

ACCOUNTABILITY BOARD

10:00	Friday, 19 November 2021	Community Hall, Thurrock CVS, The Beehive Resource Centre, West Street, Grays, RM17 6XP
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The meeting will be open to the public either in person, online or by telephone. Details about this are on the next page.

Quorum: 3 (to include 2 voting members)

Membership

Sarah Dance
Cllr Kevin Bentley
Cllr Roger Gough
Cllr Rodney Chambers
Cllr Keith Glazier
Cllr Mark Coxshall
Cllr Ron Woodley
Simon Cook
Rosemary Nunn

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

For information about the meeting please ask for:

Lisa Siggins, Secretary to the Board

Telephone: 033301 34594

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Essex County Council and Committees Information

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

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:

Board members: should be attending in person at the Community Hall, Thurrock CVS, The Beehive Resource Centre, West Street, Grays, RM17 6XP. Members that have arranged in advance to attend virtually as a non-voting participant 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.

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In person:

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Accessing Documents

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

1	Welcome and Apologies for Absence	
2	Minutes of the last meeting.	6 - 16
	To approve the minutes of the meeting held on 10 September 2021.	
3	Declarations of Interest	
	To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	Questions from the public	
	In accordance with the Policy adopted by the SELEP, a period of up to 15 minutes will be allowed at the start of every Ordinary meeting of the Accountability Board to enable members of the public to make representations. No question shall be longer than three minutes, and all speakers must have registered their question by email or by post with the SELEP Secretariat (hello@southeastlep.com) by no later than 10.30am on the Monday morning before the meeting. Please note that only one speaker may speak on behalf of an organisation, no person may ask more than one question and there will be no opportunity to ask a supplementary question. On arrival, and before the start of the meeting, registered speakers must identify themselves to the Governance Officer for an in-person meeting, or the host of the meeting if it is being held virtually.	
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10	GBF Extensions beyond 31st March 2022	127 - 155
11	GBF Funding Decision - The Amelia Scott	156 - 165
12	Local Growth Fund Programme Update	166 - 192
13	A28 Sturry Link Road Update	193 - 203
14	LGF Additional Funding Awards	204 - 224
15	London Gateway/Stanford Le Hope LGF project update- REPORT TO FOLLOW	
16	Queensway Gateway Road update	225 - 238
17	LGF high risk project update	239 - 250
18	Date of Next Meeting	
	To note that the next meeting will be held on 11 February 2022, venue to be confirmed.	
19	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.	

20 **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.

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.

Minutes of the meeting of the SELEP Accountability Board, held in Detling Room, Kent Event Centre, Kent County Showground, Maidstone ME14 3JF on Friday, 10 September 2021

Present:

Cllr Louise McKinley	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers (Items 1-14)	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Ron Woodley	Southend Borough Council
Cllr Mark Coxshall	Thurrock Council
Rosemary Nunn (Items 1-9)	Higher Education representative
Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
Colin Black	Thurrock Council
Chris Broome	Sea Change Sussex
Bernard Brown	Member of the public
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Aaliyah Buxy	Medway Council
Joanne Cable	Medway Council
David Candlin	Tunbridge Wells Borough Council
Paul Chapman	Essex County Council
Alex Colbran	East Sussex County Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Amy Ferraro	SELEP
Steve Mannix	Mercury Theatre
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Charlotte Moody	Essex County Council (Legal representative for the Accountable Body)

Michael Neumann	Essex County Council
Lorna Norris	Essex County Council
Sarah Nurden	Kent County Council
Vivien Prigg	Essex County Council
Christopher Seamark	Kent County Council
Lisa Siggins	Essex County Council
Stephen Taylor	Thurrock Council
Laura Wallis	Essex County Council
Jonathan White	Kent County Council
Andy Willett	Southend Borough Council
Jim Wilkinson	SELEP

1 Welcome and Apologies for Absence

The following apologies were received:

- Sarah Dance - Councillor Gough acted as Chair in place of Sarah Dance
- Cllr Kevin Bentley substituted by Cllr Louise McKinley
- Simon Cook

2 Minutes of the last meeting

Under minute 2 (Declarations of Interest) it currently states that Sarah Dance draws a small salary from Canterbury City Council for some cultural work. This is not accurate – Sarah has a contract for provision of services to Canterbury City Council but is not an employee of the council and does not draw a salary.

The minutes of the meeting held on Friday 2 July 2021 were thereafter agreed as an accurate record.

3 Declarations of Interest

None

4 Questions from the public

There were none.

5 Local Growth Fund programme update

The Accountability Board (the Board) received a report from Helen Dyer Capital Programme Manager, the purpose of which was for the Board to consider the overall position of the Local Growth Fund (LGF) capital programme, as part of SELEP's Growth Deal with Government.

Helen Dyer indicated that, contrary to the information set out within the report, the Bexhill Enterprise Park North project no longer meets the conditions previously agreed by the Board for LGF spend beyond September 2021. This was due to the decision regarding whether to enter into a variation of the usual LGF third party grant agreement being delayed until 30 September, meaning that contractual commitments with the construction contractor would not be in place by the end of September as required.

Councillor Glazier spoke in support of the Bexhill Enterprise Park North project and indicated that the delay was solely due to a technicality regarding individual decision making on the signing of the third-party grant agreement. In addition, Councillor Glazier indicated that the project was shovel ready and could be delivered within the time period set out within the report, subject to the completion of the grant agreement.

Councillor Glazier requested that the Board agree that the project should be treated as an exception to the conditions previously agreed for LGF spend beyond September 2021.

In response to a question from Councillor Chambers, Councillor Glazier indicated that as far as he was aware there was no chance of a judicial review of the planning appeal decision being requested.

In response to a question from Councillor Coxshall, Suzanne Bennett confirmed that there are no grounds for Government to clawback the funding awarded to the project if the Board were to agree spend beyond September 2021 as an exception, as long as the funding was spent on capital expenditure.

The Board continued to discuss the project, with Charlotte Moody providing legal guidance on the responsibilities of the Board when taking decisions outside previously agreed criteria.

Consequently, the Board agreed an alternative recommendation which is set out in recommendation 7 below, with the grounds for the project being treated as an exception being that the project is shovel ready, the delay is not significant and the project remains deliverable within the time period set out in the report.

On a separate point, Councillor Chambers asked that it be noted that there is an error in Table 4 within the Local Growth Fund Capital Programme Update report. The table indicates that Innovation Park Medway – northern site (Rochester Airport – Phase 2) has already received Board approval for LGF spend beyond September 2022, this should read September 2021. In addition, the table also indicates that Innovation Park Medway – northern site extension (Rochester Airport – Phase 3) is seeking approval for LGF spend beyond September 2022 at this Board meeting, again this should read September 2021.

Resolved:

1.To Note the total spend on project delivery in 2020/21 of £49.314m LGF excluding Department for Transport (DfT) retained schemes and £72.564m

including DfT retained schemes, as set out in Table 1 of the report.

2.To Agree the updated total planned LGF spend on project delivery in 2021/22 of £55.616m excluding DfT retained schemes and increasing to £72.392m including DfT retained schemes, as set out in Table 2 and Appendix A of the report.

3.To Note the deliverability and risk assessment, as set out in Appendix D of the report.

4.To Note that the M2 Junction 5 improvements project has now received approval from the Secretary of State for Transport which satisfies the conditions attached to the transfer of the LGF funding.

5.To Agree the spend of LGF beyond 30 September 2021 and the revised completion date for the Strood Town Centre Journey Time and Accessibility Enhancements project as set out in Section 7 of the report, subject to Strategic Board endorsement in October 2021.

6. To Agree the spend of LGF beyond 30 September 2021 and the revised completion date for the Innovation Park Medway – northern site extension (Rochester Airport Phase 3) project as set out in Section 7 of the report, subject to Strategic Board endorsement in October 2021.

7.To Agree the spend of LGF beyond 30 September 2021 as an exception and the revised completion date for the Bexhill Enterprise Park North project as set out in Section 7 of this report, subject to Strategic Board endorsement in October 2021, receipt of confirmation that contractual commitments with the construction contractor are in place by 31 October 2021 and compliance with any conditions attached to the completion of the third-party grant agreement.

8. To Agree that the third-party grant agreement between East Sussex County Council and Sea Change Sussex in relation to the Bexhill Enterprise Park North project must be in place by 19 November 2021. If the grant agreement is not completed by this date, the Project will be removed from the LGF programme and the £1.94m LGF funding will be released for reallocation to alternative projects on the LGF prioritised project pipeline during the Board meeting on 19 November 2021.

6 Maidstone Integrated Transport Package project update

The Board received a report from Helen Dyer, SELEP Capital Programme Manager, which was presented by Howard Davies, SELEP Capital Programme Officer, the purpose of which was to update the Board on the delivery of the Maidstone Integrated Transport Package project (the Project).

Councillor Gough provided the Board with an update on the project, advising that it does appear to be on track, however, the mechanism for securing the required consent for the relocation of the ragstone wall has changed following updated advice from Maidstone Borough Council. It has now been agreed that listed building consent rather than planning consent is required. A pre-application meeting has already taken place, and whilst slight amendments to the design are required prior to submission, it is expected that the consent will be in place by December 2021. In light of this update, Councillor Gough requested that the recommendations be amended to allow an update on the required consent to be provided in February 2022.

Helen Dyer indicated that a further update should still be provided at the November Board meeting to ensure that all phases of the project remained on track for delivery.

Following a discussion, revised recommendations in relation to the project were agreed by the Board as set out below.

Resolved:

1. **To Note** the update on project delivery and progress towards achieving the outstanding consents;
2. **To Agree** that the £8.9m LGF funding should remain allocated to the Project;
3. **To Agree** that a project update should be provided to the Board in February 2022 on progress towards securing the required consent to relocate the ragstone wall;
4. **To Agree** that a further update on the Project, which outlines progress towards achieving the outstanding consents and on delivery of the Project, should be presented to the November Board meeting.

7 Queensway Gateway Road LGF 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 Manager, the purpose of which was to provide an update on the high-risk Queensway Gateway Road project.

Richard Dawson updated the Board on the current position, with Councillor Glazier stating that he was now confident that a solution was in place to allow the road to open, whilst land acquisition work continues.

Helen Dyer advised that an update on both the anticipated employment benefits and the timeline for the realisation of these benefits should be provided at the November Board meeting.

Resolved:

1. **To Note** the latest position on the delivery of the Project and the steps which need to be taken to secure completion; and
2. **To Agree** that an update will be provided to Strategic Board in October 2021 to make them aware of the issues related to the progress of the Project; and
3. **To Agree** that the Board will be provided with a further update on the Project, which updates the project delivery plan and associated milestones, at its meeting on 19 November 2021.

8 London Gateway/Stanford-le Hope LGF project update

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose which was for the Board to receive an update on the delivery of the London Gateway/Stanford le Hope LGF project (the Project) which has been identified as high risk.

Resolved:

1. **To Note** the update on the Project.
2. **To Note** that planning permission has been granted for Phase 1 of the Project.
3. **To Agree** the delay to delivery of the Project to December 2023.
4. **To Agree** that a further update report be brought to the Board in November 2021 to update on progress of the design developments for Phase 2.
5. **To Agree** that an additional update report be brought to the Board in February 2022, which gives a further update to:
 - 5.1. confirm that the tender process for Phase 1 of the project has been completed successfully, to provide an updated delivery programme and confirmation that a full funding package is in place to deliver the Phase 1 works.
 - 5.2. confirm the design progress for Phase 2, including planning application progress along with an outline delivery programme, forecast costs and confirmation that a full funding package is in place to deliver the Phase 2 works.
 - 5.3. confirm that the Project scope and expected benefits remain in line with that set out in the original Business Case.

9 A13 Widening project update

The Board received a report from Colin Black, Interim Assistant Director – Regeneration and Place Delivery, Thurrock Council and Howard Davies, SELEP Capital Programme Officer, the purpose of which was to provide an update to the Board on the delivery of the A13 widening project (the Project).

Colin Black updated the Board on the latest position and Councillor Coxshall offered his thanks to the Board for their support in respect of the project.

Resolved:

1. **To Note** the update on the delivery of the Project;
2. **To Note** that a further update on Project delivery will be provided at the November 2021 Board meeting.

10 A28 Sturry Link Road LGF project update

The Board received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was to update the Board on the A28 Sturry Link Road project (the Project).

Helen Dyer confirmed that planning consent for the project had been granted on 2nd September.

Councillor Gough spoke in respect of the project, requesting that LGF spend be taken off hold and that the remaining funding be transferred to Kent County Council (KCC). He advised that if the LGF funding wasn't released then KCC would not be able to acquire the required land to progress the project.

The Board proceeded to discuss the issue and Option 1 as set out in the report was identified as the preferred option, although this was amended slightly as a

result of the update provided by Councillor Gough. The change is reflected in recommendation 2 below.

Resolved:

1. **To Agree** that the total £5.9m LGF allocation should be retained against the Project;
2. **To Agree** that the remaining £4.656m LGF allocated to the Project should be transferred to Kent County Council on condition that the land acquisition is completed by 31 March 2023.
3. **To Note** that a further update will be brought to the November Board meeting which will set out progress towards mitigating the remaining delivery risk and progress towards delivery of the Project.

11 A26 Tunbridge Wells Junction and Cycle Improvements Package - LGF funding award

The Board received a report from Howard Davies, SELEP Capital Programme Officer which was presented by Helen Dyer, SELEP Capital Programme Manager, the purpose of which was for the Board to consider the award of LGF funding to the A26 Tunbridge Wells Junction and Cycle Improvements Package (the Project).

Helen Dyer advised the Board that due to the high level of risk to delivery and realisation of project benefits and the fact that the project cannot meet all the conditions agreed by the Board for LGF spend beyond September 2021, it is recommended that the proposed change of scope is refused and that Option 1 in the report be agreed.

It was noted by Suzanne Bennett that SELEP had received a letter from the Leader of Tunbridge Wells Borough Council which indicated an understanding of the current position and an acknowledgement of the difficulty in identifying compelling reasons for treating the project as an exception to the conditions for LGF spend beyond September 2021 as previously agreed by the Board.

Councillor Gough clarified that whilst Kent Highways have not yet approved the project, this is due to the project being at an early stage of development meaning that there is not currently a design for Kent Highways to approve.

The Board proceeded to discuss the project and the funding, raising some questions regarding reallocation of the funding and retention of the funding already spent supporting project delivery, these issues were addressed by Helen Dyer and Suzanne Bennett.

Resolved:

1. **To Agree** that the change of project scope should not be implemented as there are significant outstanding risks to both delivery and realisation of benefits (as set out in Section 6 of the report) and due to the Project not meeting all the conditions for spend beyond 30 September 2021 (as set out in Section 7 of the report);
2. **To Agree** that the £623,389 unspent LGF funding allocated to the Project

should be returned to the SELEP Accountable Body by Kent County Council within 4 weeks of this Board meeting;

3. **To Agree** that the £623,389 unspent LGF funding should be reallocated to an alternative project(s) through the LGF project pipeline;

4. **To Agree** that there is compelling justification for the SELEP Accountable Body to not recover the £1.177m LGF spent on the Project to date, provided that the spend continues to meet the requirements of the funding agreement which is in place.

12 LGF additional funding awards

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the award of Local Growth Fund (LGF) to projects on the pipeline should additional LGF funding become available as a result of the Board deciding to remove allocations from projects under earlier decisions on the agenda.

Howard Davies identified those projects on the pipeline which would receive the £623,389 LGF removed from the A26 Tunbridge Wells Junction and Cycle Improvements Package project.

Resolved:

1. **To Note** that the award of additional LGF funding to the projects outlined in this report will only be considered if sufficient funding is available as a result of decisions taken during the course of the Board meeting on 10 September 2021;

2. **To Agree** that the Projects set out in Appendix E meet the conditions for LGF spend beyond 30 September 2021, subject to Strategic Board endorsement in October 2021.

3. **To Agree** the award of additional LGF to the following projects in the order they appear on the LGF COVID-19 response fund prioritised project pipeline, subject to the LGF funding being returned to the SELEP Accountable Body for reallocation:

1. Kent and Medway EDGE Hub - £322,872

2. Mercury Rising, Essex - £228,000

3. Southend Airport Business Park – Part A- £72,517

13 Getting Building Fund programme update

The Board received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was for the Board to consider the overall position of the Getting Building Fund (GBF) capital programme.

Councillor Gough discussed the Amelia Scott project, which is currently second on the GBF project pipeline seeking GBF investment of £1.4m. Councillor Gough read out a letter from the Leader of Tunbridge Wells Borough Council, which gave a detailed explanation of the project, including progress to date and the benefits which will be realised as a result of delivery. The letter indicated that a further £1.4m of funding is still required to ensure that all project benefits can be realised. The letter contained a request for the Board to carefully consider the

impact of any decisions to allow projects to retain their GBF funding beyond March 2022, taking into consideration the projects on the pipeline.

The letter also requested permission to bring the Business Case for the Amelia Scott project to the November Board meeting, allowing funding to be awarded to the project if any GBF funding becomes available as a result of existing projects being removed from the programme. Suzanne Bennett responded to this request, outlining that the Secretariat unfortunately were not in a position to fund an ITE review for a Project which was coming forward prior to funding being available and outlining the required timetable if this was to be achieved, noting that the Board are unable to agree changes to the prioritisation of projects and therefore any award of funding would be subject to there being sufficient funding available to also support the Princess Alexandra Hospital project which is top of the GBF project pipeline. It was agreed that the SELEP secretariat would liaise with Tunbridge Wells Borough Council and Kent County Council to further explore the feasibility of bringing a Business Case for the Amelia Scott project forward to the November Board meeting.

Resolved:

1. **To Note** the total spend on project delivery in 2020/21 of £13.614m GBF, as set out in Table 1 of the report.
2. **To Note** the current forecast spend for the GBF programme for 2021/22 financial year of £69.879m, as set out in Table 2 of the report.
3. **To Note** that planning consent has now been granted for the Jaywick Sands Market and Commercial Space project, which fulfils the conditions which were attached to the award of GBF funding to the Project in November 2020.
4. **To Agree** to allow the Laindon Place Project until the November Board meeting (19 November 2021) to secure the required planning approvals for the proposed electric vehicle charging points.
5. **To Note** the update on the GBF projects which have been identified as High Risk.
- 6 **To Agree** that planning permission must be secured and the Third-Party Grant Agreement between East Sussex County Council and Sea Change Sussex in relation to the Fast-Track Business Solutions for the Hastings Manufacturing Sector project must be completed by 19 November 2021. If planning consent has not been secured and the grant agreement is not completed by this date, the project will be removed from the GBF programme and the £3.5m GBF funding will be released for reallocation to alternative projects on the GBF prioritised project pipeline.

14 GBF - Retention of funding beyond 31 March 2022

The Board received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was for the Board to establish SELEP's position on retaining Getting Building Fund funding against the UTC Maritime and Sustainable Technology Hub project beyond 31 March 2022.

The Board chose to agree Option 1 as detailed in Section 6 of the report:

1. **To Agree** that the Project meets the conditions and criteria previously agreed

by the Board for the retention of GBF funding beyond 31 March 2022 for a maximum period of 6 months, subject to Strategic Board endorsement at the October 2021 meeting.

The Board also established SELEP's position on retaining Getting Building Fund funding against the Riding Sunbeams project beyond 31 March 2022. The Board chose to agree Option 1 as detailed in Section 6 of the report:

1. **To Agree** that the Project meets the conditions and criteria previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 for a maximum period of 6 months, subject to Strategic Board endorsement at the October 2021 meeting.

15 Growing Places Fund programme update

At this point in the meeting quorum was lost and no further decisions could be taken, therefore this item was deferred for discussion at a later date.

16 Operations update

The Board received a report from Suzanne Bennett, Chief Operating Officer, the purpose of which was to provide the Board with an update on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report includes an update on the risk register and information on compliance with the Assurance Framework.

Suzanne Bennett noted that there have been some delays in receiving agenda packs and minutes for Federated Board meetings and asked that where possible Board members use their influence to ask officers to provide the information to SELEP within the agreed timeframe.

The Board discussed the difficult situation concerning the ongoing uncertainty regarding future funding, expressing their support and thanks to all staff involved.

Adam Bryan updated the Board on the current position and offered his thanks to the Board for their continued support.

Resolved:

1. **To Note** the update on Assurance Framework compliance monitoring at Appendix A and Governance KPIs at Appendix B of the report; and
2. **To Note** the changes to the Risk Register at Appendix C of the report.

17 Finance update - Update on the SELEP 2021/22 Revenue Forecast

The Accountability Board (the Board) received a report from Lorna Norris, Senior Finance Business Partner, the purpose of which was for the Board to consider the SELEP Revenue Forecast for 2021/22 and the continued risks to the future funding position for the LEP.

In response to a question raised by Councillor Coxshall, Suzanne Bennett provided clarification regarding the core funding stating that 50% had been provided at the current time, with the remaining 50% pending subject to the outcome of the LEP review.

Resolved:

1. **To Note** the updated forecast revenue outturn position for 2021/22 of a net overspend of £88,000.
2. **To Note** the risks with respect to the future funding position for SELEP.

18 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 19th November 2021, venue to be confirmed.

19 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.

20 A13 Widening project update - CONFIDENTIAL Appendix A

The Board received A13 Widening project update - CONFIDENTIAL Appendix A

Chair

Report title: Update on SELEP Revenue Budget 2021/22 and Proposed Revenue Budget 2022/23	
Report to: Accountability Board	
Report author: Lorna Norris, Senior Finance Business Partner	
Date: 19 November 2021	For: Decision
Enquiries to: lorna.norris@essex.gov.uk	
SELEP Partner Authority affected: Pan SELEP	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the latest financial forecast position for the SELEP Revenue budget for 2021/22. In addition, a proposed budget for 2022/23 is recommended for approval, based on current knowledge of funding available in 2022/23.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Note** the current forecast net cost of services for 2021/22 is an under spend of £15,000;
- 2.1.2 **Approve** the appropriation to the Operational Reserve of the following funding:
- 2.1.2.1 Sector Support Funding of £126,736
 - 2.1.2.2 Covid-19 Skills Funding of £417,864
 - 2.1.2.3 Covid-19 Business Support Funding £22,864
 - 2.1.2.4 Growing Places Revenue Funding of £986,614
- 2.1.3 **Approve** the establishment of the following reserves, funded by the respective appropriations from the Operational Reserve:
- 2.1.3.1 Redundancy Reserve - £275,000
 - 2.1.3.2 Future Commitments Reserve - £423,000
 - 2.1.3.3 Risk Reserve - £975,000
- 2.1.4 **Approve** the revenue budget for 2022/23 set out in Table 6, including the appropriations from reserves, as set out in Table 8.

3. 2021/22 Revenue Budget Update

- 3.1 In September 2021, the Finance Update to the Board advised of the impact on the budget position and the SELEP team as a result of 50% of the core funding from Government, equivalent to £250,000, not being received; planned spend by the SELEP Secretariat has been reduced accordingly to

address this. This grant contribution remains unconfirmed and it is assumed within this forecast that it will not be received. This forecast also reflects the on-going uncertainties with respect to future funding for LEPs and recommends measures to establish reserves to assure sufficient funding remains available to address known on-going commitments.

3.2 The updated 2021/22 SELEP revenue budget was agreed by Accountability Board at its July 2021 meeting. The latest forecast outturn position is set out in Table 1 and indicates an under spend of £15,000 against the budgeted net cost of services of £923,000; the impact of this is an increase to the budgeted contribution to reserves (before other adjustments) of £15,000 – from £77,000 to £92,000.

3.3 A further movement from the budgeted position is the proposal to re-purpose several funding streams, totalling £1.553m, into reserves to mitigate the financial challenges being incurred by the SELEP from 2022/23 – these proposals are explained further in section 3.6 below. When these movements are taken into account, the forecast net surplus to be appropriated to reserves is £1.645m.

3.4 The other main movements from the forecast position reported to the Board in September 2021 are summarised as follows:

3.4.1 A reduction in staffing related expenditure, arising from a hold on recruitment to vacant posts and some staff working reduced paid hours for SELEP.

3.4.1.1 A reduction in planned spend in relation to the following programmes (as endorsed by the Strategic Board in October 2021):

- Uncommitted COVID-19 Support Funds - £440,728¹
- Uncommitted Sector Support Funds - £126,736

This funding is proposed to be transferred to reserves as set out in section 3.6 below.

3.4.1.2 A small amount (£13,000) of external interest on capital balances held is forecast to be received. This position is being regularly monitored and the current advice from the Treasury Management team at Essex County Council is to assume no further interest at this stage.

3.5 Table 2 sets out the forecast position for the specific revenue grants, the in-year movement of which is incorporated into Table 1. It is currently assumed that the majority of specific grants will spend in line with budget; however, where it is known that the programmes or workstreams funded by the grant

¹ The uncommitted value of the COVID-19 support funds included in the Strategic Board paper was estimated at £450,000, this has now been forecast at £440,728.

are planned to be delivered post 2021/22, this has been reflected in the grant forecast spend profile.

