

# ACCOUNTABILITY BOARD

<b>10:00</b>	<b>Friday, 16 October 2020</b>	<b>Online Meeting</b>
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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 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

**Email:** [democratic.services@essex.gov.uk](mailto:democratic.services@essex.gov.uk)

## 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:**

You will need the Zoom app which is available from your app store or from [www.zoom.us](http://www.zoom.us). The details you need to join the meeting will be published as a Meeting Document, on the Meeting Details page of the Council's website (scroll to the bottom of the page) at least two days prior to the meeting date. The document will be called "Public Access Details".

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## **Accessing Documents**

If you have a need for documents in, large print, Braille, on disk or in alternative languages and easy read please contact the Democratic Services Officer before the meeting takes place. For further information about how you can access this meeting, contact the Democratic Services Officer.

The agenda is also available on the Essex County Council website, [www.essex.gov.uk](http://www.essex.gov.uk). From the Home Page, click on 'Running the council', then on 'How decisions are made', then 'council meetings calendar'. Finally, select the relevant committee from the calendar of meetings.

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

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<b>1 Welcome and apologies for absence</b>	
<b>2 Minutes 18.09.20</b>	<b>6 - 13</b>
<b>3 Declarations of interest</b>	
<b>4 Questions from the public</b>	
<p>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.</p> <p>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.</p> <p>A copy of the Policy for Public Questions is made available on the SELEP website.</p>	
<b>5 Award of Getting Building Fund funding</b>	<b>14 - 73</b>
Appendix D will be considered under Exempt items.	
<b>6 Beaulieu Station Project Update</b>	<b>74 - 78</b>
Appendix A will be considered under Exempt items.	
<b>7 Reallocation of LGF Funding</b>	<b>79 - 84</b>
<b>8 SELEP COVID-19 Business Support Fund</b>	<b>85 - 97</b>
<b>9 Date of next meeting</b>	
Friday 20th November 2020 online via Zoom.	

**10 Urgent Business**

To consider any matter which in the opinion of the Chairman 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.**

**11 Award of Getting Building Fund funding  
CONFIDENTIAL APPENDIX D**

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

**12 Beaulieu Station CONFIDENTIAL APPENDIX A**

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

**13**

**Urgent Exempt Business**

To consider in private any other matter which in the opinion of the Chairman 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, 18 September 2020

### Present:

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

### Also Present:

Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
John Brunton	WRNV
Lee Burchill	Kent County Council
Joanne Cable	Medway Council
Paul Chapman	Essex County Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Amy Ferraro	SELEP
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
Christopher Seamark	Kent County Council

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Peter Shakespear	Essex County Council
Lisa Siggins	Essex County Council
Jess Steele	White Rock Neighbourhood Ventures
Stephen Taylor	Thurrock Council
Simon Thomas	Canterbury City Council
Ceri Williams	Canterbury City Council
Charles Wimborne	Somerlee Homes Ltd

**1 Welcome and apologies for absence**

The following apologies were received.

- Cllr Rob Gledhill substituted by Cllr Mark Coxshall

**2 Minutes 03.07.20**

The minutes of the meeting held on Friday 3rd July were agreed as an accurate record.

**3 Declarations of interest**

Simon Cook – declared a potential interest in item 14 (Skills Fund) owing to his position of Principal and Chief Executive of Mid-Kent College. ELS legal representative queried whether the potential interest was a pecuniary interest to which Simon Cook confirmed that it was not as he was not planning to bid. On the basis that the interest appeared to be a potential non-pecuniary interest, ELS representative advised that Simon Cook was not required to leave the room when item 14 was discussed.

**4 Questions from the public**

There were none.

**5 Local Growth Fund Capital Programme Update**

The Accountability Board (the Board) received a report from Rhiannon Mort the purpose of which was for the Board to consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

Sarah Dance confirmed the positive news that the final third of LGF had been received from Central Government

The Board discussed the position regarding reallocation of funding to additional projects, in unallocated LGF becomes available. Rhiannon confirming that this issue will be considered by the Strategic Board in October 2020.

Councillor Finch wished to make it clear that funding in respect of M11 Junction 8 will be available.

**Resolved:**

1. **To Note** the updated total spend in 2019/20 of £62.788m LGF excluding DfT retained schemes and £96.394m including DfT retained schemes, as set out in Appendix 1 of the report.
2. **To Agree** the updated total planned LGF spend in 2020/21 of £81.992m excluding DfT retained schemes and increasing to £111.714m including DfT retained schemes, as set out in Table 1 and Appendix 1 of the report.
3. **To Note** the deliverability and risk assessment, as set out in Appendix 2 of the report.
4. **To Agree** the reallocation of £2.111m LGF from the Exceat Bridge project to the LGF project pipeline.
5. **To Agree** to place LGF spend on hold for the M11 Junction 8 project and for a further update report to be provided by Essex County Council to the Board in November 2020.
6. **To Note** the mitigation/action required in relation to high risk projects as set out in Appendix 3 of the report.

**6 Digitally Connected Kent and Medway – Getting Building Fund**

The Board received a report from Rhiannon Mort the purpose of which was for the Board to consider the award of £2.290m Getting Building Fund (GBF) to the Digitally Connected Kent and Medway project (the Project), detailed at Appendix A of the report. The Project is one of 34 schemes included in the £85m package of projects agreed with Government in July 2020.

The Board were advised that the grant and associated grant conditions have not yet been received from Government. The Board stressing that clarity in this respect was urgently needed.

**Resolved:**

1. **To Approve** the award of £2,290,152 GBF to support the delivery of the Project as set out in Appendix A of the report, subject to sufficient GBF being received by SELEP from Central Government.
2. **To Note** that the GBF grant and the associated conditions have not been received from Central Government, at the point of this report being published.

**7 Queensway Gateway Road Project Update**

The Board received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, SELEP Capital Programme Officer.

Updates on the delivery of the Queensway Gateway Road project (the Project) were provided to the Board in February and July 2020. 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. It was noted that the Board will be provided with regular updates on the Project whilst work continues to address the ongoing land acquisition delays.

The Board requested to receive a further update on the delivery of the Project and the timescales for the delivery of the permanent solution.

Councillor Glazier gave the Board an update on the progress, with the Board proceeding to discuss the proposed CPO process.

**Resolved:**

1. **To Note** the latest position on the delivery of the Project; and
2. **To Agree** that the Board will be provided with a further update on the Project at its meeting on 20th November 2020. This report will provide a full update on the delivery of the permanent connection, including consideration of progress on the required land acquisitions, the delivery programme and the Project budget.

**8 A28 Sturry Link Road Project Update**

The Board received a report (Appendix 1 was considered under Exempt items) from Rhiannon Mort, the purpose of which was for the Board to receive an update on the delivery of the A28 Sturry Link Road project (the Project), Canterbury, Kent.

The Chair advised the Board that a letter had been received from Canterbury City Council. The letter reaffirmed Canterbury City Council's commitment to the delivery of the scheme and of the scheme's importance. The letter outlined the impact on local housing developments should the scheme not go ahead and its importance to the Local Plan.

Simon Thomas from Canterbury City Council gave the Board an update regarding the planning permission advising that this was positive and encouraging.

The Board proceeded to discuss the issue with Councillor Gough speaking in support and asking for support in respect of Option 2.

Following the discussed the Board felt that it was sensible to delay making a decision until the November meeting.

**Resolved:**

1. **To Agree** to extend the deadline until 20th November 2020 for planning consent to be secured for:

- 1.1 The Broad Oak Farm and Sturry development; and
- 1.2 The Project itself; and

2. **To Agree** 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, to enable the release of the remaining £4.791m LGF to Kent County Council for the delivery of the Project beyond 31 March 2021.

3 **To Note** that SELEP Ltd will also be required to approve the spend of LGF beyond the Growth Deal.

## 9 **Bexhill Enterprise Park North Project Update**

The Board received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, SELEP Capital Programme Officer.

Updates on the delivery of the Bexhill Enterprise Park North project (the Project) were provided to the Board in February and July 2020. The updates set out the current planning position and intended next steps, following the decision by Rother District Council planning committee to refuse the reserved matters application for the site. The decision to refuse the reserved matters application presents a significant deliverability risk to the Project and therefore the Board will be provided with regular updates on the Project whilst work continues to address this risk.

The purpose of this report, therefore, was for the Board to receive a further update on the delivery of the Project and to set out the delivery options currently under consideration.

Councillor Glazier spoke in support the project, stressing its importance.

### **Resolved:**

- 1 **To Note** the latest position on the delivery of the Project;
2. **To Agree** that the Project remains on hold until the planning appeal has been concluded and, if successful, planning consent has been granted;
3. **To Agree** that LGF spend on the delivery of the Project, beyond the £440,000 already transferred to East Sussex County Council, should remain paused until the planning appeal has been concluded and, if successful, planning consent has been granted; and
4. **To Agree** that if the planning appeal is unsuccessful that the full £1.94m LGF allocation will be returned to SELEP for reallocation through the LGF project pipeline.

## 10 **Award of Growing Places Fund Funding**

The Board received a report from Helen Dyer, SELEP Capital Programme Officer, the purpose of which was to allow the Board to consider the award of £5,820,000 Growing Places Fund (GPF) funding to the three projects (the Projects) detailed at Appendix B of the report. These Projects were included in the GPF project pipeline agreed by Strategic Board on 12th June 2020.

In response to a query raised by Councillor Woodley regarding “mix and match” and GBF funding, Rhiannon confirmed that this will be considered by the Strategic Board.

**Resolved:**

**To Approve** the award of:

1.1 £600,000 GPF by way of a loan to support the delivery of the Wine Innovation Centre project, as set out in Appendix C of the report, which has been assessed as presenting high value for money with low/medium certainty of achieving this;

1.2 £3,470,000 GPF by way of a loan to support the delivery of the Green Hydrogen Generation Facility project, as set out in Appendix D of the report, which has been assessed as presenting high value for money with high certainty of achieving this;

1.3 £1,750,000 GPF by way of a loan to support the delivery of the Observer Building, Hastings (Phase 1) project, as set out in Appendix E of the report, which has been assessed as presenting high value for money with high certainty of achieving this.

**11 Growing Places Fund Update**

The Board received a report from Helen Dyer, the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme

**Resolved:**

1. **To Note** the updated position on the GPF programme;
2. **To Approve** the revised repayment schedule for the Eastbourne Fisherman’s Quay and Infrastructure Development project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan.

**12 SELEP Operations Update**

The Board received a report from Suzanne Bennett, Chief Operating Officer, the purpose of which was for the Board to be updated on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report included an update on risk management following the declaration of the

Covid-19 Pandemic and updates on items of governance. The financial update was included in a separate report.

The Board discussed the reprocurement of the ITE evaluator and the advantages and disadvantages of the options available.

**Resolved:**

1. Agree to call-off the Bloom consultancy framework and award the ITE contract directly to Steer on a 1+1 years basis;
2. Note the proposed updates to the Assurance Framework and the updated Assurance Framework monitoring; and
3. Note the Risk Register at Appendix C of the report.

**13 Update on SELEP Revenue Budget 2020/21**

The Board received a report from Lorna Norris, Senior Finance Business Partner the purpose of which was for the Board to consider latest financial forecast position for the SELEP Revenue budget for 2020/21.

Councillor Woodley wished to place on record his thanks and recognition for the hard work of all the officers involved.

**Resolved:**

**To Note** the current on-line forecast revenue outturn position for 2020/21.

**14 SELEP Revenue Skills COVID-19 Recovery Programme**

The Board received a report from Louise Aitken, Skills Lead, the purpose of which report was to allow the Board to agree to award £2m to the revenue Skills COVID-19 Recovery Programme (the Programme) and to delegate decision making authority to the SELEP Chief Executive Officer in respect of delivery of the Programme.

The Chair offered her thanks to Louise for all her hard work.

**Resolved:**

1. **To Agree** the award of £2m 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 £1,545,000 through a new training framework which can be divided into separate Lots
3. **To Agree** to procure for the delivery of £375,000 Consultancy Services (covering innovative approaches to skills barriers) with authority delegated to SELEP Chief Executive Officer to determine the procurement route
4. **To Agree** to £80,000 of the £2 million funding pot to be used for Project management, legal, procurement and contingency costs
5. **To Agree** to delegate authority to the SELEP Chief Executive Officer, to

sign off the award of grant funding and/or contracts, for the specific interventions included in the Programme; and

6. **To Agree** to delegated authority to the SELEP Chief Executive Officer to amend the value of funding identified to each project by up to £100K, if so required, subject to:

6.1. The total value of investment remains within the total £2m budget allocated to the Programme;

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

6.3 Ensuring the maximum value of any of the projects included in the programme does not exceed £1m.

7 **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.

**15 Date of next meeting**

The Board noted that the next meeting will take place on Friday 16th October 2020 either online at High House Production Park.

There being no urgent business the meeting closed at 11.56 am.

**16 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.

**17 A28 Sturry Link Road CONFIDENTIAL APPENDIX 1**

The Board noted A28 Sturry Link Road CONFIDENTIAL APPENDIX 1.

**Chair**

## Getting Building Fund (GBF) Funding Decisions

Forward Plan reference numbers: FP/AB/305, 306, 307, 308, 309, 310 and 311

<b>Report title:</b> Award of Getting Building Fund funding	
<b>Report to Accountability Board:</b> 16 <sup>th</sup> October 2020	
<b>Report author:</b> Helen Dyer, SELEP Capital Programme Officer	
<b>Date:</b> 23 <sup>rd</sup> September 2020	<b>For:</b> Decision
<b>Enquiries to:</b> <a href="mailto:helen.dyer@southeastlep.com">helen.dyer@southeastlep.com</a>	
<b>SELEP Partner Authority affected:</b> East Sussex, Essex, Medway and Thurrock	

### 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 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. The Projects are included in the £85m package of 34 projects agreed with Government in July 2020.

## 2. Recommendations

- 2.1 The Board is asked to:

### 2.1.1 Approve the award of:

- 2.1.1.1 £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, which has been assessed as offering High value for money with High certainty of achieving this.
- 2.1.1.2 £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, which has been assessed as offering High value for money with High certainty of achieving this.
- 2.1.1.3 £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, which has been assessed as offering High value for money with High certainty of achieving this.

- 2.1.1.4 £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, which has been assessed as offering High value for money with High certainty of achieving this.
- 2.1.1.5 £1,600,000 GBF to support the delivery of the Restoring the Glory of the Winter Garden project as set out in Appendix C, which has been assessed as offering High value for money with High/Medium certainty of achieving this.
- 2.1.1.6 £1,713,000 GBF to support the delivery of The Observer Building, Hastings (Phase 1b) project as set out in Appendix C, which has been assessed as offering High value for money with High certainty of achieving this.
- 2.1.1.7 £2,500,000 GBF to support the delivery of the Extension of the existing ASELA LFFN project as set out in Appendix C, which has been assessed as offering High value for money with Low certainty of achieving this.

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

### **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 Each project is required to submit a Business Case which will be subject to independent assessment by the Independent Technical Evaluator (ITE) against the requirements of the SELEP Assurance Framework.
- 3.3 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. Getting Building Fund Overview**

- 4.1 The GBF was launched by Government as a response to the secondary economic impacts of the COVID-19 lockdown. The key aims of the GBF are to drive economic growth, aid job creation and support green recovery. The GBF funding must be spent in full by the end of March 2022, and therefore all GBF projects must be 'shovel-ready'. LEPs were asked to submit a long list of potential projects in the first instance.
- 4.2 Following the confirmation that SELEP had successfully secured a total of £85m of GBF funding, SELEP Ltd prioritised 34 projects to proceed based on

the funding available. The final award of funding to these projects will be considered by the Board following the development and independent assessment of a project Business Case.

