Empty Commercial Spaces (2016), commissioned by the national charity Empty Homes.</p>					
Project benefits		Outcomes	2021/22	2022/23	2023/24	Total
	Direct outcomes (gross terms)	Jobs created		9	9	18
		Homes built (back into use)		14	14	28
		Commercial floorspace delivered	Page 261 of 312	353	353	706

	Further outcomes will be achieved as the Getting Building Fund funding is recycled in future rounds.		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Getting Building Fund	1.20m	Subject to satisfactory business case
	Local authorities	0.1m	Approved
	Private sector	1.35m	Forecast based on experience of Kent NUE*
	Total project value	2.65m	Subject to confirmation of private sector contribution.
	*Note – the private sector investment is a matched amount agreed during the process of assessing each ‘bid’ for improvements to properties under consideration. This has been successfully piloted in Kent previously for Growing Places Fund projects		
Project constraints and risks	Description of Risk		Mitigation
	Failure to recover capital investment		All loans are subject to a risk assessment and separately monitored.
	NUE does not identify a sufficient number of properties		NUE operates across South Essex. Local intelligence from local authorities regarding potential empty properties which may meet the criteria. Networks will also monitor auctions and agent activity for potential projects.
	Inaccurate Property valuations		Royal Institute of Chartered Surveyors (RICS) valuation to be undertaken to provide the existing value of properties and the future value of the property.
	Changes to staff or reduced capacity at Kent NUE so unable to fulfil SLA		Across the South Essex local authorities there are a sufficient number of Project Managers/Officers with skill sets to cover if required until a replacement was found
Options consideration	Southend-on-Sea Borough Council in tandem with the South Essex Economic Development Managers and other stakeholders from both the public and private sector conducted a review of potential options to address the issues identified. The review considered a number of options to address these issues and scored these options against critical success factors.		
Project Timeline	Task	Description	Timescale
	Site identification	Identify 4-5 potential sites to take forward with Getting Building Fund funds.	January 2021
	South Essex NUE launch	Launch of South Essex NUE – once decision known	January 2021
	Groundwork and site identification	Encourage more sites – follow up work after the launch to maximise potential to draw on Getting Building Fund funds	Ongoing to January 2022 or when loan fund is fully allocated
	Assessment of applications	Consideration and assessment of applications throughout life of South Essex NUE	Ongoing to January 2022 or when loan fund is fully allocated
	Page 262 of 312		

	Evaluation	Evaluation of project	In line with SELEP Monitoring and Evaluation requirements
	Loan repayments	Repayment of loans by developers	March 2025
	Project close		March 2025
	Introduction of rolling loan fund	The repaid Getting Building Fund will be recycled to support further projects.	April 2025
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a Medium certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/south-essex-no-use-empty/		

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Sussex Innovation, Falmer: COVID Secure adaptations</p> <p>Sussex Innovation Centre, Science Park Square, Falmer, East Sussex</p> <p>East Sussex County Council</p>
Getting Building Fund value	£200,000
Description of what Project delivers	<p>The project seeks to stimulate the regional innovation ecosystem and accelerate the economic recovery of the region by improving the facilities of the Sussex Innovation Centre, creating a COVID secure environment that will allow businesses to safely return to work and for new businesses to invest in the region.</p> <p>The Getting Building Fund funding will be invested in furniture, hygiene facilities and equipment that facilitates social distancing and allows business tenants and their teams to continue to work comfortably at the centre whilst adhering with social distancing requirements.</p> <p>A COVID secure Sussex Innovation Centre will provide a much-needed facility for entrepreneurs and businesses in the SELEP region by providing the right infrastructure to accommodate social distancing. Additionally, the centre will provide hybrid remote working solutions to enable businesses to test new ideas, share expertise and develop new commercial products in key sectors, including highly valuable and productive digital enabling and emerging technologies alongside regionally relevant creative and digital services.</p> <p>Following delivery of the project, businesses will be able to rotate staff between the home and office environment by accessing high quality virtual meeting rooms designed specifically for a blended distribution of teams in different locations.</p> <p>The project also seeks to contribute to a long-term reduction in carbon emissions through investment in the right infrastructure to enable sustainable transport for commuting to the centre.</p>
Need for Intervention	<p>The Innovation Centre has experienced a substantial decline in business tenants due to the effects of the COVID-19 pandemic on the viability of businesses in some sectors. The centre has therefore lost tenants and is experiencing an unprecedented increase in vacancy rates, which threatens the long-term financial viability of the centre.</p> <p>The Getting Building Fund investment is necessary to ensure that the space can be adapted to accommodate social distancing and updated to offer services that are required to safeguard businesses and jobs in the centre. The impact of the COVID-19 pandemic has reduced centre occupancy levels to 60%. The Getting Building Fund investment is required to increase the occupancy level back to 95%.</p> <p>The Getting Building Fund investment will increase the trust that business tenants have in their ability to use the centre safely, allowing the centre to attract new tenants.</p>

Project benefits	The project will deliver the following benefits:		
	A better, more suitable, environment for local businesses, fuelling economic growth and supporting economic recovery post COVID-19	Creation of 90 new jobs* ¹	
	Safeguarding of 180 existing jobs*		
Financial Information	The total capital cost of the project is £300,000 .		
	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Private sector funding	100,000	This funding has been secured
	Getting Building Fund	200,000	Subject to Board approval
	Total project value	300,000	
Project constraints and risks	There are no known constraints. There are no planning requirements as the works will be completed within the existing Sussex Innovation Centre Falmer site. The successful delivery of the project is solely dependent upon purchasing the goods and services required and allowing sufficient time for successful installation and refurbishment.		
	Risk	Mitigation measures	Impact
	Cost Plans are inaccurate	Cost estimates have been based on previous projects and design quotes for Falmer. There can be a minor degree of flexibility in the design to meet any budgetary pressure.	Outputs may not be delivered or will be delivered to a lower specification
	Inflationary costs and budget overrun	Projects are anticipated to be undertaken within the next six months, so limited cost inflation expected.	Outputs may not be delivered or will be delivered to a lower specification
	Projects not completed on time	A realistic programme has been prepared for all stages of work. Allowance for procurement period has been discussed with the suppliers to ensure deliverability.	Extended period of lower occupancy levels
	Ability to generate enough revenue by attracting new tenants after the project is completed	An experienced team is in place and they will be able to attract as many occupiers as needed	Innovation Centre is not fully occupied
	Future Lockdown measures that impact on office environments	It is expected that tighter lockdown restrictions will only be temporary, and that office work will be allowed to take place. Strict social distancing and hygiene measures will be enforced	Innovation Centre is not fully occupied

¹ *There has been a change to the expected jobs to be created and safeguarded by the project between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

Options consideration	A long list of three options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Project milestone	Indicative dates
	Sustainable transport investment – delivery of six electric vehicle charging points	August 2020
	Investment in enhanced hygiene facilities – improving toilet facilities to include non-touch technology, sterile surfaces and clean air filters. Install clean air A/C unit in the centre and clean air filters in meeting rooms.	January to March 2021
	Investment in technology and furniture - refurbish meeting rooms with seating systems that facilitate social distancing. Invest in enhanced software and hardware equipment to allow for non-touch seamless facilities management and creating Zoom rooms to generate blended meeting environments for office and remote workers.	January to March 2021
	Sustainable transport investment – creation of a shower block to increase the number of staff cycling into the centre.	January to March 2021
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Low/Medium certainty of achieving this.</p> <p>The project is subject to value for money exemption 1 as set out in the SELEP Assurance Framework.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>A full monetised economic appraisal has not been undertaken; however, the project complies with value for money exemption 1 as set out in the Assurance Framework</p>	
Link to Project webpage	https://www.southeastlep.com/project/sussex-innovation-falmer-covid-secure-adaptations/	

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Creative Hub, 4 Fisher Street</p> <p>4 Fisher Street, Lewes, BN7 2DG</p> <p>East Sussex County Council</p>
Getting Building Fund value	£250,000
Description of what Project delivers	<p>The project will convert a vacant Grade-II listed former office premises in Lewes town centre into a co-working hub for the creative industries.</p> <p>The Creative Hub will offer a street level co-working café, a reception and information point, a co-working and freelance desk area, a high speed broadband connection with Wi-Fi access as well as fixed terminals, contemporary office spaces on floors 1 and 2 and a boardroom and mini conference space.</p> <p>The office spaces will be offered on flexible terms to encourage small creative companies to grow. The project will also offer a programme of events and support workshops.</p>
Need for Intervention	<p><u>Demand for Creative Co-Working Space</u></p> <p>Lewes District has a lively arts and creative sector. Official statistics show that the District has 630 creative businesses and 2,000 employee jobs in the sector. The majority of these are based in Lewes Town. Between 2010 and 2019, the number of creative enterprises grew by 53.7%, compared to 15.8% for all industries. However, this is likely to be an underestimate as it is well-known that the sector has a large number of freelancers, homeworkers and people with portfolio careers.</p> <p>A cultural audit of Lewes town, undertaken in 2014, found that the commercial viability of creative workspaces was challenging because the demand was largely for low-cost units for start-ups and freelancers.</p> <p>Evidence provided to the Lewes District Council's Scrutiny Review of Affordable Workspace and Support for the Creative Sector (2019) identified a shortage of appropriate workspace and a lack of specialist business support and advice for businesses in the sector.</p> <p>Several co-working spaces already exist in the town centre, however, these do not provide the specialist business support that is proposed for the Fisher Street site and because they are not dedicated to the Creative Industries, they are unable to develop a network around a physical hub in the way that is proposed.</p> <p>The COVID-19 pandemic has had a significant impact on the creative industries sector, but it is likely that the new, flexible ways of working that are being adopted will reflect the way that freelancers and micro-businesses in the sector already operate. The location of the proposed site, at the eastern edge of the Greater Brighton City Region and within commuting distance from London means that Lewes is likely to experience a greater demand for co-</p>