Table 1 – Total SELEP Revenue Budget Outturn Forecast – September 2021

	Forecast Outturn £000	Latest Budget £000	Variance £000	Variance %	Previous Forecast £000	Forecast Movement £000
Staff salaries and associated costs	951	1,101	(150)	-14%	974	(23)
Staff non salaries	12	10	2	21%	10	2
Recharges (incl. Accountable Body)	374	366	8	2%	373	0
Total staffing	1,337	1,477	(140)	-10%	1,357	(20)
Meetings and admin	32	40	(9)	-21%	35	(4)
Chair and Deputy Chair Allowance including oncosts	39	41	(2)	-5%	41	(2)
Consultancy and project work	353	473	(120)	-25%	436	(83)
COVID-19 Support Programmes	3,504	4,453	(949)	-21%	3,945	(441)
Grants to third parties	2,527	2,675	(148)	-6%	2,653	(126)
Total other expenditure	6,454	7,681	(1,227)	-16%	7,110	(656)
Total expenditure	7,791	9,158	(1,367)	-15%	8,467	(676)
Grant income	(3,175)	(3,593)	418	-12%	(3,321)	146
Contributions from partners	(150)	(150)	-	0%	(150)	-
COVID-19 Support Fund	(3,545)	(4,493)	948	-21%	(3,986)	441
External interest received	(13)	-	(13)	0%	-	(13)
Total income	(6,883)	(8,235)	1,353	-16%	(7,457)	574
Net cost of services	908	923	(15)	-2%	1,010	(103)
Funds not charged to services						
GPF Contribution transferred to Reserves	(1,000)	(1,000)	-	0%	(1,000)	-
Other re-purposed funds transferred to Reserves	(1,553)	-	(1,553)	-	-	(1,553)
Net Deficit (Surplus) on provision of services	(1,645)	(77)	(1,568)	2027%	10	(1,563)
Net Contributions to/(from) Operational reserves	1,645	77	1,568	2027%	(10)	(1,636)
Final net position	-	-	-	0%	-	-

Table 2 – Specific Revenue Grants 2021/22 Forecast Summary

Fund	Funding Brought Forward £000	Funding Received £000	Funding Applied £000	Funding Repurposed to Reserves £000	Funding Carried Forward £000
GPF Revenue Grant	(987)	-	-	987	-
Sector Support Fund (SSF)	(1,394)	-	1,247	126	(22)
Growth Hub - Core Funding Grant	-	(890)	890	-	-
Growth Hub - Peer Network Grant	-	(225)	225	-	-
ERDF Legacy Funds	(350)	-	350	-	-
Skills Analysis Panels (SAP) Grant	-	(75)	75	-	-
Local Digital Skills Partnership Catalyst Grant	(37)	(75)	92	-	(20)
Delivering Skills for the Future	(1)	-	1	-	-
Energy Strategy Grant	(7)	-	7	-	-
Developing High Streets	(10)	(6)	16	-	-
Total Grant Income Applied	(2,785)	(1,271)	2,902	1,113	(42)
SELEP Core and GBF Capacity Grants	(23)	(250)	273	-	-
Covid-19 Skills Fund	(2,096)	-	1,678	418	-
Covid-19 Business Support Fund	(2,396)	-	1,866	23	(507)
Total Revenue Funding Applied	(7,301)	(1,521)	6,720	1,553	(549)

Re-purposed Funds Transferred to Reserves

- 3.6 At the Strategic Board meeting in October 2021, in recognition of the financial challenges facing SELEP into 2022/23, the Strategic Board endorsed an approach to re-prioritise the uncommitted funding associated with the COVID-19 recovery programmes to support the SELEP operational budget in 2022/23; this re-alignment requires approval from the Board to move this funding into the Operational reserves in 2021/22 to support the budget in 2022/23 – the budget proposals set out in section 5 below are presented on this basis.
- 3.7 Further, at the same Strategic Board meeting, the Strategic Board endorsed the proposal to cancel consideration of any new Sector Support Fund (SSF) bids and to divert the uncommitted funding of £126,736 into reserves to support the SELEP operational budget in 2022/23; this position would be re-considered should the second tranche of Core Funding be received from Government in 2021/22. The budget proposals set out in section 5 assumes use of this funding as there remains no confirmation from Government with respect to the core funding.
- 3.8 In addition to the two grants above, it is proposed that the GPF revenue grant that is currently uncommitted is also re-prioritised and ring-fenced within the reserves to mitigate future commitments and risks alongside assuring sufficient funding is available to deliver the budget for 2022/23 proposed in section 5.
- 3.9 The impact of these proposed appropriations to reserves is set out in the Reserves Summary in section 4. It is considered necessary to realign the funding position at this time to ensure sufficient revenue funding is ring-fenced to meet known future commitments in the absence of any assurance from Government with respect to future funding streams.
- 3.10 In addition to the grants set out in Table 2, the Accountable Body administers the funds in Table 3 on behalf of SELEP; the investments through grants or loans to third parties are to support delivery of the SELEP priorities, including the COVID-19 recovery. The notes below sets out the position for each Fund.

Table 3: Funds Administered by SELEP in 2021/22

Fund	Fund balance brought forward £000	Forecast Funding Received / Repaid £000	Forecast Funding Applied £000	Forecast Fund Balance Carried Forward £000
Local Growth Fund (LGF) (MHCLG)	(5,146)	-	5,146	-
Local Growth Fund (LGF) (DfT)	(8,399)	-	8,399	-
Growing Places Fund (GPF) (on-going Loan Fund)	(16,817)	(5,589)	12,017	(10,390)
Getting Building Fund (GBF)	-	(42,500)	42,500	-
Total Funds	(30,362)	(48,089)	68,061	(10,390)

- 3.10.1 Local Growth Fund (LGF) – the only remaining LGF held by the Accountable Body at the start of 2021/22 related to projects in Essex County Council (ECC) and Kent County Council (KCC); the KCC element relates to the Sturry Link Road project and remains subject to decisions in agenda item 13.
- 3.10.2 Local Growth Fund (LGF) (DFT) – the brought forward balance from 2020/21, is expected to be fully spent in 2021/22. A further allocation is expected to be received in relation to the A127 Fairglen project, but this remains subject to final approval by the Secretary of State; assuming this funding is received, it is anticipated to be fully spent in 2021/22 – see agenda item 12 for further details
- 3.10.3 The GPF funding carried forward into 2021/22 is fully allocated across 2021/22 and 2022/23; future investments will be subject to receipt of the loan repayments due in 2021/22 and beyond and decision making by the Strategic Board and the Board with respect to continued investment into the GPF pipeline. It should be noted that the decision in the GPF report (agenda item 7) to write off £18,767 as a bad debt will reduce the overall value of the fund for future investment by this amount. Further information on the GPF position can be found in Agenda item 7. Current commitments in the management and oversight of this fund by the Accountable Body extend beyond 2026/27, when the final repayment is currently due.
- 3.10.4 The MHCLG awarded SELEP Getting Building Fund (GBF) totalling £85m; £42.5m of this fund was awarded and transferred to partners in 2020/21; the remaining £42.5m was received by the Accountable Body in May 2021 and is forecast to be fully allocated and transferred to delivery partners in 2021/22. Further information on this fund is set out in agenda item 9.

4. Reserves

- 4.1 The SELEP 2021/22 budget includes a contribution to the Operational reserve of £77,000; however, the forecast underspend of £15,000 increases this contribution to £92,000; this forecast position reflects the assumption that the outstanding Core Funding contribution from Government of £250,000 will not be received, as had been anticipated in the 2021/22 SELEP budget.
- 4.2 The existing ring-fenced Covid-19 reserves are to support the contractual commitments in place to deliver the Skills and Business Support Covid-19 recovery programmes. The business support contract concludes in 2022/23 which requires that £507,000 of this funding is carried into this year to meet this commitment.
- 4.3 To date, the reserves have been managed by agreeing the minimum level required to support any redundancy costs associated with the SELEP Secretariat within the Operational reserves – this approach was acceptable whilst there was a strong likelihood with respect to continued funding of SELEP. In light of the uncertainties with respect to the future role and funding for the SELEP, the Accountable Body has worked with the SELEP Secretariat to consider the overall funding position to ensure sufficient funding is available

to meet the existing commitments and risks that the Accountable Body is managing on-behalf of SELEP. These include:

- 4.3.1 Financial oversight, management and reporting on the grant and loan agreements Essex County Council has put in place on behalf of SELEP; the longest agreement currently expires 2026/27;
 - 4.3.2 Costs associated with employing the Secretariat, including potential redundancy costs;
 - 4.3.3 Operational costs of SELEP and any costs specifically associated with the operation of South East LEP Ltd.
- 4.4 In addition to this, there are several known risks that may require future funding; these are set out in the Operations Report (agenda item 6).
- 4.5 The SELEP Framework Agreement that sets out the legal and governance arrangements between the Accountable Body and the other SELEP partner authorities, requires that the costs incurred by the Accountable Body on behalf of SELEP, are funded by SELEP. To ensure that sufficient funding is available to meet on-going obligations and risks, three uncommitted grants are proposed to be appropriated to reserves, as set out in section 3.6 above.
- 4.6 In taking the above commitments and risks into account, it is proposed to establish the following three separate ring-fenced reserves, as set out in Table 4, to ensure sufficient monies are available to address the on-going obligations and risks in future years:
- 4.6.1 Redundancy Reserve - £275,000 - This replaces the minimum reserve allocation of £260,000 previously approved by the Board and reflects the current value of the potential redundancy risk of the Secretariat team.
 - 4.6.2 Future Commitments Reserve - £423,000 – This reflects the anticipated on-going costs of the Accountable Body from 2023/24 to 2027/28 in managing the existing legal and financial commitments of SELEP.
 - 4.6.3 Risk Reserve - £975,000 – This reserve is proposed to assist in mitigating the potential future financial exposure to the Accountable Body of known risks, as set out in the Risk Register in the Operations Report (agenda item 6). The value of this reserve is estimated based on an assessment of current risks and will be subject to on-going review as part of future decision making by the Board.
- 4.7 The impact of these proposals in conjunction with the latest forecast position gives a closing balance on the Operational reserve of £944,000; this reflects the amount available to support the operations of the SELEP into 2022/23. The proposed budget set out in section 5 below is prepared on the basis of full use of this funding in 2022/23 – if this position is agreed, based on current assumptions, that would suggest that there will be no further funding available to support the Secretariat beyond the end of March 2023. In this

circumstance, sufficient funding has been provisioned in the Redundancy reserve to meet any associated redundancy costs that may be required.

- 4.8 The current forecast position for the Operational reserve at the end of financial year 2021/22 is shown in Table 4.

Table 4 – 2021/22 Operational Reserves Summary

	2021/22		2022/23
	Budget £'000	Forecast £'000	Proposed Budget £'000
Operational Reserve Balance			
Balance as at 1 April 2021	972	972	944
Surplus (Deficit) on Provision of Services before Proposed Transfers	77	92	(944)
Proposed Appropriation of uncommitted funds to reserves:			
GPF Revenue Grant		987	
Sector Support Fund (SSF)		126	
Covid-19 Skills Fund		441	
Surplus (Deficit) on Provision of Services	77	1,645	(944)
Proposed Appropriations to Ring-fenced Reserves			
Redundancy Reserve		(275)	
Future Commitments Reserve		(423)	
Risk Reserve		(975)	
Operational Reserve Balance as at 31st March 2022	1,050	944	0

- 4.9 Table 5 provides a forecast summary of the overall reserves position at the end of 2021/22 and reflects the impact of the proposed changes.
- 4.10 The level of the reserves is based on the latest estimate of known commitments and risks; this will be subject to review as part of the on-going financial monitoring and will continue to form part of the reporting to the Board on a quarterly basis. Any changes in the level of reserves will be subject to future decision making by the Board.

Table 5: 2021/22 Reserves Summary

	Opening Balance Apr '21 £'000	Contributions £'000	Withdrawals £'000	Closing Balance Mar '22 £'000
Operational Reserve	972	1,645	(1,673)	944
Ring-fenced Reserves Earmarked for future use				
Covid-19 Skills Support Fund	2,096	-	(2,096)	-
Covid-19 Business Support Fund	2,396	-	(1,889)	507
Redundancy Reserve (Proposed)	-	275	-	275
Future Commitments Reserve (Proposed)	-	423	-	423
Risk Reserve (Proposed)	-	975	-	975
Total Reserves	5,465	3,319	(5,659)	3,125

5. 2022/23 Proposed Revenue Budget

- 5.1 The delivery priorities of SELEP within a single financial year are constrained by the budget available to support those activities. In light of the financial uncertainties anticipated into 2022/23, the budget reflects the known funding available to support delivery; no new external funding is assumed as there has been no confirmation of such funding at the time of writing.
- 5.2 The proposed budget set out in Table 6 below has been planned on the basis of the available funding. The costs of the Secretariat will need to reduce compared to the current financial year – a consultation exercise is already underway with the team and three established posts and 4 vacant posts have been identified for deletion. In addition, 2 further posts are at risk should the grant currently funding those posts, be discontinued from 2022/23. This reflects a potential 45% reduction in the FTE capacity of the Secretariat team, equivalent to a 40% reduction in the total staffing budget.
- 5.3 In addition to the staffing reductions, other key changes to the budget position are:
- 5.3.1 Grant Income – There is a significant reduction in grant funded activities as the grants have been fully committed and no new grant is currently known to be available. The specific grant income included reflects those grants where there is an expectation that there will be a carry-forward of funding from 2021/22; a number of grants applied in 2021/22 are due to end in that year so the total grant income is budgeted to reduce significantly. A consequence of this is that there will also be a corresponding decrease in expenditure on grants to third parties, consultancy and project work and staffing recharges.
- 5.3.2 External Interest – In previous financial years, external interest accrued on capital balances held by the Accountable Body on behalf

of SELEP has been a significant funding stream; since the outset of the COVID-19 pandemic, interest rates have dropped significantly and in some circumstances have become negative. Additionally, with the level of capital balances held now at a significantly lower level than in previous years, no interest forecast is currently included in the budget.

- 5.3.3 Core Funding - It is assumed that the Core Funding from Government (£250,000 in 2021/22 with a further £250,000 still subject to confirmation), will not be allocated in 2022/23; if this position should change, the budget position will be reviewed following receipt of any funding allocated.
- 5.3.4 Contributions from Partners - In previous years, a funding contribution (totalling £150,000 in 2021/22) from the six upper tier local authority partner authorities in SELEP has been made as a match for the Core Funding received from Government. As the Core Funding is unconfirmed by Government at this stage, no match funding is anticipated; this position does further add to the financial challenges of SELEP in 2022/23.
- 5.4 The Strategic Board are due to consider the high level outcomes to form the basis of the Delivery Plan for 2022/23 at their meeting in December 2021, that will be funded by the available budget. This follows on from the high level priorities that were agreed with Strategic Board at their meeting in October. Given the funding constraints, and the reduced size of the team from April 2022, the SELEP Secretariat have advised that there are a number of activities that they will no longer be able to deliver, which accords with the prioritisation agreed with Strategic Board, these include:
 - 5.4.1 Playing a leading role in the skills agenda across the region
 - 5.4.2 A significant reduction in communication and engagement activities
 - 5.4.3 A reduction in the work supporting some of the strategic activities of the LEP including support for some working groups and work on one-off operational projects supporting the strategic agenda
- 5.5 Discussions will be had with partners and other stakeholders to identify if there is any opportunity to hand over some of these activities to other organisations as it is all value add activity but this cannot be funded ahead of the activities that support the delivery of current obligations and the activities that support the priorities agreed with Strategic Board.
- 5.6 Table 7 sets out the assumed position for the specific grants already received that are planned to be carried-forward and defrayed in the 2022/23 proposed budget.

Table 6 – Proposed 2022/23 Budget

	2021/22	2021/22	2022/23		
	Forecast Outturn	Latest Budget	Proposed Budget	Budget Movement	Budget Movement
	£000	£000	£000	£000	%
Staff salaries and associated costs	951	1,101	764	(338)	-31%
Staff non salaries	12	10	7	(2)	-24%
Recharges (incl. Accountable Body)	374	366	110	(256)	-70%
Total staffing	1,337	1,477	881	(596)	-40%
Meetings and admin	32	40	33	(7)	-17%
Chair and Deputy Chair Allowance including oncosts	39	41	42	0	1%
Consultancy and project work	353	473	9	(464)	-98%
COVID-19 Support Programmes	3,504	4,453	507	(3,946)	-89%
Grants to third parties	2,527	2,675	22	(2,653)	-99%
Total other expenditure	6,454	7,681	612	(7,069)	-92%
Total expenditure	7,791	9,158	1,493	(7,665)	-84%
Grant income	(3,175)	(3,593)	(42)	3,551	-99%
Contributions from partners	(150)	(150)	-	150	-100%
COVID-19 Support Fund	(3,545)	(4,493)	(507)	3,986	-89%
Other Contributions	-	-	-	-	0%
External interest received	(13)	-	-	-	0%
Total income	(6,883)	(8,235)	(549)	7,686	-93%
Net cost of services	908	923	944	21	2%
Funds not charged to services					
GPF Contribution transferred to Reserves	(1,000)	(1,000)	-	1,000	-100%
Other re-purposed funds transferred to Reserves	(1,553)	-	-	-	0%
Net Deficit (Surplus) on provision of services	(1,645)	(77)	944	1,021	-1320%
Net Contributions to/(from) Operational reserves	1,645	77	(944)	(1,021)	-1320%
Final net position	-	-	-	-	

Table 7: Specific Revenue Funding incorporated in the 2022/23 Proposed Budget

Fund	Grant brought forward	Grant Received	Grant Applied	Grant Carried Forward
	£000	£000	£000	£000
Sector Support Fund (SSF)	(22)	-	22	0
Local Digital Skills Partnership Catalyst Grant	(20)	-	20	0
Total Grant Income Applied	(42)	-	42	0
SELEP Core Grant	-	-	-	-
Covid-19 Business Support Fund	(507)	-	507	-
Total Revenue Funding Applied	(549)	-	549	0

Note: No new grants are currently confirmed to be received from Government in 2022/23.

6. 2022/23 Reserves Summary

- 6.1 The following table sets out the anticipated operational reserves position as at April 2022 of £944,000; this assumes that the end of year position reflects the forecast planned appropriations to / from reserves in 2021/22 as set out in Table 1 above. The proposed budget position for 2022/23 anticipates the requirement of the full £944,000 to fund the costs in that year; this will fully utilise the Operational reserve and will mean that in the absence of further new funding opportunities, any remaining posts within the Secretariat may need to be deleted on the basis of insufficient funding being available – it is therefore assumed that the redundancy reserve will be fully utilised also. This position is summarised in Table 8.
- 6.2 The existing contracts delivering the Covid-19 Business Support fund are expected to conclude within 2022/23 and therefore the associated funding is expected to be appropriated from the reserve to support the anticipated expenditure.
- 6.3 It is currently therefore assumed that beyond March 2023, the reserves will only be required to meet known future commitments and risks. However, the overall reserves position will be kept under review through the regular budget monitoring undertaken by the Accountable Body to ensure that balances held remain at an appropriate level. An update will be provided to the Board on a quarterly basis to provide assurance in this respect.

Table 8 – Planned Reserves 2022/23

	Opening Balance Apr '22 £'000	Contributions £'000	Withdrawals £'000	Closing Balance Mar '23 £'000
Operational Reserve	944	-	(944)	-
Ring-fenced Reserves Earmarked for future use				
Covid-19 Skills Support Fund	-	-	-	-
Covid-19 Business Support Fund	507	-	(507)	-
Redundancy Reserve (Proposed)	275	-	(275)	-
Future Commitments Reserve (Proposed)	423	-	-	423
Risk Reserve (Proposed)	975	-	-	975
Total Reserves	3,125	-	(1,726)	1,398

7. Financial Implications (Accountable Body comments)

- 7.1 This report has been authored by the Accountable Body and the recommendations are considered appropriate.

- 7.2 A key continuing risk for SELEP remains the lack of assurance of future funding streams from Government; currently no new funding streams are anticipated from 2022/23.
- 7.3 A number of the SELEP Secretariat staff are funded through specific grants which are only confirmed on an annual basis; this builds in additional risk to assuring employment and delivery; this risk is mitigated through the proposed budget and reserves.
- 7.4 The proposed 2022/23 revenue budget is considered to be robust and the approach to reserves held is appropriate. This position will remain under review; should additional funding be awarded to the SELEP or assumptions made need to be amended, decisions will be brought back to the Board as appropriate.
- 7.5 Given the challenging reserves position for the SELEP, it will be necessary to consider carefully the impact of future decision making, including new funding streams, to ensure that sufficient resources remain available to support any new commitments arising.

8. Legal Implications (Accountable Body comments)
None

9. Equality and Diversity implication

- 9.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
 - 9.1.1 Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 9.1.2 Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 9.1.3 Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 9.3 In the course of the development of the budget, the delivery of the service and their ongoing commitment to equality and diversity, the accountable body will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

10. List of Appendices

None

11. List of Background Papers

None

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer Essex County Council)	9 November 2021

Forward Plan reference number: FP/AB/451

Report title: SELEP Operations Update	
Report to: Accountability Board	
Report author: Suzanne Bennett Chief Operating Officer	
Meeting Date: 19 November 2021	For: Decision
Enquiries to: Suzanne.bennett@southeastlep.com	
SELEP Partner Authority affected: Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to be updated on the operational activities carried out by the Secretariat to support both this Board and the Strategic Board. The report also includes a decision to extend the contract for the Independent Technical Advisor which was awarded on a 1 year plus 1 year basis starting in April 2021. The report includes an update on the Risk Register and information on compliance with our Assurance Framework.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Agree** to extend the contract with Steer for the provision of the Independent Technical Evaluator services for 1 year from 1 April 2022 to 31 March 2023
- 2.1.2. **Note** the proposed changes to the Assurance Framework as highlighted at Appendix A.
- 2.1.3. **Note** the update on Assurance Framework compliance monitoring at Appendix C and Governance KPIs at Appendix D; and
- 2.1.4. **Note** the changes to the Risk Register at Appendix E.

3. ITE Contract Decision

- 3.1. In September 2020 it was agreed that the contract for the ITE work would be awarded to Steer under the Bloom consultancy framework agreement for two years on a one plus one basis. The first year of this contract ran from 1 April 2021 and is due to expire on 31 March 2022. It is timely to agree now whether the contract should be extended or if the contract should expire on 31 March 2022.
- 3.2. It is a requirement of the National Assurance Framework that all LEPs engage an Independent Technical Evaluator to evaluate business cases submitted for investment and make recommendations to this Board. In addition to assessing

new business cases, the ITE must also assess project changes where there are changes to parameters such as project cost, scope, timescales and/or benefits.

- 3.3. Whilst we are currently not expecting any further capital funding to be awarded to LEPs for the forthcoming financial year, there could be business cases to assess, should current projects not be able to proceed, and funding be reallocated to the pipeline. Additionally, there may be project changes that require assessment ahead of decisions by this Board.
- 3.4. The decision made in September 2020 was that the contract be awarded on a short-term basis for one year with an option to extend for one more year, with an open procurement to take place in Autumn 2022 when further information on the future role of LEPs would be available and when SELEP would be clearer about its own role and functions.
- 3.5. There have been no significant changes to the position set out in September 2020, in fact the future role for LEPs is more uncertain. On this basis it is recommended that the contract with Steer continue for a final year, to 31 March 2023.
- 3.6. The forecast costs of this contract (£5,000) are included in the proposed budget to be considered by the Board at item 5.

4. Changes to the National Assurance Framework

- 4.1. The SELEP Framework Agreement requires all changes to the Assurance Framework to be consulted on with Accountability Board before being presented to Strategic Board for consideration. Therefore, the changes set out below are presented to this Board for comment but not decision. The decision on changes to the SELEP Local Assurance Framework (LAF) will be presented to Strategic Board in December.
- 4.2. In September the Ministry of Housing, Communities and Local Government (MHCLG) as it was known at the time, issued notice that it had reviewed the National Assurance Framework (NAF) and updates had been made.
- 4.3. An assessment of the impact of these requirements has been made and the changes that are required to the SELEP LAF are as follows:
 - 4.3.1. Update to reflect that the target for equal gender representation on the Strategic Board is specifically from the beginning of 2023 rather than 2023 generally;
 - 4.3.2. Clarify the timeline for the production of the Annual Report;
 - 4.3.3. List the Expenses and Hospitality Policies as two separate policies; and
 - 4.3.4. Explain the assurance process which now officially includes the Mid-Year Review.

- 4.4. In addition to the updates detailed above, MHCLG also issued a number of exemptions to the NAF recognising the exceptional circumstances in which LEPs find themselves. Following recent discussions at Strategic Board, the Secretariat is exploring options to extend terms of Strategic Board members. This would be in line with the exemption to the NAF and should be considered as an exemption to our governance, but this has highlighted that adding some flexibility to the minimum terms to be served by Board Members should be added as a permanent change to our governance.
- 4.5. On that basis it is suggested that the second sentence in paragraph I.1.4 is changed to read (additions in *italics*):
- 4.5.1. All Board members, including the Chair and Deputy Chair, are appointed on a ***no more than*** 2 year term, up to a maximum of 3 consecutive terms.
- 4.6. A complete list of proposed changes and the current wording can be found at Appendix A.

5. Assurance Framework Monitoring

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

Increasing gender diversity to 50/50 by 2023	This has been indicated by Government as a target in the National Assurance Framework.
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- 5.3. The recently released Exemptions to the National Local Growth Assurance Framework 2021-22 (Appendix B) allows for LEP Boards to be 'temporarily non-compliant' with requirements on gender diversity. However, it's not clear whether this exemption will be extended into 2022/23. The recent update to the NAF has indicated that this target will apply from the start of 2023 so will need to be met by the next financial year.
- 5.4. The Board will be updated on progress at each meeting. There are ongoing actions that involve keeping deadlines relating to publishing or maintaining up-to-date information, which will continue to be reviewed. More detail can be found at Appendix C.
- 5.5. Recently the Chief Executive, the Chief Operating Officer and a representative of the Section 151 Officer at Essex County Council met an official of the Cities and Local Growth Unit to undertake the Mid-Year Conversation. This process has replaced the Mid-Year Review that has taken place in previous years and

focussed mainly on the impact of reduction of funding in year. There is no official score or outcome from the Mid-Year Conversation. Officials have indicated that there will be an Annual Performance Review in some form for the year and Board will be updated on this when further details are available.

6. Key Performance Indicators

- 6.1. We are tracking a number of KPIs to ensure there is compliance with the governance requirements in the Assurance Framework. These can be found at Appendix D.
- 6.2. Generally all KPIs are delivering in line with targets. However the Strategic Board Agenda Pack was published one day late due to resourcing pressures. The Secretariat and the Accountable Body are working together on the planning of future Board packs to avoid this happening again.
- 6.3. Deadlines continue to be missed for the publication of some Federated Boards' papers and the Secretariat will continue to approach individual officers supporting the Federated Boards to improve on performance in this area.

7. Risk Register

- 7.1. As reported previously, there continues to be a high number of risks being managed by the SELEP Secretariat management team. The main driver of the majority of risks is the ongoing uncertainty and lack of clarity from HM Government on the future role of LEPs and the funding to be provided. An extract from the Risk Register showing risks ranked as high and medium can be found at Appendix E.
- 7.2. Risks are being actively managed and this approach means that some risks have been downgraded or removed from the Register. Details can be found below:
 - 7.2.1. The introduction of a process for managing delays to Getting Building Fund (GBF) projects has reduced the likelihood of unmanaged delays to the delivery of those projects. The impact of delays to this programme on the reputation to the partnership has also reduced as Government interest in the programme has decreased as they concentrate on new funding streams. This risk (reference 40) has now reduced to a medium ranking.
 - 7.2.2. Risk 41 relates to the role that LEPs have with regard to the Skills agenda. Given the contents of the Skills for Jobs White Paper and associated Bill it has been assumed that LEPs will have a much reduced role and the resource allocated to the Skills agenda has been reduced accordingly in next year's budget. A risk remains that Government does identify a role for LEPs in the skills agenda in future but this is now classed as less likely to occur than not. If a role is identified the LEP will need to redeploy resource or contract additional resource but this is now ranked as a low risk.