- 4.3 The approach for the oversight of GBF has been incorporated into an updated version of the SELEP Assurance Framework, which was approved by SELEP Ltd. on 2<sup>nd</sup> October 2020. The approach adopted is in line with the requirements of the Assurance Framework for the Local Growth Fund, as this is considered to be a suitable approach for the oversight of capital funding based on the value of the funding and to ensure compliance with the requirements of the National Assurance Framework.
- 4.4 The arrangements include the development of a project Business Case in line with Government guidelines and the independent assessment of the Business Case by the ITE, which considers the Projects deliverability and the Value for Money offered through the investment of public funding in the Projects. The ITE assessment approach is detailed in Appendix A.
- 4.5 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 funding due to be received in 2021/22 has, at this stage, only been allocated to SELEP. The remaining £42.5m GBF therefore remains subject to confirmation from Central Government that the funding will be transferred in 2021/22. As a result, the Board are asked to note that the award of funding to the Projects set out in this report is subject to sufficient funding being made available by Central Government.

## 5. Case for Investment

- 5.1 This report considers the award of £13.803m GBF funding to 7 new projects, as prioritised for inclusion in the £85m funding package awarded by Government to SELEP. Further information of all 7 projects can be found in Appendix C.
- 5.2 Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises project

- 5.2.1 Table 1 provides an overview of the Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises project.

*Table 1: Overview of the Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises project*

GBF allocation: £680,000	Total project cost: See Confidential Appendix D
Key project benefits:	
<ul style="list-style-type: none"> <li>Reducing economic disadvantage through improving internet connectivity;</li> </ul>	

- The implementation of the superfast fibre broadband infrastructure rollout will underpin the future rollout of improved mobile communications technology as the fibre network being installed will be available for use by 5G networks.

Project outcomes to be monitored by Government:

80 new jobs created	400 jobs safeguarded
380 businesses assisted	Up to 750 learners assisted
380 broadband connections provided	

5.2.2 The project will implement fast deployment of ultrafast broadband to premises in very rural or hard to reach locations in Essex, which currently have broadband speeds of less than 30Mb/s.

5.2.3 Whilst there has always been the desire to improve internet connectivity for properties in rural areas, the need has become greater as a result of the COVID-19 pandemic and the switch in working methods. Employees or those seeking employment who are unable to work from home due to poor connectivity will be at a clear disadvantage in the labour market. Similarly, businesses are expected to adjust their trading and working models to focus on remote tools where possible, and those unable to do so due to poor connectivity will be at risk. At the same time, where fast internet connections are available, businesses will be able to embrace new trading models and it is expected that new jobs will be created to support digital and online trading and customer engagement.

5.2.4 Following consideration of the Business Case by the ITE, the project has been assessed as offering High Value for money with High certainty of achieving this. The ITE is satisfied that the economic appraisal presents a proportionate assessment of the scheme costs and benefits. 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 GBF allocation and delivery of the project will be completed before March 2022.

### 5.3 Britton Farm Redevelopment: Learning, Skills and Employment Hub project

5.3.1 Table 2 provides an overview of the Britton Farm Redevelopment: Learning, Skills and Employment Hub project.

*Table 2: Overview of the Britton Farm Redevelopment: Learning, Skills and Employment Hub project*

GBF allocation: £1,990,000	Total project cost: £7,190,000
Key project benefits:	
<ul style="list-style-type: none"> <li>• <b>Higher local skills base:</b> Courses will be designed in consultation with businesses in order to meet labour market need or will be delivered in subjects where there is a proven and reliable route to the workplace.</li> </ul>	

- **New jobs:** Through the delivery of the skills hub, an estimated 30 new jobs will be directly created. In addition, there will be approximately 48 construction jobs created to support delivery of the project, as well as a number of new supply chain jobs.
- **Safeguarded jobs:** The project will directly safeguard a number of jobs in Gillingham town centre, through the increased financial sustainability of the western stretch of the High Street. It is expected that at least 50 jobs in this section of the High Street will be safeguarded.

Project outcomes to be monitored by Government:

780 new jobs created	22 construction jobs created
44 new housing units delivered	0.07km of roads, cycling lanes and walkways maintained and built
450sqm of new or improved learning/training floorspace	3,100 learners assisted
350sqm of public realm improved or created	

5.3.2 The project will bring forward an innovative adult learning, skills and employment hub through repurposing Britton Farm Mall, an underused Council owned building. The hub will retrain, upskill and support adults to access employment. The project has a key role to play in addressing existing skills shortages across Medway and will provide local residents with the skills and qualifications needed to significantly improve their employment prospects. The project will also help to reinvigorate Gillingham High Street through diversifying the offer available and increasing footfall.

5.3.3 Following consideration of the Business Case by the ITE, the project has been assessed as offering High value for money with High certainty of achieving this. The ITE is satisfied that a proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by public realm improvements and the upskilling of local residents. A programme has been provided which demonstrates that spend of the GBF allocation and delivery of the project will be completed before March 2022.

#### 5.4 Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project

5.4.1 Table 3 provides an overview of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project.

*Table 3: Overview of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project*

GBF allocation: £1,820,000	Total project cost: See Confidential Appendix D
Key project benefits:	

- Reducing economic disadvantage through improving internet connectivity;
- Investment in rural superfast broadband connectivity will drive the more widespread commercial deployment of ultrafast broadband;
- The extension of the superfast fibre broadband infrastructure will underpin the future rollout of improved mobile communications technology as the fibre network being installed will be available for use by 5G networks.

Project outcomes to be monitored by Government:

300 new jobs created	1,500 jobs safeguarded
300 businesses assisted	Up to 3,000 learners assisted
1,500 broadband connections provided	

5.4.2 The project will deploy ultrafast broadband to rural premises in Essex, extending the ongoing Superfast Essex Phase 4b rollout programme. Within the current programme, it has become clear that in a significant number of cases the cost of deployment in rural areas has been underestimated by suppliers, and up to 10% of the premises in the current rollout scope will exceed the contractual cost cap, hence the need for the extension to the programme.

5.4.3 Whilst there has always been the desire to improve internet connectivity for properties in rural areas, the need has become greater as a result of the COVID-19 pandemic and the switch in working methods. Employees or those seeking employment who are unable to work from home due to poor connectivity will be at a clear disadvantage in the labour market. Similarly, businesses are expected to adjust their trading and working models to focus on remote tools where possible, and those unable to do so due to poor connectivity will be at risk. At the same time, where fast internet connections are available, businesses will be able to embrace new trading models and it is expected that new jobs will be created to support digital and online trading and customer engagement.

5.4.4 Following consideration of the Business Case by the ITE, the project has been assessed as offering High value for money with High certainty of achieving this. The ITE is satisfied that a proportionate assessment of the scheme costs and benefits has been undertaken. Reasonable assumptions have been used to populate the scheme appraisal and a robust programme has been provided which demonstrates that spend of the GBF allocation and delivery of the scheme will be completed before March 2022.

## 5.5 Fast Track Business Solutions for the Hastings Manufacturing Sector project

5.5.1 Table 4 provides an overview of the Fast Track Business Solutions for the Hastings Manufacturing Sector project.

*Table 4: Overview of the Fast Track Business Solutions for the Hastings Manufacturing Sector project*

GBF allocation: £3,500,000	Total project cost: Withheld as procurement processes still to be undertaken
<p>Key project benefits:</p> <ul style="list-style-type: none"> <li>• Increased capacity to support higher value jobs in the Hastings and Bexhill area through delivery of 4,000sqm of new production space;</li> <li>• Creation of 75 net construction related and operational Full Time Equivalent (FTE) jobs;</li> <li>• Ensuring a quality business accommodation offer in East Sussex that can meet the needs of both indigenous businesses as well as providing commercial property product capable of attracting larger companies to the area.</li> </ul>	
Project outcomes to be monitored by Government:	
96 new jobs created	17 construction jobs created
33 jobs safeguarded	3,995sqm commercial floorspace delivered
15 businesses assisted	

5.5.2 The project will deliver 4,000 sqm of Class B1/B2 business accommodation on part of the North Queensway Innovation Park. The project is seeking to address an identified shortage of modern manufacturing space in Hastings. The new business space is required to both support and retain the existing manufacturing industry in the local area but also to provide the capacity to attract businesses to relocate or expand to East Sussex. Without the delivery of the project there is a risk that existing high-tech manufacturing activities will be lost, as the search for appropriate modern facilities leads to relocation of businesses outside East Sussex, and potentially the SELEP area.

5.5.3 A Growing Places Fund loan of £1,500,000 has previously been provided to support the construction of a new junction to access the North Queensway Innovation Park and to support delivery of preliminary site infrastructure. To date, £1,000,000 of this loan has been repaid.

5.5.4 Following consideration of the Business Case by the ITE, the project has been assessed as offering High value for money with High certainty of achieving this. The ITE is satisfied that a proportionate and robust economic appraisal of the scheme costs and benefits. The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the GBF allocation and delivery of the project will be completed before March 2022.

## 5.6 Restoring the Glory of the Winter Garden project

5.6.1 Table 5 provides an overview of the Restoring the Glory of the Winter Garden project.

*Table 5: Overview of the Restoring the Glory of the Winter Garden project*

GBF allocation: £1,600,000	Total project cost: £3,896,775
Key project benefits: <ul style="list-style-type: none"> <li>• <b>Job creation</b> - 26 FTE direct and indirect jobs will be created, including 10 permanent direct FTE jobs, 10 permanent FTE indirect jobs and the equivalent of 6 FTE construction jobs.</li> <li>• <b>Visitor Economy</b> – the venue is expected to attract 50,000 patrons per year once fully operational. Total annual additional contribution to the Eastbourne economy of £1.17m.</li> </ul>	
Project outcomes to be monitored by Government:	
50 new jobs created	53 construction jobs created

5.6.2 The project will restore the Winter Garden, a key facility in the Devonshire Quarter, to its former glory and ensure its longevity and visitor experience benefit future generations. Once the restoration is complete, the Winter Garden will focus particularly on attracting live music events and hosting banquets, contributing to a higher value visitor economy and provision of an enhanced cultural offer for local residents. The restoration of the Winter Garden has a key role to play in realising Eastbourne Borough Council's ambition to develop the town into the UK's leading and most distinctive culture, leisure and recreation destination.

5.6.3 Following consideration of the Business Case by the ITE, the project has been assessed as offering High value for money with High/Medium certainty of achieving this. The ITE indicates that the Strategic Case for the project is compelling and demonstrates clear alignment with the objectives of the GBF. The scheme promoter acknowledges the potential negative impacts on benefits realisation of the scheme resulting from COVID-19, but it is expected that the outcomes and impacts will be delayed by the pandemic, rather than negated by it.

5.6.4 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken. This assessment shows the scheme to have a BCR of 2.04:1 which falls within the "high" value for money categorisation. However, a BCR this close to 2:1 means that the value for money categorisation will be very sensitive to any net downside risks.

5.6.5 The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the GBF allocation and delivery of the project will be completed before March 2022. Before determining whether or not to approve funding for the project, the Board are asked to consider the risk that

cost increases would reduce the outturn value for money categorisation to medium.

## 5.7 The Observer Building, Hastings (Phase 1b) project

5.7.1 Table 6 provides an overview of The Observer Building, Hastings (Phase 1b) project.

*Table 6: Overview of The Observer Building, Hastings (Phase 1b) project*

GBF allocation: £1,713,000		Total project cost: £4,274,000	
Key project benefits:			
<ul style="list-style-type: none"><li>• Increased capacity to support jobs in Hastings through creation of new office, co-working and retail space;</li><li>• 121 net construction-related and operational Full Time Equivalent jobs;</li><li>• Life-changing opportunities for people from excluded groups, especially people who struggle to access suitable housing, people experiencing mental health issue and those with low levels of education.</li></ul>			
Project outcomes to be monitored by Government:			
66 new jobs created		14 construction jobs created	
4 jobs safeguarded		15 housing units unlocked	
2,102sqm commercial floorspace created		40 businesses assisted	
80 learners assisted		39 broadband connections provided	
81,000kg of CO <sup>2</sup> emissions avoided			

5.7.2 The Observer Building has been empty for 35 years and has become increasingly derelict over that period of time. This project seeks to transform the building and bring it back into highly productive use, offering a variety of uses including commercial, leisure and residential. The project seeks to offer opportunities for those in the hardest to reach economically deprived communities in Hastings and has a key role to play in catalysing the wider revitalisation of Hastings Town Centre.

5.7.3 A Growing Places Fund loan allocation of £1.75m to support the delivery of Phase 1a of the project was approved by the Board in September 2020. Phases 1a and 1b will be brought forward to the same timetable.

5.7.4 Following consideration of the Business Case by the ITE, the project has been assessed as offering High value for money with High certainty of achieving this. The ITE is satisfied that a proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken. The assumptions used in the appraisal are reasonable and robust, and a programme has been provided which demonstrates that spend of the GBF allocation and delivery of the scheme will be completed before March 2022.

## 5.8 Extension of the existing Association of South Essex Local Authorities Local Full Fibre Networks (ASELA LFFN) project

5.8.1 Table 7 provides an overview of the Extension of the existing ASELA LFFN project.

*Table 7: Overview of the Extension of the existing ASELA LFFN project*

GBF allocation: £2,500,000	Total project cost: See Confidential Appendix D
Key project benefits: <ul style="list-style-type: none"> <li>• Provision of the infrastructure required to help local businesses and communities to grow and flourish post COVID-19;</li> <li>• By enabling additional public sector sites this will stimulate further investment from the private sector to realise access to a fibre to the premise solution with a consequent tangible impact in lifting local GVA and supporting local business investment and growth;</li> <li>• Retaining existing businesses and attracting new business sectors to the South Essex Corridor will result in an increase in Business Rates and a return on Business Rate retention;</li> <li>• Attract to the South Essex Corridor new growth sectors (advanced manufacturing, environmental technologies and energy, digital and creative services, life sciences and healthcare) which will generate higher skilled job opportunities for local residents and consequently higher wages;</li> </ul>	
Project outcomes to be monitored by Government:	
2,000 new jobs created	15,000 broadband connections provided

5.8.2 The project will build upon the existing Department for Digital, Culture, Media and Sport (DCMS) funded ASELA LFFN project and will extend the delivery and access to fibre connectivity across the South Essex region. The project will help to kick-start the economy by offering access to low cost, high speed broadband, will aid job retention by reducing business costs through enabling flexible and remote working and will support the green agenda by reducing the need for travel by enabling a growth in video conferencing which has been a proven business tool during the COVID-19 pandemic.

5.8.3 Following consideration of the Business Case by the ITE, the project has been assessed as offering High value for money with Low certainty of achieving this. The ITE is satisfied that the Strategic Case is compelling and that it demonstrates clear alignment with the objectives of the GBF funding.

5.8.4 The ITE concludes that some consideration has been given to the scheme costs and benefits and an economic impacts report developed to support the bid for funding into the DCMS for the first phase of this scheme has been provided as a benchmark for the likely

Benefit Cost Ratio and value for money that could be expected from this project. This benchmarking exercise has indicated that the scheme would fall within a “High” value for money categorisation were economic appraisal to be undertaken.

5.8.5 The scheme promoter has undertaken analysis to isolate the additional benefits which could be expected as a result of the Getting Building Fund allocation. This has indicated that the total economic value of the scheme would be £62.5m over fifteen years including £21m in business productivity gains and £17.5m in new business start-up benefits. This analysis indicates that scheme has a benefit cost ratio of 17.5:1 which falls within a “very high” value for money categorisation. However, the assumptions which underpin the economic appraisal have not been stated and justified. As such, this creates some uncertainty around the GBF investment in the scheme.

5.8.6 Whilst there is a strong strategic case for investment in the Project, the uncertainty around how the outputs have been identified creates uncertainty within the economic appraisal. The Board is asked to consider this uncertainty as part of its decision making. However, based on the economic appraisal presented and from the benchmarking from the DCMS bid, it is expected that the project presents high value for money.