	<p>working spaces, in which employees of larger companies outside the area, work alongside freelancers, start-ups and micro businesses in the sector.</p> <p><u>Redeveloping the Fisher Street Site</u></p> <p>The site in Fisher Street has been vacant for over a decade. In that time there have been no enquiries regarding taking over the building and whilst Lewes District Council has investigated other potential uses none of come to fruition or have proved to be viable.</p> <p>The proposed use for the building is in keeping with Lewes District Council's corporate Asset Management Plan which seeks to bring under-utilised properties back into effective uses that will benefit local communities and the local economy.</p>		
Project benefits	<p>The building has been vacant for over a decade and this project will return it to effective use, whilst also reducing the ongoing financial obligations of Lewes District Council associated with maintenance, business rates and utility costs.</p> <p>The building will provide the space needed to meet the demand for coworking space from the growing creative sector in the town and the wider Greater Brighton City Region.</p> <p>The project will also generate valuable footfall for town centre businesses at the upper end of the High Street, attracting new business visitors and increasing spend in the town centre to support existing local businesses.</p> <p>The project will:</p>		
	deliver 533 sq. m of redeveloped commercial floorspace*	provide capacity for 30 FTE jobs (gross)*	deliver 13 new office unit's
	deliver 2 new co-working spaces	deliver £420,689 of Land Value Uplift	
Financial Information	The total capital cost of the project is £646,387 .		
	Funding source	Amount £	Constraints, dependencies or risks and mitigation
	The Werks Group	£381,652	Provision of this private sector funding is dependent upon securing sufficient Getting Building Fund funding to enable the delivery of a successful Creative Hub.
	Getting Building Fund	£250,000	Subject to Board approval. A reduced level of Getting Building Fund funding would impact on the ability to provide a viable Creative Hub.
	Lewes District Council	£14,735	Provision of this public sector funding is dependent upon securing sufficient Getting Building Fund funding to enable the delivery of a successful Creative Hub.
	Total project value	£646,387	

Project constraints and risks	<p>The majority of the works delivered through this project will impact on the interior of the existing building and will not therefore require any planning consent. The proposed interior improvements have already been subject to surveys and design proposals to ensure that the redeveloped building reflects the needs of the creative sector and offers access which is suitable for all users.</p> <p>Some changes to the exterior of the building are likely to be required, including to the doorway and external signage. The exterior of the building is listed and therefore Listing Building consent may be required.</p>	
	Risk	Mitigation measures
	Lack of demand for office space and reduced rental income	Work with Lewes District Council and other public sector partners to help promote the new Creative Hub across the District, County, Greater Brighton Area and SELEP Region
	Refurbishment costs higher than forecast	Forecast costs have been based on detailed surveys of the building to establish accurate costs for refurbishment
	Operational costs higher than forecast	Ten-year business plan with forecast operational costs provided by likely operator
	Failure to secure Listed Buildings Consent	Ensure a high level of early engagement with officers in the Listed Buildings teams on the scheme's design. Option to remove Listed Building consent for external works is being considered through consultation with Historic England
Options consideration	A long list of seven options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Project milestone	Indicative date
	Option selection	February 2020
	Lease document (Heads of Terms agreed)	July 2020
	Completion of Phase 1 – clearance and making ready	12 th September 2020
	Listed Buildings consent review	30 th September 2020
	Completion of Phase 2 – making the building watertight	20 th October 2020
	Completion of Phase 3 – Greening the building (lighting, heating and solar)	11 th December 2020
	Completion of Phase 4 – Café and ground floor refurbishment	11 th December 2020
	Completion of Phase 5 – 1 st floor refurbishment	22 nd January 2021
	Completion of Phase 6 – 2 nd floor refurbishment	19 th February 2021

	Completion of Phase 7 – Official opening	16 th March 2021
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Low/Medium certainty of achieving this.</p> <p>The project is subject to value for money exemption 1 as set out in the SELEP Assurance Framework.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>A full monetised economic appraisal has not been undertaken; however, the project complies with value for money exemption 1 as set out in the Assurance Framework.</p>	
Link to Project webpage	https://www.southeastlep.com/project/creative-hub-4-fisher-street/	

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Nexus – Harlow Science Park</p> <p>Harlow Science Park, Newhall Way, Harlow, Essex, CM17 9LX</p> <p>Essex County Council</p>
Getting Building Fund value	<p>£1.597m (Submission to Government was £1.6m)</p>
Description of what Project delivers	<p>The Harlow Science Park (HSP) is the flagship development of the Harlow Enterprise Zone (HEZ), providing space for science and technology companies and bringing many high value jobs to Harlow. It is specifically designed to provide high quality space that will complement the science parks in the Cambridge area and capitalise upon the growth of the science and technology sectors in the London Stansted Cambridge Corridor (LSCC).</p> <p>Nexus, a 2,800 sqm multi-tenant office building was selected as the first development within Harlow Science Park along with the Anglia Ruskin University's Arise building.</p> <p>The project seeks to establish the required fit-out across the first and second floors ready for tenant occupation and also to establish a co-working space within the ground floor as a further response to the pandemic.</p> <p>This co working space will meet the requirements of organisations that require flexible remote working solutions as they disaggregate from central offices within city centres as well as provide important incubation space for new companies as they develop the critical mass required to establish their own dedicated facility.</p> <p>The project establishes 296 jobs and contributes to the wider success of HEZ which will generate significant funds to the SELEP through the Business Rates uplift arrangement with the Enterprise Zone (EZ) agreement.</p>
Need for Intervention	<p>Harlow must provide the quality of place that supports the town's economic aspirations through planned major investments. These include the government backed move of Public Health England (PHE) to Harlow, the growing city scale population of the Harlow & Gilston Garden Town (HGGT), the development of the Harlow Enterprise Zone/Harlow Science Park, and the building of a new Princess Alexandra Hospital (PAH).</p> <p>COVID-19 has triggered adverse economic impacts to Harlow with disproportionately high levels of furlough and unemployment making the stimulation of employment space and tenant uptake an imperative Nexus and the wider Harlow Science Park will demonstrate high quality development, and raise the bar for private sector interventions, improving quality of place and life in the town centre.</p> <p>Harlow's population (87,100 in 2019) has grown strongly over the past 10 and growth is projected to continue at above the national rate for the next 20 years (Harlow: 0.6% per year 2016-2036; UK: 0.5% per year). The catchment area is set to expand significantly through HGGT and housing growth in nearby towns. HGGT will deliver 16,000 homes to 2033 and 7,000 post 2033 totalling growth of the existing Harlow urban area of 23,000 homes, a two-thirds increase on the current number of homes and raising the population to circa 130,000 residents.</p>

	<p>Further infill development and redevelopment within the town and town-centre will see this number rise significantly.</p> <p>These additional households will put significant pressure on the provision of employment in the local area, and whilst commuting to The City and wider geographical employment areas will consume some of this demand, post Covid-19 working solutions and green recovery aspirations will mean a greater emphasis is placed on locally driven solutions.</p> <p>The development of Nexus was an important first step in strategic realisation, and whilst market requirements for office space have shifted, its importance within Harlow Science Park and the wider Enterprise Zone to delivering an integrated supply chain are not diminished. Nor is the ability of the buildings occupation to allowing for the leverage of the pipeline areas of development to be targeted for further integrative industry participants.</p> <p>Should funding from the Getting Building Fund be successful, the fit-out phase of the Nexus project will not only deliver physical outcomes and specific job creation opportunities, but will also stimulate and accelerate the establishment of the other employment opportunities targeted by the interventions of Harlow Science Park and the Enterprise Zone.</p> <p>The space within Nexus was designed to give flexibility to layout and provide significant opportunities to tenants to establish final fit-out provision in line with specific requirements.</p> <p>This strategy was based on the projected occupancy of the building to be made up of two or three key tenants utilizing large floor plates within the building.</p> <p>It was further projected that the capital cost of final fit-out for these floor plates would be paid by the tenants in exchange for free/optimized rental periods and as such no financing for these costs were established.</p> <p>These projections have been significantly affected by the COVID-19 pandemic, with the requirement of large floor plates now making way for space reduction with interest in average sizes of requirement now between 250-300sqm.</p> <p>These size spaces are also let with full fit-out in place, and whilst this alleviates the need to negotiate free/optimized rental periods, the need for the upfront capital expenditure has now become imperative to begin occupation within the building.</p>		
Project benefits	The expected benefits of the Nexus project are:		
	2,787m ² of new commercial floorspace		296 new jobs
	£17,105,500 of new GVA generated over a 10 year period		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Harlow District Council Loan	£10.165m	The loans have been drawn down against the practical completion of the Nexus Building prior to fit-out. All funds have been paid with exception of a small retained sum which are subject to defect correction, but these have been allocated pending completion.

	Getting Building Fund	£1.597m	Currently seeking funding to finalise programme
	Total project value	£11.762m	
Project constraints and risks	<p>At this juncture of delivery, constraints around planning, procurement and infrastructure have been overcome with the building works now meeting practical completion awaiting secondary fit-out.</p> <p>Whilst legal, social, environment and other constraints have been addressed through the Local Development Order; financing remains the key constraint to the delivery of Nexus, with the level of market adaptation and general working practice shift occurring only very recently.</p> <p>Given the need to now complete all fit-out arrangements and co-working space development as an extended part of the Nexus delivery, no funding has been considered prior to these circumstances becoming known, and no funding is currently approved or awarded to this</p> <p>Key risks: In line with industry best practice a fully detailed delivery risk register was managed as part of site delivery to practical completion.</p> <p>This register has now been closed and a further risk register has been produced ahead of a fit-out phase of the project delivery.</p> <p>Key areas of risk are associated to a second lockdown due to COVID-19 during internal works which could provide delays to the programme of works.</p> <p>This is of course a risk present in all projects that include interior works but scope exists within the delivery programme to allow for socially distanced working and split discipline schedules to allow for delivery in the event of a further lockdown, and this could still be achieved within the delivery window specified by the Getting Building Fund.</p> <p>Given the contractual nature of the fit-out works, cost increases sit within the liability of the contracted partner and as such this risk has been mitigated.</p> <p>The main area of risk sits with the delivery of the key benefits of the scheme surrounding job creation, and this has been detailed in previous sections through its relationship to the establishment of HSP as a functioning and attractive proposition to employers and employees alike.</p>		
Options consideration	A long list of three options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline	Task	Description	Timescale
	Fit-Out contract	Finalise Fit-Out contract and instruct contractor once funding is established.	November 2020
	Fit-Out Works	Fit-Out works including flooring, partitioning and kitchenettes, along with co-working space establishment and meeting room provision.	January – August 2021.
	Marketing	Marketing of both floor plates and Co-working space	On-going until completion – Expected July 2022

Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Low/Medium certainty of achieving this.</p> <p>The project is subject to value for money exemption 1 as set out in the SELEP Assurance Framework.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>A full monetised economic appraisal has not been undertaken; however, the project complies with value for money exemption 1 as set out in the Assurance Framework.</p>
Link to Project webpage	<p>https://www.southeastlep.com/project/nexus-harlow-science-park/</p>

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Labworth Car Park, Canvey Island - resurfacing/modernisation</p> <p>Castle Point Borough Council Car Park (known as Labworth car park), Western Esplanade, Canvey Island, Essex, SS8 0AY</p> <p>Essex County Council</p>
Getting Building Fund value	£700,000
Description of what Project delivers	<p>Funding is being sought to deliver a comprehensive package of improvements to the largest seafront car park serving Canvey Island seafront.</p> <p>The proposed car park improvements will deliver the following:</p> <ul style="list-style-type: none"> • The existing sea wall access ramp will be removed to unlock a more efficient layout and an increase in capacity. • The two separate parking areas will be consolidated and resurfaced using porous 'ecoblocks' to provide improved drainage and eliminate localised surface water flooding; • Changes proposed to access/egress will improve safety and reduce potential vehicle conflict; • Bay markings will be introduced to increase the capacity from c.180 bays to 203 bays, including 12 Blue Badge bays (where there are currently none); • Provision of 10 Electric Vehicle (EV) charging points. <p>The proposed package of works will remedy existing deficiencies of the car park, improve its visual amenity, increase capacity and allow its year-round use by eliminating localised surface-water flood risk. The works will also future-proof the car park by allowing for its use by a wider range of users, providing accessible and inclusive access, and supporting the low carbon transport agenda.</p> <p>The combined effect will be to deliver an improved, high-quality car park to support the Canvey Island seafront visitor economy, delivering an enhanced parking facility which has been identified by local businesses as integral to supporting their aspirations for future growth. Supporting the future resilience and growth of the local visitor economy is an important priority for the Castle Point Borough Council in the context of the adverse economic impacts resulting from COVID-19 which disproportionately impacted on the leisure and tourism sectors.</p>
Need for Intervention	<p>Labworth Car Park, the principal car park serving Canvey seafront, is in a poor state of repair: it does not provide a level surface and is exclusionary to user groups including young families, the elderly and mobility impaired; it has poor surface-water drainage so is susceptible to surface-water flooding reducing its capacity out of season; and it does not provide any infrastructure to support low carbon transport. Cumulatively it provides very poor visual amenity, constrains the Council's ability to encourage the transition to Electric Vehicles and detracts from the overall experience for residents and visitors.</p> <p>Accordingly, the proposed car park improvements will contribute towards improving wellbeing and accessibility outcomes for business, residents, and</p>

	visitors to Canvey Island seafront. Furthermore, investing in this public realm and environmental improvement scheme will help build Canvey Island's economic resilience by delivering infrastructure to support economic activities outside of the peak season, enhancing inclusivity and accessibility, and contributing to establishing the pre-conditions for attracting further investment to drive economic growth.		
Project benefits	<p>The proposed improvements to Labworth Car Park will deliver the following principal benefits:</p> <p>Environmental:</p> <ul style="list-style-type: none"> • Provision of EV charging points to support the transition to a low carbon transport network. • Reduced risk of localised surface-water flooding through use of porous 'ecoblock' paving (a form of Sustainable Urban Drainage System (SUDS)). • Encouraging visitation of the Canvey Island seafront as a year-round recreational exercise destination which will reduce recreational pressures on the Benfleet and Southend Marshes Special Protection Area. <p>Social</p> <ul style="list-style-type: none"> • Enhanced visual amenity for residents and visitors, improving perceptions of the physical environment of Canvey Island seafront. • Providing accessible and inclusive parking facilities, inclusive of Blue Badge parking bays, suitable for use by young families, the elderly and the mobility impaired. • Improving year-round access to the seafront to facilitate its increased use for recreational exercise. <p>Economic</p> <ul style="list-style-type: none"> • Increased parking capacity to support increased visitor numbers and support the existing local economy. • Improved quality of parking provision – including eliminating flood-risk – to provide year-round parking in support of a more resilient local economy, supporting visitors outside of the peak season. • Delivering the first phase of the master planned improvements to Canvey Island seafront, enhancing the quality of place and public realm, to support future identified business aspirations for growth and investments in other planned improvements 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Getting Building Fund	700,000	Getting Building Fund funding is required to enable this development and unlock the associated benefits
	Castle Point Borough Council	172,696	A Report was presented to Cabinet on 16 September 2020 seeking confirmation of Council commitment to cover this spend. This funding was approved.
	South Essex Parking Partnership (SEPP)	39,000	Allocation of funding confirmed by SEPP Joint Committee on 5 September 2019
	Total project value	911,696	

Project constraints and risks	<ul style="list-style-type: none"> • Lack of funding – the biggest single delivery constraint is the lack of funding. Without this, the scheme cannot progress. • Impact on local parking provision during construction works – during the delivery of the proposed works there will be a temporary reduction in available car parking for residents and visitors. Whilst a development constraint, the works are proposed to take place during the off-season to minimise potential adverse economic, accessibility or wellbeing impacts with adequate parking available in the surrounding vicinity (out of season) to mitigate effects on a temporary basis. • Environment Agency Approval is required - this has already been secured in principle following positive pre-application consultation and a positive response to the planning application in their role as a statutory consultee <p>Key risks:</p> <ul style="list-style-type: none"> • COVID-19 – there is a risk of a second-wave of infections and a second lockdown during the proposed construction period. This is beyond the control of the project. However, it is noted that the proposed works package can readily be delivered in the current context of adopting safe COVID-19 working practices, aided to a significant extent by the outside nature of the works. This risk will be monitored. • Adverse weather conditions – these could potentially affect the programme due to the timing of the works coinciding with January-May period; however an appropriate buffer has been built into the target programme to mitigate this risk. • Supply chain/contractor/sub-contractor insolvency – robust checks will be undertaken during the ITT/PQQ stage and any issues arising during the delivery process will be monitored closely. Emphasis will be placed on the selection of a robustly solvent contractor which can demonstrate a strong and diverse supply chain. 		
Options consideration	A long list of four options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline	Task	Description	Timescale
	Planning Application	Planning application submitted 15/07/2020. Determination of the application is still pending, but Officers have confirmed the scheme is policy compliant, and thus low risk.	Planning consent obtained/confirmed 17/9/2020
	Procurement	Invitation to Tender will be issued 08/10/2020	Completed by 19/11/2020
	Implementation	The works will commence 04/01/2021	Completion by 21/05/2021
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Low/Medium certainty of achieving this.</p> <p>The project is subject to value for money exemption 1 as set out in</p>		

	<p>the SELEP Assurance Framework.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p> <p>A full monetised economic appraisal has not been undertaken; however, the project complies with value for money exemption 1 as set out in the Assurance Framework.</p>
Link to Project webpage	<p>https://www.southeastlep.com/project/labworth-car-park-canvey-island-resurfacing-and-modernisation/</p>

Getting Building Fund (GBF) Funding Decisions

Forward Plan reference numbers: FP/AB/321, FP/AB/325, FP/AB/327, FP/AB/330, FP/AB/332, FB/AB335

Report title: Award of Getting Building Fund funding – high value for money and medium certainty (with a planning or BCR risk)	
Report to Accountability Board: 20 November 2020	
Report author: Howard Davies, SELEP Capital Programme Officer	
Date: 29 October 2020	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Essex, Southend and East Sussex	

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £13,672,500 Getting Building Fund (GBF) to the six projects (the Projects) detailed at Appendix B. The Projects are included in the £85m package of 34 GBF projects agreed with Government in July 2020.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Note** the risk to the value for money and outputs/outcomes offered by the Riding Sunbeams project due to the issues set and set out in section 4.11 of this report.

2.1.2 **Approve** the award of a total of £13,672,500 GBF to the following five projects which have been assessed as offering High Value for Money with Medium certainty of achieving this, this because either the projects do not have planning permission or exhibit a benefit cost ratio that may be sensitive to any net downside risks, or other:

2.1.2.1 Better Queensway Opportunity South Essex - £4,200,000 GBF award, subject to:

- Written confirmation from Southend Borough Council that planning permission has been granted, by 31 March 2021, the Board will be asked to agree that the GBF will be reallocated to the next project on the GBF pipeline at the first Board meeting in 2021/22

2.1.2.2 Jaywick Market and Commercial Space, Essex - £1,972,000 GBF award subject to government agreeing the change to the project outcomes (detailed in Appendix E).

- 2.1.2.3 Rocheway Independent Living, Essex - £713,000 GBF award subject to government agreeing the change to the project outcomes (detailed in Appendix E).
- 2.1.2.4 Modus (Essex) - £1.960m GBF award subject to government agreeing the change to the project outcomes (detailed in Appendix E).
- 2.1.2.5 Tendring Bikes and Cycle Infrastructure, Essex - £2.300m GBF award subject to government agreeing the change to the project outcomes (detailed in Appendix C). ; and
- 2.1.2.6 Riding Sunbeams Solar Railways, East Sussex - £2,527,500 GBF award
- 2.1.3 **Agree** that if the planning consent for the Jaywick Market and Commercial Space project has not been successfully secured for the project by end of Q1 2021/22, the GBF must be returned to SELEP in full for reallocation to the next project on the GBF pipeline.
- 2.1.4 **Note** that the award of GBF funding to the six projects is subject to sufficient GBF being received by SELEP from Central Government in 2021/22. *This point is considered further in the GBF update report (agenda item 14).*

3. Background

- 3.1 In July 2020 a package of 34 projects totalling £85m was agreed with Government to be suitable for GBF investment.
- 3.2 A business case has been developed for each GBF project and has been subject to independent assessment by the Independent Technical Evaluator (ITE) against the requirements of the SELEP Assurance Framework.
- 3.3 All six projects considered in this report have completed the ITE process. The GBF projects considered in this report have been assessed as presenting high value for money but with medium certainty. The medium level of certainty over the value for money case is due to either a planning application yet to be formally approved or due to the benefit-cost ratio (BCR) falling within 0.1 divergence of the requirement for each project to demonstrate a BCR of 2:1. This suggests the project may be sensitive to any downside risks, such as risks which may increase the total cost of the project or reduce the scale of benefits to be delivered.
- 3.4 Full details of the projects can be found in the appendices and the outcome of the ITE assessment of each project under consideration in this report can be found at Appendix A.