- 7.2.3. Risk 44 related to the timing of the reporting of the outcomes of the LEP Review and the impact on planning for the team for financial year 2022/23. This is no longer a risk as the event has occurred and it has been necessary to implement changes to the team now to allow a balanced budget for next year to be set, therefore this risk has been removed from the Register. There is a risk that the decisions made regarding the resources within in the team don't align with the LEP Review or other government Department expectations of LEPs but these are being managed as part of risks 41 and 42.
- 7.3. Risk 10 regarding the recruitment and retention of Board Members has been increased to a high ranking. We have already been informed that some SELEP Directors are intending to stand down at the end of their current term at the end of this year and there may be difficulties in recruiting replacements given the uncertainty of the future role of LEPs. The risk is being managed through the application of the exemptions made available by the Department of Levelling Up, Housing and Communities (DLUHC), which allows for extensions of terms and appointments on limited terms that don't require open recruitment.
- 7.4. Whilst other risk ratings haven't changed it should be noted that the main risk now facing the Secretariat is that key members of staff are lost due to the continuing uncertainty. Whilst a balanced budget is set for next year, there is no certainty beyond March 2023. Coupled with the lack of direction and decreasing professional impact for members of the team, there is a high risk that key members of the management team seek other employment. Contingency planning around redeployment is being carried out within the management team and with the Accountable Body.

8. Accountable Body Comments

- 8.1. It remains a requirement for SELEP to have an assurance framework in place that complies with the requirements of the National Local Growth Assurance Framework.
- 8.2. The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.
- 8.3. A requirement for the release of Getting Building Fund tranche 2(GBF) grant to SELEP for 2021/22, was that the S151 officer of the Accountable Body had to provide the following confirmation to the Government:
- 8.3.1. That all the necessary checks have been undertaken to ensure that the SELEP has in place the processes to ensure the proper administration of their financial affairs and that they are being properly administered; and
- 8.3.2. That the SELEP's Local Assurance Framework is compliant with the minimum standards as outlined in the National Local Growth Assurance Framework (2019).

- 8.4. This confirmation was provided to the Government, by the S151 Officer on the 26 February 2021.
- 8.5. The S151 Officer of the Accountable Body is required to ensure that their oversight of the proper administration of financial affairs within SELEP continues throughout the year.
- 8.6. In addition, the S151 Officer is required to provide an assurance statement to Government as part of the Annual Performance Review; this must include information about the main concerns and recommendations about the arrangements which need to be implemented in order to get the SELEP to be properly administered.
- 8.7. At present, no significant issues are arising with regards to the administration of the financial affairs of SELEP for 2021/22, however, a number of risks to the future financial position of SELEP are noted in this report and considered further in the Finance update (agenda item 5)

9. Financial Implications (Accountable Body comments)

- 9.1. The full allocation of the 2021/22 Core funding has not been formally confirmed by Government or received by the Accountable Body at the time of writing. SELEP have applied for and received from Government the first half of the usual allocation, totalling £250,000, to support the first 6 months of 2021/22. The Government have not confirmed if the second half of funding for £250,000 will be received, or if any conditions would be attached to enable receipt. This places a significant risk on the current year budget; this is considered further in the Finance update (agenda item 5).
- 9.2. The current level of reserves is sufficient to support the SELEP budget for 2021/22. The Accountable Body will continue to work closely with SELEP to assess the possible outcomes of the LEP review and to plan for mitigating action to ensure the SELEP cost base remains within available funding. Currently there remains no assurance from Government of additional grant
- 9.3. The uncertainties of the outcome of the LEP review and the on-going funding risks undermines future planning and is counter-intuitive to the expectations of Government within the National Assurance Framework for planning and prioritisation of investment.
- 9.4. Essex County Council, as the Accountable Body for the SELEP, is only able to meet funding commitments made by the SELEP, where it is in receipt of sufficient funding to do so and any spend is in line with the requirements of the Local Assurance Framework and any conditions associated with individual funding allocations.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no significant legal implications arising out of this report

11. List of Appendices

11.1. Appendix A – Local Assurance Framework Updates

11.2. Appendix B – New National Assurance Framework Exemptions 2021

11.3. Appendix C – Local Assurance Framework Monitoring

11.4. Appendix D – KPI Monitoring

11.5. Appendix E – Extract from the Risk Register

12. List of Background Papers

12.1. None

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	9 November 2021

Summary of Changes in the National Assurance Framework (NAF) Update

Action required?	Pg. in NAF	Change to NAF
Yes, inserted additional word to clarify on timing	Pg. 22-79	Clarified that the equal gender representation needs to be by the beginning of 2023 (previously said just 2023).
Yes, policies need to be separated, please see related decision.	Pg. 25-70f & 92	Hospitality and expenses policies/registers have to be separated.
No, we are already working on this basis.	Pg. 32-128	Clarified that the 20-member limit for the Board doesn't include the co-opts.
No, we are already working on this basis	Pg. 35-140c	Accountable Body support function- now says " <i>identifying</i> risks associated with pursuing a particular course of action" – previously said " <i>discussing</i> risks associated..."
No, we are already working on this basis.	Pg. 36-144	Clarified that the S151 Officer should have the opportunity to comment before decisions are taken.
Decisions being taken December 2021 to be compliant as soon as possible.	Pg. 41-160	Says "LEPs must be compliant" with the National Assurance Framework- previous version gave details of a deadline.
Publication deadline was not previously stated in the Local Assurance Framework, wording update proposed.	Pg. 41-163	Previously said that Delivery Plans and Annual Reports should be published at the beginning of each financial year- now this is only for the DP and the AR should be published within a "reasonable timeframe to provide a suitable evaluation of the previous year's activity"
Mid-Year reviews were already part of the process unofficially but change proposed to Local Assurance Framework to now include this officially.	Pg. 42-165	Mid-Year reviews are now officially included in the annual assurance process
Will be taken into consideration if these projects undergo the ITE process.	Pg. 53- 9	Wording change around major transport investments - more emphasis on assessing against intended strategic goals than the VfM assessment

Changes to Local Assurance Framework

Current wording	Proposed update
G.1. SELEP Ltd commits to diversity and representing the local business community, including a gender balance within the Directors of at least one third female directors, with a view to equal representation by 2023.	G.1. SELEP Ltd commits to diversity and representing the local business community, including a gender balance within the Directors of at least one third female directors, with a view to equal representation by the beginning of 2023.
I.1.4 All Board members, including the Chair and Deputy Chair, are appointed on a 2 year term, up to a maximum of 3 consecutive terms.	I.1.4 All Board members, including the Chair and Deputy Chair, are appointed on a no more than 2 year term, up to a maximum of 3 consecutive terms.
I.1.8.viii. Expenses may only be claimed by board members under the terms of the Subsistence and Hospitality Policy. All expense claims paid will be published on the website, in line with the Localism Act.	I.1.8.viii Expenses may only be claimed by board members under the terms of the Expenses Policy . All expense claims paid will be published on the website, in line with the Localism Act.
J.6.6. production of the Annual Report, which will review SELEP Ltd.'s performance against the agreed KPIs set out in the Delivery Plan and be presented at each Annual General Meeting (AGM);	J.6.6. production of the Annual Report within a reasonable timeframe to provide a suitable evaluation of the previous year's activity . This report will review SELEP Ltd.'s performance against the agreed KPIs set out in the Delivery Plan and be presented at each Annual General Meeting (AGM);
P.3.5.vii. Subsistence and Hospitality Policy;	P.3.5.vii. Expenses Policy; P.3.5.viii. Hospitality Policy;
Glossary entry: Subsistence and Hospitality Policy: Explains the regulations around expense claims, gifts and hospitality to safeguard the use of public funds.	Glossary entry: Expenses and Hospitality Policies : Explain the regulations around expense claims, gifts and hospitality to safeguard the use of public funds.
	SELEP is subject to an assurance process managed by the Department of Levelling Up, Housing and Communities (DLUHC), which consists of a Mid-Year Review and an Annual Performance Review.

Exemptions to the National Local Growth Assurance Framework 2021-22

Provision in the NLGAF	NLGAF (version 2021) Reference	Exemption
1. Appointment Process for Board Members and Chairs	“The LEP should outline, or refer to, its appointment process for Board Members (public and private sector), Chairs and Deputy Chairs within the Local Assurance Framework. As part of this they should ensure that they advertise opportunities for private sector leaders to become a LEP Chair or private sector Board Member when vacancies emerge. They should advertise openly, on a variety of platforms to ensure that people across the business community have an opportunity to apply and consider the diversity requirements outlined in this Framework...” Paragraph 75-77	New Exemption 2021: we acknowledge the ongoing government-led review into the role of LEPs. Therefore, there may be circumstances where the board opts to extend or temporarily appoint board members/chairs without needing to proceed to a full recruitment, on the basis a full and open recruitment is conducted after these exceptional circumstances cease. In such circumstances, the LEP <u>must</u> notify the Area Lead, copying in localgrowthassurance@communities.gov.uk and providing clear justification for the decision. Any extensions should be within the current financial year only.
2. LEP Board composition – Chair and Deputy Chair’s term	“To support the Chair in their role, all LEPs should appoint a Deputy Chair. The LEP should have a defined term limit of three years for the Chair and Deputy Chair, with an optional extension of three years. There is an option to extend for a further three years in exceptional circumstances if approved by the Board”. Paragraph 133	New Exemption 2021: we acknowledge the ongoing government-led review into the role of LEPs. We hold that these are exceptional circumstances. Therefore, the board may wish to extend a Chair or Deputy Chair beyond normal term. In such circumstances the LEP <u>must</u> notify the Area Lead, copying in localgrowthassurance@communities.gov.uk for <u>consent</u> to extend the term.
3. LEP Board composition – private sector	“The LEP Board must contain representatives from different parts of the community. In addition, at least two-thirds of the Board must be representatives from the private sector as defined by the National Accounts Sector Classification”. Paragraph 125	New Exemption 2021: we acknowledge the ongoing government-led review into the role of LEPs, and this may affect board composition. Therefore, there may be circumstances where the private sector composition is temporarily non-compliant. Should the board composition drop below two-thirds private sector representation, the LEP <u>must</u> notify the Area Lead, copying in localgrowthassurance@communities.gov.uk , and providing clear explanation of why representation cannot be maintained.
4. LEP Board composition – gender	“The diversity statement should include a commitment to ensure at least one third of members of LEP Boards are women, with an expectation of equal representation by the beginning of 2023.” Paragraph 79.	New Exemption 2021: we acknowledge the ongoing government-led review into the role of LEPs, and this may affect board composition. Therefore, there may be circumstances where the gender composition is temporarily non-compliant. Should the board composition drop below one-third female representation, the LEP <u>must</u> notify the Area Lead, copying in localgrowthassurance@communities.gov.uk and providing clear explanation of why representation cannot be maintained.



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING 2021/22

Updated October 2021



ONGOING ACTIONS

INCORPORATION

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

BOARD COMPOSITION

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

DECLARING INTERESTS

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

CAPITAL PROJECTS

Requirement	Status
To use the SELEP Business Case Template for all strategic outline business cases.	COMPLETE/ONGOING
To inform the Accountability Board where there are concerns around a project, including presenting the Board with legal options around recovering funding	COMPLETE/ONGOING
Implementing the monitoring and evaluation of projects including reporting on delivery of outputs and outcomes against the delivery of the ESS/Recovery and Renewal Strategy	ONGOING

POLICIES AND PROCEDURES

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

ACCOUNTABLE BODY

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

PUBLISHING INFORMATION

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

Appendix D - Governance Key Performance Indicators

Forward Plan of Decisions

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

Meeting date	Met (Y/N)?
15/05/20	Y
03/07/20	Y
18/09/20	Y
16/10/20	Y
20/11/20	Y
12/02/21	Y
12/03/21	Y
02/07/21	Y
10/09/21	Y

Publication of Papers

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

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	12/02/21	Y	12/03/21	Y	02/07/21	Y	10/09/21	Y
Strategic Board	29/01/21	Y	19/03/21	Y	25/06/21	Y	01/10/21	N
SE	12/04/21	N	01/06/21	N	02/08/21	N	27/09/21	N
KMEP	04/03/21	Y	19/05/21	Y	22/07/21	Y	02/08/21	N
OSE	10/03/21	N	19/05/21	N	15/09/21	N		
TES	15/03/21	Y	14/06/21	Y	19/07/21	N	27/09/21	Y

Draft Minutes

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

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	12/02/21	Y	12/03/21	Y	02/07/21	Y	10/09/21	Y
Strategic Board	29/01/21	Y	19/03/21	Y	25/06/21	Y	01/10/21	Y
SE	12/04/21	N	01/06/21	N	02/08/21	N	27/09/21	N
KMEP	04/03/21	N	19/05/21	N	22/07/21	N	02/08/21	N
OSE	10/03/21	N	19/05/21	N	15/09/21	N		
TES	15/03/21	Y	14/06/21	Y	19/07/21	Y	27/09/21	Y

Final Minutes

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

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	20/11/20	Y	12/02/21	Y	12/03/21	Y	02/07/21	Y
Strategic Board	11/12/20	Y	29/01/21	Y	19/03/21	Y	25/06/21	Y
SE	15/03/21	N	12/04/21	N	01/06/21	N	02/08/21	N
KMEP	02/12/20	N	04/03/21	N	19/05/21	N	22/07/21	N
OSE	02/12/20	Y	10/03/21	N	19/05/21	N	15/09/21	N
TES	07/12/20	Y	15/03/21	Y	14/06/21	Y	19/07/21	Y

Registers of Interest- Board Members

Are registers of interests in place for all board members?

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

Registers of Interest - Officers

Are registers of interest in place for all officers?

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

Declarations of interests in meetings

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

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

Business Case Endorsement

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

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

Publication of Business Cases

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

Meeting date	Met (Y/N)?
15/05/20	Y
03/07/20	Y
18/09/20	Y
16/10/20	Y
20/11/20	Y
12/02/21	Y
12/03/21	Y
02/07/21	Y

Date	Percentage of female board members (excluding co-opted)
24/05/19	18%
05/08/19	21%
28/01/20	25%
16/04/20	35%
01/02/21	35%
10/06/21	35%
22/10/21	35%

South East LEP

Risk Register - medium and high risks only

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
Risks Related to the Team/Service Delivery									
9	Workload/Team wellbeing Risk	5	5	25	High	Following further delays to any clarity on the future of LEPs and a lack of assurances about future LEP funding it has been necessary to take action to mitigate the high financial risk that exists for the Secretariat operational budget. This has resulted in a number of posts being removed. Some of this posts are currently being held vacant and some will become redundant at the end of this financial year. There is now a high risk that the workload won't be able to be managed within the resources available, this is heightened by the potential for key remaining staff members to leave given the continuing uncertainties	MT meets to discuss weekly and is considering business continuity across the team and how gaps can be managed within the available resources. The team are kept up to date with the latest position on the LEP Review and directed to the support that ECC can offer for wellbeing, including counselling. A discussion has been had with Strategic Board to agree areas of priority for the future and a further report will be taken to the December Strategic Board to agree the outcomes for 2022/23 financial year that are possible with the revised resourcing capacity. A Delivery Plan will also be developed for agreement, setting out clearly what is possible to be delivered and what has to take priority should further team members be lost	All Man Team	Ongoing
10	Recruitment and Retention of Board Members Risk	4	5	20	High	Discussions are ongoing as to how the end of the terms for the Chair, the Deputy Chair and many of our business Board Members should be best handled. It is now high likely that key Board members will be lost from the Board as no certainty can be given as to the future role of the LEP. This loss will be particularly impactful in year where there have been changes to the supporting officer team. There is a high risk of loss of organisational knowledge and impact further on the workload risk as Board vacancies arise.	The Secretariat are working with the officers who support the Federated Boards to identify pragmatic ways forward for the interim extension of business members of the Board. Discussions are also happening to put into place interim arrangements for the Chair and Deputy Chair terms to ensure there is sufficient leadership for this difficult period	CEO/COO	31/03/2022
35	COVID-19- Board Attendance Risk	3	4	12	Med	Whilst Strategic Board can meet virtually and virtual meetings are now well established, Accountability Board must meet in person to take decisions. A hybrid approach has been set up but the quorum for Accountability Board is small as a result of the limited numbers of voting members. If Accountability Board voting members do have to self isolate, there is limited resilience on the quorum	The Secretariat will work with Accountability Board members and their supporting officers to identify potential deputies for the meetings and ensure that Declarations of Interest etc are in place and up to date for short notice replacements. Potential changes to the national test and trace approach may reduce the risk of Board members being in self-isolation	COO	Ongoing
Risks Related to Outcomes/Outputs of Programmes									

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
29	Incorrect application of LGF grant awarded to Hadlow College	5	4	20	High	£11m of LGF funding across 4 projects has been awarded to Hadlow College which entered into Education Administration in 2019. It is currently unclear whether the outputs and outcomes related to this funding will be delivered. Whilst the educational activities have resumed at the college, the grant agreements have not transferred to the new providers and therefore SELEP may be unable to recoup any monies that were not applied in line with the agreement. The Secretariat and the Accountable Body have responded to queries from the Education Administrators, BDO. There is a potential risk that monies weren't utilised in line with the grant agreement in place between the Accountable Body, on behalf of SELEP, and the college. If grant monies weren't correctly utilised, the outputs and outcomes in the business case will not be delivered or not delivered in full.	The Secretariat and the Accountable Body are in contact with BDO but the administration process is lengthy. Creditors have been raised with the administrators by the Accountable Body with respect to the investments made. We have made MHCLG (LGF awarding body) aware of the position and responded to their queries in this respect. Consideration has been given, and an update provided to the Board, as to what protections can be put into place to prevent this situation occurring in future, recognising that any action needs to be proportionate and balance the risk against the resource impact.	L Aitken	Ongoing
40	Getting Building Fund Risk - programme delivery	4	3	12	Med	The GBF programme requires all funding to be spent by 31 March 2022 and all projects to be substantially delivered. This is a very tight deadline to work to and there is a reputational risk should SELEP not be able to deliver the full programme. The likelihood of this risk occurring is increased by the delay to HMG providing the grant determination and the introduction of a time consuming change control process. However, HMG scrutiny of progress has decreased in recent months as their focus has shifted to new funding streams, not managed by LEPs	Programme slippage is being managed by both Accountability and Strategic Board. An agreed process has been introduced to manage delays to GBF projects, similar to that used by LGF. The Programme is being actively managed with funding being reallocated to other projects	H Dyer	31/03/2022
Risks Related to Funding/Financial Position									
12	GPF Project Repayments	4	3	12	Med	GPF projects are flagging where repayments are likely to be delayed and conversations with the Capital Programme Team are underway. All options are being explored and changes have been played through in planning and therefore the impact has reduced	Capital Programme Team are working with project leads to understand where projects are impacted. Future rounds of GPF allocations are currently held and assumptions about future repayments will be downgraded to take into account additional risks	H Dyer	Ongoing

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
15	Misadministration of grants	3	4	12	Med	Grants issued by HMG can potentially be clawed-back by HMG if SELEP cannot demonstrate that they have been used in line with the conditions and restrictions set at the time of award by the grant awarding body. Back to back agreements are in place but should HMG claw back we would be required to pay immediately whilst legal action to claw back from the recipient of the grant could take some time. This risk includes the application of monies invested at Hadlow College (ref 29). The number and value of grants is decreasing so the likelihood of risk occurring has been reduced	Back to back agreements are in place and the Accountable Body provides advice on the correct application of grants by SELEP. A further review of the capital programme and assessment of application of grant funding was planned for 2020/21 but this has been put on hold, originally due to social-distancing and now due to resourcing constraints. Consideration will be given as to how oversight of the application of grants can be structured and in a virtual manner if necessary. Each Management Team member who has grant funded activity takes responsibility for ensuring that grant conditions are understood and met	All Man Team	Ongoing
38	Future viability of the operational budget	5	5	25	High	A balanced budget for 2022/23 is being presented at November's Accountability Board. This budget requires reductions in the team and the 20 person headcount from April 2021 will reduce to 11 in April 2022. However, the budget is entirely funded from reserves and this does not address the underlying issue. There will be no unallocated reserves available by March 2023 and at that point the Secretariat will have to be disbanded unless funding can be secured. Activities that are supported by specific funding are also at risk if these funding streams aren't confirmed in a timely manner, i.e. well in advance of the beginning of the next financial year	A further consultation with staff will be required early in the new financial year. It is hoped that by this time there will be greater clarity on the future of the LEPs, both nationally and regionally. This will then allow for a longer term resolution to the ongoing financial risks associated with the Secretariat. The risk of not receiving specific funding notifications late is being underwritten through deferred redundancies funded via the general budget and carried forward grant funding	CEO/COO	Ongoing
43	LEP Review - future funding not sufficient to support operations/interventions	5	5	25	High	HMG has made clear that, at least in the short term, no further capital investment monies will be awarded to LEPs. This will severely impact not only our ability to deliver interventions as set out in our Recovery and Renewal Plan but also will restrict the level of influence we can have in the region. This also further restricts our ability to support the operations of the Secretariat as no interest can be earned and there is no opportunity to charge administration fees for the management of capital schemes. The LEP Review includes a workstream on future funding but for operations and activities to continue at the current level, an increase of government funding would be required, this now seems unlikely given the changes in Core Funding to LEPs in 2021/22. HMG could require LEPs to be funded locally, which is not a workable model for SELEP	The Chair of SELEP is leading the LEP Review working group for funding and is clear on the requirement for governmental support. Discussions with Catalyst South have confirmed this is the case across the wider region and is likely to be true for the entire LEP community. The Chair and senior members of the Secretariat will continue to work with the LEP Network to lobby for more funding and clarity on funding for 2021/22	CEO/COO	31/03/2022
Risks Related to Service Design and Reputation									

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
22	Growth Hub Future Model	4	4	16	Med	Further details on the direction of travel of the national Business Support Reform piece, led by HMG, have not been made available at time of writing. An independent report suggesting changes to the SELEP model has been commissioned, delivered and presented to Board but without a clear remit from HMG, full options on the future model cannot be worked up. This is now closely tied to the outputs of the new LEP Review and the recommendations to be made to ministers. Any delays to these recommendations may mean that changes required to the Growth Hub won't be able to be delivered in the time left available this year.	<p>Evidence on what business support will be needed as we move into Recovery is being collated. Secretariat is working closely with Growth Hub Cluster (SELEP, Herts and London) to understand the emerging requirements from both business and HMG.</p> <p>The Secretariat and Chair are working closely with the LEP Network on the LEP Review to ensure that we can both influence the recommendations and that officials understand lead times to make changes etc.</p>	J Simmons	Ongoing
42	LEP Review - HMG future model not workable in SELEP Region	4	5	20	High	Following the announcement of a further LEP Review, the Chair, CEO and COO have been working with the LEP Network and representatives of other LEPs to feed into the process. There is a risk that HMG wants to move to a standardised model that won't work for the SELEP region, be that geographically or functionally. If there isn't local buy-in for what is required by HMG, the revised LEP will not be able to deliver against their expectations. Delays to the LEP Review increase the likelihood of this risk as other partners start to operate in the gap left by the uncertainty. To address the ongoing high financial risk to the operational budget in the next financial year changes to the team have had to be implemented ahead of confirmation on the future role for LEPs. There is a risk that the assumptions made won't align with HMG's requirements and the team will not have the specialist resource required to fulfil expectations	The Chair and senior members of the Secretariat are working closely with the LEP Network and will be flagging where proposals are not workable/acceptable. This includes making the case for our current geography. The impact of delays is being made clear to the LEP Network and HMG Officials. Officials have been updated on the changes to the team but there continues to be a lack of joint working across differing government departments. Potential impacts on the work related to other departments have also been raised with officials in the respective departments	CEO/COO	31/03/2022

Forward Plan reference numbers: FP/AB/452, FP/AB/453 and FP/AB/454

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Date: 19 November 2021	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 £650,000 reduction in GPF allocation to the Colchester Northern Gateway project and the associated amended repayment schedule;
- 2.1.3 **Agree** that a revised repayment schedule for the Centre for Advanced Engineering project can be brought forward to this meeting, contrary to the GPF loan agreement which requires the Board to receive 6 months' notice of any change to the Project;
- 2.1.4 **Approve** the revised repayment schedule for the Centre for Advanced Engineering project as shown at Section 7.10 of this report, subject to receipt of the requested letter of assurance from the Director of Finance (or equivalent) at South Essex College and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan;
- 2.1.5 **Agree** that £18,767 owed against the Workspace Kent project should be written off following provision of evidence that Kent County Council have taken all reasonable steps to recover the debt. Noting that the remaining balance of the Workspace Kent GPF allocation is still expected to be repaid in accordance with the updated repayment schedule shown at Section 8.10 of this report.

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, significant risks to repayment schedules for two projects have been identified predominantly as a result of the impact of the COVID-19 pandemic. The GPF repayment schedules are set out in Appendix B.

- 4.5 Scheme promoters have been working to understand the impacts of COVID-19 on their projects and their intended repayment mechanism 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 nine GPF projects. A proposed revised repayment schedule for the Centre for Advanced Engineering project is set out in Section 7 of this report.
- 4.6 In addition, a high repayment risk has been flagged against the Workspace Kent project. Whilst the Board approved a revised repayment schedule for the project in November 2020, it has now been confirmed that full repayment of the GPF loan will not be possible. Further details are set out in Section 8 of this report.
- 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 to award GPF funding to the No Use Empty Residential project during the course of this meeting.
- 4.8 Repayments forecast for 2021/22 and 2022/23 reflect revised repayment schedules approved by the Board since July 2020 and takes into account the revised repayment schedule for the Centre for Advanced Engineering project as set out in this report.

