

Forward Plan reference numbers: FP/AB/499

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 11 February 2022	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1 The purpose of this report is to update the SELEP Accountability Board (the Board) on the latest position of the Growing Places Fund (GPF) Capital Programme.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Note** the updated position on the GPF programme.

2.1.2 **Approve** the accelerated drawdown of funding for the No Use Empty Commercial Phase II project.

2.1.3 **Approve** the revised repayment schedule for the Fitted Rigging House project subject to receipt of the requested declaration from Medway Council's S151 Officer which confirms that all required due diligence has been carried out through the completion of appropriate checks and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan.

3. Background

- 3.1 In total, £45.477m GPF was made available to SELEP for investment as a recyclable loan scheme. To date, GPF has either been invested or has been allocated for investment in a total of 28 capital infrastructure projects. In addition, a proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and a further £1.5m was ring-fenced to support the activities of SELEP's Sector Working Groups (known as the Sector Support Fund); as agreed by the Strategic Board.

- 3.2 In June 2020, the Strategic Board took the decision to repurpose £10m of the GPF funding to enable delivery of interventions which will support economic recovery post COVID-19. Subsequent to this decision being taken by the

Strategic Board, HM Government confirmed the payment of the final third of SELEP's 2020/21 LGF allocation thereby releasing the £3.6m of GPF funding which had been repurposed to underwrite the risks associated with the change in approach regarding the payment by Government of LGF funding to LEP's. This funding has now been returned to the GPF pot for reinvestment in pipeline projects.

- 3.3 Quarterly updates are provided to the Board on the latest position of the GPF projects in terms of delivery progress, realisation of project benefits and any risks to the repayment of the GPF loans.

4. Current Position

COVID-19 Impacts

- 4.1 The impact of the COVID-19 pandemic and the associated social distancing measures and lockdowns that were introduced by Government have resulted in a severe shock to our economy. The existing GPF projects are feeling the effects and longer-term risks have been identified which may affect the delivery of the projects, the realisation of expected project benefits and the ability to repay the current GPF loans.
- 4.2 Further information regarding the effects and risks identified as a result of the COVID-19 pandemic is provided in Appendix E.
- 4.3 GPF project risks will continue to be monitored over the coming months as the wider impacts of the COVID-19 pandemic become evident. This may result in currently unidentified risks being highlighted in future Board reports.

Cash Flow Position

- 4.4 Through the latest round of GPF reporting, a significant risk to the agreed repayment schedule for the Fitted Rigging House project has been identified and the Board are asked to consider a proposed revised repayment schedule for the project at this meeting. The GPF repayment schedules are set out in Appendix B.
- 4.5 Scheme promoters have been working to understand the impacts of COVID-19 on their projects and their intended repayment mechanism since the onset of the COVID-19 pandemic. To date, COVID-19 related revised repayment schedules have been approved by the Board in relation to ten GPF projects.
- 4.6 Whilst the Board are asked to consider a request to amend the repayment schedule for the Fitted Rigging House project, the repayment due in 2021/22 will be made as expected. It is therefore understood that all forecast repayments due in 2021/22, as set out in Appendix B, will be made in advance of 31 March 2022.

- 4.7 Table 1 below sets out the current cash flow position based on the planned GPF investment and the GPF available for re-investment through loan repayments. The cash flow is based on the assumption that the Board agree the accelerated drawdown of the GPF funding awarded to the No Use Empty Commercial Phase II project and the revised repayment schedule for the Fitted Rigging House project as set out within this report.
- 4.8 Repayments forecast for 2021/22 and 2022/23 reflect revised repayment schedules approved by the Board since July 2020.

Table 1: GPF Cash Flow Position

£	2021/22	2022/23
GPF available at the outset of year	15,817,202	9,639,744
GPF funding repurposed	-	-
GPF available for investment	15,817,202	9,639,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	11,766,500	600,000
Position before GPF repayments are made	4,050,702	9,039,744
GPF repayments expected	5,589,042	5,470,000
Carry forward	9,639,744	14,509,744

- 4.9 As shown in Table 1 total GPF Round 3 drawdown of £11.767m is forecast for 2021/22. Sufficient GPF funding is currently being held to meet these drawdown requirements. All Round 1 and 2 GPF projects have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix C.
- 4.10 The remaining £1.1m GPF allocated to the GPF Round 3 projects will be drawn down between 2022/23 and 2023/24 as set out in Appendix C. This funding has been ring-fenced for investment in those projects and will therefore not be included in any funding available for reinvestment.

Growing Places Fund Round 3 Projects

- 4.11 Since the initial agreement of the GPF prioritised project pipeline in June 2020, nine projects have been brought forward for consideration of funding approval by the Board. The current funding status of each project on the pipeline is set out in Table 2.

Table 2: GPF prioritised pipeline of projects

Project	Federated Area	GPF ask (£)	GPF funding award agreed by the Board?
Green Hydrogen Generation Facility	KMEP	3,470,000	Yes – September 2020
Observer Building (Phase 1a)	TES	1,750,000	Yes – September 2020
Barnhorn Green Commercial and Health Development (Phase 1)	TES	1,750,000	Yes – February 2021
Wine Innovation Centre	KMEP	600,000	Yes – September 2020
Herne Relief Road	KMEP	3,500,000	Yes - March 2021
No Use Empty South Essex	OSE	1,000,000	Yes - March 2021
No Use Empty Commercial Phase II	KMEP	2,000,000	Yes – February 2021
Leigh Port Quay Wall (Cockle Wharf)	OSE	3,500,000	No
Observer Building, Hastings (Tranche 2)	TES	1,616,500	Yes – July 2021
No Use Empty Residential	KMEP	2,500,000	Yes – November 2021

4.12 As shown in Table 2, there is currently only one project, Leigh Port Quay Wall, on the GPF project pipeline which has not yet been considered for funding approval by the Board. As outlined at the last Board meeting, Southend-on-Sea Borough Council has been successful in securing funding from the Levelling Up Fund to support delivery of the Leigh Port Quay Wall project. As a result, it is likely that once the formalities of the Levelling Up Fund award have been completed, the project will be withdrawn from the GPF project pipeline.