## **6. Risks**

- 6.1 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 five 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.
- 6.2 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.
- 6.3 As would be expected, there are a number of risks stemming from the COVID-19 pandemic and the associated measures introduced by Government which have the potential to impact on the delivery of all the Projects. These risks all stem from the likely impact on the construction industry and the associated supply chains.

- 6.4 The social distancing measures introduced by Government to slow the spread of COVID-19, are likely to result in protracted construction programmes due to restrictions on the number of contractors who can be onsite at any given time. This also has the potential to result in increased construction costs if this risk is not factored into the procurement process.
- 6.5 There is a further risk that construction programmes could be adversely impacted by delays in the supply of materials. Following lockdown there is likely to be a backlog in orders which need to be met, and it is to be expected that the supply chain will take some time to return to normal which could lead to increased lead in times. There is also a risk that the supply chain will not return to normal due to business failures which have arisen as a result of the impacts of the COVID-19 pandemic.
- 6.6 In relation to project specific risks, no high risks have been identified in relation to the delivery of any of the Projects.
- 7. Financial Implications (Accountable Body Comments)**
- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 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.
- 7.5 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.
- 7.6 The Funding Agreement's or SLA's 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.
- 8. Legal Implications (Accountable Body Comments)**

8.1 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.

8.2 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.

**9. Staffing and other resource implications** (Accountable Body Comments)

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

**10. Equality and Diversity implications** (Accountable Body Comments)

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 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.

**11. List of Appendices**

11.1 Appendix A – Report of the Independent Technical Evaluator

11.2 Appendix B – GBF funding awards

11.3 Appendix C – GBF Project Information

11.4 Appendix D – Confidential Appendix – funding package information


**12. List of Background Papers**

- 12.1 Business Case for the Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises project
- 12.2 Business Case for the Britton Farm Redevelopment: Learning, Skills and Employment Hub project
- 12.3 Business Case for the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project
- 12.4 Business Case for the Fast Track Business Solutions for the Hastings Manufacturing Sector project
- 12.5 Business Case for the Restoring the Glory of the Winter Garden project
- 12.6 Business Case for The Observer Building, Hastings (Phase 1b) project
- 12.7 Business Case for the Extension of existing ASELA LFFN 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)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  (On behalf of Nicole Wood, S151 Officer Essex County Council)	08/10/20

# Independent Technical Evaluator - Business Case Assessment – Q2 2020/21 Report





# Independent Technical Evaluator - Business Case Assessment – Q2 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 16<sup>th</sup> October 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*<sup>1</sup>, 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.

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<sup>1</sup> Source:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685903/The\\_Green\\_Book.pdf](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 August and September 2020.

## Getting Building Fund

1.11 Seven business cases have been assessed for schemes seeking a Getting Building Fund 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.

#### *Acceleration of full-fibre broadband rollout in Essex (£0.68m)*

1.14 This funding will accelerate the current Superfast Essex Phase 4b broadband rollout across Essex and safeguard the delivery of high-quality digital connectivity to 380 premises which currently have poor internet connectivity. These are premises which are very remote and the costs of connecting them has been found to be significantly higher than anticipated. In the absence of this grant, these 380 premises would be removed from the programme.

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. Eighty permanent jobs will be created as an outcome of the increased broadband connectivity. It is also a scheme which will support the Green Recovery, enabling more people to work remotely reducing the number of car journeys taken as well as aligning with changed working practices brought about by response to Covid-19.

1.16 The economic analysis presents a proportionate assessment of the scheme costs and benefits. A bespoke assessment approach has been taken, aligned with 'Green Book' principles and drawing on the most up to date evidence around the impact of improved connectivity on productivity and employment. The analysis results in a benefit cost ratio of 21.7:1 representing "very high" value for money.

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 "very high" value for money with high levels of certainty.

#### *Extension of full-fibre broadband rollout in Essex (£1.8m)*

1.18 This funding will extend the current Superfast Essex Phase 4b broadband rollout across Essex delivering high-quality digital connectivity to at least 1,500 homes or businesses which currently have poor internet connectivity.

1.19 The strategic case demonstrates clear alignment with the strategic objectives of the Getting Building Fund. 300 permanent jobs will be created as an outcome of the increased broadband connectivity. It is also a scheme which will support the Green Recovery enabling more people to work remotely and reducing the number of car journeys taken as well as aligning with changed working practices brought about by response to Covid-19.

1.20 A proportionate assessment of the scheme costs and benefits has been undertaken. A bespoke assessment approach has been taken aligned with 'Green Book' principles and

drawing on the most up to date evidence around the impact of improved connectivity on productivity and employment. The analysis results in a benefit cost ratio of 31.2:1 representing “very high” value for money.

- 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 “very high” value for money with high levels of certainty.

*Observer Building, Hastings (Phase 1) (£1.71m)*

- 1.22 The project will support an expanded Phase 1 of the full redevelopment of the 4,000 square metres Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes and jobs. The GBF will enable full renovation of the lower four floors. These works will enable the non-residential floors to serve the wide range of tenants already in the pipeline, revitalise both street level entrances, and create flexible workspace and space for enterprise support.
- 1.23 The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. Its delivery will support 121 net construction-related and operational jobs in total. It also supports the Green Recovery by bringing back into productive use a previously derelict building. In line with a response to Covid-19, the scheme promoter has confirmed that revisions to the plan for the workspace have been made to ensure that social distancing can be accommodated.
- 1.24 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 Guidance 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 2.2:1 which falls within a “high” value for money categorisation.
- 1.25 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. The scheme, therefore, delivers high levels of certainty for this value for money categorisation.

*Fast Track Business Solutions for the Hastings Manufacturing Sector (£3.5m)*

- 1.26 Investment is being sought to deliver 4,000 square metres of business space at the North Queensway Innovation Park, which lies within the A21/A259 Hastings Bexhill Growth Corridor as identified.
- 1.27 The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will help to stimulate economic growth in the local manufacturing sector by delivering modern industrial space at a time when the private sector is unlikely to develop speculatively. Its delivery will support 75 net jobs in the SELEP area. In line with a response to Covid-19, the project has been brought forward to meet an immediate and pressing need for modern manufacturing space in Hastings that can meet the demands of businesses and respond to the expected economic slowdown. The alignment with the Green Recovery aim is unclear.
- 1.28 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 Guidance 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 2.3:1 which falls within a “high” value for money categorisation.

- 1.29 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. The scheme, therefore, delivers high levels of certainty for this value for money categorisation.

*Britton Farm Redevelopment Learning, Skills & Employment Hub (£1.99m)*

- 1.30 An innovative adult learning, skills and employment hub will be created through repurposing an underused Council owned asset Britton Farm Mall. It will retrain, upskill, and support adults to access employment.
- 1.31 The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will stimulate creation of 30 direct jobs at the Skills Hub, 48 construction jobs and a further 50 upskilled learners entering employment per year. It also supports the Green Recovery by bringing into more productive use a previously underused building. In line with a response to Covid-19, it is expected that supporting people to retrain and re-enter the job market may help mitigate the risks, and seize the opportunities presented by a number of impacts of 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 public realm improvements and the upskilling of local residents. 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 4.9:1 which falls within a “high” value for money categorisation.
- 1.33 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. The scheme, therefore, delivers high levels of certainty for this value for money categorisation.

**High value for money, high/medium certainty**

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

*Restoring the Glory of the Winter Garden (£1.6m)*

- 1.35 Investment will restore and complete the regeneration and refurbishment of the Winter Garden, a key facility in the £54m Devonshire Quarter redevelopment, to its former glory and ensure its longevity and visitor experience benefit future generations. The scheme will upgrade the stage grid and technical equipment that supports the hosting of high profile corporate events and live music.
- 1.36 The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will generate 26 jobs, including 10 direct jobs, 10 indirect jobs and 6 construction jobs. It also supports the Green Recovery by bringing back into productive use a previously underutilised building. The scheme promoter acknowledges the potential negative impacts on benefits realisation of the scheme resulting from Covid-19, but

it is expected that the outcomes and impacts will be delayed by the pandemic, rather than negated by it.

- 1.37 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 Guidance 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 2.04:1 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.
- 1.38 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, low certainty**

- 1.39 The following GBF scheme achieves **high value for money** with a **low certainty** of achieving this.

*ASELA Extension of existing LFFN Project (£2.5m)*

- 1.40 Funding is sought to build upon the current, Local Full Fibre Network project funded by the Department of Culture Media and Sport to deliver access to fibre connectivity across the South Essex Region. The project will provide full fibre connectivity to rural communities and businesses, care homes, GP Surgeries and community facilities such as village halls.
- 1.41 The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The business case for the scheme identifies the potential for 5,000 jobs to be created through the LFFN initiative. It is also a scheme which will support the Green Recovery enabling more people to work remotely and reducing the number of car journeys taken as well as aligning with changed working practices brought about by response to Covid-19.
- 1.42 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.
- 1.43 Some consideration has been given to the scheme costs and benefits and an economic impacts report developed to support a bid for funding into Department for Culture Media and Sport for the first phase of this scheme has been provided as a benchmark for the likely benefit cost ratio and value for money that could be expected from this project. This benchmarking exercise has indicated that the scheme would fall within a “high” value for money categorisation were economic appraisal to be undertaken.
- 1.44 The scheme promoter has undertaken analysis to isolate the additional benefits which could be expected as a result of the Getting Building Fund allocation. This has indicated that the total economic value of the scheme would be £62.5m over fifteen years including £21m in business productivity gains and £17.5m in new business start up benefits. This analysis indicates that scheme has a benefit cost ratio of 17.5:1 which falls within a “very high” value for money categorisation. However, the assumptions which underpin the economic appraisal

have not been stated and justified and this presents uncertainty around the value for money of the scheme.

- 1.45 Before determining whether or not to approve funding for the scheme, we recommend the Accountability Board consider the risk that the lack of certainty around the outputs of the economic appraisal presents to the outturn value for money categorisation of the scheme.

**Table 1.1: Gate 1, 2 and 3 Assessment of Getting Building Fund Schemes seeking Approval for Funding for Q2 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										
Acceleration of full-fibre broadband rollout in Essex	£0.68m	Gate 1: 21.7	Amber /Green	Amber	Amber /Green	Amber	Amber	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	The analysis has been undertaken using a bespoke approach aligned with Green Book principles. Further detail around the assumptions underpinning economic appraisal are required.	We would like to see more detail of the programme for delivery.
		Gate 2: 21.7	Green	Green	Green	Green	Amber /Green	As above	Clarification has been provided.	A robust programme has been presented which demonstrates deliverability of the scheme by March 2022.
Extension of full-fibre broadband rollout in Essex	£1.82m	Gate 1: 31.2	Amber /Green	Amber	Amber /Green	Amber	Amber	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	The analysis has been undertaken using a bespoke approach aligned with Green Book principles. Further detail around the assumptions underpinning economic appraisal are required.	We would like to see more detail of the programme for delivery.
		Gate 2: 31.2	Green	Green	Green	Green	Amber /Green	As above	Clarification has been provided.	A robust programme has been presented which demonstrates deliverability of the scheme 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
Observer Building, Hastings (Phase 1)	£1.71m	Gate 1: 2.0	Green	Amber /Green	Green	Green	Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	The analysis has been undertaken using a bespoke approach aligned with Green Book principles.	A benefit cost ratio of 2:1 means that the value for money is sensitive to downside risks.
		Gate 2: 2.2	Green	Green	Green	Green	Green	As above.	As above	Further economic appraisal work has been undertaken to increase the monetised benefits and increase certainty of high value for money.
Fast Track Business Solutions for the Hastings Manufacturing Sector	£3.5m	Gate 1: 2.3	Green	Amber /Green	Green	Amber /Green	Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	The analysis has been undertaken using a bespoke approach assessing Land Value Uplift and Labour Supply Impacts. Could more detail of the assumptions underpinning the appraisal be provided?	A clear programme for delivery has been included. Inflation assumptions which underpin the financial costs have not been justified.
		Gate 2: 2.3	Green	Green	Green	Green	Green	As above.	Assumptions have been set out and justified.	Assumptions have been set out and justified.
Britton Farm Redevelopment Learning, Skills & Employment Hub	£1.99m	Gate 1: 4.9	Green	Green	Green	Green	Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	The analysis has been undertaken using a bespoke approach assessing GVA impacts of public realm improvements and upskilled local residents.	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: 4.9	Green	Green	Green	Green	Green	As above.	As above.	As above.
Restoring the Glory of the Winter Garden	£1.6m	Gate 1: Not monetised	Green	Red/Amber	Green	Green	Green	A financial assessment has been undertaken rather than an economic appraisal. A full, monetised economic appraisal needs to be developed.	N/A	Economic appraisal has not yet been undertaken so we are not able to assess the certainty of value for money.
		Gate 2: 2.0	Green	Amber /Green	Green	Green	Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken.	The analysis has been undertaken using a Land Value Uplift approach in line with MHCLG's Appraisal Guide.	A benefit cost ratio of 2:1 means that the value for money is sensitive to downside risks.
ASELA Extension of existing LFFN Project	£2.5m	Gate 1: Not provided	Amber /Green	Red	Amber /Green	Amber /Green	Green	An appraisal approach based on costs and revenues has been provided. We would like to understand the economic impacts of the scheme.	Economic case does not present a robust appraisal of economic impacts.	Lack of economic appraisal present high levels of uncertainty around value for money of the scheme.
		Gate 2: Not provided	Green	Red/Amber	Green	Green	Green	A benchmarking approach has been taken to indicate value for money as well as an assessment of cost and benefits of the scheme.	Assumptions have not been identified or justified which reduces certainty of the value for money.	Economic appraisal has been undertaken at a high level with assumptions not being stated or justified. This presents uncertainty around value for money of the scheme.

## Control Information

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CM1 1QH

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**Steer project/proposal number**

22790509

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**Client contract/project number**

F1523058

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**Other contributors**

Scheme assessors

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**Distribution**

Client: SELEP                      Steer: Project team

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**Version control/issue number**

V1.0 Draft for Client

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**Date**

28 September 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 - £
Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises	Essex County Council	Yes	Yes	High	High	21.7:1	680,000	680,000	0
Britton Farm Redevelopment: Learning, Skills and Employment Hub	Medway Council	Yes	Yes	High	High	4.9:1	1,990,000	530,000	1,460,000
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Essex County Council	Yes	Yes	High	High	31.2:1	1,820,000	1,820,000	0
Fast Track Business Solutions for the Hastings Manufacturing Sector	East Sussex County Council	Yes	Yes	High	High	2.29:1	3,500,000	250,000	3,250,000
Restoring the Glory of the Winter Garden	East Sussex County Council	Yes	Yes	High	High/Medium	2.04:1	1,600,000	599,500	1,000,500
The Observer Building, Hastings (Phase 1b)	East Sussex County Council	Yes	Yes	High	High	2.18:1	1,713,000	914,000	799,000
Extension of existing Association of South Essex Local Authorities Local Full Fibre Networks (ASELA LFFN) Project	Thurrock Council	Yes	Yes	High	Low	17.5:1*	2,500,000	1,000,000	1,500,000
<b>Total GBF Recommended for Approval</b>							<b>13,803,000</b>	<b>5,793,500</b>	<b>8,009,500</b>

\* High level economic appraisal undertaken but underpinning assumptions have not been stated and justified.