Table 1: GPF Cash Flow Position

£	2021/22	2022/23
GPF available at the outset of year	15,817,202	10,389,744
GPF funding repurposed	-	-
GPF available for investment	15,817,202	10,389,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	11,016,500	1,350,000
Position before GPF repayments are made	4,800,702	9,039,744
GPF repayments expected	5,589,042	5,670,000
Carry forward	10,389,744	14,709,744

- 4.9 As shown in Table 1 total GPF Round 3 drawdown of £11.017m 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 £1.85m GPF allocated to the top 9 projects on the amended GPF project pipeline 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, eight 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	Potential funding award – November 2021

- 4.12 There is sufficient GPF funding currently available to support investment in either the Leigh Port Quay Wall (Cockle Wharf) project or the No Use Empty Residential project in 2021/22. The Board will be asked to consider which project should be awarded this funding under Agenda Item 8.
- 4.13 As indicated, there are only 2 projects on the GPF project pipeline which have not yet been considered for funding approval by the Board. 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 As set out in Section 7 of this report, there is an identified high risk to the repayment schedule for the Centre for Advanced Engineering project. Previously the Board have been advised that due to a lack of reporting with regard to the benefits realised as a result of the Project, delivery of project outcomes was also flagged as High risk. Initial reporting on the realisation of project benefits has now been provided which has resulted in the risk to delivery of project outcomes being reduced to medium risk (Amber).
- 5.3 In addition, as set out in Section 8 of this report, there is an identified high risk to the repayment of the full GPF allocation awarded to the Workspace Kent project.
- 5.4 Thirteen GPF projects have now been completed, with the benefits of this infrastructure investment starting to be realised. It is reported that 2,758 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 accelerate development at the site, however, the timetable for delivery of the proposed enabling works has been negatively impacted by the COVID-19 pandemic.
- 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. Colchester Northern Gateway – reduction in GPF allocation

- 6.1 In February 2018, the Board approved the award of £2m GPF to support the delivery of the Colchester Northern Gateway project. The Project was designed to support the creation of a high quality, highly sustainable housing, employment, and leisure destination at one of the primary gateways to the town centre, including works to relocate the existing Colchester Rugby club site to release the land required for the development.
- 6.2 The primary purpose of the GPF funding was to bridge the cash flow funding gap to enable the relocation of the Colchester Rugby Club to a new mixed sports facility, thereby releasing the land required for the planned development.
- 6.3 The Growing Places Fund update report included within the July 2021 Board Agenda Pack outlined ongoing uncertainty regarding whether the full £2m GPF allocation was still required to support delivery of the Project. In addition, a presumed risk to the repayment schedule was outlined within the report. These risks were primarily raised due to a lack of engagement from the scheme promoter.
- 6.4 Following receipt of further information from the scheme promoter, a verbal update was provided at the July Board meeting which mitigated the concerns identified within the report. This section of the report seeks the decisions from the Board which are required to formalise the verbal update provided at the last Board meeting.
- 6.5 In 2020/21, £1.35m of the £2m GPF award was drawn down and has been fully spent. Following an update on the Project at the July 2021 Board meeting, the remaining £650,000 was scheduled for drawdown in 2021/22.
- 6.6 The scheme promoter has now indicated that the remaining balance of the GPF allocation is no longer required for the Project. The GPF funding was sought to support the delivery of the initial phase of the Project. It has been

confirmed that this phase of the Project has now been completed and therefore the remaining funding is no longer needed.

- 6.7 Following the completion of the initial phase of the project, the remaining phases are progressing as intended and therefore the reduction in GPF ask will not impact on the scope of the project or the outcomes and benefits offered by it.
- 6.8 The scheme promoter has indicated that the £1.35m GPF that has been drawn down against the Project will be repaid in full, as originally agreed, by the end of 2021/22.
- 6.9 Revised drawdown and repayment schedules, which take into account the £650,000 reduction in GPF funding ask, have been provided for Board consideration. The amended schedules are shown in Table 3 below.

Table 3: Repayment and drawdown schedules for the Colchester Northern Gateway Project

£m	2020/21	2021/22	Total
Drawdown schedule			
Existing	1.35	0.65	2.00
Revised	1.35	-	1.35
Repayment schedule			
Original	-	2.00	2.00
Revised	-	1.35	1.35

- 6.10 The Board are asked to approve both the reduced GPF allocation to the Colchester Northern Gateway and the amended repayment schedule for the Project.
- 7. Centre for Advanced Engineering – revised repayment mechanism and schedule**
 - 7.1 The Board approved an award of £2m GPF funding to the Centre for Advanced Engineering project in December 2017.
 - 7.2 South Essex College have delivered the new Centre for Advanced Engineering at their Eastwood Campus. The centre provides approximately 8,300sqm (Gross Internal Area) of space, with cutting edge facilities and workshops to support courses in engineering, motor vehicle maintenance and construction.
 - 7.3 The Centre for Advanced Engineering has been operational since late 2018 and has supported South Essex College to deliver a range of practical courses. To date the Project has supported 458 new learners, 73 apprentices and has created 21 teaching jobs at the site. It should be noted that the number of apprentices supported by the Project has been adversely impacted by the COVID-19 pandemic as it has not been possible to complete all the practical elements of the apprenticeship and therefore there has been a need for existing apprenticeships to be extended into the 2021/22 academic year.

- 7.4 The repayment schedule agreed at the time of the funding award requires full repayment of the GPF funding in 2021/22 through income received as a result of land disposal. However, as the Board were made aware in February 2021, South Essex College have indicated that this repayment schedule is no longer realistic due to the impacts of the COVID-19 pandemic.
- 7.5 During the COVID-19 pandemic, whilst some Department for Education grants were retained, South Essex College saw a significant overall reduction in their income. In addition, restrictions from Central Government on the ability of the college to furlough staff meant that the college could not take significant steps to reduce their expenditure. Consequently, the college reported significant deficits in 2019/20 and 2020/21.
- 7.6 It has been necessary to use the land receipts which were due to be used to repay the GPF loan, alongside funds from reserves in order to cover these deficits. As a result, South Essex College are no longer able to repay the GPF loan as originally envisaged.
- 7.7 To support the development of South Essex College's new campus at Thurrock, the college has a revolving credit facility which must be renegotiated every three years, or in the event that the college fails to meet certain key performance indicators set out within the agreement. A key priority for the college is to meet their responsibilities under the revolving credit facility agreement, ensuring that monthly repayments are made as required. It is expected that over the next five years, the college will be able to reduce its debt level by over 25%.
- 7.8 In addition, there are plans for South Essex College to sell approximately 14 acres of surplus land. An agreement has been reached with the adjacent landowner who is progressing design and planning matters with regard to the development of their own land and the surplus land owned by the college. Development of the site is dependent upon its' inclusion within the Thurrock Local Development Framework which is yet to be adopted. It was originally expected that the document would be published in 2021, however, due to the impacts of the COVID-19 pandemic on the ability to undertake effective public consultation, this has been delayed until 2024.
- 7.9 Whilst the position with regard to the sale and development of the site will not be confirmed until the Local Development Framework has been adopted and a reserved matters application approved, the college and its partners remain confident in the need for, validity and benefits of the scheme which would bring much needed housing to the area. It is anticipated that, subject to the adoption of the Local Development Framework, the land will be sold in 2024/25. The income from disposal of the site will be used to further reduce the balance of the revolving credit facility.
- 7.10 As a result of the sustained efforts by the college to significantly reduce the balance of the revolving credit facility over the next four years, it is forecast that from 2025/26 sufficient trading surpluses will be available to repay the

GPF loan. The revised repayment schedule proposed by the college is shown in Table 4.

Table 4: Proposed revised repayment schedule for the Centre for Advanced Engineering GPF project

£m	2021/22	2025/26	2026/27	Total
Repayment schedule				
Original	2.0	-	-	2.0
Revised	-	1.0	1.0	2.0

- 7.11 South Essex College have also developed a contingency plan to demonstrate repayment of the GPF loan should there be any further waves of COVID-19 or similar, which impact on the college's recovery. Whilst this scenario is not expected to arise, GPF repayment would be made as follows: 2025/26 - £0.50m, 2026/27 - £0.75m and 2027/28 - £0.75m. If the need to implement this repayment schedule arises, this will be subject to further decisions by both Strategic Board and the Board.
- 7.12 It should be noted that Essex County Council officers have been in regular dialogue with South Essex College regarding the revised repayment schedule. Assurances have been sought from the College that the repayment schedule is achievable. To this end, a long term cashflow statement has been provided by the College and a further letter of assurance has been requested from the Director of Finance (or equivalent) at the College to confirm that the cashflow statement is a true and fair reflection of the position based on the information currently available. Based on this assurance around the information provided, the repayment profile appears to be viable. The Essex County Council S151 Officer has agreed on the proposals put forward by South Essex College and these have also been supported by an Essex County Council Director. Essex County Council recommend that a formal Continued Confirmation Statement and Reprofiling of the forecast expenditure be provided by South Essex College to the Accountability Board and Essex County Council on an annual basis.
- 7.13 A verbal update on the provision of the letter of assurance from the Director of Finance (or equivalent) from South Essex College will be provided at the Board meeting.
- 7.14 The GPF loan agreement for the Project requires the Board to receive 6 months' notice of any change to the Project prior to its implementation. As indicated above, the current repayment schedule for the Project requires full repayment in 2021/22. As it hasn't been possible for the revised repayment schedule to be presented to the Board until this meeting this requirement will not be met.
- 7.15 The Board is asked to agree to accept 4 months' notice of the change to the repayment schedule, rather than the required 6 months. This decision was on the agenda for the September 2021 Board meeting but as quorum was lost during the course of the meeting, it wasn't possible for the decision to be

taken.. The Board is able to agree to accept a shorter notice period than that stated in the loan agreement.

- 7.16 In October 2021, the Strategic Board were asked to endorse the revised repayment mechanism set out within this report. Due to quorum being lost it wasn't possible for this decision to be taken during the meeting, however, the Strategic Board have subsequently provided their endorsement via electronic procedure.
- 7.17 The Board are asked to approve the revised repayment schedule for the Project as set out in Table 4 above.

8. Workspace Kent – request to write off bad debt

- 8.1 The Workspace Kent project aims to unlock jobs and employment opportunities by enabling increased provision of business incubator space and other workspace. The project provides funding to bring forward business premises that would otherwise not be developed through a Challenge Fund managed by Kent County Council.
- 8.2 The project was awarded £1.5m GPF, which has been fully drawn down and allocated to five individual projects by Kent County Council. To date repayments totalling £1,176,633 have been made to SELEP. Of the outstanding £323,367, Kent County Council have indicated that they expect to be able to repay £304,600 owed on the overall GPF loan.
- 8.3 As the Board have previously been informed, in 2020 Kent County Council received paperwork regarding an Individual Voluntary Arrangement (IVA) in relation to the recipient of a £37,000 loan issued through the Workspace Kent programme. Initial repayments totalling £18,233 had been made previously on the loan in question, with an outstanding balance of £18,767 still owed.
- 8.4 Kent County Council submitted a Proof of Debt form in response to the IVA seeking the remaining balance owed on the loan. Following the conclusion of the IVA process, Kent County Council were informed that they would not be receiving any further payments towards the £18,767 still owed by the loan recipient.
- 8.5 Kent County Council have now confirmed that the company who received the defaulted £37,000 loan has been dissolved and that all possible routes for recovering the outstanding balance have been explored. As a result, Kent County Council have written the £18,767 balance of this loan off as a bad debt.
- 8.6 The GPF loan agreement in place between Essex County Council (as Accountable Body for SELEP) and Kent County Council allows for the debt to be written off if Kent County Council, as the applicant, have carried out all reasonable steps to recover the loan.

- 8.7 As indicated above, the company which received the loan has now been dissolved and during this process Kent County Council followed all available legal steps to recover the funding owed. The criteria for writing off the £18,767 balance has therefore been met.
- 8.8 This is the first time since the inception of the GPF programme that a project has looked to call upon the terms within the legal agreement allowing for the write off of any part of their GPF loan. This means that to date the GPF pot has been fully protected through full repayment of round 1 investments, allowing investment in both round 2 and round 3 projects.
- 8.9 If the Board approve the write off of £18,767 against the Workspace Kent project, this will reduce the level of funding available for reinvestment in alternative projects. However, it should be noted that Kent County Council have indicated that they expect to be able to repay the remaining £304,600 owed on the Project, thereby minimising the impact on the GPF revolving loan fund.
- 8.10 In light of the request to write off the bad debt, Kent County Council have submitted an updated repayment schedule, as set out in Table 5 below.

Table 5: Updated repayment schedule for the Workspace Kent project

£m	Pre 2021/22	2021/22	2026/27	Total
Repayment schedule				
Existing	1.176633	0.070000	0.253367	1.500000
Proposed	1.176633	0.070000	0.234600	1.481233

- 8.11 The Board are asked to agree that £18,767 owed against the Workspace Kent project be written off in accordance with the terms of loan agreement. Noting that the remaining balance of the GPF allocation is still expected to be repaid in accordance with the updated repayment schedule shown at Table 5.

9. Financial Implications (Accountable Body Comments)

- 9.1 A total of £15.817m (table 1) GPF was carried forward from 2020/21 and available for reinvestment into the pipeline in 2021/22.
- 9.2 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 including the funding decision under Agenda item 8 coming forward at this meeting.
- 9.3 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.
- 9.4 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 (for the Centre of Advanced Engineering project this is Essex County Council as Lead 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.

- 9.5 Where part of the Workspace Kent loan has been confirmed by Kent County Council as not repayable, under the terms of the GPF scheme and the credit agreement with Essex County Council, approval of the Board is required to agree for the balance to be written off against the fund. Whilst this is within the terms of the credit agreement this course of action is seen as an exceptional occurrence with Kent County Council having pursued the routes available, to enable the repayment of this loan, which have been unsuccessful.
- 9.6 The request to the Board for the write-off of £18,767 Workspace Kent project loan balance by Kent County Council, is as a result of the loan recipient entering into an Individual Voluntary Arrangement and subsequently the company being dissolved.
- 9.7 Should the Board agree the decision at 2.1.5 in this report, Essex County Council as Accountable Body for SELEP will write off the loan amount of £18,767 in the 2021/22 SELEP accounts against the GPF fund. The impact of writing off the loan is that the balance of the GPF recyclable loan scheme is reduced by £18,767.
- 9.8 There is a continued risk that scheduled repayments by existing projects will not be made as planned due to difficulties experienced by projects as a result of COVID-19. At its June 2020 meeting, the Strategic Board agreed to offer flexibility to delay GPF repayments for existing projects due to the impact of COVID-19, therefore, there is a risk that there will be a further reduction in the amount of GPF repaid by existing projects in 2021/22.
- 9.9 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.
- 9.10 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.

10. Legal Implications (Accountable Body Comments)

- 10.1 The Growing Places Fund is provided by the Accountable Body to the partner authorities for each project under a loan agreement. Revising a repayment schedule for a project under a GPF loan agreement will be subject to the terms of the loan agreement and Accountability Board approval. Following Accountability Board approval, a Deed of Variation will be put in place to reflect the change in repayment schedule.
- 10.2 Accountability Board's approval is required in order to write-off of a loan or part of a loan in accordance with the terms of the loan agreement subject to Kent County Council having taken all reasonable steps to recover the debt.

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; and
 - c) foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3 In the course of the development of the project business 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.

12. List of Appendices

- 12.1 Appendix A – GPF Project Update
- 12.2 Appendix B – GPF Repayment Schedule
- 12.3 Appendix C – GPF Drawdown Schedule
- 12.4 Appendix D – Monitoring of GPF Project Outcomes
- 12.5 Appendix E – COVID-19 impacts

13. List of Background Papers

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

- 13.2 Strategic Board Agenda Pack 1st October 2021, including decision to endorse revised repayment mechanism for the Centre for Advanced Engineering project.

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 9 November 2021

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
Workspace Kent	Kent	Round One	The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.	There are five projects within this programme. Of these, one project 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.	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.	Kent County Council have offered all loan recipients a 18 month repayment holiday. A revised repayment schedule for the Project was agreed in November 2020. However, repayments are due to recommence in October which coincides with the end of the furlough scheme, so it is unclear what impact this will have on the projects. The recipient of one of the loans issued through this project has now been dissolved and all possible routes for recovering the outstanding balance have been explored. As a result, approval for the balance on the loan to be written off as a bad debt is sought.	Whilst the creation of some jobs has been delayed, the majority of the projects have remained on track to deliver in line with forecasts. However, the COVID-19 pandemic could result in further delays to job outcomes as loan recipients seek to safeguard their current workforce as they emerge from lockdown and try to recover and become more resilient. There is also a risk of job losses as a result of the impact of COVID-19.		The award of the final loan has now been approved. The balance of one of the loans issued through the project has been written off as a bad debt by Kent County Council following the exploration of all possible avenues to secure the recovery of the funds.
Centre for Advanced Engineering	Essex	Round Two	Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on an industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.	Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget.	Project delivered	GPF funding spent in full	Scheme promoter has indicated that a revised repayment schedule will be needed as a result of the impacts of the COVID-19 pandemic. Revised repayment schedule set out in the GPF update report.	Initial project outcomes reported including new learners, apprentices and new jobs created.		Risk to repayment schedule identified by scheme promoter and revised repayment schedule provided 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.	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 one block is being delayed due to the need to divert a high voltage cable. The impact of COVID-19 on the sale of the industrial units is not currently known. If sale of the units is delayed to allow time for the market to recover, this will impact on the timetable for repaying the GPF loan.	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.

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
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.
Live Margate	Kent	Round One	Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.	"Phase 1" has been completed. "Phase 2" is underway. 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. 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. Currently the GPF funding is being used to support the creation of 80 new homes. To date 66 units have been completed and occupied.	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.	COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use. In addition, it is unknown at present how much of an impact COVID-19 will have on sales values of the new homes. A revised repayment schedule was agreed by the Board in November 2020.	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.	The impact on the construction industry continues to present a challenge to the delivery of the Project in accordance with the expected timetable. Revised repayment schedule which reflects the delays now faced by the Project agreed in November 2020.
Chatham Waterfront	Medway	Round One	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development. A waterfront development site that can provide up to 175 homes over 6 to 10 storeys with ground floor commercial space.	Ground obstructions removal is continuing onsite. Piling work is 80% complete for blocks A and E. Required Southern Water diversion work has been completed and a UKPN substation has been relocated.	Further ground obstructions have been found, which has delayed progress on the piling 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. Some works have been delayed as a result of further ground obstructions being found.
Bexhill Business Mall	East Sussex	Round One	The Bexhill Business Mall (Glover's House) project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.	Glover's House has been delivered. The building has been sold which allowed full repayment of the GPF loan to be made during 2019/20	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
Chelmsford Urban Expansion	Essex	Round One	The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, improving cash flow and the simultaneous commencement of two major housing schemes.	GPF invested, project complete and GPF has been repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	Expected project outcomes not yet delivered.		Project Complete
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	Approval sought for reduction in GPF allocation of £0.65m. £1.35m remaining GPF allocation spent in full.	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
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.

Growing Places Fund Update Appendix A										
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Innovation Park Medway (southern site enabling works)	Medway	Round Two	<p>The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together form the North Kent Enterprise Zone.</p> <p>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors – particularly engineering, advanced manufacturing, high value technology and knowledge intensive industries. These businesses will deliver high value jobs in the area and will contribute to upskilling the local workforce. This is to be achieved through general employment and the recruitment and training of apprentices including degree-level apprenticeships through collaboration with the Higher Education sector.</p> <p>The Project will bring forward site enabling works on the southern site at the Innovation Park.</p>	<p>Demolition of the disused building is now complete.</p> <p>The Masterplan and Local Development Order (LDO) have now been adopted by both Medway Council and Tonbridge and Malling Borough Council.</p> <p>Works has commenced onsite.</p>	The LDO has now been adopted by Medway Council and Tonbridge and Malling Borough Council. The proposed works have been approved through the self-certification process and work has commenced onsite.	GPF spend has been slower than originally expected but the project is now onsite so GPF funding should be spent in full over the coming months.	Medway Council have confirmed that they are comfortable with the current repayment schedule and the first repayment was made at the end of 2020/21 as agreed.	Now the LDO has been adopted and the works approved, there is minimal risk to the realisation of Project outcomes as there has been significant interest in the site.		The LDO has been adopted and the proposed works approved with work now underway onsite.
No Use Empty Commercial Phase I	Kent	Round Two	<p>The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.</p>	<p>The project has contracted with 12 projects in Dover, Folkestone and Margate.</p> <p>These projects will provide 15 commercial units and 28 residential units in total. To date, 15 commercial and 26 residential units have been brought back into use.</p> <p>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.</p>	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	<p>The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.</p>	<p>5 projects currently contracted and underway in Folkestone, Herne Bay, Hythe, Sheerness and Ramsgate. These projects are expected to return 5 empty commercial units back into use and create 24 residential units. Expressions of interest received in relation to 2 further projects.</p>	Work on the first 5 projects is underway. Further properties to be identified as scheme progresses.	5 initial projects underway, with 2 further expressions of interest received and therefore no identified risk to GPF spend at this stage.	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.
Observer Building, Hastings - Phase 1a	East Sussex	Round Three	<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>Planning permission for the proposed works was granted in September 2020.</p> <p>Following a period of value engineering, works have commenced onsite. The failed roof has been removed, internal works have begun and the frontage of the building has been steam-cleaned.</p>	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.	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.

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
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.	Significant benefits have been realised since completion of the Centenary Project. Impacted by COVID-19 pandemic but steps being taken to try and ensure recovery in 2021.		Project delivered. Revised repayment schedule agreed as a result of the immediate impacts of the COVID-19 pandemic on the tourism industry.
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.	Revised repayment schedule approved by the Board in July 2020.	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 agreed at July Board meeting and improved financial sustainability strengthens repayment position and increases likelihood of project benefits being realised.
Parkside Office Village	Essex	Round One	SME Business Units at the University of Essex. Phase 1, 14,032 sqft.; 1,303sqm lettable space, build complete June 2014. Phase 1a 3,743 sqft.; 348 sqm - complete September 2016.	Project complete and GPF funding repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	Forecast project benefits now realised		Project Complete and expected project outcomes delivered.

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
Rochester Riverside	Medway	Round One	<p>The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways.</p> <p>This development is to be completed over 7 phases and should take approximately 12 years. The scheme will include: 1,400 new homes (25% of which are affordable), a new 1 form entry primary school, 2,200 sqm of new office & retail space, an 81 bed hotel and 10 acres of public open space.</p>	<p>The first housing units were completed in Q2 of 2019. 243 homes are now occupied, with a further 259 under construction (Phases 1 to 3).</p> <p>Construction of the new 2 form entry school commenced in July 2021, with completion expected by September 2022.</p> <p>Planning applications are being prepared/have been submitted in relation to future phases of development on the site.</p>	<p>This project is already on site and the S106 agreement was signed at the end of January 2018. Some materials are taking longer than usual to be delivered but this is being factored into the programme.</p>	<p>The GPF Funding has already been spent</p>	<p>The GPF funding has been repaid in full.</p>	<p>The contractor is on site and will be delivering 1,400 homes, 1,200sqm of commercial space, a new school, hotel and various new open spaces. The scheme is now delivering more than was originally intended and there are no delivery risks.</p>	<p>Contractors stopped work onsite due to the COVID-19 pandemic, which caused a 10 week delay to the programme. However, the developer has accelerated delivery of later phases of the project and completion of the development is now expected ahead of programme.</p>	<p>Overall the project is on track to deliver outputs and outcomes.</p>
Sovereign Harbour	East Sussex	Round One	<p>The Pacific 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 Sovereign Harbour innovation Park in the A22/A27 growth corridor.</p>	<p>The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2,345m² of high quality office space.</p>	<p>Project Complete</p>	<p>Project Complete</p>	<p>No repayment risk identified</p>	<p>The majority of the forecast outcomes have been realised despite the impacts of the COVID-19 pandemic.</p>		<p>Project delivered</p>
Discovery Park	Kent	Round One	<p>The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.</p>	<p>The project promoter has informed Kent County Council that they no longer wish to proceed with the GPF loan and therefore the project has been removed from the GPF programme. The GPF funding has been repaid in full by Kent County Council and has been reallocated through GPF round 3.</p>	<p>Project removed from the GPF programme</p>	<p>Project removed from the GPF programme</p>	<p>Project removed from the GPF programme</p>	<p>Project removed from the GPF programme</p>	<p>Project removed from the GPF programme</p>	<p>Project removed from the GPF programme</p>
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	3,036,000	500,000	1,000,000	1,000,000	1,000,000	1,500,000	-	-	5,000,000
Sub Total		46,705,042	46,705,042	39,378,042	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	200,000	250,000	-	-	-	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	217,007	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	7,984,007	575,000	2,820,000	1,095,000	790,000	540,000	1,597,000	1,000,000	8,417,000
Round 3 Projects												
Wine Innovation Centre	Kent	600,000	600,000	112,102	-	-	-	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
No Use Empty Residential (subject to Board approval)	Kent	2,500,000	-	-	-	-	-	-	-	1,250,000	1,250,000	2,500,000
Sub Total		18,186,500	6,570,000	2,212,102	-	-	-	100,000	1,750,000	14,586,500	500,000	18,186,500
Total		73,308,542	61,692,042	49,574,150	32,503,633	5,589,042	5,670,000	1,890,000	3,790,000	16,183,500	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	-	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 (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	11,016,500	1,350,000	500,000	18,186,500
Total		72,062,542	51,125,042	11,016,500	1,350,000	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	275
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	1,527
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	1,270	735
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	2,758	2,629

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.

Award of Growing Places Fund Funding

Forward Plan reference number: FP/AB/455

Report title: Award of Growing Places Fund Funding	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 19 November 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authorities affected: Southend and Kent	

1. Purpose of report

- 1.1 The purpose of this report is to provide the Accountability Board (the Board) with an update on the projects remaining on the Growing Places Fund (GPF) project pipeline and to consider the award of the remaining GPF funding available for allocation in 2021/22.

2. Recommendations

- 2.1 The Board is asked to agree **one** of the two options outlined below:

Option 1 (RECOMMENDED)

- 2.1.1 **Agree** to award funding to the second project on the GPF project pipeline (No Use Empty Residential), in the absence of a Business Case for the project at the top of the pipeline (Leigh Port Quay Wall) in order to facilitate swift investment of the GPF funding. Noting that the Leigh Port Quay Wall project will remain on the GPF project pipeline and that, subject to receipt of forecast GPF repayments, there will be sufficient funding available to support the project in early 2022/23 if funding is still required; and
- 2.1.2 **Approve** the award of £2.5m GPF by way of a loan to support the delivery of the No Use Empty Residential project, as set out in Appendix B, which has been assessed as presenting High value for money with High certainty of achieving this. **OR**

Option 2

- 2.1.3 **Agree** that GPF funding should continue to be awarded to projects in the order shown on the GPF project pipeline. Noting that Southend-on-Sea Borough Council has been successful in securing Levelling Up Fund funding to support delivery of the Leigh Port Quay Wall project and therefore GPF funding is unlikely to still be required to support the project.

3. Background

- 3.1 The GPF was established by the Ministry for Housing, Communities and Local Government (MHCLG) and the Department for Transport (DfT) in 2011 to unlock economic growth, create jobs and build houses and help 'kick start' development at stalled sites. The fund operates as a recycled capital loan scheme regenerating funds based on the repayment schedules agreed for the existing GPF projects.
- 3.2 A total of £45.477m GPF capital funding was made available to SELEP for spend as a capital loan. The recyclable nature of the pot has enabled a total of £64m to be invested across 27 projects to date. Repayments are now being made on the initial GPF investments, allowing the reinvestment of the funding to support new GPF pipeline projects.