4.13 At this time, due to the ongoing uncertainty regarding the future role of LEP's, there are no plans for a new round of GPF funding to be launched. It is intended that once there is a clearer picture on the future of LEP's that both the Strategic Board and the Board will be asked to consider the future management of SELEP funding, including the ongoing function of the GPF.

5. Growing Places Fund Project Delivery to Date

5.1 A deliverability and risk update is provided for each GPF project in Appendix A.

5.2 The latest round of GPF reporting has highlighted a high risk with regard to the repayment of the loan issued to support the Fitted Rigging House project. Further details on this risk are set out under Section 7 of this report, alongside

a proposed revised repayment schedule which the Board are asked to consider.

- 5.3 There are a number of medium risks (amber) identified, primarily in relation to project delivery and realisation of project outcomes. The project delivery risks predominantly relate to supply chain issues and COVID-19 related impacts on working practices. There remain concerns regarding benefit realisation due to the impact on the property market and local economy of the COVID-19 pandemic. These risks will continue to be monitored.
- 5.4 Eleven GPF projects have now been completed, with the benefits of this infrastructure investment starting to be realised. It was previously reported that thirteen GPF projects had been completed. This figure included 2 projects where the GPF element had been completed but the wider project was still ongoing. To adopt a consistent approach across all projects, these projects have now been removed from this total and will only be reported as complete once the wider project has been delivered in full. It is reported that 2,843 jobs have been delivered through investment in commercial space and new business premises, as set out in Appendix D.
- 5.5 Additional benefits are expected to be delivered through the completion of the remaining GPF projects and through the follow-on investment which has been unlocked through the infrastructure delivered with GPF investment. It is expected in many cases that there will be a time lag between spend of the GPF investment and benefit realisation due to the use of the GPF funding to enable wider development at the project location.
- 5.6 A RAG rating is being used, in Appendix D, to assess how the completed projects are progressing towards delivering the jobs and homes outcomes stated within the Business Case. To date, it can be seen that the No Use Empty Commercial project has exceeded the number of jobs stated within the project Business Case, and that the Charleston Centenary project has met the forecast jobs figure for the project.
- 5.7 The North Queensway project has been completed, however, due to slower uptake of land than originally anticipated no jobs outcomes have been delivered to date. Steps are being taken by the scheme promoter to continue to market the site in order to bring forward the forecast project outcomes.
- 5.8 There are also a number of completed projects which are demonstrating progress towards meeting the outcomes defined in the Business Case but have not yet reached the forecast, including Harlow West Essex and Fitted Rigging House.
- 5.9 Due to the COVID-19 pandemic a number of projects have raised risks in relation to the realisation of these benefits. In most cases it is expected that the project benefits will still be realised, however, this is now likely to be over a longer time period than originally anticipated. This is for a number of reasons including extended construction programmes, likely impact on the tourism

sector, uncertainty regarding the effect on the property sales and rental market and the as yet unknown long-term impact on the economy and the viability of businesses. This will continue to be monitored as scheme promoters gain a clearer understanding of the wider economic impacts of the ongoing COVID-19 pandemic, with information being sought as to the reasons for the delay in realising forecast project benefits.

6. No Use Empty Commercial Phase II – Accelerated drawdown of GPF funding

- 6.1 Kent County Council launched its 'No Use Empty' campaign in 2005, with the primary aim of improving the physical urban environment in Kent by bringing long-term empty properties back into use as quality housing accommodation.
- 6.2 As part of round 2 of the GPF, Kent County Council requested GPF loan funding of £1m to enable the No Use Empty scheme to add a funding stream focussing on long-term empty commercial premises. The aim being to return long-term empty commercial properties to use, either as residential, alternative commercial use or for mixed-use purposes.
- 6.3 This GPF funding was awarded in February 2018 and the project progressed at speed and exceeded expectations with regard to the number of commercial properties returned to use.
- 6.4 Demand for loans under the No Use Empty Commercial project outstripped the level of funding available. As a result, an application for a further £2m of GPF funding to support the continuation of the project was sought through GPF Round 3. In February 2021, the Board approved the award of the requested £2m to the No Use Empty Commercial Phase II project. The project Business Case indicated that the GPF funding would be drawn down in 2021/22 (£0.75m), 2022/23 (£0.75m) and 2023/24 (£0.5m).
- 6.5 The initial £0.75m GPF was drawn down in Q1 2021/22 and has enabled provision of short-term secured loans in relation to 6 long-term empty commercial properties in Folkestone, Herne Bay, Hythe, Sheerness, Swale and Ramsgate. Work is ongoing to bring all 6 of these properties back into use and it is expected that completion of these works will also create 27 new residential homes.
- 6.6 The Business Case for the No Use Empty Commercial Phase II project indicated that the project would enable the return of 18 empty commercial units to effective use and the creation of 36 new residential homes. Good progress has already been made towards achieving these forecasts.
- 6.7 There continues to be strong demand from property owners for the No Use Empty Commercial scheme and as a result, Kent County Council have requested accelerated draw down of the £750,000 GPF funding which was originally programmed for spend in 2022/23, with the funding now required immediately.