4. Case for Investment

- 4.1 This report considers the award of £13,672,500 GBF funding to six new projects, as prioritised for inclusion in the £85m funding package awarded by Government to SELEP. Further information on all six projects can be found in Appendix A.
- 4.2 Information was presented to the Strategic Board about the expected project outputs/outcomes to inform the prioritisation of projects and was included within the bid to Central Government to secure GBF. Through the development of the Business Case's for each Project, there have been changes to some of the project outputs/outcomes as more detailed assessment has been carried out to consider the project's expected benefits. Further information on any projects that have had changes to the project's outputs/outcomes can be found in Appendix E
- 4.3 The overall programme outputs and outcomes included within the original funding submission have been agreed with Central Government and SELEP is required to agree any changes to the project outputs and outcomes with MHCLG.
- 4.4 A GBF baseline report was submitted to Central Government on 13 November 2020, which provided updated information on the expected project outputs and outcomes, in line with the project business cases and the changes set out in Appendix E.
- 4.5 Government approval will be sought for this revised baseline before GBF is transferred to partner authorities for those projects listed in appendix E. If the change is not agreed by Central Government, a further decision will be sought from the Board, to confirm that revisions will be made to the project to ensure that the original project outputs/outcomes can be delivered or to agree how the funding should be reallocated, based on the advice from Central Government
- 4.6 There is medium certainty over the value for money case for these six projects due to risks relating to planning, scale of benefits or other concerns. The concerns for each project are noted below. Whilst the six projects are recommended to the Board for funding approval, the Board is asked to consider the individual project risks as part of their decision making.
- 4.7 **Better Queensway, Southend on Sea**
- 4.7.1 Table 1 provides an overview of the Better Queensway project.
- 4.7.2 The project seeks to upgrade the local electrical networks to provide the needed grid capacity to meet the new Future Homes Standard on energy use and energy efficiency of newly built homes.

- 4.7.3 The Project is part of an estate and renewal project, seeking to transform a 5.2 hectare site to the north of Southend town centre.
- 4.7.4 A planning application was submitted for the project in September 2020, but planning permission is not expected to be secured until February 2021.
- 4.7.5 The planning application was developed following a six-month consultation period, including extensive engagement with residents. The responses to the consultation indicated strong support amongst the existing residents for the redevelopment.
- 4.7.6 Whilst the project risk register included in the business case indicates that there is a low risk to delays being experienced in determining the planning consent, if the application were unsuccessful this would impact the project delivery timescales.
- 4.7.7 As such, the Board is asked to approve the project subject to confirmation from Southend on Sea Borough Council that planning consent has been secured for the project. No GBF will be transferred to the project until this confirmation has been provided.
- 4.7.8 Given the time constraints in spending the GBF allocation and the relatively high GBF allocation to this project, if the planning consent has not been confirmed by Southend on Sea Borough Council by the end of 31 March 2021, the Board will be asked to agree that the GBF will be reallocated to the next project on the GBF pipeline, at the first Board meeting in 2021/22 which is expected to be 7 May 2021
- 4.7.9 If planning were to be refused by the Local Planning Authority the GBF allocation of £4.2m would automatically be reallocated to the next project on the GBF pipeline.

Table 1: Better Queensway project

GBF allocation: £4.2m	Total project cost: £21.9m
Key project benefits as stated in the Business Case: <ul style="list-style-type: none"> • 1,669 new homes • 7,945sqm commercial space • 552 FTE jobs • Improved environmental benefits through energy efficiency; • Transport benefits through the delivery of road, cycle, pedestrian infrastructure to improve access to the town centre • Economic benefits through the creation of additional high-quality commercial space and increased spend through an increased population on the site 	

4.8 **Jaywick Market and Commercial Space, Tendring, Essex**

- 4.8.1 Table 2 provides an overview of the Jaywick Market and Commercial Space project.
- 4.8.2 The scheme will result in construction and operation of a covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area, which is one of the most deprived in the country.
- 4.8.3 The project will create 86 jobs and will support Green Recovery by providing an improved public realm and improved walkability of the area to increase the use of active modes.
- 4.8.4 Planning permission is not expected to be secured until May 2021. However, the application will be on land owned by Tendring District Council and within a designated regeneration area. The risk is considered as low by the scheme promoters and engagement with planning officers has already commenced.
- 4.8.5 Given the time constraints in spending the GBF allocation, the Board is asked to consider the risk relating to the planning consent in determining whether to approve the project. If the planning consent is not approved for this project, there would be very limited time available for an alternative project to be brought forward to spend the £1.972m GBF by 31 March 2022.
- 4.8.6 As GBF spend on the project is due to commence before the planning application has been determined (as set out in Appendix C), the funding decision in this report is not subject to planning consent being confirmed. However, the Board is asked to agree that if the planning consent has not been successfully secured for the project by end of Q1 2021/21, the GBF must be returned to SELEP in full for reallocation to the next project on the GBF pipeline.
- 4.8.7 This recommendation is being made to the Board due to the exceptionally short timescales available to reallocate the GBF if the project is unable to proceed.

Table 2: Overview of the Jaywick Market and Commercial Space project

GBF allocation: £1.972m	Total project cost: £2.128m
Key project benefits as stated in the Business Case: <ul style="list-style-type: none">• Keeping spend local by creating space for local independent businesses• Increased footfall through improved walkability of the area, incentivising active travel and improving health and wellbeing• Creating space for community events• 44 FTE jobs created	

- Increasing the job density within Jaywick Sands from 1 job per 14 residents to 1 job per 8 residents.
- 842sqm lettable floorspace (B1)
- 3700sqm Improved public realm, including community garden

4.9 **Rocheway Independent Living, Essex**

- 4.9.1 Table 3 provides an overview of the Rocheway Independent Living project.
- 4.9.2 Phase 1 of the Rocheway project is currently underway and will deliver the development of 14 general needs houses to support the independent living of older people.
- 4.9.3 GBF investment will allow additional work to take place in Phase 1 that will support the viability of Phase 2, including funding enabling works, such as clearance/enabling/infrastructure work and mitigating negative land value so that a developer/provider can be secured to progress with Phase 2. The timelines for these Phases are set out in Appendix C
- 4.9.4 The benefits of the GBF investment specifically relate to enabling Phase 2 of the project. Phase 2 includes the delivery of 60 units for the independent living of older people.
- 4.9.5 The case for the GBF is based on a market failure and site viability issues, which have prevented phase 2 of the project proceeding to date. ECC have been unable to attract a private sector developer to complete phase 2 of the project due to the cost of the site enabling works required before Phase 2 is able to proceed.
- 4.9.6 The model for the delivery of Phase 2 involves Essex Housing, as part of Essex County Council, who have already undertaken design and secured planning permission for the project. Following this a developer/provider will be appointed to deliver and operate the scheme.
- 4.9.7 The purpose of the GBF investment is to improve the sites viability so as to attract a private sector developer/provider. However, the model of delivery does create a risk to the realisation of the benefits stated in the business case.
- 4.9.8 Whilst the GBF investment is expected to improve the viability of the site and enable a private sector developer to proceed with the delivery of the additional 60 units, a delivery partner has not yet been identified. As such, the Board is asked to consider the risk to the realisation of the project benefits as part of their decision making.

Table 3: Overview of the Rocheway Independent Living project

GBF allocation: £713,000	Total project cost: £5,836,247
<p>Key project benefits as stated in the Business Case:</p> <ul style="list-style-type: none"> • 74 new homes in total (14 homes in phase 1 and 60 homes in phase 2) • Delivers 43 construction sector jobs as part of phase 1 and enables a further 186 through the enabling of phase 2 - 229 construction jobs across the development. • Supports the release of surplus public sector land for housing development. • Delivers cost avoidance to the public purse relating to site holding and security liabilities. • Supports economic growth and regeneration through the utilisation of brownfield land. Generates developer surpluses from phase 1 that are reinvested in public service delivery (with ECC acting as developer). • Supports health and wellbeing through retaining/improving local community sports facilities. • Delivers Independent Living units (Extra Care) for older people – to address an identified need that the market has not responded to. • ECC having nomination rights on all units which will result in revenue benefits to Adult Social Care of £86,384 per annum . • Better working environments and conditions for staff; improving recruitment and retention – with the scheme accommodating 30-35 care sector jobs according to research by Housing LIN. 	

4.8 **Modus (Harlow)**

4.8.1 Table 4 provides an overview of the Modus (Harlow) project.

4.8.2 The project will provide collection of 5 mid-tech buildings to a total space of 4,774 square metres within Harlow Science Park for businesses focusing on all areas of science, technology, research and innovation. The units will offer complete flexibility to occupiers along with relevant localised landscaping and parking provision, as well as access to the wider science park services.

4.8.3 The project will stimulate the creation of 200 jobs at the science park and will support the green recovery by facilitating increased collaboration and productivity in the life sciences sector.

4.8.4 The economic appraisal exhibits a benefit cost ratio (BCR) of 2.01:1 which falls within a high value for money categorisation. As 2:1 is the threshold, over which a project is considered to present high value for money, if the project's benefits reduce or the total cost increases, the project's BCR may fall to 'medium'.

4.8.5 If there are any changes to the project cost or any changes to the project benefits which are expected to impact the value for money

categorisation a change request will need to be completed by the scheme promoter and considered for approval by the Board.

Table 4: Overview of the Modus (Harlow) project

GBF allocation: £1.96m	Total project cost: £6.96m
Key project benefits as stated in the Business case: <ul style="list-style-type: none"> • The stimulation of employment space provided by the scheme will have an important role to play in the economic recovery • 190 new hi-tech jobs, • 27 jobs created through 'Community Heart' development • 54 construction jobs • 4645sqm of new commercial space 	

4.9. Tendring Bikes and Cycle Infrastructure, Tendring, Essex

4.9.1 Table 5 provides an overview of the Tendring Bikes and Cycle Infrastructure project.

4.9.2 The project will deliver a bespoke bike scheme and cycle network infrastructure between Jaywick Sands and Clacton with the aim of tackling inequality within one of the most deprived areas of the country.