## Appendix C – GBF Project Background Information

<b>Name of Project</b>	<p><b>Acceleration of Full-Fibre Broadband deployment in very Rural or Hard to reach Premises</b></p> <p>Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon, Brentwood, Rochford, Maldon, Castle Point</p> <p>Essex County Council</p>
<b>Getting Building Fund value</b>	£680,000
<b>Description of what Project delivers</b>	<p>The premises being targeted with this measure are very rural and hard-to reach business premises, which currently have broadband speeds of less than 30 Mb/s. Potential for economic activity in these areas is substantial. Demand for fast broadband services is nearly 15% higher in these rural areas than the average for Essex.</p> <p>The project will implement fast deployment and maximise the capacity of the current delivery arrangements by retaining the planned delivery scope where possible within the existing live rollout contracts. This project complements other Essex broadband projects currently in progress or being planned and mechanisms are in place to ensure there is no scope overlap between these projects.</p>
<b>Need for Intervention</b>	<p>Within the current Superfast Essex Phase 4b broadband rollout across Essex, it has become clear that in a significant number of cases the cost of deployment in rural areas had been underestimated by suppliers, and up to 10% of the premises in the current rollout scope will exceed the contractual cost cap.</p> <p>In these cases, suppliers will evidence the increased cost to the commissioning body, Superfast Essex, and request further funding to fill the newly identified cost gap. If no such funding is available, the contractors envisage that the impacted premises would be removed from the rollout programme. Where premises are to be removed, some subsidy will be returned and will be used to fund some of the higher costs. However, for those premises which cannot be funded, sunk costs for planning and project management so far would be written off. This project is requesting funding to ensure that as many as possible of the identified higher-cost premises can be retained within the current rollout programme, rather than face an uncertain future.</p>

<b>Project benefits</b>	<p>The proposed project will deliver ultrafast broadband connectivity to rural and hard to reach areas, where no commercial business case exists and where the Superfast Essex intervention programme is the quickest way to improve internet connectivity. Without this investment, the target areas – which are already suffering from an economic disadvantage - will be left behind and will also risk missing out on future digital connectivity upgrades to ultrafast broadband and 5G mobile technology.</p> <p>In addition, the implementation of the full superfast fibre broadband infrastructure rollout as planned – by using the additional funds requested here to maintain the planned scope – will also underpin the future rollout of improved mobile communications technology as the fibre network being installed for superfast broadband will be available for use by the 5G networks.</p> <p>The following project outcomes will be monitored by Government:</p> <table border="1" data-bbox="491 927 1385 1043"> <tr> <td>80 new jobs created</td><td>400 jobs safeguarded</td></tr> <tr> <td>380 businesses assisted</td><td>Up to 750 learners assisted</td></tr> <tr> <td colspan="2">380 broadband connections provided</td></tr> </table>	80 new jobs created	400 jobs safeguarded	380 businesses assisted	Up to 750 learners assisted	380 broadband connections provided	
80 new jobs created	400 jobs safeguarded						
380 businesses assisted	Up to 750 learners assisted						
380 broadband connections provided							
<b>Financial Information</b>	A breakdown of the funding is considered in a confidential appendix. Please see Appendix D.						
<b>Project constraints</b>	<p>The key constraints for the proposed project are State Aid rules and Funding:</p> <p><b>State Aid rules</b> – the Superfast Essex programme works closely with the UK National Competency Centre (NCC) for State Aid on broadband schemes, which has delegated authority from the EU Commission to grant State Aid approval for UK broadband intervention schemes. All Superfast Essex contracts undergo an extensive NCC assurance process commencing prior to procurement and continuing until after completion of the deployment programme for each scheme (or Phase). All key activities are assured and signed off by the NCC.</p> <p><b>Funding</b> – the Superfast Essex programme does not currently have sufficient funding to reach its strategic objective of 99% superfast broadband connectivity for Essex. The current rollout is limited by cost caps and where deployment costs are significantly higher than envisaged at the procurement stage, suppliers are able to request either further public funding or a removal of the impacted premises from the rollout plan. Where no additional funding can be found, some high-cost premises could still be served by removing the remainder from the</p>						

	contracts and re-using the allocated funds, but most of the high-cost premises would be left behind.								
<b>Options consideration</b>	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.								
<b>Project Timeline</b>	<table border="1"> <thead> <tr> <th>Project milestone</th><th>Indicative date</th></tr> </thead> <tbody> <tr> <td>Procurement process</td><td>Completed in 2018</td></tr> <tr> <td>Change request to add additional funding to the existing contract signed</td><td>November 2020</td></tr> <tr> <td>Project delivery</td><td>December 2020 to June 2021</td></tr> </tbody> </table>	Project milestone	Indicative date	Procurement process	Completed in 2018	Change request to add additional funding to the existing contract signed	November 2020	Project delivery	December 2020 to June 2021
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Project delivery	December 2020 to June 2021								
<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High value for money with High certainty of achieving this.</p> <p>A compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. Eighty permanent jobs will be created as an outcome of the increased broadband connectivity. It is also a scheme which will support the Green Recovery, enabling more people to work remotely reducing the number of car journeys taken as well as aligning with changed working practices brought about by response to COVID-19.</p> <p>The economic analysis presents a proportionate assessment of the scheme costs and benefits. A bespoke assessment approach has been taken, aligned with 'Green Book' principles and drawing on the most up to date evidence around the impact of improved connectivity on productivity and employment. The analysis results in a Benefit Cost Ratio of 21.7:1 representing "very high" value for money.</p> <p>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 "very high" value for money with high levels of certainty.</p>								
<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.								
<b>Link to Project webpage</b>	<a href="https://www.southeastlep.com/project/acceleration-of-full-fibre-broadband-deployed-in-very-rural-or-hard-to-reach-premises/">https://www.southeastlep.com/project/acceleration-of-full-fibre-broadband-deployed-in-very-rural-or-hard-to-reach-premises/</a>								

<b>Name of Project</b>	<p><b>Britton Farm Redevelopment: Learning, Skills &amp; Employment Hub</b></p> <p>Britton Farm Mall, High Street, Gillingham, Kent, ME7 1DG</p> <p>Medway Council</p>
<b>Getting Building Fund value</b>	£1,990,000
<b>Description of what Project delivers</b>	<p>The project will bring forward an innovative adult learning, skills and employment hub through repurposing Britton Farm Mall, an underused Council owned building. The hub will retrain, upskill and support adults to access employment. State of the art digital facilities will improve digital skills and tackle digital exclusion, alongside providing the skills needed to access new high GVA jobs.</p> <p>The adult learning, skills and employment hub will be designed with flexible classroom space and state of the art digital equipment. A fully equipped training kitchen will be provided which will help meet a variety of community needs, from supporting business start-ups to reducing food waste and teaching life skills.</p> <p>The project also includes the conversion of an existing car park on the site, into a housing development comprising 44 affordable homes.</p> <p>Furthermore, public realm improvements will be delivered which will contribute to the regeneration of Gillingham High Street.</p>
<b>Need for Intervention</b>	<p>Britton Farm Mall, which is located in Gillingham town centre, is currently failing in its purpose as a retail site. The building is out-dated and tired and has become an eyesore. Attempts to fill vacant units have been unsuccessful due to market forces, the national changing nature and role of high streets and the sites unattractive environment which has attracted anti-social behaviour.</p> <p>Gillingham High Street currently suffers from high vacancy rates (12.3%) and a lack of vibrancy.</p> <p>The Gillingham Town Centre Masterplan highlights the need to diversify the offer in the High Street, increase footfall and make it a more attractive environment. Britton Farm Mall has been identified as one of the key opportunity sites within the High Street.</p>

	<p>The Kent and Medway NHS Social Care Partnership Trust (KMPT) has been secured as the anchor tenant for the ground floor of Britton Farm Mall. Housing a Learning, Skills and Employment Hub on the first floor will complete the transformation of the building, whilst meeting the needs of the local area. Staff and learners being located in the town centre will diversify the offer of Gillingham High Street and will lead to increased footfall.</p> <p>There are existing skills shortages across Medway, with Medway lagging behind the South East at every qualification level and behind the UK average for levels 3 and 4. The skills hub will present the opportunity to address these skills shortages.</p> <p>There is a shortage of affordable housing across Medway, with the emerging Local Plan outlining an expectation that 28,600 affordable homes will be required by 2037. The construction of 44 new affordable homes adjacent to Britton Farm Mall is essential to help alleviate the pressure of this forecast, whilst also contributing to the reinvigoration of Gillingham High Street and increasing the footfall within the town centre.</p>
<b>Project benefits</b>	<p><b>Higher local skills base:</b> Medway Adult Education will be running entry level courses at the hub, bringing people with no qualifications or very low qualifications up to level 2, which will make a huge difference to their chances of work success. Courses will be designed in consultation with businesses in order to meet labour market need or will be delivered in subjects where there is a proven and reliable route to the workplace. Opportunities for progression to a higher level of qualification will be available.</p> <p><b>New jobs:</b> Through the delivery of the skills hub, an estimated 30 new jobs will be directly created. In addition, there will be approximately 48 construction jobs created to support delivery of the project, as well as a number of new supply chain jobs. The skills hub will also indirectly deliver 50 jobs per year, through linkages with the Medway Economic Development Team.</p> <p>As a result of the redevelopment of Britton Farm Mall there will be increased footfall in the High Street. It is expected that this will encourage businesses to bring disused town centre premises back into use, thereby creating new retail jobs and reducing the existing vacancy rate in the High Street.</p> <p><b>Safeguarded jobs:</b> The project will directly safeguard a number of jobs in Gillingham town centre, through the increased financial sustainability of the western stretch of the</p>

	<p>High Street. It is expected that at least 50 jobs in this section of the High Street will be safeguarded as a result of this project.</p> <p><b>High Street viability:</b> Completion of the project will lead to increased footfall on the western stretch of the High Street. It is expected that this will boost the local economy through increasing levels of trade in the area. It is anticipated that the economic benefits will be felt along the entire length of the High Street, resulting in a stronger commercial environment which attracts greater loyalty from local residents and increased investment from the private sector.</p> <p>The following project outcomes will be monitored by Government:</p> <table><tr><td>780 new jobs created</td><td>22 construction jobs created</td></tr><tr><td>44 new housing units delivered</td><td>0.07km of roads, cycle lanes and walkways built/maintained</td></tr><tr><td>450sqm of new or improved learning/training floorspace delivered</td><td>3,100 learners assisted</td></tr><tr><td colspan="2">350sqm of public realm improved or created</td></tr></table>	780 new jobs created	22 construction jobs created	44 new housing units delivered	0.07km of roads, cycle lanes and walkways built/maintained	450sqm of new or improved learning/training floorspace delivered	3,100 learners assisted	350sqm of public realm improved or created					
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450sqm of new or improved learning/training floorspace delivered	3,100 learners assisted												
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<b>Financial Information</b>	<p>The total capital cost of the project is: <b>£7,190,000</b></p> <table><tr><th>Funding source</th><th>Amount (£)</th><th>Constraints, dependencies or risks and mitigation</th></tr><tr><td>Getting Building Fund</td><td>£1.99m</td><td>Subject to Board approval</td></tr><tr><td>Medway Council/Medway Development Company</td><td>£5.2m</td><td>Funding to deliver the 44 affordable homes. Full Council commitment is in place.</td></tr><tr><td><b>Total project value</b></td><td>£7.19m</td><td></td></tr></table>	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation	Getting Building Fund	£1.99m	Subject to Board approval	Medway Council/Medway Development Company	£5.2m	Funding to deliver the 44 affordable homes. Full Council commitment is in place.	<b>Total project value</b>	£7.19m	
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<b>Total project value</b>	£7.19m												
<b>Project constraints</b>	<p>The COVID-19 pandemic is a potential constraint to the project; however, construction works are not planned to commence until mid-2021 by which point it is hoped that the pandemic will have reduced or will be being effectively managed. There is sufficient time to accommodate socially distanced working arrangements within the construction programme.</p> <p>There is a risk that delivery of the project will cause disruption and inconvenience to residents and tenants of adjacent buildings. Construction of the project will be managed to ensure that the works are completed in the most effective and efficient way whilst also minimising disruption to the adjacent buildings.</p>												

<b>Options consideration</b>	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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<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High value for money with High certainty of achieving this.</p> <p>The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will stimulate creation of 30 direct jobs at the Skills Hub, 48 construction jobs and a further 50 upskilled learners entering employment per year. It also supports the Green Recovery by bringing into more productive use a previously underused building. In line with a response to COVID-19, it is expected that supporting people to retrain and re-enter the job market may help mitigate the risks, and seize the opportunities presented by a number of impacts of COVID-19.</p> <p>A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by public realm improvements and the upskilling of local residents. This bespoke assessment approach aligned with Green Book principles, uses assumptions from HCA's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 4.9:1 which falls within a "high" value for money categorisation.</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. The scheme, therefore, delivers high levels of certainty for this value for money categorisation.
<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.
<b>Link to Project webpage</b>	<a href="https://www.southeastlep.com/project/britton-farm-redevelopment-learning-skills-and-employment-hub/">https://www.southeastlep.com/project/britton-farm-redevelopment-learning-skills-and-employment-hub/</a>

<b>Name of Project</b>	<p><b>Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach areas</b></p> <p>Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon, Brentwood, Rochford, Maldon, Castle Point</p> <p>Essex County Council</p>
<b>Getting Building Fund value</b>	£1,820,000
<b>Description of what Project delivers</b>	<p>Project to deploy ultrafast broadband for rural premises in Essex, extending the currently ongoing Superfast Essex Phase 4b rollout programme. Potential for economic activity in these areas is substantial. Demand for fast broadband services is nearly 15% higher in these rural areas than the average for Essex. The project will implement fast deployment and maximise the capacity of the current delivery arrangements by adding as much scope as possible within the existing live rollout contracts. This project complements other Essex broadband projects currently in progress or being planned</p> <p>This project offers additional scope for Superfast Essex Phase 4 Main Rollout, to reach more areas (which are not included LFFN project – separate bid by Thurrock Council).</p>
<b>Need for Intervention</b>	<p>Within the current Superfast Essex Phase 4b broadband rollout across Essex, it has become clear that in a significant number of cases the cost of deployment in rural areas had been underestimated by suppliers, and up to 10% of the premises in the current rollout scope will exceed the contractual cost cap. These full fibre networks will be delivered either by new alternative operators such as Hyperoptic and CityFibre, or by Openreach and Virgin implementing upgrades to their existing networks. However, given the commercial focus on high-revenue areas, it is highly unlikely that the rural and hard to reach areas that remain without superfast broadband will benefit from these full-fibre upgrades, unless these are delivered via subsidised infrastructure deployments. Hence a market failure exists.</p>
<b>Project benefits</b>	<p>The proposed project will deliver ultrafast broadband connectivity to rural and hard to reach areas, where no commercial business case exists and where the Superfast Essex intervention programme is the quickest way to improve internet connectivity. Without this investment, the target areas – which are already suffering from an economic disadvantage - will be left behind and will also risk missing out on future digital</p>