6.8 The cash flow position, set out in section 4, takes into account this request and shows that there is sufficient funding available in 2021/22 to allow accelerated draw down of the £750,000 as requested by Kent County Council. The Board are therefore asked to approve the accelerated draw down of funding for the project.

7. Fitted Rigging House – proposed revised repayment schedule

- 7.1 The Fitted Rigging House project was awarded £800,000 GPF in April 2018, for the conversion of a Grade 1 former industrial building, at the Chatham Historic Dockyard, into commercial office space and public benefit space. It was anticipated that the project would create 3,473sqm of new office space, which would house businesses offering up to 300 jobs.
- 7.2 In June 2019, the Board approved the reduction in GPF ask from £800,000 to £550,000. This reduction was sought by the Chatham Historic Dockyard Trust due to the conversion of the Fitted Rigging House being delivered at a lower cost than initially anticipated.
- 7.3 The conversion was completed in March 2020 and created 3 large tenant spaces, 5 small business units, a new office for the Chatham Historic Dockyard Trust and a new library, archive and volunteer centre.
- 7.4 The building is fully occupied with 8 tenants operating from the site, which has resulted in the delivery of 195 jobs to date.
- 7.5 Throughout the COVID-19 pandemic, the Chatham Historic Dockyard Trust supported their tenants in the Fitted Rigging House through offering rent holidays. This support, whilst valuable to the commercial tenants on the site, had a significant impact on the cash flow position of the Trust and as a result the Board agreed a revised repayment schedule for the Project in July 2020.
- 7.6 Over recent months the reporting provided by the Chatham Historic Dockyard Trust and Medway Council has indicated that the financial sustainability of the Trust is looking more robust and that the revised repayment schedule, agreed in July 2020, has been factored into forward financial planning.
- 7.7 However, in October 2021, Medway Council were advised that they had been successful in their application for Levelling Up Fund funding, securing a total of £14.4m from Central Government. This funding is to be used to support 3 projects in Chatham and the Chatham Historic Dockyard Trust are involved in the delivery of 2 of the projects – The Docking Station and The Fitted Rigging House (South), with sole responsibility for the delivery of The Fitted Rigging House (South) project.
- 7.8 The Fitted Rigging House (South) project will bring the southern end of the Fitted Rigging House into effective use to create 1,939sqm of creative industries focussed commercial floorspace. The project will provide space for

growing and mature creative enterprises in Medway and it is expected that the project will create an additional 100 jobs (net) within the building. Delivery of this project will support the Chatham Historic Dockyard's next major step towards financial self-sustainability, through the generation of significant financial return for the Trust.

- 7.9 The Chatham Historic Dockyard Trust have recently been advised by Central Government that the Levelling Up Fund funding will be released bi-annually. For example, this means that a payment released in late June would cover expenditure incurred from April to September, meaning that the Chatham Historic Dockyard Trust would need to fund 3 months of expenditure before receiving the Levelling Up Funding.
- 7.10 Neither Medway Council nor the Chatham Historic Dockyard Trust were made aware of the Levelling Up Fund payment mechanism by Central Government until recently and had been working on the assumption that funding would be received in advance of expenditure as per other existing Government funding streams. Therefore, this payment mechanism will place considerable pressure on the Trust's cash flow, which will be further compounded by their commitment to provide match funding to support project delivery.
- 7.11 Therefore, to reduce the pressure on the Trust's cash flow and reserves position, a revised repayment schedule has been submitted for consideration by the Board, as set out in Table 3 below. It should be noted that, due to the late submission of this request, the Chatham Historic Dockyard Trust have committed to making the initial £100,000 repayment which is due in March 2022. This deferral will ensure that the Trust can bring in the additional funding to augment the GPF project and build on the existing jobs and commercial space.

Table 3: Proposed revised repayment schedule for the Fitted Rigging House project

£	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Repayment schedule						
Current repayment schedule	100,000	200,000	250,000	-	-	550,000
Revised repayment schedule	100,000	-	100,000	150,000	200,000	550,000

- 7.12 The revised repayment schedule will allow the repayments to be made in line with the broader project cost plan (including the Fitted Rigging House (South)) and against revenue generation from the new workspace which is expected to be realised from 2023/24 onwards.
- 7.13 The Board are asked to approve the revised repayment schedule subject to receipt of the requested declaration from Medway Council's S151 Officer

which confirms that having carried out the appropriate checks and investigations, to the best of their knowledge, the Project will deliver the outputs and outcomes agreed in the Business Case and provides assurance that the proposed revised repayment schedule and mechanism for repayment of the loan to Essex County Council, as Accountable Body for SELEP, is viable and robust.