4.9.3 The economic appraisal exhibits a benefit cost ratio (BCR) of 2.12:1 which means the project is sensitive to any net downside risks.

4.9.4 If the project's benefits reduce or the total cost increases, the project's BCR may fall to 'medium'.

4.9.5 If there are any changes to the project cost or any changes to the project benefits which are expected to impact the value for money categorisation a change request will need to be completed by the scheme promoter and considered for approval by the Board.

Table 5: Overview of the Tendring Bikes and Cycle Infrastructure project

GBF allocation: £2.3m	Total project cost: £2.4m
Key project benefits as stated in the Business Case: <ul style="list-style-type: none"> • Will significantly increase for access of residents of Jaywick to employment opportunities in Clacton; • 2.5 miles of improved cycleway • Supports the Green Recovery by enabling mode shift from private car to active modes. 	

4.10 Riding Sunbeams Solar Railway, East Sussex

4.10.1 Table 6 provides an overview of Riding Sunbeams Solar Railway project.

- 4.10.2 The project will build and connect the world's first megawatt scale renewable solar energy plant directly powering the direct current railways located in the heart of East Sussex.
- 4.10.3 The project will be delivered through an innovation collaboration between green technology start-up Riding Sunbeams and Network Rail and will develop the route to market for subsidy free renewable energy generators to directly supply the UK's largest energy user.
- 4.10.4 Currently, it is expected that energy created will be sold to Network Rail, however, there is a risk as any Power Purchase Agreement is subject to competitive process.
- 4.10.5 Network Rail have committed to a short lease contract of 2-4 years to be provided with power from Riding Sunbeams. Beyond this timescale there is no obligation for Network Rail to purchase power from Riding Sunbeams. This raises the risk that the carbon saving benefits might not materialise beyond the initial four-year period which would significantly reduce the overall benefits of the scheme.
- 4.10.6 The scheme promoters are investigating other potential purchasers of the power as a risk mitigation strategy.
- 4.10.7 The value for money case for the project has been calculated over a 25 -year appraisal period using a method to monetise the carbon emission reduction and air quality improvements.
- 4.10.8 A 'conventional' Benefit-Cost ratio is not reported as the scheme generates savings in grid electricity costs which outweigh additional costs of the project, resulting in a net 'negative' cost, and, therefore, provides a 'negative' benefit cost ratio).
- 4.10.9 However, if the contract is not extended beyond an initial 2 – 4-year period, this will substantially reduce the scale of benefits delivered through the project.
- 4.10.10 The Board is as therefore asked to consider this risk to the value for money offered by the project and the risk that the outputs and outcomes detailed in Table 6 will not be achieved.

Table 6: Overview of the Riding Sunbeams Solar Railway project

GBF allocation: £2,527,500	Total project cost: See Confidential Appendix D.
Key project benefits as stated in the Business Case: <ul style="list-style-type: none"> Establishing the first proven route-to-market for direct-wire power purchase agreements, and the technical and commercial framework to help guide Network Rail's low carbon power procurement trajectory; Creating green employment opportunities. Over the 25-year lifetime of the project it is estimated that the solar farm will support 40 jobs; 	

- Benefiting the region's electricity network resilience and providing capacity enhancement solutions whilst opening up renewable energy capacity for the rail industry
- Saving of annual carbon per megawatt of around 245t/CO₂e;
- Stimulating local social and environmental impact through the development of community benefit and options for community investment.

5. Additional risks

- 5.1 Of the £85m GBF allocation secured by SELEP, £42.5m has been transferred to Essex County Council (as the Accountable Body for SELEP) in 2020/21. The second tranche of £42.5m funding due to be received has at this stage, only been allocated to SELEP and remains subject to confirmation from Central Government that the funding will be transferred in 2021/22. There is therefore a risk that the second tranche of funding will not be received, which will present a risk to the completion of the six projects set out in this report which are due to be delivered across the two-year period. If it is not possible for the projects to be completed, the realisation of project outcomes and impacts will also be adversely affected
- 5.2 SELEP have been asked for a total award of £13,672,500 for these six projects. £7,433,527 of this total is not due to be spent until 2021/22 and therefore is at risk until confirmation from Central Government for the 2021/22 funding has been received by SELEP.
- 5.2 Each of the projects under consideration in this report has produced a comprehensive risk register which identifies the key risks faced by the Projects and sets out appropriate individual mitigating actions in each case. No high risks have been identified in relation to the delivery of any of the projects included in this report.

6. Financial Implications (Accountable Body Comments)

- 6.10 All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has now received Getting Building Funding for 2020/21 from MHCLG in September 2020 of £42.5m.
- 6.11 Should the second remaining tranche of GBF for £42.5m from Government be delayed or withdrawn in 2021/22 resulting in insufficient funding to the programme, there could be a risk to completion of GBF projects and delivery of outcomes.
- 6.12 The Accountable Body has now received Getting Building Fund grant conditions from MHCLG and is working with SELEP to establish service level agreements (SLA's) with each Lead Authority.
- 6.13 Essex County Council as Accountable Body to SELEP, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set

out by Government for use of the Grant.

6.14 All GBF will be transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that funding can only be made available when HM Government has transferred GBF to the Accountable Body.

6.15 Should the Board approve the award of funding in this report, the Accountable Body will transfer GBF funding to the sponsoring authorities on confirmation from Government that the changes to the Project outputs and outcomes are accepted

6.16 In considering the recommendations of this report, the Board is advised to assess the risk of a delay in spend of GBF in ensuring best use of funding and securing value for money in the use of the grant.

6.17 The Agreements will set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

7. Legal Implications (Accountable Body Comments)

7.10 The terms set out in the grant conditions between the Accountable Body and Central Government for the Getting Building Fund will set out how the Getting Building Fund is to be administered and used.

7.11 Service Level Agreements will be put in place between the SELEP Accountable Body, SELEP Ltd and the six County/Unitary Authorities for the transfer of the funding in line with the terms of the grant conditions received from Central Government.

8. Staffing and other resource implications (Accountable Body Comments)

8.10 An additional Capital Programme Officer role has been created within the SELEP team to help oversee the delivery of the Getting Building Fund.

9. Equality and Diversity implications (Accountable Body Comments)

9.10 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.

- 9.11 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 9.12 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

10. List of Appendices

- 10.10 Appendix A – Report of the Independent Technical Evaluator
- 10.11 Appendix B – GBF funding awards
- 10.12 Appendix C – GBF Project Information
- 10.13 Appendix D – Confidential Information
- 10.14 Appendix E – Change of Outcomes

11. List of Background Papers

- 11.10 Business Case for the Better Queensway project
- 11.11 Business Case for Jaywick Market and Commercial Space
- 11.12 Business Case for Rocheway Independent Living
- 11.13 Business Case for Modus (Harlow)
- 11.14 Business Case for Tendring Bikes and Cycle Infrastructure
- 11.15 Business Case for Riding Sunbeams Solar Railways

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer Essex County Council)	11/11/2020

Appendix B - GBF Funding Awards

Name of Project	Sponsoring Upper Tier	ITE - Recommend?	Secretariat Recommend?	VFM	Certainty	BCR	Total GBF - £	GBF 2020/21 - £	GBF 2021/22 - £
Better Queensway, Southend	Southend-on-Sea Borough Council	Yes	Yes	High	Medium	3:1	4,200,000	1,000,000	3,200,000
Jaywick Market and Commercial Space, Essex	Essex County Council	Yes	Yes	High	Medium	5:1	1,972,000	170,973	1,801,027
Rocheway Independent Living, Essex	Essex County Council	Yes	Yes	High	Medium	2.7:1	713,000	713,000	0
Modus - Harlow Science Park, Essex	Essex County Council	Yes	Yes	High	High/Medium	2.01:1	1,960,000	1,960,000	0
Tendring Bikes and Cycle Infrastructure, Essex	Essex County Council	Yes	Yes	High	High/Medium	2.12:1	2,300,000	700,000	1,600,000
Riding Sunbeams Solar Railways, East Sussex	East Sussex County Council	Yes	Yes	High	Medium	Conventional BCR not reported due to nature of project	2,527,500	1,685,000	842,500
Total GBF Recommended for Approval							13,672,500	6,228,973	7,443,527

SELEP – Getting Building Fund Project Background Information

Name of Project	Better Queensway Southend, SS2 5AW Southend on Sea Council
Getting Building Fund value	£4.2m
Description of what Project delivers	<p>Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings; and 7,945sq m of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.</p> <p>The Council has been successful in securing £15m of funding from the Housing Infrastructure Fund to make the necessary highway improvement works and has entered into a joint venture with Swan Housing Association as development partner. This approach will employ a 'whole-place' approach to regeneration, addressing the inefficiently planned estate and poor quality of the existing 441 housing units on site, as well as enhancing the wider area and improving access to multiple development sites.</p> <p>Getting Building Funding is required for an unforeseen capital sum to upgrade local electrical networks to provide the needed capacity to meet new government guidelines on energy use in new homes and to enable sufficient resilience in the local grid to provide the required level of electrical vehicle charging to future proof the town centre.</p>
Need for Intervention	<p>The housing crisis is a well-known and historic problem Britain has been contending with for decades.</p> <p>Within the context for Southend, the South Essex Strategic Housing Market Assessment (SHMA), Southend Central Area Action Plan (SCAAP) and the Local Economy and Property Market Review (LE&PMR) demonstrate acute housing need in the Borough:</p> <ul style="list-style-type: none"> • The SHMA identified a range of objectively assessed need for between 3,275 and 3,750 dwellings per annum for the period between 2014-2037. • The SBC Core Strategy requires "at least 2,000 net additional new homes to be provided within the Central Area during the period from 2001 to 2021" and "a continued housing demand from London in the longer term". • LE&PMR confirms a high demand for housing in Southend: "the demand for all residential types is steadily increasing" and the value equation provides an excellent opportunity to harness market uplift to enable delivery. "in terms of sales values, the Queensway area is one of the worst performing areas in Southend" but because of its