4. Growing Places Fund Overview

- 4.1 The overarching objectives of the Growing Places Fund are to support development at stalled investment sites, improve skills and learner numbers, to accelerate the delivery of new houses and to support the creation of new jobs.
- 4.2 Growing Places Fund projects must be aligned with SELEP's strategic objectives as set out in SELEP's Economic Strategy Statement, SmarterFasterTogether.
- 4.3 On the 4th October 2019, the Strategic Board agreed a 3-stage approach to the GPF prioritisation and award process. Details of the full process can be found in the Guidance Note for Applicants.
- 4.4 At the Strategic Board meeting on 12th June 2020, the GPF project pipeline was agreed and the top 5 projects in the pipeline list received a provisional GPF allocation. Subsequently a further 3 projects have received Board approval for GPF investment. As a result of these investment decisions, there are only 2 projects remaining on the GPF project pipeline – Leigh Port Quay Wall (Cockle Wharf) and No Use Empty Residential.
- 4.5 In line with the requirements of the SELEP Assurance Framework, each project seeking approval for GPF investment must be subject to a review undertaken by the SELEP Independent Technical Evaluator (ITE). The ITE has been appointed by the Accountable Body on behalf of SELEP Ltd. to provide impartial technical advice on value for money and project deliverability.
- 4.6 Interest is charged on GPF loans at two percent below the Public Works Loan Board (PWLb) Fixed Loan Maturity Rate or zero percent – whichever is higher. The PWLB interest rates published on the morning of the Board meeting will be applied to any projects awarded funding through consideration of this report.

5. Growing Places Fund project pipeline

- 5.1 As indicated in Section 4 of this report, the Strategic Board agreed the GPF project pipeline in June 2020. The GPF pipeline consisted of 11 projects. To date, the Board have approved the award of funding to 8 of these projects and 1 project (Barnhorn Green Commercial and Health Development – phase 2) has been removed from the pipeline. As a result, there are only 2 projects remaining on the GPF project pipeline.
- 5.2 The Leigh Port Quay Wall (Cockle Wharf) project is at the top of the GPF pipeline and is seeking GPF investment of £3.5m. This project seeks to safeguard the cockle industry in Leigh-on-Sea through the delivery of improvements at Leigh Port. The project will involve construction of a new quay wall frontage, improvements to site access and re-surfacing of the wharf to make the port a safe place to work and visit.
- 5.3 Leigh Port is a small expanse of land (c.7,500 sqm) at the opening of the River Thames, spanning roughly 180m of the Southend coastline. The reclaimed area provides boat access, as well as housing the cockle sheds where cockles are cooked, processed and sold, as well as a small amount of light industry. Maintaining the viability of these cockle sheds and their business is central to the objectives of this project.
- 5.4 The cockle industry is important to the local economy, with a full year's catch having an estimated value of £2.2m. The project will safeguard the cockle industry in Leigh on Sea, will protect the wider economic benefits that stem from the cockle industry and will lead to the creation of 23 new direct jobs (net) and 144 new indirect jobs (net).
- 5.5 GPF funding became available to support the Leigh Port Quay Wall project in April 2021. Since submission of the original Expression of Interest and Outline Business Case by Southend-on-Sea Borough Council, the cost of delivering the project has increased from £7.7m to approximately £15m. In light of this cost increase, Southend-on-Sea Borough Council submitted a bid for grant funding to support the delivery of the project to the Levelling Up Fund. Due to the ongoing work to either bridge the funding gap or secure alternative grant funding to support delivery of the project, a GPF Business Case has not yet been brought forward for Board consideration.
- 5.6 In October 2021, Government announced that Southend-on-Sea Borough Council's bid for funding from the Levelling Up Fund to support delivery of the Leigh Port Quay Wall project had been successful. The project will remain on the GPF project pipeline whilst the formalities of the Levelling Up Fund award are completed, however, it is likely that the project will be withdrawn from the GPF project pipeline in the near future.
- 5.7 In December 2020, the Strategic Board agreed that if a project cannot proceed within 6 months of funding becoming available that it should remain on the GPF project pipeline, but that Accountability Board could award funding

to the next project on the pipeline in order to facilitate swift investment of the GPF funding. As of 1 October 2021, GPF funding had been available to support the Leigh Port Quay Wall project for a period of 6 months. In light of the decision taken by Strategic Board, both projects remaining on the GPF project pipeline were invited to submit Business Cases for consideration by the Board at this meeting.

- 5.8 For the reasons outlined above, the Leigh Port Quay Wall project was unable to submit a Business Case in accordance with the required timetable for consideration at this meeting. However, a Business Case was submitted for the No Use Empty Residential project.
- 5.9 There is insufficient GPF funding available in 2021/22 to support both projects. Therefore, the Board are asked to decide whether to award funding to the No Use Empty Residential project, as facilitated by the decision taken by Strategic Board, or to retain the GPF funding until it is confirmed whether the Leigh Port Quay Wall project will be bringing forward a Business Case.
- 5.10 Details of the No Use Empty Residential project are set out within Section 6 of this report.

6. Case for Investment – No Use Empty Residential

- 6.1 Table 1 provides an overview of the No Use Empty Residential project.

Table 1: Overview of the No Use Empty Residential project

GPF allocation: £2.5m		Total project cost: £7.5m (estimate)	
Key outputs:			
<ul style="list-style-type: none">Provision of short-term secured loans (up to 3 years) to bring empty residential properties back into effective use as high quality housing units.			
Key project milestones:			
Milestone		Indicative date	
Publicise No Use Empty Residential funding availability		January/February 2022	
Year 1 No Use Empty loans approved		August 2022 onwards	
Year 2 No Use Empty loans approved		April 2023 onwards	
Repayment of loans by property owners		January 2026 and January 2027	
Project completion (final repayment)		March 2027	
Repayment schedule:			
2025/26	2026/27	Total	
£1.25m	£1.25m	£2.5m	

- 6.2 The No Use Empty scheme, which seeks to return long-term empty properties to effective use, has been operating in Kent since 2005. There are two strands to the No Use Empty initiative – one focussing on long-term empty

commercial properties and one with a focus on long-term empty residential properties.

- 6.3 The primary objective of the No Use Empty initiative is to improve the physical urban environment in Kent, by bringing empty properties back into use as quality housing accommodation and to raise awareness of the issues surrounding empty properties, highlighting the problems they cause to local communities. This objective is achieved through the provision of short-term secured loans to property owners, which is supported by established application, approval and monitoring processes.
- 6.4 The No Use Empty Residential scheme is currently operating in Kent and the GPF funding has been sought to allow the programme to be scaled up, with an aim of returning an additional 100 long-term empty properties back into effective use. It is also intended that the scheme will be extended to include the Medway area for the first time.
- 6.5 Demand for provision of short-term loans through the No Use Empty initiative remains high, with the funding currently available for 2021/22 being exhausted by November 2021. In addition, there is a growing pipeline of projects which could be accelerated if the award of GPF funding was approved.
- 6.6 If no GPF funding is awarded to support the project, the initiative will continue but more properties will remain derelict which will have a negative impact on the local area potentially leading to an increase in anti-social behaviour.
- 6.7 It is expected that as a result of the GPF investment, an additional 100 empty homes will be returned to use, providing housing for up to 200 people and the direct creation of 50 jobs.
- 6.8 The Board have previously approved the award of £3m of GPF funding to support the No Use Empty Commercial (Phases I and II) project. Phase I of the project is nearing completion and to date has delivered 30 new jobs and 26 new homes. Phase II of the project has only recently commenced but demand has been strong and work has already commenced on 5 properties.
- 6.9 Following consideration of the Business Case by the ITE, the No Use Empty Residential 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 assessment of scheme costs and benefits has been undertaken and that appropriate guidance has been followed.

7. Risks

- 7.1 A comprehensive risk register has been provided for the No Use Empty Residential project which identifies the key risks faced by the project and sets out appropriate individual mitigating actions in each case.
- 7.2 GPF funding has previously been invested in the No Use Empty Commercial (Phases I and II) project. Through the regular reporting provided by Kent County Council, a number of COVID-19 related risks have been identified. The majority of these risks stem from the impact on the construction industry and the associated supply chains, which has delayed completion of the final property within the No Use Empty Commercial Phase I project. There is the potential for similar issues to affect the delivery of the No Use Empty Residential project.
- 7.3 Due to the nature of the No Use Empty Residential project, there are a number of uncertainties at this stage of the project, particularly in relation to outcomes and private sector funding contributions. These uncertainties have arisen as the properties which are to be returned to use through the project have not yet been identified and therefore the associated costs and benefits cannot be confirmed at this stage.
- 7.4 The No Use Empty scheme has a strong track-record of delivery dating back 15 years and Phase I of the No Use Empty Commercial scheme, which was supported by GPF investment, outperformed expectations in terms of delivery of project benefits. Previous experience of delivering the No Use Empty scheme has fed into the calculation of the anticipated project costs and benefits stated within the Business Case.

8. Options available to the Board

- 8.1 In December 2020, the Strategic Board received an update on the GPF project pipeline and agreed that if a project could not proceed within 6 months of funding becoming available that it should remain on the GPF project pipeline, but that the Accountability Board could award funding to the next project on the pipeline in order to facilitate swift investment of the GPF funding. As set out in Section 5 of this report, GPF funding became available to support the Leigh Port Quay Wall project in April 2021, meaning that a period of more than 6 months has now passed.
- 8.2 The update provided within this report on the Leigh Port Quay Wall project, which is top of the project pipeline, indicates that it hasn't been possible to bring forward a Business Case to date due to ongoing work to either bridge a funding gap which has arisen or to secure alternative grant funding to support the project. This work culminated in a successful bid to the Levelling Up Fund which secured funding to support delivery of the Project. Southend-on-Sea Borough Council have requested that the Project remain on the GPF project pipeline whilst the formalities of the Levelling Up Fund are completed. It is, therefore, likely that the Project will be withdrawn from the GPF project pipeline in the near future.

- 8.3 The No Use Empty Residential project, which is second on the project pipeline, has a pipeline of potential properties seeking investment and is therefore in a position to progress now.
- 8.4 There is only funding available in 2021/22 to support one of the two projects remaining on the pipeline. In light of the decision by Strategic Board, both projects were offered the opportunity to submit their Business Cases for consideration by the Board at this meeting. As indicated, it was only possible for a Business Case for the No Use Empty Residential project to be submitted in line with the required timetable.
- 8.5 There are two options available to the Board. Option 1, which is the recommended option, is as follows:
- 8.5.1 **Agree** to award funding to the second project on the GPF project pipeline (No Use Empty Residential), in the absence of a Business Case for the project at the top of the pipeline (Leigh Port Quay Wall) in order to facilitate swift investment of the GPF funding. Noting that the Leigh Port Quay Wall project will remain on the GPF project pipeline and that, subject to receipt of forecast GPF repayments, there will be sufficient funding available to support the project in early 2022/23 if funding is still required; and
- 8.5.2 **Approve** the award of £2.5m GPF by way of a loan to support the delivery of the No Use Empty Residential project, as set out in Appendix B, which has been assessed as presenting High value for money with High certainty of achieving this.
- 8.6 Option 1 utilises the flexibilities agreed by the Strategic Board and allows the award of funding to the No Use Empty Residential project, in advance of funding being approved for the Leigh Port Quay Wall project.
- 8.7 This option allows for accelerated investment of the available GPF funding into the No Use Empty Residential project, whilst also acknowledging the ongoing strategic importance of the Leigh Port Quay Wall project through the retention of the project on the pipeline. If the Board choose Option 1, it is expected that, subject to receipt of forecast GPF repayments in 2021/22, there will be sufficient funding available to support the Leigh Port Quay Wall project from April 2022 if this funding is required.
- 8.8 If the Board choose Option 1 and approve the award of GPF funding to the No Use Empty Residential project, steps will be taken to progress the required legal agreement between Essex County Council (as Accountable Body for SELEP), SELEP Ltd. and Kent County Council. Once this legal agreement has been completed, the funding will be available for drawdown in line with the profile set out in Appendix B.
- 8.9 The second option available to the Board (Option 2) is as follows:

- 8.9.1 **Agree** that GPF funding should continue to be awarded to projects in the order shown on the GPF project pipeline. Noting that Southend-on-Sea Borough Council has been successful in securing Levelling Up Fund funding to support delivery of the Leigh Port Quay Wall project and therefore GPF funding is unlikely to still be required to support the project.
- 8.10 Option 2 preserves the current order of the GPF project pipeline and ensures that there is sufficient funding available to support the Leigh Port Quay Wall project should funding still be required and should it be possible for a Business Case to be brought forward for Board consideration before the end of 2021/22.
- 8.11 In this scenario, funding would not be available to support the No Use Empty Residential project until April 2022 and this would be subject to receipt of forecast GPF repayments in March 2022. The delay in awarding funding to the No Use Empty Residential project will delay the realisation of the expected project benefits and will reduce the impact of the initiative in the short-term.
- 8.12 If the Board choose Option 2, the SELEP Capital Programme team will continue to regularly engage with Southend-on-Sea Borough Council to ensure that regular updates are provided to the Board on the status of the Leigh Port Quay Wall project and the ongoing need for GPF investment.

9. Financial Implications (Accountable Body Comments)

- 9.1 There is sufficient GPF held in 2021/22 for reinvestment in the No Use Empty Residential project which is asking for a funding decision in this paper. There is insufficient funding held at this time to support both projects (No Use Empty Residential and Leigh Port Quay Wall projects) on the agreed prioritised pipeline of GPF projects, identified through GPF round 3.
- 9.2 The repayment schedule for the No Use Empty Residential project is as set out in Appendix B. Any changes to the Project or the repayment schedule will require further approval by the Board.
- 9.3 In the event of Project failure, the risk of non-repayment of the loan sits with the fund; any delay in repayment or non-repayment reduces the funding available to reinvest into new projects on the GPF investment pipeline. To mitigate this risk, it is a requirement of the lead County / Unitary authority to undertake regular monitoring and evaluation of the projects and report progress on delivery, outcomes and risks to the SELEP Secretariat.
- 9.4 It is expected that each lead County/Unitary authority will enter into reciprocal agreements with the project promoter for each GPF project coming forward for a funding decision.
- 9.5 If the Board approve the award in recommendation 2.1.2 a loan agreement between SELEP Ltd, Essex County Council as Accountable Body to SELEP and Kent County Council (Lead Authority) will be put in place and drawdown

permitted as per the schedule.

10. Legal Implications (Accountable Body Comments)

- 10.1 The Growing Places Fund will be administered by the Accountable Body in accordance with the terms set by Central Government. For each project, where a loan is to be provided following approval by Accountability Board, a loan agreement will be put in place between the Accountable Body and each partner authority, this will include a repayment schedule.

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; and
 - c) foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3 In the course of the development of the project business case, the delivery of the Project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and 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 – Report of the Independent Technical Evaluator
12.2 Appendix B – No Use Empty Residential project information

13. List of Background Papers


- 13.1 Business Case for the No Use Empty Residential project

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

Role	Date
Accountable Body sign off	

Stephanie Mitchener	9 November 2021
(On behalf of Nicole Wood, S151 Officer, Essex County Council)	

Independent Technical Evaluator - Business Case Assessment – Q3 2021/22 Report



Independent Technical Evaluator - Business Case Assessment – Q3 2021/22 Report

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1 Independent Technical Evaluation of Getting Building Fund, Growing Places Fund and Local Growth Fund Schemes

Overview

- 1.1 Steer was reappointed by the South East Local Enterprise Partnership in April 2021 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 Recommendations are made for funding approval on 19th November 2021 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' decision on funding, but to provide evidence to the South East Local Enterprise Partnership Board to make such decisions based on expert, independent and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where value for money is not assessed as being high (i.e. where a benefit to cost ratio is below two to one and / or where information and / or analysis is incomplete).
- 1.5 The assessment is based on adherence of scheme business cases to Her Majesty's Treasury's *The Green Book: Central Government Guidance on Appraisal and Evaluation*¹, and related departmental guidance such as the Department for Transport's TAG (Transport Analysis Guidance, 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, DfT's TAG, MHCLG's Appraisal Guide, and other departmental guidance.

¹ Source:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

- 1.7 Individual criteria were assessed and then 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 during October 2021.

Getting Building Fund

- 1.11 One business case has been assessed for a scheme 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 scheme achieves **high value for money** with a **high certainty** of achieving this.
- The Amelia Scott (£1.4m)*
- 1.14 The Project will see two dilapidated grade two buildings restored and extended to provide enhanced library and museum experience and education space. The new fit for purpose education spaces will house services from multiple sites, which when combined, will help to grow the education potential and offer in the area. The museum and library space will aim to create an exceptional visitor experience that will host exhibitions and events showcasing local culture and heritage.
- 1.15 The strategic case exhibits alignment with the objectives of the Getting Building Fund. The scheme will deliver 18 new permanent jobs and more than 200 construction jobs. It is also a scheme which will support the Green Recovery, bringing back into use two dilapidated grade two buildings. The scheme promoter notes that the SELEP funding will address a significant increase in costs brought about by the impacts of Covid-19.
- 1.16 A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's The Additionality Guide. This assessment shows the scheme to have a benefit cost ratio of 2.7:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 1.17 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers "high" value for money with high levels of certainty.

Growing Places Fund

- 1.18 One business case has been assessed for a scheme seeking a Growing Places Fund allocation. Below are our recommendations to the Accountability Board, including key findings from the evaluation process and details of any issues arising.
- 1.19 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**
- 1.20 The following GPF scheme achieves **high value for money** with a **high certainty** of achieving this.

No Use Empty (NUE) Empty Homes Initiative (£2.5m)

- 1.21 The primary objective of the NUE initiative is to improve the physical urban environment in Kent, by bringing empty properties back into use as quality housing accommodation and to raise awareness of the issues surrounding empty properties, highlighting the problems they cause to local communities.
- 1.22 This investment of £2.5m from GPF will:
- Extend the NUE initiative to include the unitary authority of Medway giving blanket coverage across Kent fulfilling an ambition to offer a loan product in the unitary.
 - Scale up the approach in order to return 100 additional empty properties back into use.
- 1.23 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 Department for Levelling Up, Housing and Communities Appraisal Guidance. This assessment shows the scheme to have a benefit cost ratio of 2.9:1 which falls within a “high” value for money categorisation. The assumptions used in the appraisal are reasonable and robust therefore the scheme also delivers high levels of certainty for this value for money categorisation.

Table 1.1: Gate 1 & 2 Assessment of Getting Building Fund and Growing Places Fund Applications for Funding for Q3 2021/22

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										
The Amelia Scott	£1.4m	Gate 1: 2.7	Green	Green	Green	Green	Green	A monetised economic appraisal assessing the GVA impacts in line with the former Homes and Communities Agency's The Additionality Guide which is appropriate and proportionate for this scheme.	A robust and evidenced set of assumptions has been provided.	A clear plan for delivery has been provided.
Growing Places Fund										
No Use Empty (NUE) Empty Homes Initiative	£2.5m	Gate 1: 2.9	Green	Green/Amber	Green	Green	Green	A reasonable and proportionate approach to monetising benefits and costs of the scheme has been taken in line with DLUHC's Appraisal Guide.	Land value uplift resulting from the scheme has been appraised. Some of the core assumptions need to be set out in the business case, but it is our assessment that this would not affect the value for money.	A clear plan for delivery has been provided.

Local Growth Fund Change Requests

- 1.24 The SELEP Assurance Framework states that any variations to a project's costs, scope, outcomes or outputs from the information specified in the Business Case must be reported to the Accountability Board. When the changes are expected to have a substantial impact on forecast project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the Value for Money assessment, it is expected that the business case should be re-evaluated by the ITE.

Change requests for projects seeking additional LGF if funding becomes available

Southend Airport Business Park

- 1.25 Southend-on-Sea Borough Council is seeking a further £1.5m to spend on the Southend Airport Business Park Project. The scope of the project remains investing in the development of a green park site located next to Southend Airport. The project aims to deliver 3,715 jobs, 84,148 square metres of commercial floorspace, 2km newly built roads, 2km new cycleways, and will reclaim 19 hectares of land.
- 1.26 The original business case as reviewed by Steer in October 2019 was based on a scheme capital cost of £31.1m, including a Local Growth Fund contribution of £23.1million. The benefit cost ratio for the original scheme was 4.3:1 representing "high" value for money, with a high level of certainty of achieving that value for money.
- 1.27 Additional investment is being sought to allow the project to manage the impacts of the pandemic and still allow full realisation of the scheme's benefits.
- 1.28 The additional funding request of £1.5m represents an increase in total scheme cost from £31.2m to £32.7m. Our assessment show that the benefit cost ratio will remain comfortably above 2:1 and we are confident that the scheme, with the additional investment, will continue to represent "high" value for money with a high certainty of achieving that value.

Maidstone East Station Access Improvements (West Kent LSTF)

- 1.29 Kent County Council is seeking an additional £0.2m investment in the Maidstone East Station Access Improvements. The original scope of the project was to invest in station access improvements in a number of locations. The project was composed of 5 discrete elements that collectively address the growing connectivity problems caused by traffic congestion hotspots and a lack of capacity across the road and rail network.
- 1.30 The original business case as reviewed by Steer in October 2018 was based on a scheme capital cost of £9.1m, with a benefit cost ratio of 8.2:1. This represented "very high" value for money.
- 1.31 The project is seeking further investment due to COVID-19 related delays during the construction phases of one of the 5 sub-projects which were a result of the need to change working practices to comply with new COVID government guidance.
- 1.32 The project will proceed without further Local Growth Fund funding, however it would place undue pressure on other Network Rail projects across the area, indirectly removing their potential benefits.
- 1.33 The new investment represents an increase in costs from £9.1m to £9.3m. The impact on the benefit cost ratio is therefore marginal, and we are confident that the scheme, with the additional investment, will continue to represent "very high" value for money with a high certainty of achieving that value.

A127 Essential Major Maintenance

- 1.34 Southend-on-Sea Borough Council is seeking an additional £0.4m to spend on the A127 Essential Major Maintenance project. The scope of the project remains improving the condition and quality of the A127 from the Borough boundary to Victoria Gateway, including strengthening the carriageway,

repairing concrete slabs, resurfacing, repairing defective drains, repairing safety barriers and lighting columns.

- 1.35 The original business case as reviewed by Steer in September 2018 was based on a scheme capital cost of £11.8m, with a benefit cost ratio of 17.9:1 representing “very high” value for money, with a high level of certainty for delivering that value for money.
- 1.36 The project is in the delivery phase. Main construction began in September 2020 and can continue without the additional funds, however not all of the benefits of the scheme will be realised without the further investment. Given the fact that the project is underway and remains on schedule to complete in Autumn 2021, we are confident that the scheme, with the additional investment, will continue to represent “very high” value for money with a high certainty of achieving that value.

Parkside Phase 3

- 1.37 Essex County Council is seeking an additional £1.7m to spend on the Parkside Phase 3 project. The scope of the project involves an extension of the Parkside Office Village and expands on the successful Parkside Phase 1 and the ongoing Parkside Phase 2, a series of developments aimed at providing units of modern office space. Phase 3 will see the development of a single four-storey building with a total area of 4,772 square metres.
- 1.38 The original business case as reviewed by Steer in May 2019 was based on a scheme capital cost of £10.5m, including an LGF contribution of £5m. The benefit cost ratio for the original scheme was 11.2:1 representing “very high” value for money, with a high level of certainty for delivering that value for money.
- 1.39 Additional investment is being sought from the Local Growth Fund due to a deferral to construction caused by the COVID-19 Pandemic. In response to the pandemic, the university deferred all major capital projects that weren’t already under construction or essential to current continuity. Additional LGF funding will cover increased contractor cost and risk being factored into the design costs that will allow Phase 3 to adapt to changes in market conditions following the COVID crisis.
- 1.40 The additional funding request of £1.7m from the Local Growth Fund increases the total cost of the from £10.5m to £12.2m. Our assessment shows that the BCR will remain in excess of 2:1 therefore we are confident that the scheme, with the additional LGF investment, will continue to represent “high” value for money with a high certainty of achieving that value.

A13 Widening

- 1.41 Thurrock Council is seeking an additional £1m to spend on the A13 Widening Scheme Project. This is the second tranche of a Local Growth Fund bid totalling £2.5m. The scope of the project remains widening the A13 Stanford le Hope Bypass from 2 to 3 lanes in both directions, from the junction with the A128 (Orsett Cock roundabout) in the west to the A1014 (the Manorway) in the east.
- 1.42 The original business case as reviewed by Steer in June 2020 was based on a scheme capital cost of £114.7m, with a benefit cost ratio of 2.1:1 representing “high” value for money, with a medium level of certainty for delivering that value for money.
- 1.43 Additional funding has been sought due to the impact of COVID-19, which has meant the Council has come under substantial financial pressures leading to a funding gap due to cost increases. It is noted that a number of other funding sources are contributing to bridging the gap as well as additional funding from the Local Growth Fund.
- 1.44 A revised economic assessment has been provided alongside the bid for increased funding. With the increase in costs the scheme has a BCR of 1.7:1 in the core scenario. This falls within the “medium” value for money category. An additional scenario which consider the benefits of the scheme with the impacts of Lower Thames Crossing included has also been presented. In this scenario the scheme has a benefit cost ratio of 2.5:1 which falls within the “high” value for money category. Though National

Highways are committed to delivery of the Lower Thames Crossing, we would ask the Accountability Board to consider the fact that the A13 Widening scheme on its own does not represent high value for money when deciding whether to approve the additional funding.