8. Financial Implications (Accountable Body Comments)

- 8.1 A total of £15.817m (table 1) GPF was carried forward from 2020/21 and available for reinvestment into the pipeline in 2021/22.
- 8.2 The 2021/22 forecast cashflow position indicates that there is enough funding available to meet the already agreed GPF investments due at present in this financial year.
- 8.3 The Board are advised to note that in consideration of the reprofiling request and the further repayment risks that are highlighted, that a delay in the amount of GPF repaid by existing projects, as a result of re-profiled repayment schedules, will reduce the amount of GPF available for reinvestment in future years.
- 8.4 If an existing GPF project is put forward for a change to its repayment schedule, under the terms of the credit agreement with Essex County Council, the lead County/Unitary Authority is required to provide assurance that there is reasonable justification for a delay in repayment and that the project is still viable in the longer term to make the repayments in full.
- 8.5 There is a continued risk into 2022/23 that scheduled repayments by existing projects will not be made as planned due to difficulties experienced by projects as a result of COVID-19. At its June 2020 meeting, the Strategic Board agreed to offer flexibility to delay GPF repayments for existing projects due to the impact of COVID-19.
- 8.6 It is noted that actual delivery of jobs and homes reported to date remain out of line with the expected levels identified in the business cases for most completed projects and there has been some evaluation of why delivery of outcomes is lower than expected. This should continue to form part of the on-going monitoring with reasons for under delivery explained fully to the Board. This is critical due to the COVID-19 situation and to help monitor the economic impact of the crisis on the SELEP region and project outcomes. Where appropriate, these reviews should be used to inform future business case estimations of growth to ensure there is not a pattern of over-ambition.
- 8.7 Where there are projects that are not providing the required reporting, lessons learnt from other Programmes have highlighted the importance of ensuring that this is not an indication of wider concerns re project delivery; the proposal to require reporting to be provided at the next Board meeting is therefore considered to be appropriate.

9. Legal Implications (Accountable Body Comments)

9.1 The Growing Places Fund is provided by the Accountable Body to the partner authorities for each project under a loan agreement. Revising the drawdown schedule for a project under a GPF loan agreement will be subject to the terms of the loan agreement and where changes are suggested to the drawdown schedule, to accelerate payment as requested under this report, Accountability Board must be informed. Following Accountability Board approval, a Deed of Variation will be put in place to reflect the change in drawdown schedule.

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; and
- 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 cases, 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 – GPF Project Update
- 11.2 Appendix B – GPF Repayment Schedule
- 11.3 Appendix C – GPF Drawdown Schedule
- 11.4 Appendix D – Monitoring of GPF Project Outcomes
- 11.5 Appendix E – COVID-19 impacts

12. List of Background Papers

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

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 03/02/2022

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Fitted Rigging House	Medway	Round Two	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit space initially providing a base for eight organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School. The project also provides expansion space for the future which has the potential to enable the creation of a high tech cluster based on the work of one core tenant and pre-existing creative industries concentrated on the site. The conversion will provide 3,473m ² of office space.	Building works to the project were complete as of 31st March 2020. The building is now fully occupied, with all 8 tenants operating from their new working spaces. Immediate impacts of the COVID-19 pandemic have been experienced, resulting in delays to repayment of the GPF loan.	Project complete.	GPF allocation spent in full.	The Chatham Historic Dockyard Trust are involved in two Levelling Up Fund projects in Chatham. To assist with cash flow management during the delivery of the Project, a revised repayment schedule has been brought forward for Board consideration at this meeting.	Financial sustainability of business tenants is returning to pre COVID-19 levels thereby reducing the risk that project outcomes will not be realised.		Revised repayment schedule brought forward for Board consideration
Green Hydrogen Generation Facility	Kent	Round Three	The project involves the construction of the UK's largest zero carbon hydrogen production system. This will be situated in Herne Bay, Kent and will be powered by way of a direct connection to the on-land substation for the existing Vattenfall offshore wind farms. The GPF funding will be used to purchase equipment for hydrogen production facility (electrolysers and compressors), specialised tube trailers for storage and distribution of hydrogen and hydrogen refuelling systems which are installed within the SELEP region.	Planning permission was granted in June 2020 for the Green Hydrogen Generation Facility. Procurement is nearing completion, alongside discussions with potential suppliers. Work is expecting to commence on the concept design in January 2022, with site clearance taking place before April 2022.	The programme has been delayed as a result of COVID-19 which made face-to-face meetings with supply chain partners impossible. In addition, Brexit is likely to impact on delivery timescales for materials and equipment.	Construction has been delayed as a result of COVID-19 impacts on engagement with service and equipment suppliers. The risk has been mitigated via an accelerated procurement process.	No repayment risk identified. Increasing levels of demand for green hydrogen in the region is expected to enable timely repayment of the GPF funding.	Project outcomes will be delivered as per the Business Case	Risk of fluctuation in the electricity and natural gas markets has materialised, with a similar effect on the market price of hydrogen.	Procurement is nearing completion which will reduce delivery risk. Project outcomes still expected to be delivered as per the Business Case.
Javelin Way development project	Kent	Round Two	The project aims to develop the Javelin Way site for employment use, with a focus on the development of Ashford's creative economy. The project consists of two elements: the construction of a 'creative laboratory' production space and the development of 29 light industrial units.	The project has secured Getting Building Fund investment of £578,724 to bridge a viability gap which has arisen as a result of COVID-19 impacts on the property market. Construction has now commenced onsite with work progressing on the creative laboratory production space and some of the light industrial units. Delivery of two blocks is being delayed due to the need to divert a high voltage cable. Marketing of the industrial units has commenced and interest has already been expressed by a number of parties.	Construction has now commenced, however, there remains a risk due to the need to divert a high voltage cable. There is a risk that the construction programme may be adversely impacted if workers contract COVID-19. However, robust contingency plans are in place to mitigate this risk.	Contractor has been appointed and work has commenced onsite.	Revised repayment schedule approved by the Board in February 2021 to mitigate impact on sales value/market for industrial units.	Delivery of project outcomes may be delayed depending upon the impact of COVID-19 on the sales of the light industrial units, however, it is still expected that the project outcomes will be as set out in the Business Case. Marketing of the local industrial units will commence shortly.	Potential delay to the delivery of some of the light industrial units due to extended time taken by UKPN to agree required legal documents for diversion of high voltage cable.	Project delivery has now commenced. However, the full impact of COVID-19 on the sales market of industrial units is not currently known and therefore there remains an element of uncertainty.
North Queensway	East Sussex	Round One	The project has delivered the construction of a new junction and preliminary site infrastructure in order to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000m ² (gross) of high quality industrial and office premises.	GPF invested, project complete and repayments are being made. Development of the site has been delayed as a result of challenges in securing planning consent for the commercial development due to concerns raised by statutory consultees, particularly in relation to drainage issues. To mitigate this issue, further site enabling works will now be delivered. These enabling works have been delayed as a result of the COVID-19 pandemic. Delivery of the additional works will also improve the viability of the site.	Project Complete	Project complete and GPF funding spent in full	The COVID-19 outbreak has impacted on the delivery of the additional site enabling works and on the sale of plots, resulting in the need for an amended repayment schedule. A revised repayment schedule was agreed by the Board in November 2020. There remains a risk that further repayment schedule changes may be required if adverse market conditions impact on uptake of plots.	Further site enabling works are being undertaken to mitigate planning risks which will encourage take up of plots on the site. These works have been delayed as a result of the COVID-19 pandemic. There remains a risk that adverse market conditions will impact on the uptake of plots at the site, which would further delay the realisation of any benefits at the site.	COVID-19 has resulted in the need for additional safety measures to be considered when planning work onsite. Issues identified with supply chain disruption due to COVID-19 including delivery of statutory consents and availability of some construction materials. These issues may impact on both project construction programmes and build costs.	Delivery of the additional enabling works has been delayed by the COVID-19 pandemic.