	<p>connectivity upgrades to ultrafast broadband and 5G mobile technology.</p> <p>The continued investment in rural superfast broadband connectivity will also drive the more widespread commercial deployment of ultrafast broadband in these areas. Often full-fibre technology is the deployment method preferred by suppliers commissioned to deliver the subsidised superfast rollout. At the same time, the subsidised deployment of the key infrastructure elements in these remote areas will improve the commercial business case for further local deployment of ultrafast broadband.</p> <p>In addition, the extension of the superfast fibre broadband infrastructure into the project areas will underpin the future rollout of improved mobile communications technology as the fibre network being installed for superfast broadband will be available for use by the 5G networks.</p> <p>The following project outcomes will be monitored by Government:</p> <table border="1"> <tr> <td>300 new jobs created</td><td>1,500 jobs safeguarded</td></tr> <tr> <td>300 businesses assisted</td><td>Up to 3,000 learners assisted</td></tr> <tr> <td colspan="2">1,500 broadband connections provided</td></tr> </table>	300 new jobs created	1,500 jobs safeguarded	300 businesses assisted	Up to 3,000 learners assisted	1,500 broadband connections provided	
300 new jobs created	1,500 jobs safeguarded						
300 businesses assisted	Up to 3,000 learners assisted						
1,500 broadband connections provided							
<b>Financial information</b>	A breakdown of the funding package is considered in a confidential appendix. Please see Appendix D.						
<b>Project constraints</b>	<p>The key constraints for the proposed project are State Aid rules and Funding:</p> <p><b>State Aid rules</b> – the Superfast Essex programme works closely with the UK National Competency Centre (NCC) for State Aid on broadband schemes, which has delegated authority from the EU Commission to grant State Aid approval for UK broadband intervention schemes. All Superfast Essex contracts undergo an extensive NCC assurance process commencing prior to procurement and continuing until after completion of the deployment programme for each scheme (or Phase). All key activities are assured and signed off by the NCC.</p> <p><b>Funding</b> – the Superfast Essex programme does not currently have sufficient funding to reach its strategic objective of 99% superfast broadband connectivity for Essex. The team continues to explore further potential funding sources. Meanwhile, the delivery contracts for Phases 3 and 4 have been designed (from a commercial and State Aid perspective) to accommodate additional funding and associated deployment</p>						

	scope. As funding is identified, these contracts can be amended via Contract Change Requests to expand the rollout.								
<b>Options consideration</b>	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.								
<b>Project Timeline</b>	<table border="1"> <thead> <tr> <th>Project milestone</th><th>Indicative date</th></tr> </thead> <tbody> <tr> <td>Procurement process</td><td>Completed in 2018</td></tr> <tr> <td>Change request to add additional funding to the existing contract signed</td><td>November 2020</td></tr> <tr> <td>Project delivery</td><td>October 2020 to June 2021</td></tr> </tbody> </table>	Project milestone	Indicative date	Procurement process	Completed in 2018	Change request to add additional funding to the existing contract signed	November 2020	Project delivery	October 2020 to June 2021
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<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High value for money with High certainty of achieving this.</p> <p>The strategic case demonstrates clear alignment with the strategic objectives of the Getting Building Fund. 300 permanent jobs will be created as an outcome of the increased broadband connectivity. It is also a scheme which will support the Green Recovery enabling more people to work remotely and reducing the number of car journeys taken as well as aligning with changed working practices brought about by response to COVID-19.</p> <p>A proportionate assessment of the scheme costs and benefits has been undertaken. A bespoke assessment approach has been taken aligned with 'Green Book' principles and drawing on the most up to date evidence around the impact of improved connectivity on productivity and employment. The analysis results in a benefit cost ratio of 31.2:1 representing "very high" value for money.</p> <p>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 "very high" value for money with high levels of certainty.</p>								
<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.								
<b>Link to Project webpage</b>	<a href="https://www.southeastlep.com/project/extension-of-the-full-fibre-broadband-rollout-in-essex-to-reach-rural-and-hard-to-reach-premises/">https://www.southeastlep.com/project/extension-of-the-full-fibre-broadband-rollout-in-essex-to-reach-rural-and-hard-to-reach-premises/</a>								

<b>Name of Project</b>	<p><b>Fast Track Business Solutions for the Hastings Manufacturing Sector</b></p> <p>North Queensway Innovation Park, Queensway, St Leonards on Sea</p> <p>East Sussex County Council</p>
<b>Getting Building Fund value</b>	£3,500,000
<b>Description of what Project delivers</b>	<p>The project will deliver 4,000 sqm of Class B1/B2 business accommodation on part of the North Queensway Innovation Park, which lies within the A21/A259 Hastings Bexhill Growth Corridor.</p> <p>The project will deliver five individual buildings, varying in size from 500 sqm to 1,000 sqm, on two adjacent plots within the Innovation Park. Each building will be designed with flexibility in mind so that they can either be occupied as a whole, or sub-divided to suit occupier requirements.</p> <p>The project seeks to address the pressing need for modern manufacturing premises locally to assist with economic recovery from COVID-19. As well as helping to attract new businesses, the project can support both move-on and scale-up businesses locally.</p>
<b>Need for Intervention</b>	<p>A recent employment land survey undertaken for Hastings and Rother Councils highlights an urgent need to increase the supply of manufacturing space locally. There is a very limited supply of available suitable modern production space in the Hastings area and an oversupply of out-dated facilities that can no longer cater for modern business needs.</p> <p>The project has been brought forward to address the need for modern manufacturing space in Hastings that can meet the demands of businesses and respond to the COVID-19 induced economic slowdown. Without a strategic response to meet current demand, there would be a significant missed opportunity for Hastings which in turn would lead to a loss of competitiveness.</p> <p>There are long-standing financial viability challenges in Hastings, a coastal town that is typically viewed as being 'deprived'. For any private sector developer that relies upon raising equity or bank finance, there is a high level of perceived risk among funders for investing in a coastal location in East Sussex. This challenge is exacerbated by prevailing COVID-19 induced macroeconomic/national market conditions and planning challenges. Third party developers</p>

	<p>and occupiers have no appetite to take on the planning challenges and there is also no appetite from private sector funding sources to take on such risks.</p> <p>This makes it extremely unlikely that a private sector developer would be able to obtain the necessary development finance to deliver the production space needed and even if it was possible to secure this, the perceived risks would be likely to out-weigh the perceived financial benefits of investment. This market failure has resulted in the identified shortage of modern manufacturing space in the Hastings area.</p>
<b>Project benefits</b>	<p>The primary benefit of the project will be increased capacity to support higher value jobs in the Hastings and Bexhill area. The project will directly deliver 4,000 sqm of new production space on two plots at North Queensway Innovation Park, enabling a response to a lack of suitable modern production floorspace locally, and supporting a national response to COVID-19 economic recovery.</p> <p>Modelling of economic impacts has identified potential for the project to support:</p> <ul style="list-style-type: none"> <li>• 75 net construction related and operational Full Time Equivalent (FTE) jobs;</li> <li>• £52.1m in cumulative GVA;</li> <li>• £3.3m in net Land Value Uplift;</li> <li>• £6.6m of Labour Supply Impacts.</li> </ul> <p>Alongside the monetised benefits, the project has potential to bring a number of wider economic outcomes, including potential to:</p> <ul style="list-style-type: none"> <li>• Retain and attract inward investment in East Sussex;</li> <li>• Provide the opportunity for local companies looking to expand or transfer their operations within the East Sussex area;</li> <li>• Support the delivery and attractiveness of North Queensway Innovation Park;</li> <li>• Contribute to the overall growth opportunity being promoted within the SELEP Growth Corridors;</li> <li>• Ensure a quality business accommodation offer in East Sussex that can meet the needs of both indigenous businesses as well as providing commercial property product capable of attracting larger companies to the area.</li> </ul> <p>The following project outcomes will be monitored by Government:</p>

	96 new jobs created		17 construction jobs created	
	33 jobs safeguarded		3,995sqm commercial floorspace delivered	
	15 businesses assisted			
Financial Information				
	Funding source	Constraints, dependencies or risks and mitigation		
	Getting Building Fund	Subject to Board decision. If funding is awarded and detailed planning approvals are granted, no significant risks in terms of delivery within the project timescale are expected.		
	Sea Change Sussex (Private sector funding)	This investment relates to site infrastructure to provide mains services/utilities to serve the entire North Queensway Innovation Park site. Sea Change Sussex Board approval has been obtained for this contribution to the project cost.		
Project constraints	<p><b>Land ownership</b> – the majority of the site is in the ownership of the scheme promoter and the option has been exercised to acquire the remainder (former highway land) from East Sussex County Council.</p> <p><b>Planning</b> – detailed planning application has been submitted. Considered to be low risk as the application is compliant with local plan policies allocating the site for employment use.</p> <p><b>Site services</b> – work is currently underway to provide the mains services required at the site.</p>			
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				
	Project milestone		Indicative date	
	Pre-development investigations and design work		January to July 2020	
	Planning Performance Agreement with Hastings Borough Council drafted		December 2019 to August 2020	
	Submission of detailed planning application		August 2020	
	Land acquisition – option exercised to acquire last part of the site		August 2020	
	Marketing of the manufacturing space		November 2020	
	Technical design and procurement of construction contractor		November 2020	
	Construction commences		January 2021	

	Construction complete	October 2021
	Manufacturing space in use	Autumn 2021
<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High value for money with High certainty of achieving this.</p> <p>The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will help to stimulate economic growth in the local manufacturing sector by delivering modern industrial space at a time when the private sector is unlikely to develop speculatively. Its delivery will support 75 net jobs in the SELEP area. In line with a response to COVID-19, the project has been brought forward to meet an immediate and pressing need for modern manufacturing space in Hastings that can meet the demands of businesses and respond to the expected economic slowdown. The alignment with the Green Recovery aim is unclear.</p> <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 MHCLG Appraisal Guidance 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 2.3:1 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. The scheme, therefore, delivers high levels of certainty for this value for money categorisation.</p>	
<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.	
<b>Link to Project webpage</b>	<a href="https://www.southeastlep.com/project/fast-track-business-solutions-for-the-hastings-manufacturing-sector/">https://www.southeastlep.com/project/fast-track-business-solutions-for-the-hastings-manufacturing-sector/</a>	

<b>Name of Project</b>	<p><b>Restoring the Glory of the Winter Garden</b></p> <p>Winter Garden, Compton Street, Eastbourne, BN21 4BP</p> <p>East Sussex County Council</p>
<b>Getting Building Fund value</b>	£1,600,000
<b>Description of what Project delivers</b>	<p>The project will restore the Winter Garden, a key facility in the Devonshire Quarter, to its former glory and ensure its longevity and visitor experience benefit future generations.</p> <p>The Getting Building Fund investment is needed to upgrade the stage grid and technical equipment that is vital to attract high yield business, such as corporate events and live music, which have specific technical requirements.</p> <p>The project also includes the refurbishment of the lettable business spaces within the Winter Garden – the Floral Hall, Gold Room, Bistro Bar and Long Bar. This refurbishment will celebrate the heritage of the venue and will improve the quality of offer that will secure a competitive edge for the Winter Garden.</p>
<b>Need for Intervention</b>	<p>Eastbourne Borough Council has an ambitious programme to develop the town into the UK's leading and most distinctive culture, leisure and recreation destination, increasing the value of tourism, extending the season and increasing the share of higher value staying visitors. The aim of this is to boost employment and economic value to the town (and, therefore, the region).</p> <p>One of the key mechanisms for achieving this ambition centres on the Devonshire Quarter, where the cluster of historic theatres, galleries and sports and conference/ exhibition facilities provide an integrated and flexible offer close to the town's attractive seafront and hotels. A number of improvements have already been delivered within the Devonshire Quarter, including refurbishment of the Congress Theatre, improvements to the International Tennis Centre, delivery of the Welcome Building offering exhibition halls and conference facilities and public realm improvements.</p> <p>The Winter Garden, a Grade II listed building of historical significance, falls within the Devonshire Quarter. A review undertaken in 2015 stated that the Winter Garden "must be conserved and brought up to standard to enable uses for theatre, music, dinners and events that meet the</p>

	<p>standards expected by modern audiences and customers, whilst celebrating and revealing its historic quality”.</p> <p>The Winter Garden has been closed since 2017, in order to prepare for the planned refurbishment which will address the issue of access and the need to restore the venue to its former glory, with a view to using the Winter Garden as a live music venue.</p> <p>Eastbourne has missed out on conference bookings and potentially over 8,000 delegates because of its tired provision, with the poor quality of the Winter Garden in particular, being cited. In addition, the town has failed to benefit from the growth in the live music industry, which is now worth £1.1bn to the UK economy and supports 30,529 jobs, because of a lack of suitable venues.</p> <p>Once the project is complete, the Winter Garden will form a key part of the Devonshire Quarter cultural offer, focusing particularly on attracting live music events and hosting banquets, connecting directly to the Congress Theatre and Welcome Building, contributing to a higher value visitor economy and providing local residents with an enhanced cultural offer. It will also bring back into active use an exceptional heritage site and help to bring events, banquets and music events back towards the United Kingdom’s coastal towns.</p>
<b>Project benefits</b>	<p><b>Job creation</b> - 26 FTE direct and indirect jobs will be created, including 10 permanent direct FTE jobs, 10 permanent FTE indirect jobs and the equivalent of 6 FTE construction jobs.</p> <p><b>Visitor Economy</b> – the venue is expected to attract 50,000 patrons per year once fully operational. Total annual additional contribution to the Eastbourne economy of £1.17m.</p> <p><b>Restoration of Heritage Assets</b> – the project will ensure that a Grade II listed building is restored to its former glory as part of a programme to re-establish Eastbourne as a premier cultural, recreational and business destination.</p> <p><b>Creating Spaces for Community Interaction</b> – as part of the Devonshire Quarter, this project will contribute to new public spaces and recreational facilities that will enable local residents and visitors to meet, gather and interact, with the aim of increasing social capacity and providing opportunities for people to reduce social isolation and improve mental and physical well-being.</p>

	<p><b>Place Branding</b> – the refurbishment of the Winter Garden is part of Eastbourne Borough Council’s ambition for Eastbourne to be widely recognised through the UK and beyond as the UK’s best seaside location for arts, culture, sport, business and recreation.</p> <p><b>Skills and Curriculum Support</b> - the project will contribute towards training and learning activities. The Devonshire Quarter is subject to S106 labour market obligations to maximise the impact of the redevelopment on the local construction supply chain and labour market.</p> <p>The following project outcomes will be monitored by Government:</p> <table><tr><td>50 new jobs created</td><td>53 construction jobs created</td></tr></table>	50 new jobs created	53 construction jobs created										
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<b>Financial Information</b>	<p>The total capital cost of the project is: <b>£3,896,775</b></p> <table><tr><th>Funding source</th><th>Amount (£)</th><th>Constraints, dependencies or risks and mitigation</th></tr><tr><td>Eastbourne Borough Council</td><td>£2.3m</td><td>This funding was approved by Eastbourne Borough Council Cabinet in March 2020 and is therefore committed.</td></tr><tr><td>Getting Building Fund</td><td>£1.6m</td><td>Subject to Board approval.</td></tr><tr><td><b>Total project value</b></td><td>£3.9m</td><td></td></tr></table>	Funding source	Amount (£)	Constraints, dependencies or risks and mitigation	Eastbourne Borough Council	£2.3m	This funding was approved by Eastbourne Borough Council Cabinet in March 2020 and is therefore committed.	Getting Building Fund	£1.6m	Subject to Board approval.	<b>Total project value</b>	£3.9m	
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Getting Building Fund	£1.6m	Subject to Board approval.											
<b>Total project value</b>	£3.9m												
<b>Project constraints</b>	<p>There are no constraints to project delivery.</p> <p>Planning permission and Listed Building Consent for the entire scheme was granted in November 2015.</p> <p>The site is within the ownership of Eastbourne Borough Council.</p> <p>The proposed works on the Winter Garden are not dependent on, and will not be impacted by, any other works being carried out across the Devonshire Quarter.</p>												
<b>Options consideration</b>	<p>Three options have been considered in the Business Case and justification has been provided as to why the preferred option has been selected.</p>												
<b>Project Timeline</b>													

	<b>Milestone</b>	<b>Indicative date</b>
	Planning and listed building consent granted	November 2015
	RIBA Stages 3 and 4 completed	April 2019
	Procurement of individual works packages	September 2020
	Construction start date	October 2020
	Phase 1 completion (Winter Garden open for banqueting, live performances, exhibitions)	May 2021
	Phase 2 completion (South Pavilion and façade complete)	March 2022
<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High value for money with High/Medium certainty of achieving this.</p> <p>The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The scheme will generate 26 jobs, including 10 direct jobs, 10 indirect jobs and 6 construction jobs. It also supports the Green Recovery by bringing back into productive use a previously underutilised building. The scheme promoter acknowledges the potential negative impacts on benefits realisation of the scheme resulting from COVID-19, but it is expected that the outcomes and impacts will be delayed by the pandemic, rather than negated by it.</p> <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 MHCLG Appraisal Guidance 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 2.04:1 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.</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. However, before determining whether or not to approve funding for the scheme, the Board are asked to consider the risk that cost increases would reduce the outturn value for money categorisation to medium.</p>	