Control Information

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22790509

Client contract/project number

F1523058

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Distribution

Client: SELEP Steer: Project team

Version control/issue number

V0.1 Draft for Internal Review
V0.2 Draft for Client

Date

20 October 2021
20 October 2021

Appendix B – GPF Project Background Information

Name of Project	<p>No Use Empty (NUE) Residential</p> <p>Kent-wide – specific locations depend upon identified properties</p> <p>Kent County Council</p>
Growing Places Fund allocation	£2,500,000
Description of what Project delivers	<p>The NUE Initiative seeks to improve the physical urban environment in Kent, by bringing empty properties back into use as quality housing accommodation and to raise awareness of the issues surrounding empty properties, highlighting the problems they cause to local communities. This objective is achieved through the provision of short-term secured loans (up to 3 years) to property owners.</p> <p>The GPF funding sought will enable Kent County Council to scale up their successful NUE Residential project, facilitating the return of an additional 100 long-term empty properties to effective use.</p> <p>This project is expected to deliver benefits across the whole of Kent, with property owners from all 12 Kent districts able to apply for a loan. It is also anticipated that the initiative will extend into the Medway area for the first time.</p> <p>The NUE initiative supports SME's by encouraging the spend of funding on local goods and services. The project also creates and safeguards jobs, creates new residential accommodation, generates new Council Tax receipts through the conversion of larger buildings into multiple units and has contributed to the regeneration of town centres via the NUE Commercial project (GPF Rounds 2 and 3).</p>
Need for intervention	<p>Empty Homes is a national problem. Latest Government data shows that over 216,000 homes in England have been empty for over six months. In all, over 600,000 homes are currently vacant.</p> <p>Leaving homes empty is a wasted resource. England needs over 300,000 additional homes each year and whilst individual Local Plans for new builds will help address this over the long term, it makes environmental sense to bring empty homes back into use to help neighbourhoods. Creating homes from empty properties saves substantial amounts of material compared to building new homes, minimises the amount of land used for development and avoids wasting embedded carbon; helping to combat climate change.</p>

	<p>Lack of traditional finance is a barrier to bringing empty properties back into use. Kent County Council made available funding of £6m to be used as a recyclable loan fund to provide short term secured loans to owners of long-term empty properties. To date the NUE initiative has provided loans to the value of £43.2m, leveraging £36.9m private sector to help bring back into use 1,221 residential units.</p>								
Project benefits	<p>The Project benefits are currently estimated based on previous experience of delivering the NUE initiative.</p> <p>The Project will make a positive impact on the community, improving the neighbourhood and the environment, which will increase both resident and business confidence and generate economic growth.</p> <p>It is expected that the Project will deliver:</p> <ul style="list-style-type: none">• 100 new homes;• 50 new direct jobs and 40 new indirect jobs.								
Project risks	<p>The key identified project risks are:</p> <table><tr><th>Risk</th><th>Mitigation measures</th></tr><tr><td>Return of capital investment - whenever monies are loaned there is an element of risk that the loan will not be repaid</td><td><p>All loans are subject to a risk assessment.</p><p>Loans are secured as a 1st or 2nd Charge.</p></td></tr><tr><td>Inaccurate property valuations – Kent County Council could be exposed to excessive risk</td><td><p>Independent Royal Institute of Chartered Surveyors (RICS) valuation to be undertaken to provide the existing and future value of properties.</p><p>The NUE scheme will not lend more than 80% of the current value taking into account any first charges (mortgages) on the property being developed.</p></td></tr><tr><td>Changes to staff or reduced capacity of the NUE team – adverse impact of the effective operation of the initiative</td><td><p>Within the Kent County Council Economic Development team there are a sufficient number of Project Managers/Officers with a suitable skill set if additional support is required.</p></td></tr></table>	Risk	Mitigation measures	Return of capital investment - whenever monies are loaned there is an element of risk that the loan will not be repaid	<p>All loans are subject to a risk assessment.</p> <p>Loans are secured as a 1st or 2nd Charge.</p>	Inaccurate property valuations – Kent County Council could be exposed to excessive risk	<p>Independent Royal Institute of Chartered Surveyors (RICS) valuation to be undertaken to provide the existing and future value of properties.</p> <p>The NUE scheme will not lend more than 80% of the current value taking into account any first charges (mortgages) on the property being developed.</p>	Changes to staff or reduced capacity of the NUE team – adverse impact of the effective operation of the initiative	<p>Within the Kent County Council Economic Development team there are a sufficient number of Project Managers/Officers with a suitable skill set if additional support is required.</p>
Risk	Mitigation measures								
Return of capital investment - whenever monies are loaned there is an element of risk that the loan will not be repaid	<p>All loans are subject to a risk assessment.</p> <p>Loans are secured as a 1st or 2nd Charge.</p>								
Inaccurate property valuations – Kent County Council could be exposed to excessive risk	<p>Independent Royal Institute of Chartered Surveyors (RICS) valuation to be undertaken to provide the existing and future value of properties.</p> <p>The NUE scheme will not lend more than 80% of the current value taking into account any first charges (mortgages) on the property being developed.</p>								
Changes to staff or reduced capacity of the NUE team – adverse impact of the effective operation of the initiative	<p>Within the Kent County Council Economic Development team there are a sufficient number of Project Managers/Officers with a suitable skill set if additional support is required.</p>								

		In addition, procedure notes have been produced which cover all required tasks.	
Financial Information	The total capital cost of the project is estimated to be in the region of £7,500,000 .		
	At this stage it is not possible to provide a confirmed total project cost as this is dependent upon identification of the individual empty properties which will be improved as a result of the Project. The estimated costs are based on previous experience of delivering the No Use Empty initiative.		
	Delivery of the Project will be funded through the following capital funding sources:		
	Funding source	Amount £m	Constraints, dependencies or risks
	Growing Places Fund	2.5	Subject to Board approval
	Kent County Council contribution	2.5	This funding contribution is committed
	Private sector	2.5	This funding contribution is not yet committed as it is dependent upon contributions from loan recipients. Funding contribution will be confirmed as empty properties are identified.
	Total project cost	£7.5m	
GPF spend profile	The GPF allocation will be spent in accordance with the spend profile set out below:		
	2022/23	2023/24	Total
	£1.25m	£1.25m	£2.50m
	The GPF funding will be drawn down in full in 2021/22.		
Project Timeline	Milestone		Indicative date
	Publicise NUE Residential funding availability		January/February 2022
	Year 1 NUE loans approved		August 2022 onwards
	Year 2 NUE loans approved		April 2023 onwards
	Recovery of loans in line with contractual agreements		January 2026 and January 2027
	Project completion (final repayment)		March 2027

Repayment schedule	<p>The GPF loan will be repaid in accordance with the repayment schedule below:</p> <table><tr><td>2025/26</td><td>2026/27</td><td>Total</td></tr><tr><td>£1.25m</td><td>£1.25m</td><td>£2.50m</td></tr></table> <p>The GPF funding will be repaid by Kent County Council following repayment of the short-term loans issued to property owners. The No Use Empty loan scheme has been operating for 15 years and has an excellent repayment track record. The repayment risk is therefore considered to be low, despite the fact that the loan recipients have not yet been identified.</p>	2025/26	2026/27	Total	£1.25m	£1.25m	£2.50m
2025/26	2026/27	Total					
£1.25m	£1.25m	£2.50m					
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (Appendix A).</p>						
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p>						
Link to project Business Case and link to prioritisation decision by Strategic Board	<p>Project Business Case: https://www.southeastlep.com/app/uploads/2020/10/No-Use-Empty-Residential-GPF-Business-Case.pdf</p> <p>Prioritisation decisions by Strategic Board: https://www.southeastlep.com/meetings/strategic-board-12th-june-2020/ https://www.southeastlep.com/meetings/strategic-board-11th-december-2020/</p>						

Report title: Getting Building Fund Capital Programme update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 19 November 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: Pan SELEP	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the overall position of the Getting Building Fund (GBF) capital programme.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Note** the current forecast spend for the GBF programme for 2021/22 financial year of £61.237m, as set out in Table 1.
- 2.1.2. **Note** that the Laindon Place project has received approval from Essex Highways for the proposed public realm works and that therefore the first of the two funding conditions applied to the Project has been met.
- 2.1.3. **Agree** that the requirement for planning approval to be obtained for the electric vehicle charging points to be delivered as part of the Laindon Place project can be removed, on the basis that planning approval is not required as permitted development rights can be used to deliver these elements of the project.
- 2.1.4. **Note** the updates on the projects which have received approval for retention of GBF funding beyond 31 March 2022.
- 2.1.5. **Note** the update on the GBF projects which have been identified as High Risk.
- 2.1.6. **Choose** one of the following two options dependent upon the update provided on the Fast Track Business Solutions for the Hastings Manufacturing Sector project during the course of the meeting:

Option 1

- 2.1.6.1. **Note** that the Fast Track Business Solutions for the Hastings Manufacturing Sector project has met the conditions attached to the funding award in September 2021 (as set out in Section 7.12 of this report) and that it will now progress to delivery, subject to the Board

agreeing the retention of the GBF funding beyond March 2022 under Agenda Item 10; **OR**

Option 2

- 2.1.6.2. **Note** that the Fast Track Business Solutions for the Hastings Manufacturing Sector project has not met the conditions attached to the funding award in September 2021 (as set out in Section 7.12 of this report) and that the project will therefore be removed from the GBF programme in accordance with the decision taken by the Board in September 2021. The £804,365 GBF currently held by East Sussex County Council should be returned to Essex County Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects on the GBF prioritised project pipeline, alongside the funding currently held by the Accountable Body.

3. Summary Position

- 3.1. In July 2021, the Board approved the award of the remaining £1.0189m GBF to the Innovation Park Medway – Sustainable City of Business and Accessing Charleston: Removing the Barrier to Growth projects. The £85m GBF allocation awarded to SELEP by Central Government has now been fully allocated to projects. A GBF prioritised project pipeline remains in place and will be used to reallocate any GBF funding returned to SELEP in the event of any projects being removed from the GBF programme.
- 3.2. The delivery of the GBF projects is being closely monitored as the programme moves towards its conclusion in March 2022, with any identified High Risk projects being flagged to the Board.
- 3.3. In accordance with the decisions taken by the Board in July 2021, consideration is also being given to those projects which require the retention of GBF funding beyond 31 March 2022 to enable project delivery. Decisions are sought regarding the retention of GBF funding beyond March 2022 against 6 projects under Agenda Item 10.

4. Getting Building Fund spend position

- 4.1. As reported at the September Board meeting, GBF spend in 2020/21 was significantly lower than forecast at the beginning of the GBF programme. Total GBF spend in 2020/21 was reported to be £13.614m, which left £71.386m to be spent in 2021/22. To date, actual GBF spend in 2021/22 totals £22.159m.
- 4.2. In September the Board agreed that 2 projects, UTC Maritime and Sustainable Technology Hub and Riding Sunbeams, could retain their GBF funding beyond March 2022 for a maximum period of 6 months. The Board are asked to consider the retention of GBF funding beyond March 2022 against another 6 projects at this meeting under Agenda Item 10. The extended spend profiles for all 8 projects have been taken into account in the updated spend profile set out in Table 1 below.
- 4.3. Table 1 below sets out the updated GBF spend forecast for future years.

Table 1: Summary GBF spend forecast - all years

Local authority	GBF Total Allocation	GBF Drawdown		GBF spend				Total
		GBF transferred to date	GBF to be transferred in 2021/22	Actual GBF spend - 2020/21	Actual GBF spend - Q1 and Q2 2021/22	Forecast GBF spend - Q3 and Q4 2021/22	Forecast GBF spend - 2022/23	
East Sussex	11.420	7.333	4.087	1.656	1.376	5.058	3.332	11.420
Essex	27.292	20.115	7.177	4.542	2.953	15.916	3.882	27.292
Kent	35.019	28.304	6.715	6.201	16.094	12.724	0.000	35.019
Medway	2.768	0.792	1.977	0.205	0.305	2.259	0.000	2.768
Southend	5.400	0.558	4.842	0.000	0.000	2.400	3.000	5.400
Thurrock	3.100	2.377	0.723	0.946	1.431	0.723	0.000	3.100
Total	85.000	59.479	25.521	13.550	22.159	39.078	10.214	85.000

- 4.4. GBF funding totalling £39.078m is forecast for spend in Q3 and Q4 2021/22, with the remaining £10.214m expected to be spent in 2022/23, however, this is subject to Board approval of requests from 6 projects to retain their GBF allocations beyond March 2022 which will be considered under Agenda Item 10.

5. Update on fulfilment of funding conditions

- 5.1. There is one project within the GBF programme which is still subject to conditions that were attached to the award of the GBF funding at the time of the Board decision to approve funding award.
- 5.2. The Laindon Place project sought GBF funding to support the regeneration of the old Laindon Shopping Centre in Basildon. The wider regeneration seeks to deliver a brand-new high street with shops, landscaped public realm, parking, a new supermarket, 224 new homes and an expanded new health centre. The GBF funding was specifically required to deliver the installation of Electric Vehicle charging points, shop frontages and the provision of quality public realm in the new high street. The Project is expected to deliver a minimum of 60 jobs in the new retail units and a minimum of 65 jobs will be created on the construction site.
- 5.3. The project was awarded a GBF allocation of £790,000, subject to provision of written confirmation from Essex County Council that:
- 5.3.1. Essex Highways have approved the public realm works; and
- 5.3.2. the Section 73 application has been approved for the installation of the electric vehicle charging points.
- 5.4. In September 2021, the Board were informed that a copy of a letter from Essex Highways had been provided which indicated approval of the planned public realm works. As a result, the first funding condition has been met.
- 5.5. With regard to the second funding condition, the approval of the Section 73 application for the installation of electric vehicle charging points, the Board were informed in September 2021 that this condition had not yet been met. At the time of the funding decision, it was expected that a Section 73 application (this allows applicants to vary or remove conditions associated with a planning permission, including seeking minor material amendments to the existing planning consent) including the electric vehicle charging points would be submitted in May 2021, with determination expected within 28 days. However, due to changes in

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Building Regulations and the introduction of the Fire Safety Bill, it was necessary to redesign some elements of the wider project which has resulted in a delay in submitting the planned Section 73 application.

5.6. The Board were informed in September 2021 that it was proposed that approval for the electric vehicle charging points would instead be secured through a Section 96a application (this allows for non-material amendments to be made to an existing planning consent) which could be easily prepared and should be determined within 28 days. As a consequence, the Board agreed to allow the Laindon Place Project until the November Board meeting to secure the required planning approvals for the proposed electric vehicle charging points.

5.7. Subsequent to the last Board meeting, a new Project Manager has been appointed to the project and they have identified that the electric vehicle charging points can be installed under Permitted Development Rights and that, as a result, planning approval is not required for this element of the project. This approach is being taken on the basis that:

5.7.1. both the wall mounted outlets and charging upstands are on land that is owned by the delivery partner, with the upstands located on land that can be accessed by the public;

5.7.2. the charging units are more than 2 metres away from the highway. The wall mounted outlets will be underneath the podium of the building and the charging upstands will be on an unadopted road owned by the delivery partner, which has public access;

5.7.3. the units will comply with the other conditions of permitted development rights, including that they are not next to, or attached to, a listed building or scheduled monument.

5.8. In light of this intended approach, it is recommended that the second funding condition is removed from the project. This will allow the Project to progress to delivery and will allow Essex County Council to begin drawdown of the GBF funding awarded to the project.

5.9. It was also noted at the September Board meeting that it was expected that a request to retain GBF funding beyond March 2022 would be presented to the Board for consideration at this meeting. SELEP officers have subsequently been made aware that, subject to the Board agreeing the removal of the outstanding funding condition at this meeting, it is expected that the GBF allocation will be spent in full by the end of March 2022.

6. Update on projects which have received approval for retention of GBF funding beyond March 2022

6.1. To date, the Board have approved the retention of GBF funding beyond March 2022 against two projects – the UTC Maritime and Sustainable Technology Hub and the Riding Sunbeams projects.

6.2. Updates on all projects which have received approval for retention of GBF funding beyond March 2022 will be provided at each Board meeting to ensure that the projects remain on track to complete GBF spend by 30 September 2022 at the latest.

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- 6.3. The UTC Maritime and Sustainable Technology Hub project, which has received a GBF allocation of £1.3m, is seeking to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising:
- 6.3.1. 1,630 sqm of educational/training and business support space for the maritime sector;
 - 6.3.2. 1,595 sqm of commercial office space; and
 - 6.3.3. 1,500 sqm of ancillary space.
- 6.4. The completed development will enable a Maritime and Sustainable Technology Hub to be established in Newhaven to support the maritime sector across Sussex. The Hub will actively seek to encourage those industries involved in the design, construction, maintenance and operation of environmental, engineering and maritime products and services (clean, green and marine technologies) to invest in Newhaven.
- 6.5. At the September meeting, the Board were informed that the key reason for the delay in delivering the project related to unexpected complexities around securing the lease required for the building. The maximum 6-month extension available was requested to allow sufficient time for the lease issues to be resolved and for the project to be delivered in accordance with the Business Case.
- 6.6. Since the last Board meeting, agreement has been reached with both the Head Leaseholder and the Department for Education (DfE) on the premium payable for acquisition of the headlease and sublease for the property by Lewes District Council. All parties are keen to move quickly to resolve the lease issues and the aim is to complete the acquisition by early December 2021. Heads of Terms have been drawn up and are currently with the Lewes District Council legal team to finalise.
- 6.7. The acquisition of the headlease for the building will give Lewes District Council use of the site for the remaining 900 years on the lease and will enable them to deliver the project as intended. There is, however, a cost implication attached to acquiring the lease which was not considered when the Business Case was prepared. Funding has been secured by Lewes District Council to allow the acquisition of the lease and consideration has been given to the implications for the value for money offered by the project.
- 6.8. Lewes District Council have provided the following commentary on how the additional cost of the lease acquisition impacts on the value for money offered by the project.
- 6.9. The additional cost of £500,000 associated with delivery of the project will enable Lewes District Council to purchase the head lease. This will provide greater certainty over project longevity and will be more sustainable. Previously, the proposal was that Lewes District Council would take on the DfE's much shorter sub-lease. The original Benefit Cost Ratio (BCR) as set out in the Business Case was estimated at 2.93:1. If the additional £0.5m cost is factored into the economic model in Year 1, the BCR falls to 2.04:1. This still represents high value for money.
- 6.10. Furthermore, Lewes District Council now has greater cost certainty with the acquisition costs, whereas previously there was an overage clause with the head lessee. This means that it is considered reasonable to reduce the Optimism Bias applied as there is now increased certainty over the project cost. Currently the model considers Optimism Bias at 15%. If this was to be reduced to 10%, the BCR would increase to 2.18:1. The successful

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head lease negotiations ensure that the redevelopment of the former UTC building is more sustainable, with a major risk now removed and greater flexibility to adapt the building to the needs of the end users.

- 6.11. An updated programme for delivery of the project has been provided and this programme indicates that construction work will now commence in April, with the opening of the new hub scheduled to take place in September 2022. As noted above, the full 6-month extension available has been requested and therefore there is no scope for slippage within the programme if project completion is to be achieved by September 2022. This risk will continue to be monitored and a further update on the project will be provided to the Board in February 2022.

Riding Sunbeams project

- 6.12. The Riding Sunbeams project, which has secured a GBF allocation of £2.528m, is seeking to build and connect the world's first megawatt scale renewable solar energy plant directly powering the direct current railways located in the heart of East Sussex.
- 6.13. The Project will be delivered through an innovation collaboration between green technology start-up Riding Sunbeams and Network Rail and will develop the route to market for subsidy free renewable energy generators to directly supply the UK's largest energy user.
- 6.14. At the September meeting, the Board were informed that the primary reason for the delay in delivering the project related to the complexities of the connection with the Network Rail distribution system. Due to the innovative nature of the project, the full extent of these complexities was unknown until detailed work commenced. A three month extension to the end of June 2022 was requested to allow time for the project to be delivered.
- 6.15. Since the last Board meeting, a Development Services Agreement with Network Rail has been signed. This has allowed work to begin on progressing through the standard Network Rail design stages. In addition, an Engineering, Procurement and Construction (EPC) contractor has been selected to deliver the cable route and solar park works. The contractor will be appointed in November to begin design work, site studies and the discharging of pre-commencement planning conditions.
- 6.16. At this stage Riding Sunbeams have access to Network Rail's design programme – up to the completion of GRIP Stage 4. The programme for GRIP Stages 5 to 8, which includes construction, will not be available until January 2022 and therefore there remains an element of uncertainty around the timetable for construction and completion of the project. Riding Sunbeams have indicated that they are still expecting the project to be completed by September 2022 at the latest, but it is recommended that the delivery programme is revisited at the February 2022 Board when the programme for GRIP Stages 5 to 8 should be known.

7. Deliverability and Risk

- 7.1. Appendix C sets out a delivery update and risk assessment for all projects included in the GBF programme. This provides a detailed breakdown of the delivery progress for each project, relative to the expected completion dates, as set out in the original Business Cases.
- 7.2. The summary project risk assessment position is set out in Table 2 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).

7.3. The risk assessment has been conducted for GBF projects based on:

- 7.3.1. **Delivery** – considers project delays and any delays to the delivery of the project outputs/outcomes. SELEP has considered the delay between the original expected project completion date (as stated in the project Business Case) and the updated forecast project completion date.
- 7.3.2. To ensure consistency with Government guidance on the assessment of GBF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of greater than 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.
- 7.3.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of GBF spend forecast for the last two quarters of the formal GBF programme (Q3 and Q4 2021/22) and beyond (where agreed by the Board).
- 7.3.4. **Reputation** – considers the reputational risk for the delivery partner, relevant Upper Tier Local Authority and SELEP Ltd.

Table 2: Summary of GBF project risk

Risk Score	Number of projects	GBF allocation to projects (£m)	GBF spend forecast in Q3 and Q4 2021/22 (£m)
Low Risk - 1	6	4.802	0.000
Low/Medium Risk - 2	8	36.140	10.270
Medium Risk - 3	9	18.791	13.951
Medium/High Risk - 4	5	8.295	8.098
High Risk - 5	8	16.972	16.972
Total	36	85.000	49.292

- 7.4. In total £16.972m GBF is allocated to High Risk projects, with all this funding unspent at the end of Q2 2021/22.
- 7.5. A number of projects are considered to present a High financial risk due to the profiling of the GBF funding. Projects which are forecasting a high proportion of GBF spend in Q3 and Q4 2021/22 (or beyond) have been assessed as Medium/High Risk or High Risk. If delivery is progressing to programme, these projects are not automatically assumed to be High Risk in all areas and are therefore not all reflected within the eight High Risk projects identified in Table 2. These projects will be monitored closely, and the Board will be updated if, due to deliverability concerns, the overall project RAG rating increases.
- 7.6. The 8 High Risk projects identified in Table 2 are;

7.6.1. Fast Track Business Solutions for the Hastings Manufacturing Sector

7.6.2. UTC Maritime and Sustainable Technology Hub

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7.6.3. Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises

7.6.4. Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises

7.6.5. Jaywick Market and Commercial Space

7.6.6. Tendring Bikes and Cycle Infrastructure

7.6.7. Better Queensway

7.6.8. No Use Empty South Essex

7.7. Updates on Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises, Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises, Jaywick Market and Commercial Space, Better Queensway and No Use Empty South Essex are provided under Agenda Item 10. An update on the UTC Maritime and Sustainable Technology Hub is provided under Section 6 of this report and updates on Fast Track Business Solutions for the Hastings Manufacturing Sector and Tendring Bikes and Cycle Infrastructure are set out below.

Fast Track Business Solutions for the Hastings Manufacturing Sector

7.8. The Fast Track Business Solutions for the Hastings Manufacturing Sector project was considered by the Board in October 2020 and a GBF award of £3.5m was approved.

7.9. The Project is expected to deliver 4,000sqm 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.

7.10. At the last meeting, the Board were informed that the Project had been identified as High Risk due to two main factors. Firstly, East Sussex County Council had reported that the required Third Party Grant Agreement between themselves and Sea Change Sussex, as delivery partner, had not yet been completed. The Grant Agreement had been delayed due to ongoing discussions regarding the terms of the agreement. Until the Grant Agreement is in place no funding can be released to support delivery of the Project.

7.11. The second factor was that planning consent for the Project had not yet been granted. A planning application was submitted to Hastings Borough Council in April 2021 but had not yet been determined.

7.12. In light of these risks, the Board agreed that planning permission must be secured and the Third-Party Grant Agreement between East Sussex County Council and Sea Change Sussex in relation to the Fast-Track Business Solutions for the Hastings Manufacturing Sector project must be completed by 19 November 2021. If planning consent has not been secured and the grant agreement is not completed by this date, the project will be removed from the GBF programme and the £3.5m GBF funding will be released for reallocation to alternative projects on the GBF prioritised project pipeline.

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- 7.13. At the time of the September Board meeting, it was expected that East Sussex County Council would be taking a decision regarding whether to enter into a variation of the usual GBF Third Party Grant Agreement in September 2021. This decision was subsequently delayed until 20 October 2021. A verbal update on the status of the Third Party Grant Agreement will be provided during the course of the meeting.
- 7.14. At the time of preparing this report, the date for determination of the planning application remains unconfirmed. However, it is anticipated that the application will be considered by the Hastings Borough Council planning committee on either 10 November or 8 December 2021. A verbal update on the status of the planning application will be provided during the course of the meeting.
- 7.15. If it has been possible for the Third Party Grant Agreement to be completed and planning permission to be granted by 19 November 2021, the Project will retain its' GBF allocation and the Board will be asked to consider a request to retain the GBF funding against the project beyond March 2022 under Agenda Item 10.
- 7.16. If, however, it has not been possible for the Third Party Grant Agreement to be completed and planning permission to be granted by 19 November 2021, the Project will be removed from the GBF programme and the £3.5m GBF awarded to the project will be reallocated to alternative projects through the GBF project pipeline.
- 7.17. During 2020/21, £804,365 of the GBF allocation to the Project was transferred to East Sussex County Council, as the responsible Upper Tier Local Authority, to support Project delivery. This funding was transferred in anticipation of the completion of the required Third Party Grant Agreement with Sea Change Sussex. As this Grant Agreement has not been completed, this funding is still held by East Sussex County Council. The funding should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting if the Board note Option 2.
- 7.18. Further to this, the reallocation of the initial £1.4m of the total £3.5m GBF funding allocated to the Project will be considered under Agenda Item 11 which outlines the requested investment in the Amelia Scott project. The award of the remaining funding will be considered at the February 2022 Board meeting. The full award of this funding will be dependent upon the return of the funding currently held by East Sussex County Council.

Tendring Bikes and Cycle Infrastructure

- 7.19. The Project is seeking to deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton which is aimed at tackling inequality within one of the most deprived areas of the country. The Project will:
- 7.19.1. make significant improvements to the cycle way between Jaywick and Clacton by creating new routes, widening existing cycle way and by providing improved signage, lighting and drainage. This will allow cyclists in Jaywick to connect to roads and cycle paths in Clacton to allow access to the station and on to the business and industrial estates of Clacton. It will also allow students to access schools and colleges with the aim of improving skills levels in the area.

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- 7.19.2. work with community organisations in Jaywick to provide a bike loan scheme (Big Essex Cycles), whereby bikes are loaned to local residents for an initial period of one year to create the opportunity to cycle to the station in Clacton and places of work – primarily in Clacton, the new commercial workspace in Jaywick and the town centre itself.
- 7.20. The project was considered by the Board in November 2020 and a GBF award of £2.3m was approved. To date, no GBF funding has been spent to support delivery of the Project.
- 7.21. The project was on track for delivery by March 2022, with work due to commence onsite to deliver the cycle infrastructure improvements which are to be funded through the GBF. However, last minute local objections to the route of the cycle path were received and therefore construction has been delayed to allow time for the objections to be resolved.
- 7.22. The scheme promoter is confident that the objections can be resolved and that the proposed works can still be delivered. However, due to the delay in delivery it is now expected that retention of the GBF funding beyond March 2022 will be required. As the objections were only recently received, it has not been possible for the project to demonstrate compliance with all the criteria and conditions agreed by the Board for retention of funding beyond March 2022 at this time. It is expected that a request for retention of the funding will be submitted by the end of December 2021, with consideration by the Board in February 2022. If the objections to the proposed works cannot be satisfactorily addressed, the Board will be asked to consider the reallocation of all or some of the funding to alternative projects via the GBF project pipeline in February 2022.