Growing Places Fund Update Appendix A					Deliverability and Risk					
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Live Margate	Kent	Round One	<p>Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.</p>	<p>"Phase 1" has been completed. "Phase 2" is underway.</p> <p>A former school site was acquired on 1st April 2020, which contains a number of derelict homes that will be refurbished and brought back into use as family homes.</p> <p>Other poorly managed multiple occupancy dwellings and other poor quality building stock properties that accord with the loan agreement criteria are being refurbished to bring them back into use.</p> <p>Currently the GPF funding is being used to support the creation of 80 new homes. To date 66 units have been completed and occupied.</p>	Delays are expected due to COVID-19 impacts on working practices in the construction sector.	GPF spend may be delayed due to COVID-19 impacts on the construction sector, however, risk is considered low in terms of the GPF funding actually being spent.	<p>COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use.</p> <p>In addition, it is unknown at present how much of an impact COVID-19 will have on sales values of the new homes.</p> <p>A revised repayment schedule was agreed by the Board in November 2020.</p>	From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 66 homes will be exceeded by 2024/25.	As with any development project there is a planning risk, although for the identified properties this is considered to be low risk.	<p>The impact on the construction industry continues to present a challenge to the delivery of the Project in accordance with the expected timetable.</p> <p>Revised repayment schedule which reflects the delays now faced by the Project agreed in November 2020.</p>
Workspace Kent	Kent	Round One	<p>The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.</p>	<p>There are five projects within this programme. Of these, one project has recently been approved for funding, two projects have been completed and have repaid in full and one project is meeting its repayment schedule. The remaining project has partially repaid the funding but the company has now been dissolved and there are no further means to recover the outstanding balance. Write off of the outstanding balance owed by this company (£18,767) was agreed by the Board in November 2021.</p>	All GPF funding has now been allocated to approved projects	Spend of the remaining GPF funding is dependent upon the legal documentation being completed for the final project.	Loan recipients were allowed a repayment holiday until 30 September 2021 but repayments have now recommenced.	<p>Two loan recipients repaid early meaning that the forecast job creation was not achieved within the contractual period.</p> <p>Creation of some jobs has been delayed but the majority remain on track.</p>		<p>The award of the final loan has now been approved.</p> <p>Job creation may not be in line with that forecast in the Business Case.</p>
Bexhill Business Mall	East Sussex	Round One	<p>The Bexhill Business Mall (Glover's House) project has delivered 2,345m² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.</p>	<p>Glover's House has been delivered.</p> <p>The building has been sold which allowed full repayment of the GPF loan to be made during 2019/20</p>	Project Complete	Project Complete	GPF funding repaid in full	As the building has now been sold, it is difficult to obtain data regarding the number of jobs created as a result of the project		Project completed and GPF repaid in full