<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.
<b>Link to Project webpage</b>	<a href="https://www.southeastleap.com/project/restoring-the-glory-of-the-winter-garden-eastbourne/">https://www.southeastleap.com/project/restoring-the-glory-of-the-winter-garden-eastbourne/</a>

<b>Name of Project</b>	<p><b>The Observer Building (Phase 1b)</b></p> <p>Cambridge Road, Hastings</p> <p>East Sussex County Council</p>
<b>Getting Building Fund value</b>	£1,713,000
<b>Description of what Project delivers</b>	<p>The project will support Phase 1 of the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.</p> <p>The Observer Building will include leisure and retail uses on the lower three floors, a wide range of workspaces including studios, offices and open space, 15 capped-rent flats and a public roof terrace and bar with fantastic sea, castle and town views.</p> <p>The GBF investment in Phase 1 of the project, in conjunction with the GPF funding awarded to the Project in September 2020, will enable full renovation of the lower four floors, along with universal access (lift and entrance ramp), renovation works to the roof and external facades, installation of the new electricity substation and Air Source Heat Pumps, and key internal structural works that would otherwise be disruptive to tenants in future.</p>
<b>Need for Intervention</b>	<p>The Observer Building has suffered from a series of market failures over an extended period, including:</p> <ul style="list-style-type: none"> <li>• The deindustrialisation of print – the Observer Building was used as a print works from construction in 1924 through to the early 1980's, when technological changes signalled the end of the old print industry and the building was abandoned.</li> <li>• Profiting from doing nothing – The Observer Building has had 13 owners since 1985. All but one of the property owners made a profit through the sale of the building but no repairs or redevelopment was undertaken by any of the owners.</li> <li>• The university withdrawal - the most recent owner of the Observer Building sought to create student accommodation. This aspiration failed as a result of the</li> </ul>

	<p>failure of the University of Brighton to sustain a student market in Hastings.</p> <p>There is no market solution to this building – it needs public funding support to undertake the renovation and to deliver a mix of homes, workspace and leisure use that is both community rooted and commercially focused.</p> <p>As the country emerges from lockdown it is important for people to see a display of confident investment in new models that achieve economic, social, environmental and cultural benefit.</p>
<b>Project benefits</b>	<p>The project will bring:</p> <ul style="list-style-type: none"> <li>• Full renovation of a very large non-designated heritage asset that has been empty and derelict for 35 years. The transformation of the Observer Building will inspire others to invest money and time locally.</li> <li>• A community-led approach delivered by a locally-rooted social developer which prioritises community benefit above shareholder profit.</li> <li>• Life-changing opportunities for people from excluded groups, especially people who struggle to access suitable housing, people experiencing mental health issues and those with low levels of education.</li> <li>• Genuinely and perpetually affordable homes and workspace, using a bespoke approach emerging from local knowledge to meet the specific needs of Hastings.</li> <li>• The carefully balanced mixed uses maximise economic and community benefit. The homes and the workspace are important and necessary, but it is the leisure and learning uses that will make the Observer Building a destination which transforms the town centre and thereby strategically rebalancing seafront and central Hastings and St Leonards.</li> </ul> <p>The primary benefit of the project will be increased capacity to support jobs in Hastings. The project will directly deliver 2,100 sqm of new office, co-working and retail space, alongside the creation of a new internal 'street' to support around 15 new pop-up and market trader stalls. The project will enable a response at speed to support COVID-19 economic recovery and target outcomes at some of the most hard to reach economically deprived communities.</p>

	<p>Modelling of economic impacts has identified potential for the project to support:</p> <ul style="list-style-type: none"><li>• 121 net construction-related and operational Full Time Equivalent jobs;</li><li>• £30.5m in cumulative GVA;</li><li>• £1.7m in net Land Value Uplift;</li><li>• £8.8m of Labour Supply Impacts.</li></ul> <p>Alongside the monetised benefits, the project has potential to bring a number of wider economic outputs, including improving the viability of the upper floors housing opportunity, as well as the potential to induce a wider catalytic effect on surrounding buildings.</p> <p>The following project outcomes will be monitored by Government:</p> <table><tr><td>66 new jobs created</td><td>14 construction jobs created</td></tr><tr><td>4 jobs safeguarded</td><td>15 housing units unlocked</td></tr><tr><td>2,102sqm commercial floorspace created</td><td>40 businesses assisted</td></tr><tr><td>80 learners assisted</td><td>39 broadband connections provided</td></tr><tr><td colspan="2">81,000kg of CO<sup>2</sup> emissions avoided</td></tr></table>	66 new jobs created	14 construction jobs created	4 jobs safeguarded	15 housing units unlocked	2,102sqm commercial floorspace created	40 businesses assisted	80 learners assisted	39 broadband connections provided	81,000kg of CO <sup>2</sup> emissions avoided									
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<b>Project constraints</b>	<p>The economic, social and cultural impacts of COVID-19 and Brexit pose unknowable challenges that may impact on the suitability of the Preferred Option.</p> <p>The ongoing demographic changes underway in Hastings may cause shifts in the nature of demand for spaces within the Observer Building.</p>																		

	The Preferred Option is designed to be adaptable and resilient, with a diverse range of spaces and a highly engaged approach to tenant development and community self-management.																				
<b>Options consideration</b>	A range of options have been considered in the Business Case and justification has been provided as to why the preferred option has been selected.																				
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<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High Value for money with High certainty of achieving this.</p> <p>The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. Its delivery will support 121 net construction-related and operational jobs in total. It also supports the Green Recovery by bringing back into productive use a previously derelict building. In line with a response to COVID-19, the scheme promoter has confirmed that revisions to the plan for the workspace have been made to ensure that social distancing can be accommodated.</p> <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 MHCLG Appraisal Guidance 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 2.2:1 which falls within a “high” value for money categorisation.</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. The scheme, therefore, delivers high levels of certainty for this value for money categorisation.
<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.
<b>Link to Project webpage</b>	<a href="https://www.southeastlep.com/project/the-observer-building-hastings-phase-1b/">https://www.southeastlep.com/project/the-observer-building-hastings-phase-1b/</a>

<b>Name of Project</b>	<p><b>Extension of existing Association of South Essex Local Authorities Local Full Fibre Networks (ASELA LFFN) Project</b></p> <p>ASELA Wide, Including sites in the districts of: Brentwood, Basildon, Castle Point, Rochford and Thurrock.</p> <p>Thurrock</p>
<b>Getting Building Fund value</b>	£2,500,000
<b>Description of what Project delivers</b>	<p>To build upon the Department for Digital, Culture, Media and Sport (DCMS) funded LFFN ASELA Project and extend through additional funding the delivery and access to fibre connectivity across the South Essex Region and in doing so working collectively as six local authorities in partnership with Government to deliver further outcomes for the public sector but most importantly realise immediate benefits for local businesses and communities to grow and flourish post COVID-19.</p> <p>To leverage the Dark Fibre spines (unused optical fibres) being rolled out in the most cost-effective way, as part of the existing ASELA LFFN project, maximising benefits of a further investment, and driving key strategic outcomes for the region.</p>
<b>Need for Intervention</b>	<p>Building on the Business Case already approved by DCMS which secured funding for the LFFN Project, identifying the need of intervention was at the heart of the eventual funding award. For the purposes of this additional funding proposal Ofcom and Think Broadband data was again analysed to determine:</p> <ul style="list-style-type: none"> <li>• Current levels of broadband coverage based on speed and availability;</li> <li>• Current status of full fibre or Gigabit capable networks within the South Essex Region.</li> </ul> <p>The outcome to this analysis has enabled ASELA to identify areas of intervention based on current levels of broadband coverage and the current and planned provision of fibre to premises within the region and directing funding towards those areas where there is evident market failure and are not going to benefit from private sector investment in the short to medium term.</p>
<b>Project benefits</b>	<p>The key benefits are:</p> <p><b>Public Sector Benefit Realisation</b></p>

	<p>This extension to the LFFN Project, in delivering a fibre to the premise solution to further public sector sites, will enable the South Essex Partnership, Essex County Council, Essex Fire Service and the NHS to realise a number of benefits, realise a return on investment, as well as strategically place the public sector to enable and implement a wider Smart Region/Internet of Things (IoT) Agenda which will have the potential to deliver a long term legacy in the way the public sector delivers services in the future.</p> <p><b>Immediate Benefits</b></p> <ul style="list-style-type: none"> <li>• Further potential savings for each local authority in having access to cheaper and fibre-based connectivity;</li> <li>• Savings for the NHS, Emergency Services and schools in having access to cheaper and fibre-based connectivity.</li> </ul> <p><b>Economic Benefit Realisation</b></p> <ul style="list-style-type: none"> <li>• By enabling additional public sector sites this will stimulate further investment from the private sector to realise access to a fibre to the premise solution with a consequent tangible impact in lifting local GVA and supporting local business investment and growth. This is building upon interest already being generated by the LFFN Project even before delivery;</li> <li>• Retaining existing businesses and attracting new business sectors to the South Essex Corridor will result in an increase in Business Rates and a return on Business Rate retention;</li> <li>• Attract to the Corridor new growth sectors (advanced manufacturing, environmental technologies and energy, digital and creative services, life sciences and healthcare) which will generate higher skilled job opportunities for local residents and consequently higher wages;</li> <li>• Promote the major regeneration projects already planned for the Corridor with a view to stimulating investment;</li> <li>• Enable the key strategies and outcomes of the South Essex Corridor and contribute to a long-term legacy of the Corridor.</li> </ul> <p>The following project outcomes will be monitored by Government:</p> <table border="1"> <tr> <td>2,000 new jobs created</td><td>15,000 broadband connections provided</td></tr> </table>	2,000 new jobs created	15,000 broadband connections provided
2,000 new jobs created	15,000 broadband connections provided		
<b>Financial Information</b>	A breakdown of the funding package is considered in a confidential appendix. Please see Appendix D.		
<b>Project constraints</b>	The potential constraints relating to this project have already been addressed. As an extension to an existing project which is		

	already in delivery, issues relating to procurement, state aid compliance, project management, political sponsorship, wayleaves, delivery methodology and governance are already in place and would ensure that this Project could be delivered and realise value for money, without the burden and delay of needing to address all of these key considerations.												
<b>Options consideration</b>	An options assessment was conducted as part of the DCMS funding process. As the GBF funding is facilitating an extension of the existing project, the intention is to continue to move the project forward using the previously identified preferred option. Considering adoption of an alternative approach at this stage would add delay and significant extra cost for no benefit.												
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<b>Outcome of ITE Review</b>	<p>The project has been assessed as offering High value for money with Low certainty of achieving this.</p> <p>The strategic case is compelling demonstrating clear alignment with the objectives of the Getting Building Fund. The Business Case for the scheme identifies the potential for 5,000 jobs to be created through the LFFN initiative. It is also a scheme which will support the Green Recovery enabling more people to work remotely and reducing the number of car journeys taken as well as aligning with changed working practices brought about by the response to COVID-19.</p> <p>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.</p> <p>Some consideration has been given to the scheme costs and benefits and an economic impacts report developed to support a bid for funding into DCMS for the first phase of this scheme has been provided as a benchmark for the likely Benefit Cost Ratio and value for money that could be expected from this project. This benchmarking exercise has indicated that the</p>												

	<p>scheme would fall within a “High” value for money categorisation were economic appraisal to be undertaken.</p> <p>The scheme promoter has undertaken analysis to isolate the additional benefits which could be expected as a result of the Getting Building Fund allocation. This has indicated that the total economic value of the scheme would be £62.5m over fifteen years including £21m in business productivity gains and £17.5m in new business start-up benefits. This analysis indicates that scheme has a Benefit Cost Ratio of 17.5:1 which falls within a “very high” value for money categorisation. However, the assumptions which underpin the economic appraisal have not been stated and justified and this presents uncertainty around the value for money of the scheme.</p> <p>Before determining whether or not to approve funding for the scheme, the Accountability Board are asked to consider the risk that the lack of certainty around the outputs of the economic appraisal presents to the outturn value for money categorisation of the scheme.</p>
<b>Evidenced compliance with Assurance Framework?</b>	Yes, the project meets the requirements of the SELEP Assurance Framework.
<b>Link to Project webpage</b>	<a href="https://www.southeastlep.com/project/asela-lffn/">https://www.southeastlep.com/project/asela-lffn/</a>

**Forward Plan reference number:** FP/AB/302

<b>Report title:</b> Beaulieu Station Project Update	
<b>Report to Accountability Board on 16 October 2020</b>	
<b>Report author:</b> Howard Davies, Capital Programme Officer	
<b>Date:</b> 24.09.2020	<b>For:</b> Decision
<b>Enquiries to:</b> Howard Davies – howard.davies@southeastlep.com	
<b>SELEP Partner Authority affected:</b> Essex	

### **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 Beaulieu Station project (the Project), Chelmsford, Essex.

## **2. Recommendations**

- 2.1 The Board is asked to:

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

## **3. Background**

- 3.1 At the Board in February 2019 the Board approved the award of £12m LGF to the Project, subject to:

- A Value for Money review being completed for the overall Project by the Ministry for Housing Communities and Local Government (MHCLG), as part of the Housing Infrastructure Fund (HIF); and
- The successful award of sufficient funding by MHCLG, through Housing Infrastructure Fund (HIF), to bridge the Project funding gap; and
- Board agreement, under Agenda Item 5, that planned LGF spend beyond 1<sup>st</sup> March 2021 is permissible; and

- Endorsement from the SELEP Strategic Board that the LGF can be retained against the Project beyond 31<sup>st</sup> March 2021
- 3.2 The Board agreed that the value for money requirements had been satisfied and that LGF can be spent beyond 31 March 2021 in the Project. The Strategic Board also approved the spend of LGF beyond the Growth Deal period for the project in January 2020. If there are any substantial changes to the delivery programme, further endorsement will be required from the Strategic Board for the revised programme.
- 3.3 Whilst the HIF funding has been successfully allocated by MHCLG to support the delivery of the Project, the conditions of the funding have not yet been agreed between MHCLG and Essex County Council (ECC) to confirm the HIF. As such, no LGF funding has been transferred to ECC in relation to the Project to date.

#### **4. Project Update**

- 4.1 The Project is currently completing Governance for Railway Investment Projects (GRIP) stage 3 design stage. Through this stage of work, a potential cost increase has been identified, as set out in Confidential Appendix A.
- 4.2 The discussions in relation to the terms and conditions for the HIF are also ongoing.
- 4.3 The Project has been successfully allocated £124.7m HIF via Homes England. The conditions for this funding have been issued and are being viewed by ECC, in discussion with Homes England and the Department for Transport. Further details of these discussions are provided in Appendix A. Internal governance processes are currently in progress to enable ECC to formally enter into contract with Homes England and to commence the GRIP Stage 4 work.

#### **5. Project risk**

- 5.1 The key risks are outlined in the Confidential Appendix A.
- 5.2 Essex County Council are not currently in a position to confirm the exact timescales for the specific risks, outlined in the Confidential Appendix, to be addressed and/or discussions concluded. Given the pressures for the LGF to be fully committed by 31 March 2021 and the need for assurance in relation to the HIF allocation, it is recommended that a further update report is presented to the Board on 12 February 2021.
- 5.3 As the award of LGF funding was made, subject to the HIF being confirmed, ECC will need to provide confirmation that the issues set out in Appendix A have been resolved and the HIF has been secured, to enable the transfer of LGF to the Project in Q4 2020/21.

- 5.4 As part of this report in February 2021, assurances will be sought from ECC to confirm that the full funding package is in place to deliver the Project and that there are no other substantial project risks. If these assurances are not forthcoming, the Board will be asked to consider whether the £12m LGF should remain allocated to the Project or if the funding should be reallocated to an alternative project on the LGF pipeline.