8. GBF Programme Risks

- 8.1. In addition to project specific risks, Appendix B sets out the overall programme risks. The main risk relates to the significant reduction in GBF spend during 2020/21, compared to the spend forecast provided at the start of the GBF programme. As a result of the reduction in spend, there is now a requirement for GBF spend of £71.364m in 2021/22. This has, in part, been mitigated by the Board decision to allow projects to retain their GBF allocation beyond 31 March 2022 if certain criteria and conditions are met. However, this mechanism is only designed for use in exceptional circumstances and there remains an expectation that the majority of the GBF projects will deliver by the end of March 2022 as originally agreed.
- 8.2. Other identified risks relate to the impact of the COVID-19 pandemic on the delivery (and pace of delivery) of project outputs and outcomes, which could impact the overall value for money achieved through the delivery of the programme.

9. Financial Implications (Accountable Body comments)

- 9.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body received the first tranche of GBF for £42.5m from MHCLG in September 2020; this funding was transferred in full to Partner authorities to support delivery of the Projects. The second tranche of GBF for £42.5m was received from MHCLG in May 2021.
- 9.2. Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant. This is managed through a Service Level Agreement (SLA) that is in place with each

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Partner Authority and sets out the conditions of the grant.

- 9.3. GBF is allocated through a grant determination from MHCLG (now Department of Levelling Up, Housing and Communications) via section 31 of the Local Government Act 2003; this is subject to the following condition:

The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.

- 9.4. Should the funding not be utilised in accordance with the conditions, Government may request return of the funding, or withhold future funding streams.
- 9.5. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all funding is defrayed by 31 March 2022.
- 9.6. SELEP have discussed the proposed approach regarding the retention of GBF funding beyond March 2022 with Government and it was confirmed that no additional governance or approvals would be required from Government in this respect.
- 9.7. The latest forecast (table 1) indicates that £10.214m of the total £85m GBF allocation will be spent after 31 March 2022, with a risk that this value may need to increase further, subject to decision making by the Board in November 2021. As the conditions of the grant from Government do not include an end date, there is no risk of clawback by Government due to spend beyond 31 March 2022; however, there is reputational risk to SELEP and potential risk to future funding streams where defrayal of funding and delivery cannot be demonstrated – Government review this as part of the Annual Performance Review of LEPs in advance of confirming funding for the forthcoming year.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no significant legal implications arising from the proposals set out in this report. If the Project(s) are cancelled at a later date, the provisions set out with the SLA in place between Essex County Council, as Accountable Body, and the Partner Authorities will be activated, and Essex County Council will work with the Partner Authorities to recover any abortive revenue costs.

11. Equality and Diversity Implications

- 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:
- 11.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.
 - 11.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 11.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
 - 11.1.4. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

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- 11.2. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1. Appendix A – GBF Spend Position
- 12.2. Appendix B – Programme Risk Register
- 12.3. Appendix C - Project deliverability and risk update

(Any request for background papers listed here should be made to the person named at the top 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)	9 November 2021

Appendix A - GBF Spend Position

				2020/21							
Project Name	Project Number	Local Authority area	GBF Allocation	Q2 2020-21	Q2 2020-21	Q2 2020-21	Q3 2020-21	Q3 2020-21	Q3 2020-21	Q4 2020-21	
				Baseline	Actual	Difference	Baseline	Actual	Difference	Baseline	
East Sussex											
Fast Track Business Solutions for the Hastings Manufacturing Sector	GBF002	East Sussex	3,500,000	-	-	-	125,000	-	125,000	125,000	
Restoring the Glory of the Winter Garden	GBF003	East Sussex	1,600,000	-	-	-	-	75,660	75,660	600,000	
The Observer Building, Hastings (Phase 2) Option A	GBF004	East Sussex	1,713,000	-	-	-	-	165,656	165,656	914,000	
Charleston's access road: removing the barrier to growth	GBF009	East Sussex	329,835	-	-	-	20,000	-	20,000	69,293	
Creative Hub, 4 Fisher Street, Lewes	GBF010	East Sussex	250,000	-	-	-	-	128,962	128,962	250,000	
Riding Sunbeams Solar Railways	GBF011	East Sussex	2,527,500	1,336,596	-	1,336,596	592,122	-	592,122	413,654	
Sussex Innovation Falmer - Covid Secure adaptations-	GBF012	East Sussex	200,000	-	-	-	-	-	-	200,000	
UTC Maritime & Sustainable Technology Hub	GBF013	East Sussex	1,300,000	-	-	-	-	-	-	300,000	
			11,420,335	1,336,596	-	1,336,596	737,122	370,278	366,844	2,871,947	
Essex											
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	GBF005	Essex	680,000	-	-	-	-	-	-	680,000	
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	GBF006	Essex	1,820,000	-	-	-	-	-	-	1,820,000	
Enterprise Centre for Horizon 120 Business Park	GBF014	Essex	7,000,000	1,846,669	-	1,846,669	-	-	-	5,153,331	
Harlow Library	GBF015	Essex	977,000	-	-	-	-	-	-	-	
Jaywick Market & Commercial Space	GBF016	Essex	1,972,000	-	-	-	-	-	-	170,973	
Labworth Car Park, Canvey Island modernisation	GBF017	Essex	700,000	-	-	-	-	-	-	326,000	
Modus	GBF018	Essex	1,960,000	-	-	-	-	-	-	1,960,000	
Nexus	GBF019	Essex	1,600,000	-	-	-	-	-	-	1,600,000	
Remodelling of buildings at Harlow College to provide new 'T'-levels	GBF020	Essex	1,500,000	-	-	-	-	-	-	103,778	
Rocheway	GBF021	Essex	713,000	-	-	-	334,000	-	334,000	379,000	
Swan modular housing factory	GBF022	Essex	4,530,000	-	-	-	-	-	-	2,046,625	
Tendring Bikes & Cycle Infrastructure	GBF023	Essex	2,300,000	-	-	-	-	-	-	700,000	
Tindal Square, Chelmsford	GBF024	Essex	750,000	-	-	-	-	-	-	-	
Laindon Place	GBF035	Essex	790,000	-	-	-	-	-	-	-	
			27,292,000	1,846,669	-	1,846,669	334,000	-	334,000	14,939,707	
Kent											
Digitally Connecting Rural Kent and Medway	GBF001	Kent	2,290,152	-	-	-	-	-	-	260,543	
Javelin Way Development	GBF025	Kent	578,724	-	-	-	289,362	-	289,362	289,362	
Romney Marsh Employment Hub	GBF026	Kent	3,536,466	-	-	-	-	-	-	1,564,000	
Thanet Parkway Railway Station	GBF027	Kent	11,999,000	276,892	276,892	-	3,257,194	1,125,066	2,132,128	2,980,302	
First and Second Floors, Building 500, Discovery Park, Sandwich	GBF028	Kent	2,500,000	-	-	-	-	-	-	-	
New Performing & Production Digital Arts Facility @ North Kent College	GBF029	Kent	12,301,796	-	-	-	-	-	-	2,102,262	
The Meeting Place Swanley	GBF030	Kent	1,490,000	-	-	-	211,949	-	211,949	-	
St George's Creative Hub	GBF036	Kent	323,204	-	-	-	-	-	-	-	
			35,019,342	276,892	276,892	-	3,758,505	1,125,066	2,633,439	7,196,469	
Medway											
Britton Farm Redevelopment Learning, Skills & Employment Hub	GBF007	Medway	1,990,000	-	-	-	50,000	64,328	14,328	480,000	
Innovation Park Medway - Sustainable City of Business	GBF037	Medway	778,323	-	-	-	-	-	-	-	
			2,768,323	-	-	-	50,000	64,328	14,328	480,000	
Southend											
Better Queensway	GBF031	Southend	4,200,000	-	-	-	-	-	-	-	
South Essex No Use Empty	GBF032	Southend	1,200,000	-	-	-	-	-	-	400,000	
			5,400,000	-	-	-	-	-	-	400,000	
Thurrock											
LFFN	GBF008	Thurrock	2,500,000	-	-	-	-	2,150	2,150	1,000,000	
Transport and Logistics Institute	GBF034	Thurrock	600,000	-	-	-	-	-	-	-	
			3,100,000	-	-	-	-	2,150	2,150	1,000,000	
Total			85,000,000	3,460,157	276,892	3,183,265	4,879,627	1,561,822	3,317,805	26,888,123	

Appendix A - GBF Spend Position

Project Name										
	Q4 2020-21	Q4 2020-21	Total Baseline	Total Actual	Total Difference	Q1 2021-22	Q1 2021-22	Q1 2021-22	Q2 2021-22	Q2 2021-22
	Actual	Difference	2020/21	2020/21	2020/21	Baseline	Actual	Difference	Baseline	Actual
East Sussex										
Fast Track Business Solutions for the Hastings Manufacturing Sector	-	-	125,000	250,000	-	250,000	1,500,000	-	1,500,000	1,500,000
Restoring the Glory of the Winter Garden	502,104	-	97,896	600,000	577,764	-	22,236	-	226,599	-
The Observer Building, Hastings (Phase 2) Option A	769,022	-	144,978	914,000	934,678	20,678	-	-	-	420,859
Charleston's access road: removing the barrier to growth	-	-	69,293	89,293	-	89,293	-	-	-	228,312
Creative Hub, 4 Fisher Street, Lewes	14,154	-	235,846	250,000	143,116	-	106,884	-	89,431	142,941
Riding Sunbeams Solar Railways	-	-	413,654	2,342,372	-	2,342,372	185,128	50,000	135,128	17,453
Sussex Innovation Falmer - Covid Secure adaptations-	-	-	200,000	200,000	-	200,000	-	155,810	155,810	-
UTC Maritime & Sustainable Technology Hub	-	-	300,000	300,000	-	300,000	250,000	-	250,000	44,190
	1,285,280	-	1,586,667	4,945,665	1,655,558	-	3,290,107	1,935,128	521,840	-
Essex										
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	-	-	680,000	680,000	-	680,000	-	-	-	-
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	-	-	1,820,000	1,820,000	-	1,820,000	-	-	-	-
Enterprise Centre for Horizon 120 Business Park	967,422	-	4,185,909	7,000,000	967,422	-	6,032,578	-	-	1,458,670
Harlow Library	-	-	-	-	-	-	-	-	-	90,349
Jaywick Market & Commercial Space	-	-	170,973	170,973	-	170,973	-	-	-	-
Labworth Car Park, Canvey Island modernisation	326,888	-	888	326,000	326,888	888	-	371,297	371,297	374,000
Modus	1,960,000	-	-	1,960,000	1,960,000	-	-	-	-	1,815
Nexus	-	-	1,600,000	1,600,000	-	1,600,000	-	-	-	-
Remodelling of buildings at Harlow College to provide new 'T'-levels	24,328	-	79,450	103,778	24,328	-	79,450	-	31,470	-
Rocheway	218,498	-	160,502	713,000	218,498	-	494,502	-	-	494,502
Swan modular housing factory	1,044,405	-	1,002,220	2,046,625	1,044,405	-	1,002,220	-	-	504,811
Tendring Bikes & Cycle Infrastructure	-	-	700,000	700,000	-	700,000	-	-	-	-
Tindal Square, Chelmsford	-	-	-	-	-	-	-	-	-	-
Laindon Place	-	-	-	-	-	-	-	-	-	-
	4,541,541	-	10,398,166	17,120,376	4,541,541	-	12,578,835	-	402,767	402,767
Kent										
Digitally Connecting Rural Kent and Medway	-	-	260,543	260,543	-	260,543	233,527	121,096	112,431	238,527
Javelin Way Development	578,724	-	289,362	578,724	578,724	-	-	-	-	-
Romney Marsh Employment Hub	-	-	1,564,000	1,564,000	-	1,564,000	493,116	-	493,116	493,117
Thanet Parkway Railway Station	1,760,741	-	1,219,561	6,514,388	3,162,699	-	3,351,689	1,371,152	3,536,934	2,165,782
First and Second Floors, Building 500, Discovery Park, Sandwich	-	-	-	-	-	-	550,000	-	550,000	1,371,152
New Performing & Production Digital Arts Facility @ North Kent College	2,459,825	-	357,563	2,102,262	2,459,825	-	357,563	2,788,195	2,519,263	-
The Meeting Place Swanley	-	-	211,949	-	-	211,949	319,515	-	319,515	3,557,187
St George's Creative Hub	-	-	-	-	-	-	323,204	-	323,204	319,512
	4,799,290	-	2,397,179	11,231,866	6,201,248	-	5,030,618	6,078,709	6,177,293	98,584
Medway										
Britton Farm Redevelopment Learning, Skills & Employment Hub	140,829	-	339,171	530,000	205,157	-	324,843	200,000	147,999	-
Innovation Park Medway - Sustainable City of Business	-	-	-	-	-	-	-	-	-	350,000
	140,829	-	339,171	530,000	205,157	-	324,843	200,000	147,999	-
Southend										
Better Queensway	-	-	-	-	-	-	-	-	-	-
South Essex No Use Empty	-	-	400,000	400,000	-	400,000	400,000	-	400,000	300,000
	-	-	400,000	400,000	-	400,000	400,000	-	400,000	300,000
Thurrock										
LFFN	944,068	-	55,932	1,000,000	946,218	-	53,782	400,000	501,191	101,191
Transport and Logistics Institute	-	-	-	-	-	-	300,000	469,500	169,500	400,000
	944,068	-	55,932	1,000,000	946,218	-	53,782	700,000	970,691	270,691
	11,711,008	-	15,177,115	35,227,907	13,549,722	-	21,678,185	9,313,837	8,220,590	-
Total										

Appendix A - GBF Spend Position

Project Name	2021/22									
	Q2 2021-22	Q3 2021-22	Q3 2021-22	Q3 2021-22	Q4 2021-22	Q4 2021-22	Q4 2021-22	Total Baseline	Total Forecast	Total Difference
	Difference	Baseline	Forecast	Difference	Baseline	Forecast	Difference	2021/22	2021/22	2021/22
East Sussex										
Fast Track Business Solutions for the Hastings Manufacturing Sector	- 1,500,000	250,000	1,068,228	818,228	-	811,772	811,772	3,250,000	1,880,000	- 1,370,000
Restoring the Glory of the Winter Garden	420,859	-	246,753	246,753	1,000,000	128,025	- 871,975	1,000,000	1,022,236	22,236
The Observer Building, Hastings (Phase 2) Option A	228,312	-	400,000	400,000	799,000	150,010	- 648,990	799,000	778,322	- 20,678
Charleston's access road: removing the barrier to growth	- 97,601	-	186,894	186,894	-	-	-	240,542	329,835	89,293
Creative Hub, 4 Fisher Street, Lewes	17,453	-	-	-	-	-	-	-	106,884	106,884
Riding Sunbeams Solar Railways	-	-	1,087,412	1,087,412	-	684,286	684,286	185,128	1,821,698	1,636,570
Sussex Innovation Falmer - Covid Secure adaptations-	44,190	-	-	-	-	-	-	-	200,000	200,000
UTC Maritime & Sustainable Technology Hub	- 250,000	250,000	94,257	- 155,743	250,000	200,000	- 50,000	1,000,000	294,257	- 705,743
	- 1,136,787	500,000	3,083,544	2,583,544	2,049,000	1,974,093	- 74,907	6,474,670	6,433,232	- 41,438
Essex										
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	-	-	-	-	-	-	-	-	-	-
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	-	-	-	-	-	-	-	-	-	-
Enterprise Centre for Horizon 120 Business Park	1,458,670	-	2,508,144	2,508,144	-	2,065,764	2,065,764	-	6,032,578	6,032,578
Harlow Library	90,349	-	424,783	424,783	977,000	461,868	- 515,132	977,000	977,000	-
Jaywick Market & Commercial Space	-	-	155,000	155,000	1,801,027	435,000	- 1,366,027	1,801,027	590,000	- 1,211,027
Labworth Car Park, Canvey Island modernisation	- 372,185	-	-	-	-	-	-	374,000	373,112	- 888
Modus	-	-	-	-	-	-	-	-	-	-
Nexus	-	-	800,000	800,000	-	800,000	800,000	-	1,600,000	1,600,000
Remodelling of buildings at Harlow College to provide new 'T'-levels	-	-	722,101	722,101	1,396,222	722,101	- 674,121	1,396,222	1,475,672	79,450
Rocheway	494,502	-	-	-	-	-	-	-	494,502	494,502
Swan modular housing factory	504,811	-	1,490,392	1,490,392	2,483,375	1,490,392	- 992,983	2,483,375	3,485,595	1,002,220
Tendring Bikes & Cycle Infrastructure	-	-	575,000	575,000	1,600,000	1,725,000	125,000	1,600,000	2,300,000	700,000
Tindal Square, Chelmsford	-	-	187,500	187,500	750,000	562,500	- 187,500	750,000	750,000	-
Laindon Place	- 395,000	197,500	-	- 197,500	197,500	790,000	592,500	790,000	790,000	-
	1,781,147	197,500	6,862,920	6,665,420	9,205,124	9,052,625	- 152,499	10,171,624	18,868,459	8,696,835
Kent										
Digitally Connecting Rural Kent and Medway	- 238,527	743,027	310,450	- 432,577	814,528	1,858,606	1,044,078	2,029,609	2,290,152	260,543
Javelin Way Development	-	-	-	-	-	-	-	-	-	-
Romney Marsh Employment Hub	- 58,117	493,116	2,217,349	1,724,233	493,117	884,117	391,000	1,972,466	3,536,466	1,564,000
Thanet Parkway Railway Station	3,928,215	1,371,152	-	- 1,371,152	1,371,156	-	- 1,371,156	5,484,612	8,836,301	3,351,689
First and Second Floors, Building 500, Discovery Park, Sandwich	- 1,500,000	450,000	2,050,000	1,600,000	-	450,000	450,000	2,500,000	2,500,000	-
New Performing & Production Digital Arts Facility @ North Kent College	413,691	3,013,925	2,389,717	- 624,208	840,227	962,113	121,886	10,199,534	9,841,971	- 357,563
The Meeting Place Swanley	- 107,563	319,512	372,499	52,987	319,512	905,552	586,040	1,278,051	1,490,000	211,949
St George's Creative Hub	-	-	323,204	323,204	-	-	-	323,204	323,204	-
	2,437,699	6,390,732	7,663,219	1,272,487	3,838,540	5,060,388	1,221,848	23,464,272	28,818,094	5,353,822
Medway										
Britton Farm Redevelopment Learning, Skills & Employment Hub	- 193,488	400,000	540,000	140,000	510,000	940,332	430,332	1,460,000	1,784,843	324,843
Innovation Park Medway - Sustainable City of Business	-	-	-	-	778,323	778,323	-	778,323	778,323	-
	- 193,488	400,000	540,000	140,000	1,288,323	1,718,655	430,332	2,238,323	2,563,166	324,843
Southend										
Better Queensway	-	-	1,050,000	1,050,000	4,200,000	1,050,000	- 3,150,000	4,200,000	2,100,000	- 2,100,000
South Essex No Use Empty	- 300,000	100,000	-	- 100,000	-	300,000	300,000	800,000	300,000	- 500,000
	- 300,000	100,000	1,050,000	950,000	4,200,000	1,350,000	- 2,850,000	5,000,000	2,400,000	- 2,600,000
Thurrock										
LFFN	- 70,000	400,000	361,296	- 38,704	300,000	361,295	61,295	1,500,000	1,553,782	53,782
Transport and Logistics Institute	- 169,500	-	-	-	-	-	-	600,000	600,000	-
	- 239,500	400,000	361,296	- 38,704	300,000	361,295	61,295	2,100,000	2,153,782	53,782
Total	2,349,071	7,988,232	19,560,979	11,572,747	20,880,987	19,517,056	- 1,363,931	49,448,889	61,236,733	11,787,844

Appendix A - GBF Spend Position

Project Name	2022/23							
	Q1 2022/23	Q1 2022/23	Q1 2022/23	Q2 2022/23	Q2 2022/23	Q2 2022/23	Q3 2022/23	Q3 2022/23
	Baseline	Forecast	Difference	Baseline	Forecast	Difference	Baseline	Forecast
East Sussex								
Fast Track Business Solutions for the Hastings Manufacturing Sector	-	810,000	-	-	810,000	-	-	-
Restoring the Glory of the Winter Garden	-	-	-	-	-	-	-	-
The Observer Building, Hastings (Phase 2) Option A	-	-	-	-	-	-	-	-
Charleston's access road: removing the barrier to growth	-	-	-	-	-	-	-	-
Creative Hub, 4 Fisher Street, Lewes	-	-	-	-	-	-	-	-
Riding Sunbeams Solar Railways	-	705,802	705,802	-	-	-	-	-
Sussex Innovation Falmer - Covid Secure adaptations-	-	-	-	-	-	-	-	-
UTC Maritime & Sustainable Technology Hub	-	550,000	550,000	-	455,743	455,743	-	-
	-	2,065,802	2,065,802	-	1,265,743	1,265,743	-	-
Essex								
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	-	-	-	-	-	-	-	680,000
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	-	200,000	-	-	220,000	-	-	1,400,000
Enterprise Centre for Horizon 120 Business Park	-	-	-	-	-	-	-	-
Harlow Library	-	-	-	-	-	-	-	-
Jaywick Market & Commercial Space	-	675,000	-	-	707,000	-	-	-
Labworth Car Park, Canvey Island modernisation	-	-	-	-	-	-	-	-
Modus	-	-	-	-	-	-	-	-
Nexus	-	-	-	-	-	-	-	-
Remodelling of buildings at Harlow College to provide new 'T'-levels	-	-	-	-	-	-	-	-
Rocheway	-	-	-	-	-	-	-	-
Swan modular housing factory	-	-	-	-	-	-	-	-
Tendrings Bikes & Cycle Infrastructure	-	-	-	-	-	-	-	-
Tindal Square, Chelmsford	-	-	-	-	-	-	-	-
Laindon Place	-	-	-	-	-	-	-	-
	-	875,000	875,000	-	927,000	927,000	-	2,080,000
Kent								
Digitally Connecting Rural Kent and Medway	-	-	-	-	-	-	-	-
Javelin Way Development	-	-	-	-	-	-	-	-
Romney Marsh Employment Hub	-	-	-	-	-	-	-	-
Thanet Parkway Railway Station	-	-	-	-	-	-	-	-
First and Second Floors, Building 500, Discovery Park, Sandwich	-	-	-	-	-	-	-	-
New Performing & Production Digital Arts Facility @ North Kent College	-	-	-	-	-	-	-	-
The Meeting Place Swanley	-	-	-	-	-	-	-	-
St George's Creative Hub	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Medway								
Britton Farm Redevelopment Learning, Skills & Employment Hub	-	-	-	-	-	-	-	-
Innovation Park Medway - Sustainable City of Business	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Southend								
Better Queensway	-	1,050,000	-	-	1,050,000	-	-	-
South Essex No Use Empty	-	500,000	-	-	400,000	-	-	-
	-	1,550,000	1,550,000	-	1,450,000	1,450,000	-	-
Thurrock								
LFFN	-	-	-	-	-	-	-	-
Transport and Logistics Institute	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	-	4,490,802	4,490,802	-	3,642,743	3,642,743	-	2,080,000

Appendix A - GBF Spend Position

Project Name	Q3 2022/23 Difference	Q4 2022/23 Baseline	Q4 2022/23 Forecast	Q4 2022/23 Difference	Total Baseline 2022/23	Total Forecast 2022/23	Total Difference 2022/23	Total Baseline All years	Total Forecast All years
East Sussex									
Fast Track Business Solutions for the Hastings Manufacturing Sector	-	-	-	-	-	1,620,000	1,620,000	3,500,000	3,500,000
Restoring the Glory of the Winter Garden	-	-	-	-	-	-	-	1,600,000	1,600,000
The Observer Building, Hastings (Phase 2) Option A	-	-	-	-	-	-	-	1,713,000	1,713,000
Charleston's access road: removing the barrier to growth	-	-	-	-	-	-	-	329,835	329,835
Creative Hub, 4 Fisher Street, Lewes	-	-	-	-	-	-	-	250,000	250,000
Riding Sunbeams Solar Railways	-	-	-	-	-	705,802	705,802	2,527,500	2,527,500
Sussex Innovation Falmer - Covid Secure adaptations-	-	-	-	-	-	-	-	200,000	200,000
UTC Maritime & Sustainable Technology Hub	-	-	-	-	-	1,005,743	1,005,743	1,300,000	1,300,000
	-	-	-	-	-	3,331,545	3,331,545	11,420,335	11,420,335
Essex									
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	680,000	-	-	-	-	680,000	680,000	680,000	680,000
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	1,400,000	-	-	-	-	1,820,000	1,820,000	1,820,000	1,820,000
Enterprise Centre for Horizon 120 Business Park	-	-	-	-	-	-	-	7,000,000	7,000,000
Harlow Library	-	-	-	-	-	-	-	977,000	977,000
Jaywick Market & Commercial Space	-	-	-	-	-	1,382,000	-	1,972,000	1,972,000
Labworth Car Park, Canvey Island modernisation	-	-	-	-	-	-	-	700,000	700,000
Modus	-	-	-	-	-	-	-	1,960,000	1,960,000
Nexus	-	-	-	-	-	-	-	1,600,000	1,600,000
Remodelling of buildings at Harlow College to provide new 'T'-levels	-	-	-	-	-	-	-	1,500,000	1,500,000
Rocheway	-	-	-	-	-	-	-	713,000	713,000
Swan modular housing factory	-	-	-	-	-	-	-	4,530,000	4,530,000
Tendring Bikes & Cycle Infrastructure	-	-	-	-	-	-	-	2,300,000	2,300,000
Tindal Square, Chelmsford	-	-	-	-	-	-	-	750,000	750,000
Laindon Place	-	-	-	-	-	-	-	790,000	790,000
	2,080,000	-	-	-	-	3,882,000	2,500,000	27,292,000	27,292,000
Kent									
Digitally Connecting Rural Kent and Medway	-	-	-	-	-	-	-	2,290,152	2,290,152
Javelin Way Development	-	-	-	-	-	-	-	578,724	578,724
Romney Marsh Employment Hub	-	-	-	-	-	-	-	3,536,466	3,536,466
Thanet Parkway Railway Station	-	-	-	-	-	-	-	11,999,000	11,999,000
First and Second Floors, Building 500, Discovery Park, Sandwich	-	-	-	-	-	-	-	2,500,000	2,500,000
New Performing & Production Digital Arts Facility @ North Kent College	-	-	-	-	-	-	-	12,301,796	12,301,796
The Meeting Place Swanley	-	-	-	-	-	-	-	1,490,000	1,490,000
St George's Creative Hub	-	-	-	-	-	-	-	323,204	323,204
	-	-	-	-	-	-	-	35,019,342	35,019,342
Medway									
Britton Farm Redevelopment Learning, Skills & Employment Hub	-	-	-	-	-	-	-	1,990,000	1,990,000
Innovation Park Medway - Sustainable City of Business	-	-	-	-	-	-	-	778,323	778,323
	-	-	-	-	-	-	-	2,768,323	2,768,323
Southend									
Better Queensway	-	-	-	-	-	2,100,000	2,100,000	4,200,000	4,200,000
South Essex No Use Empty	-	-	-	-	-	900,000	900,000	1,200,000	1,200,000
	-	-	-	-	-	3,000,000	3,000,000	5,400,000	5,400,000
Thurrock									
LFFN	-	-	-	-	-	-	-	2,500,000	2,500,000
Transport and Logistics Institute	-	-	-	-	-	-	-	600,000	600,000
	-	-	-	-	-	-	-	3,100,000	3,100,000
Total	2,080,000	-	-	-	-	10,213,545	8,831,545	85,000,000	85,000,000

