SOUTH EAST
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Item 5: Capital Project Pipeline - Appendix B

Option	Description	Merits	Weaknesses
Reinvestment of LGF in existing LGF projects which have been adversely impacted by Covid-19 (Recommended Option)	Reallocation of LGF to existing projects, where there is a legitimate case for further investment in the project due to a funding gap which has emerged due to an increase in project cost or match funding contributions no longer being available. Projects will need to demonstrate that they continue to present high value for money, despite the increase in costs and public sector investment. They will also need to demonstrate that the funding gap is the main project constraint which is preventing the project from proceeding. Under agenda item XX there are seven high risk projects identified due to funding gaps or issues relating to the confirmation of funding from other sources. However, there are likely to be other projects where the scheme promoters are still working to assess the impact of Covid-19 on delivery costs and funding availability.	This would enable a faster pace process to identify projects, which have previously been prioritised by the Strategic Board/ Federated Boards but are at risk of non-delivery. Projects will also have an established business case, which has previously been considered through SELEP's processes. Without additional funding support being provided, there is a risk that the LGF projects will not be delivered and the intended project benefits will not be achieved. There is also a risk that LGF spent to date on the project may become abortive if the project cannot proceed to delivery due to the funding gap.	There will be no additional benefits achieved through the reallocation of LGF to existing projects. However, the additional LGF investment will help to deliver the benefits which SELEP has previously committed to achieve, but which are at risk due to uncertainty around the ability for the projects to proceed. No new projects or further phases of existing projects will be eligible through this funding opportunity.

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Call for projects based on three priority areas	This option is for an open call for projects, focused on **<u>three strategic priorities:</u>** - Digital Connectivity; and - Green Recovery; and - Skills These three strategic priorities have been based on recent discussions with the Strategic Board around the impact of COVID-19, and opportunities to support the economic recovery, but alternative priorities can be agreed by the Board.	By narrowing down the priorities for this funding call, this will reduce the amount of abortive work by scheme promoters to submit projects which are not aligned with our short-term investment priorities.	It is challenging to compare the benefits of a different sorts of project which would be brought forward for funding under these three proposed themes. These three strategic priorities have not been identified as the three SELEP priorities within an approved SELEP policy document. Existing LGF projects may not be able to proceed and abortive costs may be incurred if new investments are supported over existing LGF projects. New projects identified through this process will have very limited time available to develop a business case for approval to be considered and awarded funding by the Accountability Board before the end of 2020/21. **High risk that SELEP will not be able to meet its commitment to Government that all LGF is fully committed by the end of 2020/21.**
Call for projects based on just one priority area	This option is for an open call for projects, focused on **<u>one strategic priority,</u>** from the following list: - Digital Connectivity; or	Will enable a faster process to assess the relative merits of projects against schemes of a similar nature.	There may be an insufficient pool of projects for the Board to prioritise. For example, whilst Skills has

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	- Clean Energy; or - Skills	A smaller number of project submissions will enable more detailed consideration of the projects by the Board and reduce the abortive work associated with a heavily oversubscribed funding call.	previously been identified as a priority area for investment, the revenue funding constraints and the financial pressures on Higher Education and Further Education institutions may impact the number of project submissions. New projects identified through this process will have very limited time available to develop a business case for approval to be awarded by the Accountability Board before the end of 2020/21. **High risk that SELEP will not be able to meet its commitment to Government for all LGF to be fully committed by the end of 2020/21.**
Open call for projects	This option would place no restriction on the type of capital project that is submitted for investment so long as the project can demonstrate alignment with the Economic Strategy Statement; Smarter, Faster, Together.	This option would provide the widest pool of projects, for the Board to prioritise from.	It is expected that an open call for projects, with limited eligibility criteria, will result in the process being considerable oversubscribed. During the last open call for LGF projects, the call was over x12 times oversubscribed. The assessment of projects with very different project outcomes will prove very challenging within the short timescales available. New projects identified through this process will have very limited time

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			available to develop a business case for approval to be awarded by the Accountability Board before the end of 2020/21. **Very high risk that SELEP will not be able to meet its commitment to Government for all LGF to be fully committed by the end of 2020/21.**
Projects considered for GBF	Under this option, the Board would review the projects which were previously put forward for Getting Building Fund, but were not successful at the prioritisation stage, and consider these projects for LGF investment instead.	The previous GBF submissions would provide a list of potential projects, which have already been identified and which Federated Boards will already be familiar with. This should reduce the time required to prioritise projects, as some initial consideration has been given to these schemes.	There was very limited time available to identify projects for the Getting Building Fund opportunity. As such, there may be eligible projects, but which were not made aware of the opportunity to bid for GBF. There is a specific requirement for GBF to be spent by 31 March 2021. Projects which are unable to meet this deadline for spending the grant may not have been put forward for GBF. This would also exclude such projects from consideration for LGF. **High risk that SELEP will not be able to meet its commitment to Government for all LGF is fully committed by the end of 2020/21.**