	<p>proximity to the station and town centre, “a new quality unit would achieve a significant increase from existing Queensway values”.</p> <p>Better Queensway will directly and significantly contribute to the local's area needs to provide more dwellings.</p>		
Project benefits	<p>Project will deliver:</p> <ul style="list-style-type: none"> • 1,669 new homes; • 7,945sqm commercial space; • 552 FTE jobs; • Improved environmental benefits through energy efficiency; • Transport benefits through the delivery of road, cycle, pedestrian infrastructure to improve access to the town centre; • Economic benefits through the creation of additional high-quality commercial space and increased spend through an increased population on the site. 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Housing Infrastructure Fund	£15m	Secured through Marginal Viability Funding Dependent on cost and revenue estimates from professional advisers
	Getting Building Fund	£4.2m	Dependent on cost and revenue estimates from professional advisers
	To be sourced Loan facility arranged	£2.7m	Dependent on cost and revenue estimates from professional advisers
	Total project value	£21.9 m	
Project constraints and risks	<p>29% of the remaining Better Queensway site is not in Council ownership. The Council has developed a CPO strategy for the site. This has quantified the potential costs of CPO and spelt out the steps to achieve a successful CPO. Negotiations have commenced with landowners in an effort to negotiate purchases, but CPO will be used where applicable. This potential requirement has been built into the development timeline.</p> <p>The highways scheme will need to be approved for the redevelopment of the Queensway Estate to go ahead.</p> <p>The scheme is still awaiting full planning permission consent, and an outcome is expected by February 2021.</p> <p>Cost increases although a detailed viability assessment has been undertaken.</p> <p>Sales/rental values change as housing units become available. The current Covid-19 pandemic has had little effect on the Southend property market.</p> <p>This project will be delivered over a 13 year time period so Covid-19 impacts are minimal.</p>		

Options consideration	Due to the regulatory requirement as part of the introduction of the Future Homes Standard in 2020, a detailed options assessment was not possible when developing the preferred option to proceed with Better Queensway		
Project Timeline	Task	Description	Timescale
	Planning	Secure detailed planning permission	February 2021
	Demolition and Infrastructure Works	Energy upgrade of substation to occur as first stage of development in 2021, to be completed by March 2022 Subsequent highways infrastructure investment to commence Demolition of four existing residential blocks to occur	2021-2025
	Construction of housing, commercial space and public realm		2026-2033
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Medium certainty as there are deliverability concerns around planning which will not be secured until February 2021.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/better-queensway-southend/		

SELEP – Getting Building Fund Project Background Information

Name of Project	Jaywick Market & Commercial Space Brooklands Avenue, Jaywick Sands, Clacton-on-Sea, Essex CO15 2JE Essex County Council	
Getting Building Fund value	£1.972m	
Description of what Project delivers	<p>The Jaywick Market and Commercial Space project will build and operate covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.</p> <p>The proposal is to construct 13 affordable rent business units offering 9,500sq. ft. lettable area and a covered local market of 10 affordable pitches. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events. This will form part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivations experienced by much of the Jaywick Sands community including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration, especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.</p>	
Need for Intervention	<p>Jaywick Sands includes the most deprived Lower Super Output Area in the country, with 6 out of the 7 domains ranked in the bottom 10% nationally, including income, employment and health and wellbeing. The community, comprising around 5,000 people, experiences very high unemployment and low skills levels, and there are significant barriers to accessing training and employment due to the geographical isolation of the community.</p> <p>As a coastal community, residents work predominantly in the leisure and care sectors which have been hardest hit by COVID-19 and have lower than average incomes, exceptionally poor-quality housing, and struggle with everyday living. The project aligns with the objectives of the Government to 'level up' these deprived coastal communities, creating opportunities and aspiration which will result in economic and social benefits.</p> <p>Employment and training issues, access to affordable healthy food and low-cost everyday household goods, public realm and environmental quality, market failure and COVID-19 are all contributing factors in the need for this project.</p>	
Project benefits	The summary economic benefits are anticipated to be:	
	Total net local employment gains of 44 FTE jobs by year 4 of occupation – equivalent to a 12% increase in the number of jobs within the community.	Total net local GVA gains of £15.8m over a ten-year period.
	Increasing the job density within Jaywick Sands from 1 job per 14 residents to 1 job per 8 residents.	842sqm lettable floorspace (B1), 10 market pitches

	<p>The following benefits beyond those which are quantified in the Business Case are expected:</p> <ul style="list-style-type: none"> • Increased employment opportunities leading to a reduction in deprivation due to unemployment and involuntary exclusion from the labour market, and a reduction in deprivation caused by low income; • Increased training opportunities leading to a rise in skills and employability, and a rise in aspiration among young people in particular; • Increased entrepreneurship and business survival rate within the community; • Keeping spend local through creating space for local independent businesses which meet local community needs – helping the community help itself; • Access to a wider range of fresh food creating positive health impacts across age groups but particularly impactful on the 46% of Jaywick Sands households who do not own a car and therefore struggle to access affordable, healthy food; • Increased footfall to the seafront of Jaywick Sands and associated benefits to the wider local business community; • Improving Jaywick Sands' reputation, and the visual appearance of a key site in the community, which in turn will complement the other regeneration projects, resulting in increased viability for more market-led projects; • Increased safety and walkability of the area, incentivising active travel and improving health and wellbeing; • Creating space for community events, increasing social cohesion and mixing between the different communities within Jaywick Sands; • Increased local pride; • Mitigate some COVID-19 related impacts on local employment. 		
Financial Information	Funding source	Amount (£m)	Constraints, dependencies or risks and mitigation
	Tendring District Council	0.106	A portion of this is set aside for first year revenue support to establish the facility and the business support offer. The remainder covers some capital costs.
	Essex County Council	0.05	Set aside for 20/21 for regeneration of the market site and improvement of public realm.
	Getting Building Fund	1.972	To be spent by March 2022
	Total project value	2.128m	Feasibility studies completed in March 2020 provides the basis for the assessment of project costs.

Project constraints and risks	<p>Constraints:</p> <p>The site is relatively unconstrained. It is already fully in public ownership and this ownership extends around the site so that construction access and temporary site requirements can be accommodated easily.</p> <p>Constraints include:</p> <ul style="list-style-type: none"> • Presence of well-used streets to the southern and eastern boundaries of the site. Brooklands Avenue and Lotus Way will need to be open throughout the construction period and the inevitable short-term disruption will need to be managed carefully. • Flood risk: while the flood risk is relatively low for the proposed site compared to the rest of Jaywick Sands, there remains a long-term potential flood risk as well as a short-term low probability risk of a breach scenario. This will be mitigated by ensuring that the proposed construction is flood resilient and includes Sustainable Drainage Systems (SuDS). • Initial ecological surveys indicate the presence of some protected species on the site. This is not a constraint in that a mitigation strategy is proposed and has been costed for. <p>Key risks:</p>		
	Risk	Mitigation/quantified risk within contingency	Impact
	Planning permission is not granted	As this is an application by the Council on Council owned property and a brownfield site within a designated regeneration area, this risk is considered to be low. It will be mitigated by pre-application engagement with the Planning team and good community and stakeholder engagement.	Programme delays
	Unexpected site conditions e.g. ground conditions, ecology	Contingency has been included in the QRA and cost model. Initial background ecological surveys have already been undertaken and initial specialist advice has informed the scheme to date. Further specialist advice and expertise will be sought at project start-up, to identify the most suitable approach for the site. This may include the translocation of identified species, which will be planned in accordingly.	Cost increase or programme delay

	Reduced demand for commercial space in the area	<p>Net scheme benefits will be realised even if occupancy is far lower than projected.</p> <p>The business support element of the scheme and site operator will play a key role in identifying businesses that would benefit from the site. This will help generate demand in an 'organic' way, providing advice and guidance to existing and new local businesses and making them aware of the scheme (if appropriate for the individual business being supported).</p>	
	COVID-19 related issues	Contingency has been included in the QRA and cost model	Cost increase or programme delay
Options consideration	A long list of options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		
Project Timeline			
	Task	Description	Timescale
	Procure operating partner	Open market tender process for operating partner for the employment space and market	September-October 2020
	Procure design team	Open market tender process for full design team for the project	September-October 2020
	Scheme design	RIBA Stage 2-3 including submission and negotiation of full planning application.	November 2020-February 2021
	Planning application	Secure full planning permission. Includes statutory consultation.	March-May 2021
	Prepare tender information	RIBA Stage 4 design and build tender pack including Employers Requirements.	March-May 2021
	Procure contractor	Procure contractor. Undertake any value engineering required upon receipt of tender returns.	June-July 2021
	Construction	Construction, snagging, soft landing handover of project	August 2021-February 2022
	Business support	Commence of business support	April 2021 onwards

		programme targeted at local SMEs, sole traders and potential entrepreneurs	
	Marketing and letting	Marketing and pre-letting units to tenants	August 2021-February 2022
	Scheme opening	Tenants move in, scheme operational	March 2022
Outcome of ITE Review	<p>A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the land value uplift of the scheme in line with Ministry for Homes Communities and Local Government Appraisal Guide. This assessment shows the scheme to have a benefit cost ratio of 3:1 which falls within a “high” value for money categorisation.</p> <p>The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Planning permission is not expected to be secured until May 2021. The scheme promoter has provided high levels of assurance that it will be secured, however we would recommend that the Accountability Board considers the risk that this poses to certainty of deliverability before deciding whether or not to approve funding for the scheme.</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlep.com/project/jaywick-market-and-commercial-space/		

SELEP – Getting Building Fund Project Background Information

Name of Project	<p>Rocheway Independent Living</p> <p>Former Adult Community Learning Centre, Rocheway, Rochford, SS4 1DQ</p> <p>Essex County Council</p>
Getting Building Fund value	£713,000
Description of what Project delivers	<p>The Rocheway site is owned freehold by Essex County Council (ECC) and covers 7.5 acres. It was occupied by a vacant school building built in 1937 with a developed area of 2.6 acres, with the remaining 4.9 acres presently used as playing fields/open space. The school building was most recently used by Adult Community Learning prior to vacation in 2013 and is surplus to ECC educational requirements. The school building was demolished in November 2018 following the securing of planning permission for 74 units of development by Essex Housing (ECC's property development function).</p> <p>Construction has recently commenced (July 2020) on a development of 14 new private homes which acts as a facilitating first phase. The opportunity exists to provide a range of site infrastructure and enabling works for phase 2 - 60 units of independent living (Extra Care) for older people.</p>
Need for Intervention	<p>ECC's Organisation Strategy 2017-2021 commits the Council to enable more vulnerable adults to live independent of social care and to make sure there are high quality solutions available providing extra care where needed. To deliver this commitment, Investment Board agreed in June 2019 to a strategic business case for the Essex Independent Living Programme for older people, which includes Rocheway as the location for the scheme required in Rochford.</p> <p>The need for intervention at this stage in the project is driven by market failure. While Essex Housing is directly delivering the general needs unit an alternative approach is followed for the Extra Care delivery (in accordance with ECC's strategy for Independent Living for Older people). The model for Extra Care provision involves Essex Housing undertaking design and securing planning permission and at which point a developer/provider is appointed who delivers and operates the scheme and in effect ECC exchanges its land for nil value (or a contribution from the developer/provider if they can justify this when they review financial viability) in exchange for nomination rights into the scheme where revenue savings can be driven abnormal costs including enabling works such as site clearance and the delivery of adoptable standard highways and drainage infrastructure which this bid would help to overcome.</p>