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Centre for Advanced Engineering	Essex	Round Two	Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on an industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.	Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget. Revised repayment schedule agreed in November 2021.	Project delivered	GPF funding spent in full	Revised repayment schedule approved by the Board in November 2021.	Initial project outcomes reported including new learners, apprentices and new jobs created.		Revised repayment schedule agreed and initial information on project outcomes provided.
Chatham Waterfront	Medway	Round One	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development. A waterfront development site that can provide up to 175 homes over 6 to 10 storeys with ground floor commercial space.	Piling is now complete for all blocks and work is underway on 3 of the blocks. Work has commenced to deliver the new turning required to access the site.	Ground obstructions have now been removed but this has delayed progress on part of the site. COVID-19 impact on project delivery is being continually monitored.	The GPF Funding has been spent.	Medway Council is comfortable with the current repayment schedule.	Development project will deliver 175 new homes and additional commercial space.		Impact of COVID-19 pandemic on project delivery is being continually monitored but work is continuing onsite.
Chelmsford Urban Expansion	Essex	Round One	The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, improving cash flow and the simultaneous commencement of two major housing schemes.	GPF invested and GPF has been repaid in full.	GPF element of the project complete	GPF element of the project complete	GPF element of the project complete and loan repaid in full.	Expected project outcomes not yet delivered. Information is being provided on houses delivered but to date it has not been possible to provide data on the number of jobs created.		GPF element of the project complete
Colchester Northern Gateway	Essex	Round Two	This development is located at Cuckoo Farm, off Junction 28 of the A12. The overall scheme consists of: relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes, providing in total around 35% affordable units and on site infrastructure improvements facilitating the development of the Sports and Leisure Hub.	The GPF supported phase of the project has been completed.	There is no delivery risk as the project has been completed	GPF funding spent in full. In November 2021, Board approved the reduction in value of the GPF loan to £1.35m	Full repayment will be made in 2021/22 as per the agreed repayment schedule.	No update provided on delivery of project outcomes.		Project delivered and GPF funding due to be repaid in full in 2021/22

Growing Places Fund Update Appendix A					Deliverability and Risk					
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Eastbourne Fishermans Quayside and Infrastructure Development	East Sussex	Round Two	This capital project has secured £1,000,000 European Maritime and Fisheries Fund (EMFF) grant funding to build a Fishermen's Quay in Sovereign Harbour to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet.	Work commenced onsite on 27th July 2020 and an official ground breaking ceremony was held on 24th August. GPF funded element of the wider project has been completed and the building is now in use.	Project delivered	GPF funding has been spent in full	A revised repayment schedule was agreed by the Board in July 2021. However, there remains a risk to repayment due to the impacts of the COVID-19 pandemic and Brexit.	Project is now complete and outcomes have started to be realised		Project delivered.
Grays Magistrates Court	Thurrock	Round One	The project has converted the Magistrates Court to business space as part of a wider Grays South regeneration project which aims to revitalise Grays town centre.	GPF invested, project complete and repayment made in full. The refurbished building is now in use and having a positive impact in the town centre.	Project Complete	GPF funding spent in full	GPF funding repaid in full	Project outcomes delivered.	COVID-19 is likely to impact on the economy and therefore there may be reduced occupancy of the business space in the short term.	Project delivered.
Harlow West Essex	Essex/Harlow	Round One	To provide new and improved access to the London Road site designated within the Harlow Enterprise Zone.	Project delivered to a reduced scope.	Project Complete	Project Complete	GPF funding repaid in full	The job and housing outcomes are likely to be delivered over a 7 to 10 year period. As project delivered to a reduced scope, approximately 1,000 less jobs will be delivered as a result of the project.		Further works in the programme are ongoing in Harlow that will help improve the overall viability and attractiveness of the Enterprise Zone.
No Use Empty Commercial Phase I	Kent	Round Two	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	The project has contracted with 12 projects in Dover, Folkestone and Margate. These projects will provide 15 commercial units and 28 residential units in total. To date, 15 commercial and 26 residential units have been brought back into use. The remaining project is progressing but has experienced delays in obtaining required materials, such as plaster, since the COVID-19 lockdown and has experienced increases in labour costs.	As a result of COVID-19 work was paused on all projects, however, work has now recommenced with all but 1 project now complete.	The full £1.0m of GPF funding has been allocated to projects	Due to COVID-19 impacts some borrowers may request a longer repayment schedule than originally agreed. A revised repayment schedule was agreed by the Board in November 2020, however, an element of uncertainty remains until agreement on any change of repayment terms has been agreed with each loan recipient.	Contracts are now in place to ensure delivery of the outcomes stated within the Business Case. Timeframe for realisation of benefits will be affected by COVID-19 construction delays.	No other risks identified. The number of commercial units in contract exceed the total stated in the Business Case.	Works delivered through the Project are nearing completion. Due to COVID-19 impacts, there remains an element of uncertainty regarding repayment of the loan.
No Use Empty Commercial Phase II	Kent	Round Three	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	6 projects currently contracted and underway in Folkestone, Herne Bay, Hythe, Sheerness, Swale and Ramsgate. These projects are expected to return 6 empty commercial units back into use and create 27 residential units. Approval for accelerated drawdown of £750,000 GPF (originally forecast for drawdown in 2022/23) is being sought at this meeting.	Work on the first 6 projects is underway. Further properties to be identified as scheme progresses.	No identified GPF spend risk. Approval for accelerated drawdown of GPF funding is being sought at this meeting.	The project is in the early stages but no repayment risk identified to date.	The impact of COVID-19 on the High Street may result in fewer large commercial premises coming forward for redevelopment. However, initial signs are good and encouraging discussions are ongoing with developers.		Project is in the early stages but is progressing well.