## **6. Financial Implications (Accountable Body comments)**

- 6.1 In June 2020, the Accountable Body and SELEP confirmed to Government, that plans were in place to spend the LGF grant in full by 31 March 2021. Following this confirmation, SELEP was awarded the final third of its 2020/21 LGF allocation. Spend of LGF in 2020/21, is expected to be, either directly through deliverability of the approved LGF projects or using the Option 4 capital swap mechanism where spend of LGF is required in future years. An option 4 swap enables LGF to be transferred to the respective local authority for spend across their wider capital programme in 2020/21. During the subsequent financial years, the local authority will use their own capital programme to fund the planned spend on the LGF project.
- 6.2 Where Projects are identified as at high risk of being cancelled, for example, as they are not fully funded or are not deliverable within the agreed timeframes, it is not recommended that an Option 4 swap is applied in this respect and that other options are considered.
- 6.3 Should the Beaulieu Park project not be able to secure its full funding package by the February 2021 meeting of the Board, any recommendation to cancel the Project will need to take into consideration the need to reallocate the £12m of LGF to the LGF investment pipeline (due to be extended following prioritisation in December 2020 by the Strategic Board).
- 6.4 Under the terms of the LGF grant conditions, there is no requirement to spend the LGF by March 2021, however, there remains a reputational risk for SELEP to ensure delivery of the Growth Deal and also in respect of the assurances provided to Government to spend the remaining third of LGF in 2020/21.

## **7. Legal Implications (Accountable Body comments)**

- 7.1 There are no significant legal implications arising from the recommendations of this report.

## **8. Equality and Diversity implication**

- 8.1 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;

## Beaulieu Station Update Report

- (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.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 8.3 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.

### 9. List of Appendices

- 9.1 Appendix A – Confidential appendix
- 9.2 Appendix B – Project Background Information

### 10. List of Background Papers

- 10.1 Business Case for Beaulieu Station can be found on the project page [here](#)

**(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
<b>Accountable Body sign off</b>  Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	07/10/20

## Appendix B – LGF Project Background Information

<b>Name of Project</b> - Beaulieu Park Railway Station, Essex County Council	
<b>Local Growth Fund value</b> - £12,000,000	
<b>Project Description</b>	
<p>The new station is being proposed on the existing Greater Eastern Main Line on the eastern side of Beaulieu, located adjacent to the A12/A138/B1137 junction 19 to serve the growth in North Chelmsford as well as wider growth in parts of Maldon, Braintree and Uttlesford districts not well served by rail.</p> <p>Outline planning consent had been granted for the station and Project development work has continued to develop the design of Beaulieu station. The design has evolved through NR's GRIP stage 1 and 2 processes to become a three-platform station with a passing loop.</p> <p>The turnback / passing loop provides operational resilience and flexibility in a network that is heavily used and operating at near capacity. The station is proposed to be a rail head and would be used to start / terminate some of the services that today start / terminate at Chelmsford, to distribute demand effectively and to allow for services to be timetabled effectively.</p> <p>The proposed Beaulieu station site is located on the Great Eastern Main Line (GEML), 3 miles north east of Chelmsford. It comprises a 3-platform station incorporating a central loop to allow the turn back of services as required. This scheme option gives Network Rail full operational ability to turn back trains in both directions and also allows trains to pass each other in both directions.</p> <p>The station will provide train services for residents and workers, support future business development and existing business activity, and will relieve pressure on Chelmsford station. The station design also incorporates a public transport interchange, multi-storey car parking, cycle parking and access.</p>	
<b>Project Benefits</b>	
<ul style="list-style-type: none"> <li>• Acceleration of planned new homes and jobs and their associated economic benefits</li> <li>• Facilitation of dependent development - new homes and jobs and their associated economic benefits which otherwise could not happen</li> <li>• Increase in fare box revenue for the railway</li> <li>• Reduced congestion at Chelmsford station</li> <li>• Reduced congestion in Chelmsford city centre at peak times (weekday and weekends)</li> <li>• Improved access to the rail network for residents and businesses in the Heart of Essex not well served by rail; and</li> <li>• Improved network resilience and reliability for train services using the Great Eastern Main Line.</li> </ul>	
<b>Link to Project webpage</b>	<a href="https://www.southeastlepp.com/project/beaulieu-park-railway-station/">https://www.southeastlepp.com/project/beaulieu-park-railway-station/</a>

## Southend Forum 2 and Tilbury Riverside – Local Growth Fund (LGF)

Forward Plan reference number: FP/AB/303 and 304

<b>Report title:</b> Reallocation of Funding to Project Pipeline – Local Growth Fund (LGF)	
<b>Report to Accountability Board:</b> 16 October 2020	
<b>Report author:</b> Howard Davies	
<b>Date:</b> 29.09.2020	<b>For:</b> Decision
<b>Enquiries to:</b> howard.davies@southeastlep.com	
<b>SELEP Partner Authority affected:</b> Southend and Thurrock	

### 1. Purpose of report

1.1 The purpose of this report is for the Accountability Board (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

### 2. Recommendations

2.1 The Board is asked to:

- 2.1.1 **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
- 2.1.2 **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.
- 2.1.3 **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.
- 2.1.4 **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.
- 2.1.5 **Agree** that the LGF funds in recommendations 2.1.2 and 2.1.4 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.

### **3. Tilbury Riverside**

- 3.1 Due to the uncertainty between April and August 2020 in relation to the final third of SELEP's LGF allocation for 2020/21 being received from Central Government, the contract for the delivery of the project could not be awarded by Thurrock Council. This has resulted in project delays and, for the project to proceed, the tender exercise would need to be repeated. The repeat of the tender exercise would extend the delivery of the project beyond the 31 March 2021 deadline. Issues have also been identified to the affordability of the project, given the considerable pressure on local government budgets. Whilst an increase to the total project cost has not been identified, Thurrock Council are no longer in a position to provide a £2,758,000 contribution to the project, as per the original business case.
- 3.2 The project proposed to deliver a new 14,000sqft (1,300sqm) extension to the existing Riverside Business Centre. The new building would have accommodated a net additional full time equivalent (FTE) 48 jobs.
- 3.3 Assurances cannot be provided over the deliverability of the project and as the conditions of the LGF award being made have not been satisfied, it is recommended the £2,360,000 is reallocated to the LGF pipeline.
- 3.4 To date a total of £52,595 LGF has been transferred to Thurrock Council to progress the development of the project. As the project is unable to proceed and no alternative route for the delivery of the project has been identified, the £52,595 previously transferred to Thurrock Council must be returned to the SELEP Accountable Body, as an abortive project cost. The remaining £2,307,405 allocation is held by the Accountable Body and will be returned to the LGF project pipeline, ensuring that £2,360,000 is available for LGF reallocation.
- 3.5 Whilst the project cannot currently proceed, given the risks around affordability to the project, the reallocation of the £2,360,000 LGF away from the project will further hinder the ability of the project to proceed. As such, the proposed benefits of the project will not be delivered unless alternative funding sources can be identified to proceed with the delivery of the project.
- 3.6 It is understood that Thurrock Council might consider looking to re-programme should more LGF become available, but as mentioned above the timing restriction around LGF spend may not enable sufficient time to deliver the project within the 5 criteria for spend beyond the Growth Deal period.

### **4. Southend Forum 2**

- 4.1 Southend on Sea Borough Council and South Essex College (the College) have raised concerns about the viability of the Forum 2. These concerns primarily relate to the affordability of the capital cost of delivering the project and ongoing revenue costs due to the financial pressures on the College.

Alternative options have been explored to identify alternative funding sources or to reduce project costs, but no viable options have been identified.

- 4.2 The College also has some uncertainties regarding the requirements for teaching space in light of recent events.
- 4.3 The 3,535sq m of additional space was expected to be divided into the following areas:
- A community art gallery
  - Digital Workspace
  - Public café and Restaurant
  - Performance studios
  - Music rehearsal and Performance space
  - General teaching rooms also accessible to the public
- 4.4 The Project was expected to deliver the following benefits:
- 60 gross new jobs
  - 54 net additional jobs
  - Cumulative discounted GVA of £34m
  - 250 net additional learners
- 4.5 As assurances cannot be provided over the deliverability of the project and as the conditions for the LGF award being made have not been satisfied, it is recommended that the £6,000,000 LGF allocation is reallocated to the LGF pipeline.
- 4.6 To date a total of £2,106,652 LGF has been transferred to Southend on Sea Borough Council to progress the development of the project. As the project is unable to proceed and no alternative route for the delivery of the project has been identified, the £2,106,652 must be returned to the SELEP Accountable Body, as an abortive project cost. The remaining £3,893,348m allocation is currently held by the Accountable Body and will be returned to the LGF project pipeline, ensuring that £6,000,000 is available for LGF reallocation.
- 4.7 Whilst the project cannot currently proceed, given the funding gap, both in terms of capital investment and revenue funding going forward, and uncertainty over requirements for teaching space, the reallocation of the £6,000,000 LGF away from the project will further hinder the ability of the project to proceed. As such, the proposed benefits of the project will not be delivered unless alternative funding sources can be identified to proceed with the delivery of the project.

## **5. LGF project pipeline**

- 5.1 The cancellation of the Tilbury Riverside and Southend Forum 2 project will result in the return of £8,360,000m LGF to SELEP.

- 5.2 As set out in Table 1 below, there is currently £2,110,579 unallocated LGF held by SELEP following the return of LGF in relation to the Exceat Bridge project following the last meeting of the Board.
- 5.3 The return of LGF the project pipeline from the Tilbury Riverside and Forum 2 projects will increase the amount of LGF in the project pipeline to £10,470,579
- 5.4 As such, sufficient LGF has been returned to SELEP to enable the final project on the LGF pipeline, Colchester Grow-On-Space, Queens Street, which has previously been awarded £3,777,451, to proceed in bringing forward a business case for consideration for funding by the Board in February 2021.
- 5.5 A further £6,693,128 LGF will remain unallocated, until the new LGF pipeline is agreed by the Strategic Board at its next meeting on 11 December 2020. See Table 1.
- 5.6 A process was agreed at the Strategic Board meeting on the 2 October 2020 to develop a new pipeline of LGF projects to reallocate any unallocated LGF. The amount of unallocated LGF may exceed £6,693,128 if other existing LGF projects are unable to proceed to delivery.
- 5.7 The two projects may be brought forward for consideration as part of the LGF pipeline process, to seek the full funding package required to deliver the projects. This would be subject to full match funding and that delivery was in accordance with the SELEP contractual obligations.
- 5.8 However, it is understood that the project concerns in relation to the Southend Forum 2 project also related to challenges in meeting the ongoing revenue costs of the project and the reduced demand for teaching space. As such, even if the capital costs of delivering the project could be met there may be ongoing challenges in proceeding with the scheme. We are advised that Southend Borough Council are carrying out a full review of the project and that it is extremely unlikely that they would be in a position to consider additional LGF at this time, especially taking into account the constrained timeframes.

**Table 1 Unallocated LGF**

	LGF(£)
Unallocated LGF in September	2,110,579
LGF to be returned through cancellation of Tilbury Riverside and Southend Forum 2	8,360,000
Subtotal	10,470,579

Colchester Grow on Space, Queen St. LGF ask	3,777,451
Unallocated LGF to support new LGF pipeline	6,693,128

## **6. Financial Implications (Accountable Body Comments)**

- 6.1 The recommendations of this report for the Tilbury Riverside and Southend Forum 2 programme funding of £8,360,000 to be reallocated to the LGF pipeline is in line with the requirements of the SELEP Assurance Framework.
- 6.2 The grant conditions from central Government strictly specify that the LGF must be spent on capital expenditure in delivering the Project. If LGF spend on the Projects is an abortive cost, this must be repaid to SELEP by Thurrock Council and Southend-on-Sea Borough Council under the terms of the Service Level Agreements with the SELEP Accountable Body (Essex County Council).
- 6.3 The Funding Agreements or SLA sets 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.
- 6.4 Should the recommendations under 2.1.2 and 2.1.4 for repayment of LGF funding of the cancelled projects be approved by the Board, transfer of LGF by the Accountable Body to the next project in the pipeline will only take place on receipt of this funding from Southend on Sea Borough Council and Thurrock Council.

## **7. Legal Implications (Accountable Body Comments)**

- 7.1 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 conditions from Central Government and used in accordance with the terms of the Service Level Agreements between the Accountable Body and the Partner Authorities.

## **8. Equality and Diversity implications (Accountable Body Comments)**

- 8.1 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.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 8.3 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.

## 9. List of Background Papers

- 9.1 Link to SELEP Project page Tilbury Riverside [here](#)
- 9.2 Link to SELEP Project page Southend Forum [here](#)

**(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
<b>Accountable Body sign off</b>  Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	07/10/2020

<b>Report title: SELEP COVID-19 Business Support Fund</b>	
<b>Report to Accountability Board on 16<sup>th</sup> October</b>	
<b>Report author: Jo Simmons</b>	
<b>Date: 1 October 2020</b>	<b>For: Decision</b>
<b>Enquiries to: <a href="mailto:jo.simmons@southeastlep.com">jo.simmons@southeastlep.com</a></b>	
<b>SELEP Partner Authority affected: East Sussex/ Essex/ Kent / Medway, Southend / Thurrock</b>	

## 1. Purpose of report

- 1.1 The purpose of this report is to allow the Accountability Board (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.

## 2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Agree** the award of £2.4m to the Programme, based on the case for investment set out in section 4
- 2.1.2 **Agree** the proposed procurement approach for the delivery of £2.365m through a new single tender framework comprising three individual Lots
- 2.1.3 **Agree** to £35,000 of the £2.4m funding pot to be used for project management resource
- 2.1.4 **Agree** to delegate authority to the SELEP Chief Executive Officer, to sign off the award of contracts for each project within the Programme
- 2.1.5 **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:
- 2.1.5.1 The total value of investment remaining within the total £2.365m budget allocated to the Programme;
- 2.1.5.2 The minimum project benefits, set out in Table 1, still being achieved; and
- 2.1.5.3 Ensuring the maximum value of any project 'package' included in the Programme does not exceed £1m

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

### **3. Background**

- 3.1 At the SELEP Strategic Board meeting in June 2020, SELEP Ltd agreed to repurpose £2.4m of Growing Places Fund to create a new COVID-19 Business Support Programme. The Programme is intended to provide support to small and medium sized enterprises that have been significantly impacted by COVID-19.
- 3.2 On 2<sup>nd</sup> October, SELEP Ltd agreed the focus, process and criteria for the Programme. The Programme includes the delivery of the following three business support projects:
- 3.2.1 Supporting the Visitor Economy;
  - 3.2.2 Support for start-ups and pre-starts; and
  - 3.2.3 Digitising business, supporting e-commerce and retail
- 3.3 Further details about the Programme are set out in Appendix A.

### **4. Case for Investment**

- 4.1 Small and medium sized enterprises (SMEs) make a vital contribution to the regional economy. SMEs account for three fifths of employment and around half of turnover in the UK private sector (BEIS statistical release on business population estimates 2019).
- 4.2 The SELEP region has an annual economic output of around £90 billion and a business base of circa 170,000 made up overwhelmingly of SMEs, with 90% of these being micro businesses (employing fewer than ten people). It is therefore essential to support the region's smallest and most vulnerable businesses through the pandemic, given the relative scale of their contribution to economic recovery and regeneration.
- 4.3 Of the SMEs responding to the SELEP COVID-19 Business Surveys, 40% are either temporarily or indefinitely closed, 58% are looking to change the way they operate and 49% require support to adapt their business models and innovate, particularly through technology-based solutions.
- 4.4 The Business Support Programme will provide relevant interventions that will enable entrepreneurs and business beneficiaries to adapt and innovate, so that they can start or resume trading in a different way. The Programme will provide a catalyst for business and behavioural change, providing essential business support stepping-stones in a journey to recovery. Delivering the Programme will ultimately help to safeguard businesses and the jobs that they provide.