	<p>Phase 1 of the Rocheway project is currently underway and will deliver 14 general needs houses to support the independent living of older people. Getting Building Fund investment will allow additional work to take place in Phase 1 that will support the viability of Phase 2. This includes enabling works such as clearance/enabling/ infrastructure work and mitigating negative land value so that a developer/provider can be secured to progress with Phase 2, and scheme benefits delivered.</p> <p>The Getting Building Fund investment will deliver site infrastructure and enabling works for phase 2. These enabling works will support the delivery of a 60 unit for independent living (Extra Care) for older people.</p> <p>This scheme contributes to address the shortfall in general needs housing and the delivery of Independent Living units for older people. It also supports the release of public sector land for housing development and the provision of jobs in moth the construction and care sectors. The scheme also protects and improves community facilities on the wider site with new changing and parking facilities being provided for ongoing use of the sites green space by local sports clubs.</p>
Project benefits	<ul style="list-style-type: none"> • Contributes to address the shortfall in general needs and specialist housing. 74 new homes • Delivers 43 construction sector jobs as part of phase 1 and enables a further 186 through the enabling of phase 2 - 229 construction jobs across the development. • Supports the release of surplus public sector land for housing development. • Delivers cost avoidance to the public purse relating to site holding and security liabilities. • Supports economic growth and regeneration through the utilisation of brownfield land. • Generates developer surpluses from phase 1 that are reinvested in public service delivery (with ECC acting as developer). • Supports health and wellbeing through retaining/improving local community sports facilities. • Delivers Independent Living units (Extra Care) for older people – to address an identified need that the market has not responded to. <p>Extra Care schemes support ECC's strategic aim to 'help people get the best start and age well'. These schemes also provide the following benefits:</p> <ul style="list-style-type: none"> • ECC having nomination rights on all units will result in revenue benefits to Adult Social Care of £86,384 per annum (£647,876 over ten years from the commencement of construction). • Better working environments and conditions for staff; improving recruitment and retention – with the scheme accommodating 30-35 care sector jobs according to research by Housing LIN.

Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Essex County Council	4.701m	Funding has been confirmed.
	Land Release Fund	422,000	Funding has been confirmed
	Getting Building Fund	713,000	Subject to Board approval
	Total project value	5.836m	
Project constraints and risks	Given the progress already made on the first phase of the scheme most of the constraints that had been affecting the suitability of the preferred option has already been overcome. Most notably: <ul style="list-style-type: none">• Planning constraints (both in terms of the planning decision and also planning pre-commencement conditions).• Sectional agreements have been obtained regarding highways, drainage and utilities to allow the infrastructure work to complete.• Procurement of a phase 1 contractor who can undertake the required enabling works to enable phase 2 delivery.		
	The main remaining constraint therefore relates to the delivery of the phase two scheme most noticeably the procurement risk (demonstrated by the recent market failure).		
	Risk	Effect	Mitigation now in place
	Problems found on site during construction.	Increased project costs and/or delays to completion resulting in reduced/delayed benefits realisation.	Award robust contract with clauses to limit contractor claims for additional cost or time.
ECC issues significant change orders during construction.	Scheme profit reduced.	Clear sign-off at every stage of design and pre-contract. Detailed Employers Requirements. Change order procedure in place during construction.	

	Sale values fall/rise due to a change in market conditions or other factors	Scheme profit reduced/increased, or benefits delayed.	Seek local agent's advice on sale values and specification. Off plan sales	
Options consideration	A long list of three options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.			
Project Timeline	Milestone Description		Date	
	Private scheme (Phase 1) commencement of construction		06/07/2020	
	Private scheme (Phase 1) Practical completion		06/09/2021	
	Extra care scheme (Phase 2) re-procurement of Developer/Provider		Autumn 2020	
	Extra Care Scheme (Phase 2) Practical Completion		31/12/2022	
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Medium certainty of achieving this.</p> <p>This assessment shows the scheme to have a benefit cost ratio of 2.7:1 which falls within a “high” value for money categorisation. However, a private sector partner has not yet been identified to deliver the Phase 2 development which reduces certainty of deliverability of this Phase. We would, therefore, recommend that the Accountability Board considers the risk that this poses to certainty of benefits realisation before deciding whether or not to approve funding for the scheme.</p>			
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.			
Link to project webpage	https://www.southeastlep.com/project/rocheway-rochford/			

SELEP – Getting Building Fund Project Background Information

Name of Project	Modus – Harlow Science Park Harlow Science Park, Newhall Way, Harlow, Essex, CM17 9LX Essex County Council		
Getting Building Fund value	£1.96m		
Description of what Project delivers	<p>The Harlow Science Park (HSP) is providing space for science and technology companies and bringing many high value jobs to Harlow. Modus will provide collection of 5 mid-tech buildings to a total space of 4774sqm within HSP for businesses focusing on all areas of science, technology, research and innovation.</p> <p>Successful allocation of funding would relinquish Harlow District Council of any additional funding requirement for Modus and would free up loan capacity to commence with a 'Community Heart' for the park to include a Café/Restaurant operation, Children's Nursery, associated parking, drop-off and public realm space.</p>		
Need for Intervention	<p>Harlow is as a key location in the London Stansted Cambridge Consortium for both economic and housing growth. Major investments include the government backed move of Public Health England to Harlow, the growing city scale population of the Harlow & Gilston Garden Town, the development of the Harlow Enterprise Zone (HEZ) and Harlow Science Park (HSP), and the building of a new Princess Alexandra Hospital rely on attracting both businesses and employees, and both the Harlow Growth Board and our partners leading these major investments, greatly emphasise how planned and future developments must match this growth ambition.</p> <p>COVID-19 has triggered adverse economic impacts to Harlow with disproportionately high levels of furlough and unemployment making the stimulation of employment space and tenant uptake an imperative. HSP is the flagship development of the HEZ, Modus and the wider HSP will demonstrate high quality development, and raise the bar for private sector interventions, improving quality of place and life in the town centre.</p> <p>In order to meet these prevailing issues and to support the Governments Sustainable Development Goals, the EZ and HSP represent clear interventions to support the expansion of the Harlow employment areas and deliver a wide variety of job and career types to appeal to a wide cross section of the local working population.</p> <p>The development of Modus is an important tactical part of the the strategic realisation, by providing mid-tech buildings that offer flexible solutions across research and engineering led disciplines and will deliver specific elements of the park that will stimulate and accelerate the establishment of the employment opportunities targeted by the interventions of Modus, HSP and the EZ.</p>		
Project benefits	The expected benefits of the Modus project are:		
	4645sqm of new commercial space	190 new hi-tech jobs	New GVA of £13.012m over a 10 year period.

	'Platinum' accredited fibre connectivity to all buildings	27 jobs created through 'Community Heart' development	54 construction jobs
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	Harlow District Council Loans	5.0m	Funding approved by Cabinet decision and secured.
	Getting Building Fund	1.96m	Currently seeking funding to finalise programme
	Total project value	6.96m	
Project constraints and risks	<p>At this juncture of delivery, constraints around planning and infrastructure have been overcome with construction already underway.</p> <p>It is anticipated that all projects within the Getting Building Fund will be in a similar situation given the 'shovel ready' nature of the requirement, and should these constraints still be present it would be difficult to meet the timeframes of delivery for projects of any significant impact.</p> <p>The residual constraints for the Modus project and its ability to gain funding is therefore linked to the ability of HDC to retain loan capacity to deliver the future services area and as such deliver the wider development of HSP and the EZ and their objectives.</p> <p>Key risks: Key areas of risk are associated to a second lockdown due to COVID-19 during internal works which could provide delays to the programme of works.</p> <p>This is of course a risk present in all projects that include interior works, but given the advanced nature of the Modus project, the timelines for deliver could accommodate such delays whilst not having detrimental impact to the backstop date of the Getting Building Fund funding.</p> <p>Given the contractual nature of the construction, cost increases sit within the liability of the contracted partner and as such this risk has been mitigated.</p> <p>The main area of risk sits with the delivery of the key benefits of the scheme surrounding job creation, and this has been detailed in previous sections through its relationship to the establishment of the services area of the park and the establishment of HSP as a functioning and attractive proposition to employers and employees alike.</p>		
Options consideration	A long list of three options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		

Project Timeline	Construction commenced on site in May 2020, and should funding be approved, the total provision will be utilised towards profiled costs within December 2020, and January, February & March 2021.		
	Task	Description	Timescale
	Construction to Practical completion	Full scheme construction to completion to a position for tenancy.	Completion due March 2021
	Marketing	Marketing of all units to market	On-going until completion – Expected December 2021
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Medium certainty of achieving this.</p> <p>This assessment shows the scheme to have a benefit cost ratio of 2.01:1 which falls within a “high” value for money categorisation though a benefit cost ratio this close to 2:1 means that the value for money categorisation will be very sensitive to any net downside risks. Therefore, before determining whether or not to approve funding for the scheme, we recommend the Accountability Board consider the risk that cost increases would reduce the outturn value for money categorisation to medium.</p>		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	https://www.southeastlepp.com/project/modus-harlow-science-park/		