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Observer Building, Hastings - Tranche 1	East Sussex	Round Three	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.	Planning permission for the proposed works was granted in September 2020. Following a period of value engineering, works have commenced onsite. The full roof insulation has been completed ensuring the building is better protected from the weather. Key materials have been delivered and the new substation is being installed. The first tenant took occupation in November 2021.	This is a complex project seeking to address the impacts of 35 years of dereliction. Following initial works the full extent of the façade repairs is now clear and additional funding is being sought to cover the cost.	GPF allocation has been spent in full	No repayment risk identified.	It is expected that the Project outcomes will be realised as per the Business Case.		Project is progressing onsite. GPF funding has been spent in full and project outcomes remain as set out in the Business Case.
Observer Building, Hastings - Tranche 2	East Sussex	Round Three	The project will support 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.	Growing Places Fund loan agreement completed in December 2021. Full funding allocation drawn down in January 2022.	This is a complex project seeking to address the impacts of 35 years of dereliction.	Work is ongoing at the site and therefore the GPF spend risk is considered to be low.	No repayment risk identified.	It is expected that the Project outcomes will be realised as per the Business Case.		The wider project is progressing onsite and as a consequence the GPF spend risk is considered to be low.
Priory Quarter Phase 3	East Sussex	Round One	The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m ² of high quality office space with the potential to facilitate up to 440 jobs.	The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m ² of high quality office space. To date the project has created 240 jobs, with the forecast of 440 jobs still achievable when the building is fully occupied. Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.	Project Complete	Project Complete	Havelock House has been sold enabling full repayment to be made in 2018/19.	As the building has now been sold, it is difficult to obtain data regarding the number of jobs created as a result of the project		Project completed and GPF repaid in full
Wine Innovation Centre	Kent	Round Three	This project supports the development of a facility to host a wine innovation centre at the East Malling Estate. This will be the first UK research vineyard and will support Kent's wine sector to develop as a global leader in innovation. The GPF will enable the ground and foundations work as well as installation of utilities and services and construction and fit out of building.	The GPF loan agreement has now been executed by all parties. Planning permission was granted in July 2020 for the Wine Innovation Centre. Work is progressing well onsite with project completion expected in March 2022.	Project is progressing ahead of programme but there remains a risk of delayed delivery of materials due to Brexit and COVID-19 impacts.	Project is progressing to programme therefore no risks with GPF spend identified.	It is expected that repayment will be made in line with the agreed repayment schedule	It is expected that project outcomes will be delivered as per the Business Case		Project is progressing to programme with completion expected in March 2022.
Charleston Centenary	East Sussex	Round Two	The Charleston Trust have created a café-restaurant in the Threshing Barn on the farmhouse's estate. This work is part of a wider £7.6m multi-year scheme – the Centenary Project – which aims to transform the operations of the Charleston Farmhouse museum.	The GPF funded works on the café-restaurant are now complete and the café-restaurant is open. Immediate impacts of the COVID-19 pandemic have been experienced, resulting in delays to repayment of the GPF loan.	Project complete	GPF funds spent	Following impacts of COVID-19, a revised repayment schedule was approved by the Board in July 2020. Initial repayment has now been made.	Significant benefits have been realised since completion of the Centenary Project. Impacted by COVID-19 pandemic but steps being taken to try and ensure recovery from 2021.		Project delivered. Revised repayment schedule agreed as a result of the immediate impacts of the COVID-19 pandemic on the tourism industry.

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

Appendix B - Growing Places Fund Repayment Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total Drawn Down to date	Total Spent to Date	Total Repaid by 31st March 2021	2021/22 total	2022/23 total	2023/24 total	2024/25 total	2025/26 total	2026/27 total	Total
Revenue admin cost drawn down	n/a	2,000	2,000	2,000								2,000
Harlow EZ Revenue Grant	n/a	1,244,000	1,244,000	1,244,000								1,244,000
Round 1 Projects												
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	7,000,000	7,000,000	-	-	-	-	-	-	7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	1,500,000	1,000,000	500,000	-	-	-	-	-	1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	4,410,000	4,410,000	-	-	-	-	-	-	4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042	2,999,042	2,000,000	999,042	-	-	-	-	-	2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000	6,000,000	6,000,000	-	-	-	-	-	-	6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000	3,250,000	3,250,000	-	-	-	-	-	-	3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	1,400,000	1,400,000	-	-	-	-	-	-	1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	4,600,000	825,000	200,000	3,575,000	-	-	-	-	4,600,000
Workspace Kent	Kent	1,500,000	1,500,000	1,437,000	1,176,633	70,000	-	-	-	-	234,600	1,481,233
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	1,500,000	1,500,000	-	-	-	-	-	-	1,500,000
Discovery Park	Kent	5,300,000	5,300,000		5,300,000	-	-	-	-	-	-	5,300,000
Live Margate	Kent	5,000,000	5,000,000	2,996,008	500,000	1,000,000	1,000,000	1,000,000	1,500,000	-	-	5,000,000
Sub Total		46,705,042	46,705,042	39,338,050	35,361,633	2,769,042	4,575,000	1,000,000	1,500,000	-	234,600	46,686,275
Round 2 Projects												
Colchester Northern Gateway	Essex	1,350,000	1,350,000	1,350,000	-	1,350,000	-	-	-	-	-	1,350,000
Charleston Centenary	East Sussex	120,000	120,000	120,000	-	20,000	20,000	40,000	40,000	-	-	120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	1,150,000	1,150,000	225,000	250,000	675,000	-	-	-	-	1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000	2,000,000	-	-	-	-	-	1,000,000	1,000,000	2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	-	100,000	-	100,000	150,000	200,000	-	550,000
Javelin Way Development	Kent	1,597,000	1,597,000	1,597,000	-	-	-	500,000	500,000	597,000	-	1,597,000
Innovation Park Medway	Medway	650,000	650,000	650,000	50,000	600,000	-	-	-	-	-	650,000
No Use Empty Commercial Phase I	Kent	1,000,000	1,000,000	1,000,000	300,000	500,000	200,000	-	-	-	-	1,000,000
Sub Total		8,417,000	8,417,000	8,417,000	575,000	2,820,000	895,000	640,000	690,000	1,797,000	1,000,000	8,417,000
Round 3 Projects												
Wine Innovation Centre	Kent	600,000	600,000	512,102	-	-	-	100,000	250,000	250,000	-	600,000
Green Hydrogen Generation Facility	Kent	3,470,000	3,470,000	-	-	-	-	-	350,000	3,120,000	-	3,470,000
Observer Building, Hastings - Tranche 1	East Sussex	1,750,000	1,750,000	1,750,000	-	-	-	-	-	1,750,000	-	1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-	-	-	-	-	-	-	1,750,000	-	1,750,000
No Use Empty Commercial Phase II	Kent	2,000,000	750,000	350,000	-	-	-	-	750,000	750,000	500,000	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	-	-	-	-	-	400,000	600,000	-	1,000,000
Herne Relief Road	Kent	3,500,000	-	-	-	-	-	-	-	3,500,000	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	-	-	-	-	-	-	1,616,500	-	1,616,500
No Use Empty Residential	Kent	2,500,000	-	-	-	-	-	-	-	1,250,000	1,250,000	2,500,000
Sub Total		18,186,500	6,570,000	2,612,102	-	-	-	100,000	1,750,000	14,586,500	500,000	18,186,500
Total		73,308,542	61,692,042	50,367,152	35,936,633	5,589,042	5,470,000	1,740,000	3,940,000	16,383,500	1,734,600	73,289,775