- 4.5 The specific projects to be delivered through the Programme and the associated minimum expected benefits are set out in Appendix A. In direct benefits, the Programme will aim to safeguard a minimum of 250 businesses and associated jobs and support the creation of a further 100 new enterprises.
- 4.6 The economic value of the benefits for each individual project in the Programme have not been quantified with a Benefit Cost Ratio. It is not realistic to do this as it is not possible to predict the size and nature of the SME beneficiaries of each project and consequently the financial benefits that this support will realise. However, this contribution to safeguarding businesses helps to maintain their economic viability and future contribution to recovery, and the safeguarding of jobs reduces the demand on financial State interventions such as Universal Credit or Job Support Scheme payments.
- 4.7 24% of UK private sector businesses are employers (Business Statistics briefing paper for the House of Commons Library, July 2020) and 76% are single-person enterprises. Given that 90% of SELEP's SME base are micro-businesses, a conservative estimate on the number of jobs safeguarded per business is 2 for every 24% of businesses, and 1 for every 76% of businesses (freelancer, sole-trader, self-employed). Safeguarding or creating 350 enterprises could therefore equate to safeguarding 434 jobs.
- 4.8 Given the average standard Universal Credit allowance is £376.31 per month, equating to an average annual payment per person of £4,515.72 safeguarding 434 jobs could equate to a state saving of approximately £1.96m per annum. The average annual salary for the SELEP area is £29,700, so safeguarding this number of jobs could generate an income of approximately £12.89m in salaries.
- 4.9 Supporting a minimum of 350 businesses through the Programme equates to an average cost of £6,757 per business to provide essential interventions intended to help safeguard the SME and associated employment. The potential return economic contribution of this activity in the medium-long term will significantly outweigh the cost of this support. This overall cost benefit comparison demonstrates that the Programme is expected to deliver value for money.
- 4.10 The Programme will also generate several indirect benefits, which will contribute to the overall value for money of the investment.
- 4.10.1 Each project will evaluate the nature of adaptation and innovation measures implemented by businesses, to identify changes to models and operations, behaviours and outcomes that can help inform and shape future business support
- 4.10.2 Each project must demonstrate a commitment to a clean recovery, through the enabling of decarbonisation approaches and measures; this will be particularly effective in the Digitising Business project

4.10.3 The visitor economy support project will facilitate a holistic approach to place-based recovery and regeneration to increase the destination profile of the region's locations

## **5. Procurement approach for the Programme**

- 5.1 It is proposed to procure independent service providers for each of the three projects that make up the Programme. Following advice from the procurement team of the Accountable Body, a framework will be created for the delivery of three separate Lots, reflecting the three individual projects within the Programme. Each Lot will include both the provision of business support and the administration of grant funding.
- 5.2 Establishing a framework will enable the Programme to be delivered efficiently and effectively. It will be a single tender process to award a contract to a single supplier for each Lot, although service providers will be able to bid for up to two Lots each. Bids can be from single entities, consortia or a lead entity with sub-contracting; this will be at the bidder's discretion.
- 5.3 The contracts will be in place for two years from the same start date, which will allow for stepped commencement dates for each of the three projects in line with the anticipated business needs, as well as providing contingency time to accommodate any delays to delivery resulting from new COVID-19 impacts or restrictions e.g. further lockdowns.
- 5.4 The procurement specification will outline the general reasons for the need for the services, including geographical requirements, as well as describing the requirements for each individual Lot. The specification for the procurement will be drawn up in consultation with the South East Business Hub (i.e the Growth Hub). To ensure there are no conflicts of interest, the SELEP Secretariat with Accountable Body support will make final decisions on the content of all specifications.
- 5.5 The procurement specification will stipulate general eligibility criteria applicable to all projects, which will include the need for SELEP wide delivery to ensure equitable benefits across the SELEP region, and additionality to the current business support landscape so as not to duplicate or displace other programmes. Tenders from a consortium of providers will be permitted to bring in local knowledge and expertise in the design and delivery of each project. The full list of proposed eligibility criteria is presented in Appendix B.
- 5.6 A Tender Evaluation Panel will be formed for each Lot, to evaluate all bids received in response to that Lot. Evaluation of bids will include both generic and Lot specific questions. Membership of each panel will be decided by the SELEP Secretariat with Accountable Body support and based on the Lot-specific project requirements in the tender specification. Panels will include but may not be limited to representatives from the SELEP Secretariat, Local Authorities and the South East Business Hub, where there are no conflicts of

interest. Evaluations will be in accordance with Accountable Body procurement rules.

- 5.7 The Board is asked to agree that following the recommendations of each Tender Evaluation Panel, final sign off to award the contracts should be delegated to the SELEP's Chief Executive Officer.
- 5.8 Based on the market interest in delivering the specific projects included in the overall Programme, it may be necessary to amend the specific amount of funding invested in each of the Projects. The Board is therefore asked to agree delegated authority to the SELEP Chief Executive Officer to amend the value of funding identified to each project by up to £100,000, if so required, whilst ensuring the total value of investment remains within the total £2.365m budget allocated to the Programme, and the minimum project benefits can still be achieved.

## **6. Programme Management**

- 6.1 An allocation of £35,000 from the £2.4m Business Support Fund is proposed, to match an equal allocation from the £2m SELEP COVID-19 Skills Fund (already approved by the Board in September 2020), to jointly appoint a Project Manager for the duration of the project contracts aligned to both funds. This allocation also includes anticipated legal and procurement costs. The Project Manager will be responsible for ensuring alignment between the two funds, contract management, monitoring and reporting.
- 6.2 Monitoring by the Project Manager will include regular reports on project progress to the SELEP Strategic Board and the South East Business Hub Steering Group. Reports will also be required to capture learning, case studies and best practice for the benefit of future programmes and to help make the case for further government investment. Reporting will also cover any risks to delivery or other notable issues.

## **7. Risks**

- 7.1 The main Programme risks are set out in the table below:

<b>Risk</b>	<b>Mitigation</b>
Any delay(s) to the procurement process that results in delays to the proposed delivery start time of December	Resource within the Essex County Council procurement team has been secured and is ready to undertake the required procurement steps, subject to approval of the process. Due to the ongoing impacts of COVID-19, demand for the support to be provided will remain if some slippage to the timeline is incurred
Insufficient or poor applications for funding	Work is ongoing to promote the delivery opportunities that this funding presents, including the proposed areas of focus (the projects). This will help to ensure a

<b>Risk</b>	<b>Mitigation</b>
	good number and quality of bids. Further rounds of procurement would be possible if there are no successful applications
Non delivery against targets and outputs	Payments will be staged to ensure delivery takes place to agreed timescales and to manage any risks that may compromise targets and outputs
Failure to appoint a project manager to oversee programme	The recruitment process will commence as soon as possible to align with the proposed delivery start dates of both this and the COVID-19 Skills Fund. Preliminary monitoring can be carried out by the SELEP Secretariat if recruitment is delayed.
Duplication with new Government Funded projects	SELEP is in continual dialogue with relevant Government departments on new national COVID-19 business support initiatives. Steps to ensure alignment between the Programme and any new initiatives will be taken should the need arise.

## **8. Financial Implications (Accountable Body Comments)**

- 8.1 In July 2020 the Board agreed to repurpose GPF to support the Covid-19 recovery through the establishment of a number of measures including the implementation of a Business Support fund of £2.4m.
- 8.2 The Accountable Body is currently holding the funding to support this scheme.
- 8.3 Value for money will need to be a key consideration through the establishment of the frameworks, alongside the other criteria in Table 2. The Accountable Body will support in ensuring this process is followed in accordance with the Procurement Regulations.
- 8.4 As this fund has been implemented in exceptional circumstances, the Assurance Framework has been updated to reflect the management of this programme.

## **9. Legal Implications (Accountable Body Comments)**

- 9.1 Under the recommended procurement approach outlined within this report, SELEP will set up a legally compliant Framework Agreement where several suppliers can be pre-approved for certain types of contract. SELEP could therefore contract for services quickly and flexibly from the suppliers appointed to the framework agreement.

## **10. Staffing and other resource implications (Accountable Body Comments)**

- 10.1 A Project Manager is proposed to be appointed in quarter 3 of 2020/21 to manage the procurement contracts for both the Skills and the Business Support Funds. It is anticipated that this post will run for a period of 18 months from pre-contract stage to end of delivery evaluation. This post will be employed by the Accountable Body and form part of the SELEP Secretariat team.

## **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 delivery of the Programme and the ongoing commitment to equality and diversity, the SELEP secretariat will need to 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.

## **12. List of Appendices**

- 12.1. Appendix A - Specific projects included in the Programme
- 12.2 Appendix B – Project Eligibility Criteria

## **13 List of Background Papers**

As per section 3.2. the proposed focus, process and criteria for the Business Support Fund were approved at the SELEP Strategic Board on 2<sup>nd</sup> October. The relevant Board paper is available at <https://www.southeastlep.com/meetings/strategic-board-2nd-october-2020/>

(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
<b>Accountable Body sign off</b>  Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	08/10/20

# SELEP COVID-19 Business Support Fund

## Appendix A - Specific projects included in the Programme

Project	Funding allocation	Activities	Minimum benefits	Delivery start date
<b>Lot 1 with a total value of £1,050,000</b>				
Supporting the Visitor Economy	Package 1: £500,000	<b>Package 1: Visitor Economy winter resilience grant scheme</b> <ul style="list-style-type: none"> <li>A grant scheme for visitor economy businesses for the purchasing of tools, equipment and trading approaches needed to adapt or innovate, and facilitating a COVID-19 secure environment</li> <li>Grants awarded to businesses who have already accessed recognised support/advice on how to innovate and remodel in order to survive the winter season.</li> <li>The grant scheme must complement the visitor economy component of the ERDF Visitor and Wider Economy Grant Scheme</li> <li>Grant range of £1,000 - £3,000</li> </ul>	Minimum 150 grants supporting businesses to adapt and innovate; Potential for a minimum of 150 businesses and jobs to be safeguarded	December 2020
	Package 2: £550,000	<b>Package 2: Rebooting the visitor economy in 2021</b> <ul style="list-style-type: none"> <li>Design and launch of seasonal campaigns that align with destination management campaigns and promotion of tourism offers to rebuild consumer confidence and demand, and create an extended season/ year-round offer to reboot visitor economy businesses</li> <li>Design and delivery of a programme of support and training that will bring together and facilitate multiple businesses and organisations to curate a place-based offer, increasing footfall and spend and enabling those businesses to successfully recover</li> <li>To facilitate a more holistic and innovative approach to supporting visitor economy industries as they are</li> </ul>	<p>Key tourism/ visitor destination locations within the SELEP region supported to recover and regenerate through the curation of a place-based offer and seasonal campaigns, driven by business needs to increase visitor confidence, footfall and spend.</p> <p>Programme evaluation to measure the impact of a re-curated tourism/ visitor</p>	February 2021

		<p>acclimatising to new trends and ways of working resulting from COVID-19</p> <ul style="list-style-type: none"> <li>The campaigns and curation of place-based offers must align with other live sector/place-specific initiatives, such as the proposed SSF project Rebuilding Confidence and Demand in the Visitor Economy and Future High Street Fund projects</li> </ul>	attraction offer on the way in which visitor economy businesses operate i.e. the change effected	
<b>Lot 2 with a total value of £565,000:</b>				
<b>Support for start-ups and pre-starts</b>	£565,000	<p><b>Support programme for start-ups and pre-starts</b></p> <ul style="list-style-type: none"> <li>A set-hour programme providing 1-2-1 and 1-2-many support for cohorts of pre-starts and start-ups with potential to establish and operate during and beyond a COVID-19 climate</li> <li>The programme will provide learning, advice and mentoring to an audience that includes those made redundant or unemployed as a result of COVID-19</li> <li>The programme will include a small grant scheme with a grant range of £500-£2,000 accessible to those who complete the support programme and can evidence need, to overcome an immediate cost barrier to progress (e.g. equipment)</li> </ul>	<p>Minimum 100 individuals supported to create new jobs and businesses; Programme evaluation to identify new ways of working for a current and post-COVID climate</p>	January 2021
<b>Lot 3 with a total value of £750,000:</b>				
<b>Digitising Business, supporting e-commerce and retail</b>	Package 1: £500,000	<p><b>Package 1: Adapting to Digitisation</b></p> <ul style="list-style-type: none"> <li>A programme of webinars, 1-2-many and 1-2-1 advice and diagnostics to businesses looking to adapt and innovate through digitisation in order to remain viable</li> <li>To help businesses build online presence and competitiveness/ marketing, rebuild supply chains, improve productivity, implement flexible working/ hybrid business models, and employ tools to aid mental wellbeing</li> </ul>	<p>Potential for 100+ businesses and jobs to be safeguarded; Programme evaluation of business adaptation and innovation measures, to understand impact and change to business models and behaviours, including how these contribute to a low carbon economy</p>	February 2021

	<p>Package 2: £250,000</p> <ul style="list-style-type: none"> <li>• Delivery will be aligned with the proposed Digital Skills for All provision in the SELEP Skills Fund for cross-referrals</li> </ul> <p><b>Package 2: Grants for digitally enabling hardware/ software</b></p> <ul style="list-style-type: none"> <li>• A small grant scheme for referrals from Package 1, for purchasing new IT hardware/software</li> <li>• Grant range £500 – £2,000, enabling innovation through the adoption of new to business technology and approaches</li> </ul>	<p>100+ grants to assist safeguarding of businesses and jobs, and to bring about operational/ behavioural change</p>	<p>February 2021</p>
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## SELEP COVID-19 Business Support Fund

### Appendix B – Project Eligibility Criteria

Criteria	Description
Programme must respond to COVID-19	The programme must demonstrate how it is responding directly to the needs of business from the impacts of COVID-19
Programme delivery must be pan-LEP	The programme must demonstrate impact in all SELEP Federated Areas with proportionate benefits
Programme should recognise SELEP's strategic economic objectives	The programme must demonstrate alignment with SELEPs Economic Strategy Statement and COVID-19 Economic Response Statement
Programme must only support SMEs within the SELEP region	The programme is limited to supporting SMEs (EU definition) operating within the SELEP region
Programme must not duplicate existing or forthcoming business support schemes	The programme must illustrate a good understanding of the current business support landscape, and ensure that it does not duplicate or displace existing or forthcoming provision
Programme must align with the Growth Hub service	The programme must align itself with the South East Business Hub and Area Growth Hubs (BES, BEST and KMGH) to facilitate the customer journey and cross-referrals
Programme must carry the SELEP brand	SELEP branding must be used throughout the programme to illustrate the funding source
Programme must demonstrate value for money	The programme must ensure that it achieves value for money against the specified over-arching outcomes
Programme should demonstrate a commitment to a clean recovery	The programme will be asked to outline how they will support businesses to contribute to decarbonisation
Programme is not required to provide match funding but should illustrate added value	Match funding will not be a requirement, however the programme should outline where it can bring added or increased value, whether financial or in-kind.
Applications may be on behalf of a consortium	Applications to deliver a programme may be from a consortium of delivery partners to enable pan-LEP delivery, and familiarity and alignment with current provision

Programme can factor in management and administration costs	Management and administration costs for delivery can be included in programme design and must not compromise value for money; the programme should demonstrate whether it can support or subsidise Growth Hub resource through signposting and referrals to other business support schemes for its business beneficiaries
Programme should deliver within 24 months of funding award	The programme will be asked to demonstrate an ability to mobilise and deliver within the timeframes outlined in the procurement specification. The generic 24-month delivery window provides for significant unforeseen impacts from COVID-19 that would compromise any/all activities within the programme.
Programme must be evaluated	The programme must undertake an evaluation of impact, including changes (e.g. behavioural, operational) that have been brought about, against pre-defined change criteria