SELEP – Getting Building Fund Project Background Information

Name of Project	Tendring Bikes and Cycle Infrastructure		
	Jaywick Sands to Clacton		
	Essex County Council		
Getting Building Fund value	£2.3m		
Description of what Project delivers	<p>To deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton aimed at tackling inequality within one of the most deprived areas of the country by:</p> <ul style="list-style-type: none"> • Making significant improvements to the cycle way between Jaywick and Clacton by making new, widening, and by providing improved signage, lighting and drainage. This will allow cyclists in Jaywick to connect to roads and cycle paths in Clacton to allow access to the Station and on to the Business and Industrial Estates of Clacton. It will also allow students to access schools and colleges with the aim of improving skills level in the area; and • Working with community organisations in Jaywick to provide a bike loan scheme (Big Essex Cycles), along similar lines to the Birmingham Active Wellbeing Society (TAWS) scheme, whereby bikes are loaned to local residents for an initial period of one year to create the opportunity to cycle to the station in Clacton and places of work – primarily in Clacton at the Gorse Lane and Bull Hill Industrial Estates, the new commercial workspace in Jaywick and the town centre itself. 		
Need for Intervention	Both Jaywick and Clacton, like many seaside towns, have suffered significant and ongoing decline, despite their substantial natural assets and Clacton's large conurbation. Employment within the village and town are very reliant on the tourist industry, which, over recent years, has suffered huge economic losses due to the increase in low cost package holidays and changing consumer need. The advent of the COVID-19 pandemic has exacerbated this problem.		
Project benefits	<p>This scheme will:</p> <ul style="list-style-type: none"> • Upgrade the current seafront/road route • Provide a bike loan scheme • Tackle deprivation and inequality in Jaywick and Clacton; • Provide access to wider employment opportunities; • Directly create skills and training opportunities for local residents; • Provide access to wider training and up-skilling opportunities; • Support economic growth in Jaywick; • Address health inequalities by supporting active travel. 		
Financial Information	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
	SELEP	2.3m	Dependent on this bid
	Essex County Council (Local Delivery Pilot Funding)	100,000	Already committed
	Total project value	2.4m	
Description of Risk		Page 307 of 312	Mitigation

Project constraints and risks	Unforeseen Statutory Undertakers work	Conduct early investigations to allow sufficient time to resolve
	Delivery partners cannot achieve required quality of outcomes	Maintain constant dialogue with partners and take action when outcomes appear unachievable
	Construction costs escalate or tender prices higher than envisaged	Obtain early estimates, monitor regularly, work closely with suppliers and develop alternative plans if required
	Unable to get appropriate cooperation from cycling hub	Conduct early discussions and continue to negotiate
	New bikes or cycling hub vandalised	Ensure hub has appropriate security and that all bikes are locked away safely
	Lack of interest or acceptance in Jaywick and Clacton	Appropriate marketing of new facilities will be essential. Once it is seen to work, people will come
	Lack of capacity to deliver the programme in full	Ensure resources are allocated and identify potential contingency support
	Adverse economic climate as a consequence of further Covid-19 restrictions or Brexit	Monitor situation as closely as possible and follow Government guidelines
Options consideration	The options assessment revolved around getting people from Jaywick to Clacton, primarily for work. The full assessment is contained within the business case	
Project Timeline	Jaywick to Clacton Cycleway	
	Project milestone	Indicative date
	Preliminary design	August 2020
	Detailed design	September to November 2020
	Tender	December 2020 to February 2021
	Construction – Phase 1	March to June 2021
	Construction – Phase 2	September to November 2021
	End construction	December 2021
	Big Essex Cycles Scheme	
	Project milestone	Indicative date
	Preliminary design	August 2020
	Detailed design	September to October 2020
	Tender	September 2020 to December 2020
	Bike Procurement/Facilities	January 2021 to March 2021
	Start scheme	April 2021
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a Medium certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework	
Link to Project webpage	https://www.southeastlep.com/project/tendring-bikes-and-cycle-infrastructure/	

SELEP – GBF Project Background Information

Name of Project	Riding Sunbeams Solar Railways Cuckmere, East Sussex East Sussex County Council
Getting Building Fund value	£2.528m
Description of what Project delivers	<p>The project will build and connect the world's first megawatt scale renewable solar energy plant directly powering the direct current railways located in the heart of East Sussex.</p> <p>The project will be delivered through an innovation collaboration between green technology start-up Riding Sunbeams and Network Rail and will develop the route to market for subsidy free renewable energy generators to directly supply the UK's largest energy user.</p>
Need for Intervention	<p>In the UK and internationally there is an accelerating shift from carbon-based diesel powered rail traction to electrified railways. UK railways use 1% of our electricity. Demand for traction power is rising, as is pressure to decarbonise offering a significant opportunity for low carbon electricity to power the UK's largest energy user.</p> <p>The Transport Decarbonisation Plan issued by Government, marks the beginning of the development of the policies required to decarbonise transport with the ultimate aim of reaching net zero emissions across the transport network. Within this report it indicates that:</p> <p>'Network Rail is actively pursuing large-scale carbon reduction activities across its estate and operations through its internal Decarbonisation Programme, aiming to improve energy efficiency, energy management practices and innovate in the areas of renewable energy, energy storage, low carbon design and transitioning the vehicle fleet to electric.'</p> <p>This project seeks to respond to the decarbonisation challenge through provision of renewable energy to power the local railway network, facilitating significant carbon savings.</p>
Project benefits	<p>The project benefits include:</p> <ul style="list-style-type: none"> Establishing the first proven route-to-market for direct-wire power purchase agreements, and the technical and commercial

	<p>framework to help guide Network Rail's low carbon power procurement trajectory;</p> <ul style="list-style-type: none"> • Creating green employment opportunities. Over the 25 year lifetime of the project it is estimated that the solar farm will support 40 jobs; • Benefiting the region's electricity network resilience and providing capacity enhancement solutions whilst opening up renewable energy capacity for the rail industry; • Saving of annual carbon per megawatt of around 245t/CO₂e; • Stimulating local social and environmental impact through the development of community benefit and options for community investment. 	
Financial Information	The total capital cost of the project is: See Confidential Appendix D	
Project constraints and risks	The most significant project risks are:	
	Risk	Mitigation measures
	Delays to approval processes	The Power Purchase Agreement is likely to be the most challenging process, so an Executive Board will be established with industry representation from the Department for Transport and Rail Safety and Standards Board. GRIP project management processes will be followed to fit with Network Rail standards. There will be ongoing engagement with key stakeholders to ensure any potential issues are dealt with prior to becoming time critical.
	Delays and inefficiencies due to multiple delivery partners	Oversight with an experienced senior project manager, and a day-to-day project manager to manage the key interface issues. There will be a Project Delivery Board which will bring together the key project managers from the various parties.
	Impacts of COVID-19 and Brexit reduce availability and/or increase cost of materials	There is a possibility that it may be more difficult to source materials due to the impact of Brexit and COVID-19. The project will endeavour to minimise the impact by placing material orders as soon as is practical, and may use storage facilities within Great Britain.
	Railway electricity usage reduces forecast baseload demand	The project team is currently arranging for further data-logging devices to be installed at Selmeaton substation to capture demand, though some estimation will be required due to a currently reduced timetable.

		The site will be constructed based on the levelized demand requirements.
	A full risk register has been included within the project Business Case.	
Options consideration	Four options have been considered in the Business Case and justification has been provided as to why the preferred option has been selected.	
Project Timeline	Milestone	Indicative date
	Riding Sunbeams and Network Rail enter into a formal agreement	November 2020
	Full system design complete	January 2021
	Construction commences	February 2021
	Construction complete	August 2021
	Full system commissioned	October 2021
	Commercial agreement entered into with Network Rail	February 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with Medium certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (as attached to agenda item 14).</p>	
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project webpage	https://www.southeastlepp.com/project/riding-sunbeams-solar-railways/	

Identification		Jobs Created			Construction Jobs			Safeguarded Jobs			Housing Units Unlocked			Housing Units Delivered		
Project Name	Council/Authority	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference
Better Queensway	Southend Borough Council	119	70	-49	355	0	-355				0	0	1669	1669	1669	-1559
Jaywick Market and Commercial Space	Essex County Council	86	49	-37	6	0	-6	1	0	-1			0			0
Rocheway																
Independent Living	Essex County Council	0	35	35	229	229	0			0	74		-74	74	74	0
Modus (Harlow)	Essex County Council	200	217	17	55		-55			0			0			0
Tendring Bikes and Cycle Infrastructure	Essex County Council	119	0	-119	20		-20			0			0			0
Riding Sunbeams	East Sussex County Council	40	16	-24	10	24	14	10	0	-10			0			0

*The revised baseline will be agreed with Central Government and will provide the a fixed baseline against which the project's outputs and outcomes will be measured against each quarter.

Identification		Sqm Commercial Floorspace			Sqm R&D Facilities Floorspace			Number of Businesses/Institutions			KM of roads, cycle lanes and walk			Sqm od new or improved		
Project Name	Council/Authority	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference
Better Queensway	Southend Borough Council	10000	445	-9555			0			0			0			0
Jaywick Market and Commercial Space	Essex County Council	10,500	840	-9660			0	20	0	-20			0		3,700	3700
Rocheway																
Independent Living	Essex County Council			0			0			0			0			0
Modus (Harlow)	Essex County Council	4,776		-4776	4,778		-4778			0			0			0
Tendring Bikes and Cycle Infrastructure	Essex County Council			0			0			0		4	4			0
Riding Sunbeams	East Sussex County Council			0		6,000	6000	8		-8			0			0

*The revised baseline will be agreed with Central Government and will provide the a fixed baseline against which the project's outputs and outcomes will be measured against each quarter.

Identification		Number of new learners assisted			Number of new super/ultrafast			Number of new retrofits delivered			KG of CO2 emissions avoided			Sqm of public realm or green space		
Project Name	Council/Authority	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference	Original Submission	Revised Baseline	Difference
Better Queensway	Southend Borough Council			0			0			0			0	0	2,500	2,500
Jaywick Market and Commercial Space	Essex County Council			0			0			0			0	355		-355
Rocheway																
Independent Living	Essex County Council			0	74	0	-74			0			0			0
Modus (Harlow)	Essex County Council			0			0			0			0			0
Tendring Bikes and Cycle Infrastructure	Essex County Council			0			0			0			0			0
Riding Sunbeams	East Sussex County Council			0			0			0	260,312,500	3,280,000	-257032500			0

*The revised baseline will be agreed with Central Government and will provide the a fixed baseline against which the project's outputs and outcomes will be measured against each quarter.