Appendix C - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total drawn down to end 2020/21	2021/22 total	2022/23 total	2023/24 total	Total scheduled for drawdown
Round 1 Projects							
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000				7,000,000
North Queensway	East Sussex	1,500,000	1,500,000				1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000				4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042				2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000				6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000				3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000				1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000				1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000				4,600,000
Workspace Kent	Kent	1,500,000	1,500,000				1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000				1,500,000
Discovery Park	Kent	5,300,000	5,300,000				5,300,000
Live Margate	Kent	5,000,000	5,000,000				5,000,000
Sub Total		45,459,042	45,459,042	-	-	-	45,459,042
Round 2 Projects							
Colchester Northern Gateway	Essex	1,350,000	1,350,000				1,350,000
Charleston Centenary	East Sussex	120,000	120,000				120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	1,150,000				1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000				2,000,000
Fitted Rigging House	Medway	550,000	550,000				550,000
Javelin Way Development	Kent	1,597,000	1,597,000				1,597,000
Innovation Park Medway	Medway	650,000	650,000				650,000
No Use Empty Commercial Phase I	Kent	1,000,000	1,000,000				1,000,000
Sub Total		8,417,000	8,417,000	-	-	-	8,417,000
Round 3 Projects							
Wine Innovation Centre	Kent	600,000	100,000	500,000			600,000
Green Hydrogen Generation Facility	Kent	3,470,000	3,470,000				3,470,000
Observer Building, Hastings - Tranche 1	East Sussex	1,750,000	1,750,000				1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-	1,750,000			1,750,000
No Use Empty Commercial Phase II	Kent	2,000,000	-	1,500,000		500,000	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	400,000	600,000		1,000,000
Herne Relief Road (subject to meeting funding conditions)	Kent	3,500,000	-	3,500,000			3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	-	1,616,500			1,616,500
No Use Empty Residential	Kent	2,500,000	-	2,500,000			2,500,000
Sub Total		18,186,500	5,320,000	11,766,500	600,000	500,000	18,186,500
Total		72,062,542	59,196,042	11,766,500	600,000	500,000	72,062,542

Appendix D – Monitoring of GPF Project Outcomes

Name of Project	Outcomes defined in Business Case		Outcomes delivered to date	
	Jobs	Houses	Jobs	Houses
Round 1 GPF Projects				
Priory Quarter Phase 3	440	0	240	0
North Queensway	865	0	0	0
Rochester Riverside	1,004	374	75	331
Chatham Waterfront	211	159	0	0
Bexhill Business Mall	299	0	98	0
Parkside Office Village	127	0	163	0
Chelmsford Urban Expansion	600	4,000	0	1,576
Grays Magistrates Court	200	0	206	0
Sovereign Harbour	299	0	280	0
Workspace Kent	198	0	150	0
Harlow West Essex	3,000	1,200	1,355	920
Live Margate	0	66	0	66
Round 2 GPF Projects				
Colchester Northern Gateway	81	450	0	0
Charleston Centenary	6	0	6	0
Eastbourne Fisherman	4	0	4	0
Centre for Advanced Engineering	56	0	21	0
Fitted Rigging House	300	0	195	0
Javelin Way Development	311	0	0	0
Innovation Park Medway	307	0	20	0
No Use Empty Commercial	16	28	30	26
Total	8,324	6,277	2,843	2,919

Key:

	Projects which have been completed and which have delivered the jobs or homes outcomes as defined in the Business Case
	Projects which have been completed and which have shown some progress towards delivering the jobs or homes outcomes as defined in the Business Case
	Projects which have been completed but which have not yet shown any progress towards delivering the jobs or homes outcomes as defined in the Business Case
	Projects which are ongoing/yet to start and would therefore not be expected to be delivering jobs and homes outcomes in line with the figures defined in the Business Case.

Appendix E – COVID-19 impacts

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

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

As the country begins to recover from the COVID-19 pandemic, these risks will continue to be monitored to understand their impact on the ongoing project delivery and repayment of the GPF funding.