Appendix B - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Risk to meeting 31 March 2022 deadline	There was a £21.613m slippage in project spending for 2020/21 creating a requirement for more spend in 2021/22. This slippage could mean that projects now cannot spend their allocation by the March 2022 deadline.	4	5	20	<p>Monitoring and oversight by Accountability Board.</p> <p>Pipeline developed. Alternative investments identified if existing project is unable to proceed.</p> <p>Board approval obtained for retention of GBF funding against projects beyond 31 March 2022 for a maximum period of 6 months subject to compliance with strict criteria and conditions.</p>
Usual mitigations for stalled projects not viable	Given the limited timescales available for the GBF Programme, and there only being 6 months remaining, the usual mitigation for reallocating funding from stalled projects to other projects on the GBF pipeline doesn't resolve the pressure to spend the full GBF allocation by March 2022.	4	4	16	<p>Engagement with scheme promoters of projects remaining on the project pipeline to understand delivery timescales.</p> <p>Engagement with Central Government to understand their position regarding retaining GBF funding against the projects post March 2022.</p> <p>Board approval obtained for retention of GBF funding against projects beyond 31 March 2022 for a maximum period of 6 months subject to compliance with strict criteria and conditions.</p>
Resource to deliver GBF projects	There is a risk to the availability of resource to deliver GBF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	4	16	<p>As part of the business case, SELEP ask scheme promoters to confirm they have the resources available to deliver the project. SELEP Ltd have also made this a requirement within the SLA and so risks to delivery of the projects would be monitored and reported to the Board.</p> <p>Projects are also still allowed to continue project delivery past the March 2022 deadline as long as the GBF allocation to the project has been spent.</p>
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of GBF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace of benefits realisation through the project.	4	4	16	<p>As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery.</p> <p>Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.</p>

Appendix B - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Affordability of GBF projects	<p>There may be delays to the delivery of GBF projects due to COVID-19, with an impact on the total cost of GBF projects. In addition, the national lockdowns are likely to place greater financial strain on those partners due to provide contributions to the delivery of the projects. This could create a funding gap.</p> <p>The impact of COVID-19 on project costs and availability of local funding sources may impact the affordability of GBF projects.</p>	3	5	15	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all GBF projects.
Failure of third-party organisations to deliver GBF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver GBF projects. If the external organisations experience financial difficulty and are unable to deliver GBF projects, it may not be possible to recover the GBF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	3	15	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring GBF to third party organisations and to ensure clear processes are in place for the oversight of GBF projects delivered by third party organisations.
Delivery of GBF project benefits	The economic impact of COVID-19 is likely to reduce the benefits achieved through GBF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the GBF programme.	3	5	15	Any changes to benefits achieved through GBF investment will be monitored and reported to the Board and decisions will need to be made as to whether projects still offer high value for money. Any changes will also need to be agreed with Central Government.
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.

Appendix C - Getting Building Fund Delivery and Risk															
Project	Deliverability							Financial							
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (August 2021)	Expected completion date (October 2021)	Months delay incurred (since original Business Case)	Months delay since last update to the Board	GBF Allocation	Actual GBF spend to end of 2020/21	Forecast GBF spend 2021/22	Forecast GBF spend 2022/23	Financials RAG rating (October 2021)	Deliverability risk RAG rating (October 2021)	Reputational risk RAG rating (October 2021)	Overall (October 2021)
East Sussex															
Fast Track Business Solutions for the Hastings Manufacturing Sector	Oct-20	Design in progress	31/10/2021	29/04/2022	30/09/2022	10	10	£3,500,000	£0	£1,880,000	£1,620,000	5	5	4	5
Restoring the Glory of the Winter Garden	Oct-20	Construction in progress	01/05/2022	01/05/2022	01/05/2022	0	0	£1,600,000	£577,764	£1,022,236	£0	2	2	1	2
The Observer Building, Hastings (Phase 2) Option A	Oct-20	Construction in progress	31/03/2022	31/03/2022	31/03/2022	0	0	£1,713,000	£934,678	£778,322	£0	3	1	1	2
Charleston's access road: removing the barrier to growth	Nov-20 and Jul-21	Construction in progress	31/03/2021	31/10/2021	31/12/2021	9	9	£329,835	£0	£329,835	£0	3	4	1	3
Creative Hub, 4 Fisher Street, Lewes	Nov-20	Project completed	30/04/2021	30/09/2021	30/09/2021	5	5	£250,000	£143,116	£106,884	£0	1	1	1	1
Riding Sunbeams Solar Railways	Nov-20	Design in progress	30/03/2022	30/06/2022	30/06/2022	3	3	£2,527,500	£0	£1,821,698	£705,802	4	4	3	4
Sussex Innovation Falmer - Covid Secure adaptions	Nov-20	Construction in progress	31/03/2021	31/08/2021	31/12/2021	9	9	£200,000	£0	£200,000	£0	1	4	2	2
UTC Maritime & Sustainable Technology Hub	Nov-20	Design in progress	31/03/2022	30/09/2022	30/09/2022	5	5	£1,300,000	£0	£294,257	£1,005,743	5	5	4	5
Essex															
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	Oct-20	Project in progress	30/06/2021	31/03/2022	31/03/2023	21	12	£680,000	£0	£0	£680,000	5	5	4	5
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Oct-20	Project in progress	31/12/2021	31/03/2022	31/03/2023	15	12	£1,820,000	£0	£0	£1,820,000	5	5	4	5
Enterprise Centre for Horizon 120 Business Park	Nov-20	Construction in progress	30/06/2022	30/06/2022	30/06/2022	0	0	£7,000,000	£967,422	£6,032,578	£0	4	2	2	3
Harlow Library	Nov-20	Design in progress	31/10/2021	22/02/2022	22/02/2022	3	0	£977,000	£0	£977,000	£0	5	3	3	4
Jaywick Market & Commercial Space	Nov-20	Design in progress	31/03/2022	31/03/2022	30/09/2022	5	5	£1,972,000	£0	£590,000	£1,382,000	5	5	4	5
Labworth Car Park, Canvey Island modernisation	Nov-20	Project completed	30/06/2021	31/08/2021	31/08/2021	2	0	£700,000	£326,888	£373,112	£0	1	1	1	1
Modus	Nov-20	Project completed	31/03/2021	31/03/2021	31/03/2021	0	0	£1,960,000	£1,960,000	£0	£0	1	1	1	1
Nexus	Nov-20	Construction in progress	30/06/2021	31/03/2022	31/03/2022	9	0	£1,600,000	£0	£1,600,000	£0	5	4	1	3
Remodelling of buildings at Harlow College to provide new 'T'-levels	Nov-20	Construction in progress	31/03/2021	31/10/2021	31/01/2022	10	3	£1,500,000	£24,328	£1,475,672	£0	5	4	2	4
Rocheway Independent Living	Nov-20	Construction in progress	31/12/2022	31/12/2022	31/12/2022	0	0	£713,000	£218,498	£494,502	£0	1	1	1	1
Swan modular housing factory	Nov-20	Construction in progress	31/03/2024	31/03/2024	31/03/2024	0	0	£4,530,000	£1,044,405	£3,485,595	£0	4	2	2	3
Tendring Bikes & Cycle Infrastructure	Nov-20	Design in progress	31/03/2022	31/03/2022	30/09/2022	5	5	£2,300,000	£0	£2,300,000	£0	5	5	4	5
Tindal Square, Chelmsford	Nov-20	Design in progress	31/03/2022	31/03/2022	31/03/2022	0	0	£750,000	£0	£750,000	£0	5	2	3	3
Laindon Place	Mar-21	Design in progress	31/03/2022	31/03/2022	31/03/2022	0	0	£790,000	£0	£790,000	£0	5	4	3	4
Kent															
Digitally Connecting Rural Kent and Medway	Sep-20	Project in progress	31/03/2022	31/03/2022	31/03/2022	0	0	£2,290,152	£0	£2,290,152	£0	5	1	1	2
Javelin Way Development	Nov-20	Construction in progress	17/03/2022	17/03/2022	17/03/2022	0	0	£578,724	£578,724	£0	£0	1	1	1	1
Romney Marsh Employment Hub	Nov-20	Construction in progress	28/02/2022	28/02/2022	28/02/2022	0	0	£3,536,466	£0	£3,536,466	£0	4	2	1	2

Project	Deliverability							Financial							
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (August 2021)	Expected completion date (October 2021)	Months delay incurred (since original Business Case)	Months delay since last update to the Board	GBF Allocation	Actual GBF spend to end of 2020/21	Forecast GBF spend 2021/22	Forecast GBF spend 2022/23	Financials RAG rating (October 2021)	Deliverability risk RAG rating (October 2021)	Reputational risk RAG rating (October 2021)	Overall (October 2021)
Thanet Parkway Railway Station	Nov-20	Construction in progress	31/12/2022	31/12/2022	31/12/2022	0	0	£11,999,000	£3,162,699	£8,836,301	£0	1	2	2	2
First and Second Floors, Building 500, Discovery Park, Sandwich	Nov-20	Design in progress	03/07/2021	31/08/2021	30/06/2022	11	9	£2,500,000	£0	£2,500,000	£0	5	4	2	4
New Performing & Production Digital Arts Facility @ North Kent College	Nov-20	Construction in progress	28/02/2022	28/02/2022	31/03/2022	1	1	£12,301,796	£2,459,825	£9,841,971	£0	3	2	1	2
The Meeting Place Swanley	Nov-20	Construction in progress	31/05/2022	31/05/2022	30/06/2022	0	0	£1,490,000	£0	£1,490,000	£0	5	2	1	3
St George's Creative Hub	Mar-21	Construction in progress	30/06/2021	30/06/2021	31/12/2021	6	6	£323,204	£0	£323,204	£0	4	4	1	3
Medway															
Britton Farm Redevelopment Learning, Skills & Employment Hub	Sep-20	Construction in progress	31/03/2022	31/03/2022	31/03/2022	0	0	£1,990,000	£205,157	£1,784,843	£0	4	2	2	3
Innovation Park Medway - Sustainable City of Business	Jul-21	Design in progress	31/03/2022	31/03/2022	31/03/2022	0	0	£778,323	£0	£778,323	£0	5	2	3	3
Southend															
Better Queensway	Nov-20	Design in progress	31/03/2034	31/03/2034	31/03/2034	0	0	£4,200,000	£0	£2,100,000	£2,100,000	5	5	4	5
South Essex No Use Empty	Nov-20	Project in progress	31/03/2022	31/03/2022	30/09/2022	5	5	£1,200,000	£0	£300,000	£900,000	5	5	4	5
Thurrock															
LFFN	Oct-20	Project in progress	28/02/2022	31/03/2022	31/03/2022	1	0	£2,500,000	£946,218	£1,553,782	£0	3	2	1	2
Transport and Logistics Institute	Nov-20	Construction in progress	27/08/2021	27/08/2021	31/12/2021	4	4	£600,000	£0	£600,000	£0	1	3	1	1

Forward plan reference numbers: FP/AB/457, FP/AB/458, FP/AB/459, FP/AB/460, FP/AB/461 and FP/AB/462

Report title: Getting Building Fund – Retention of funding beyond 31 March 2022	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 19 November 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex County Council, Essex County Council and Southend-on-Sea Borough Council	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider whether the six projects outlined in this report meet the conditions agreed in July 2021 for retention of their respective Getting Building Fund (GBF) allocations beyond 31 March 2022.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Note** that the request for retention of GBF funding against the Fast Track Business Solutions for the Hastings Manufacturing Sector Project will only be considered if it has been demonstrated that the Project has met the conditions which were attached to the GBF funding award in September 2021. These conditions being that the Third Party Grant Agreement should be completed and planning permission granted by the date of this meeting.
- 2.1.2. Establish SELEP's position on retaining Getting Building Fund funding against each of the identified projects by choosing one of the following options as detailed in Section 9 of this report. The projects under consideration are: Fast Track Business Solutions for the Hastings Manufacturing Sector, Jaywick Market and Commercial Space, Better Queensway and No Use Empty South Essex.

Option 1

- 2.1.2.1. **Agree** that the Project meets the conditions and criteria previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 for a maximum period of 6 months, subject to Strategic Board endorsement at the December 2021 meeting; **OR**

Option 2

- 2.1.2.2. **Agree** that the Project does not meet the conditions and criteria previously agreed by the Board for the retention of GBF funding

beyond 31 March 2022 and that the Project should be removed from the GBF programme; and

- 2.1.2.3. **Agree** that the funding already transferred to the responsible Upper Tier Local Authority to support delivery of the Project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the full GBF allocation to the next project(s) on the GBF project pipeline. Appendix C sets out the GBF allocation awarded to each project and the GBF funding transferred to date in each case.

- 2.1.3. Establish SELEP's position on retaining Getting Building Fund funding against each of the identified projects by choosing one of the following options as detailed in Section 9 of this report. The projects under consideration are: Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas.

Option 1

- 2.1.3.1 **Agree** that the Project meets the conditions previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 and that as an exception funding should be retained against the Project for a maximum period of 12 months, subject to Strategic Board endorsement at the December 2021 meeting; **OR**

Option 2

- 2.1.3.2. **Agree** that the Project does not meet the conditions and criteria previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 and that the Project should be removed from the GBF programme; and
- 2.1.3.3. **Agree** that the funding already transferred to the responsible Upper Tier Local Authority to support delivery of the Project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the full GBF allocation to the next project(s) on the GBF project pipeline. Appendix C sets out the GBF allocation awarded to each project and the GBF funding transferred to date in each case.

3. Background

- 3.1. In July 2021, the Board agreed SELEP's position on the retention of GBF funding against projects beyond 31 March 2022. The Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied. The agreed criteria and conditions were as follows:

- 3.1.1. The maximum extension offered to a GBF project is 6 months, to 30 September 2022.

Getting Building Fund – Retention of funding beyond 31 March 2022

- 3.1.2. Only projects which have been delayed by external factors which could not have been foreseen at the time of Business Case development can be considered for retention of GBF funding beyond 31 March 2022. External factors could relate to the impact of external agencies (i.e., Network Rail or Central Government departments) or failure of suppliers/contractors to deliver in accordance with an agreed programme.
- 3.1.3. Projects must demonstrate that they meet the following six conditions before the Board will be asked to consider approving retention of GBF funding beyond 31 March 2022:
 - 3.1.3.1. Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;
 - 3.1.3.2. Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile;
 - 3.1.3.3. Written confirmation that all planning requirements will be met by 31 December 2021;
 - 3.1.3.4. Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022;
 - 3.1.3.5. Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money;
 - 3.1.3.6. Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022.
- 3.2. Any projects which receive approval from the Board to retain their GBF funding beyond 31 March 2022 will provide updates at each subsequent Board meeting to demonstrate that the project remains on track to meet the agreed extended GBF spend deadline.
- 3.3. It was recommended to the Board in July 2021 that, should any projects which do not meet the criteria outlined at Section 3.1 of this report seek an extension to GBF spend beyond 31 March 2022, the Board agree that the funding be reallocated to alternative projects on the GBF pipeline which can meet the conditions and criteria agreed by the Board.

4. Fast Track Business Solutions for the Hastings Manufacturing Sector

- 4.1. The Project is expected to deliver 4,000sqm 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.
- 4.2. The Board approved the award of £3.5m of GBF funding to support delivery of the Project in October 2020. To date, £804,365 of this allocation has been transferred to East Sussex County Council, as the responsible Upper Tier Local Authority.

- 4.3. Delivery of the Project has been impacted by a number of factors. In the original Business Case, it indicated that the required planning application would be submitted in August 2020. However, due to resourcing issues caused by the COVID-19 pandemic impacting key members of the planning application team, the planning application was not submitted until April 2021 and at the time of preparing this report the planning application remains undetermined.
- 4.4. The Project has also experienced increased consultee response times due to the impacts of the COVID-19 pandemic.
- 4.5. In addition, it is noted that there has been some delays in progressing the acquisition of the additional land required for the scheme. This land is owned by East Sussex County Council and an option has been agreed to allow Sea Change Sussex, as delivery partner, to acquire the land, however, there has been some difficulty in reaching agreement as to the correct interpretation of the terms of the option proposed and therefore land acquisition has not progressed to date.
- 4.6. Finally, as outlined in the GBF Update Report (Agenda Item 9), the Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex has not yet been completed. This has been delayed due to ongoing discussions regarding the terms of the agreement. This has resulted in it not being possible for any funding to be released by East Sussex County Council to Sea Change Sussex to support delivery of the Project.
- 4.7. The request from Sea Change Sussex seeks retention of the GBF funding against the Project for the maximum 6 month period allowed, to 30 September 2022. This request will only be considered if, under Agenda Item 9, it is demonstrated that the Project has met the conditions that were attached to the funding award at the September 2021 Board meeting. These conditions required completion of the Third Party Grant Agreement and the award of planning permission in advance of this meeting. If these conditions have not been met, the Project will be removed from the GBF programme and this request for an extension will be redundant.
- 4.8. Information has been provided to demonstrate how the Project meets the 6 conditions agreed by the Board in July 2021 for retention of GBF funding against the Project beyond 31 March 2022. This information is set out in Appendix B.
- 4.9. In Appendix B, it is noted that costs have increased by approximately £1.9m since submission of the Business Case and the award of funding by the Board. It is envisaged that these costs will be funded through a private sector Joint Venture Partnership, and work is ongoing to assemble this partnership. At the time of preparing this report, a full funding package to secure delivery of the Project is not in place.
- 4.10. At the time of the GBF funding award, the Benefit Cost Ratio (BCR) calculated for the Project was 2.29:1 based on the level of public sector investment in the Project. Should any further public sector funding be invested in the Project, this BCR will need to be revisited to ensure that the Project continues to offer High value for money.
- 4.11. It should also be noted that a construction contractor has not yet been appointed to deliver the Project and therefore there remains a risk of further cost increases. It is intended that contractual commitments with the contractor will be put in place following the

determination of the planning application and it is expected that this can be completed by 31 January 2022 as required.

- 4.12. Acquisition of the additional land required to facilitate delivery of the Project remains outstanding. As indicated above, an option has been agreed with East Sussex County Council which allows Sea Change Sussex to acquire the land. However, to date agreement has not been reached on the interpretation of the terms of the option and therefore the land acquisition has not been completed. It is expected that this issue can be resolved but currently this presents a risk to project delivery.
- 4.13. An updated programme has been provided which indicates that the Project will complete in September 2022. This programme is based on the assumption that planning permission is granted in November 2021. The programme indicates that land acquisition, technical design and contractor procurement will all take place during December 2021, with construction commencing onsite in January 2022. This programme appears to be ambitious and offers no scope for slippage as a result of any further delays to Project delivery.
- 4.14. If the Project demonstrates that it has satisfied the conditions that were attached to the GBF funding award at the September 2021 Board meeting, and the Board agree that the funding can be retained against the Project beyond March 2022, a further update will be provided to the Board in February 2022 which considers the total project cost, funding package, status of the land acquisition, progress towards appointing a construction contractor and provision of an updated delivery programme.

5. Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas

- 5.1. Superfast Essex is a broadband improvement programme which is run by Essex County Council. The programme aims to make superfast and ultrafast broadband available to as many homes and businesses across Essex as possible. A total of £2.5m GBF funding was awarded to 2 projects designed to accelerate and extend the existing Superfast Essex programme.
- 5.2. 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 has been underestimated by suppliers, and the cost of connecting up to 10% of the premises in the current rollout scope will exceed the contractual cost cap. In these cases, suppliers will provide evidence of the increased cost to Superfast Essex and will request further funding to fill the newly identified cost gap. If no such funding is available, it is envisaged that the impacted premises would be removed from the rollout programme.
- 5.3. £680,000 was awarded to the Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas project in October 2020. This funding was requested to ensure that as many as possible of the identified higher-cost premises can be retained within the current rollout programme. The full GBF allocation has been transferred to Essex County Council to support delivery of the Project.
- 5.4. A further £1.82m GBF was awarded to the Extension of the full-fibre rollout in Essex to reach rural and hard to reach areas project in October 2020. This funding was awarded to extend the Superfast Essex Phase 4b rollout programme to reach additional rural areas,

with a focus on upgrading business premises. The full GBF allocation has been transferred to Essex County Council to support delivery of the Project.

- 5.5. As these two GBF projects both contribute towards the delivery of the Superfast Essex programme and have been adversely impacted by the same external factors, they will be considered together in this section of the report.
- 5.6. As indicated above, the GBF funding was sought to both accelerate and extend the reach of the Superfast Essex Phase 4b rollout. In order to invest the funding awarded to support delivery of the Superfast Essex programme, it was necessary for Essex County Council to implement a change to the existing Phase 4 delivery contract with BT. This change had to be approved by Broadband Delivery UK (BDUK), the agency within the Department for Digital, Culture, Media and Sport (DCMS) which is overseeing the national rollout of broadband upgrades. BDUK have the responsibility of ensuring that all contracts remain in compliance with State Aid legislation and they also take a view on Value for Money offered by the contracts.
- 5.7. The required change request was prepared and submitted to BDUK for consideration in early December 2020, which would have allowed sufficient time for the Projects to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.
- 5.8. Following the rejection of the change request, work was undertaken to seek agreement from BDUK that re-submission of the change request would be accepted. After a further 6 months of re-work and a series of high-level escalations with BDUK, involving Essex County Council Councillors and local MP's, the re-presented change request was approved by BDUK in October 2021.
- 5.9. Due to the initial refusal of the change request, the supplier was unable to progress with the deployment planning work for Superfast Essex Phase 4. As a result, delivery of the two projects has been delayed by 12 months.
- 5.10. The request from Essex County Council seeks retention of the GBF funding against the two Projects for a 12 month period to 31 March 2023.
- 5.11. Information has been provided to demonstrate how the Projects meet the 6 conditions agreed by the Board in July 2021 for retention of GBF funding against the Project beyond 31 March 2022. This information is set out in Appendix B.
- 5.12. Appendix B demonstrates that the Projects meet all the conditions and criteria for retention of GBF funding beyond March 2022, other than the criteria which requires the maximum extension requested to be 6 months. This condition was applied as it reflects the original government expectation that projects receiving GBF funding would be shovel ready and, in a position to play an immediate role in supporting economic recovery post COVID-19.
- 5.13. Whilst the two projects do not fully satisfy the criteria and conditions agreed in July 2021, the Board may wish to consider agreeing to the retention of GBF funding against the

projects for a period of 12 months, as an exception, due to the delay in project delivery being caused entirely by the actions of a Central Government department.

6. Jaywick Market and Commercial Space

- 6.1. The project will build and operate a covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.
- 6.2. The project will construct affordable rent business units offering 9,500 sqft lettable area and a covered local market of 10 affordable pitches. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events. This will form part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.
- 6.3. The Board approved the award of £1.972m of GBF funding to support delivery of the Project in November 2020. To date, £493,000 of this allocation has been transferred to Essex County Council, as the responsible Upper Tier Local Authority.
- 6.4. In November 2020 the Board approved the award of GBF funding to the Project on condition that planning consent was secured by 30 June 2021. Subsequently the Board were informed in March 2021 that it would not be possible to secure planning consent until July 2021. The Board agreed to allow an extension to the deadline for securing planning consent, and it is noted in the request for retention of funding beyond March 2022 that this delay had a small impact on the delivery programme.
- 6.5. Following award of planning consent, concerns over the rising cost of materials and increasing volatility in the materials market were raised. Cost consultants working on the Project evidenced a significant escalation of costs within the industry and identified a number of factors that have influenced the cost escalation including the COVID-19 pandemic, Brexit, Suez Canal blockage, lack of HGV drivers and stockpiling by housebuilders.
- 6.6. These concerns prompted a review of the design for the Project in an effort to reduce costs where possible. This exercise took longer than expected and impacted upon the delivery programme.
- 6.7. The request from Tendring District Council seeks retention of the GBF funding against the Project for the maximum 6 month period allowed, to 30 September 2022.
- 6.8. Information has been provided to demonstrate how the Project meets the 6 conditions agreed by the Board in July 2021 for retention of GBF funding against the Project beyond 31 March 2022. This information is set out in Appendix B.
- 6.9. It is noted that the full 6 month extension has been requested and that there is no scope for slippage within the updated programme if Project completion is to be achieved by

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September 2022. Progress towards delivery of the Project will be closely monitored if the Board agree the retention of the funding beyond March 2022.

- 6.10. It is noted in Appendix B that the costs of delivering the Project have increased by £0.3m since the submission of the Business Case and the consideration of the funding award by the Board. This increase in costs is associated with the design changes made during the review of the Project outlined above. These design changes have resulted in increased benefits in the form of the creation of an additional 5 new jobs and a further 3sqm of commercial floorspace. Funding has been secured from Essex County Council to fund the increase in cost, so a full funding package is in place to support delivery of the Project.
- 6.11. The Benefit Cost Ratio (BCR) for the Project at the time of the funding award was 5:1. Taking into account the reported increase in costs and the associated increase in benefits, it is considered that the Project continues to offer High value for money.
- 6.12. It should, however, be noted that there remains a risk of further cost increases as procurement of a lead Building Contractor is still ongoing. The deadline for tender submissions is 22 November 2021 and it is intended that contractor interviews will be held during week commencing 12 December 2021, with the contractor appointed shortly afterwards. This timeline is dependent upon tenders being submitted which are compliant and which fall within the available budget.
- 6.13. In light of the volatility in the materials market, the tender pack includes provision for value engineering and encourages prospective tenderers to promote design changes to secure cost savings, whilst not compromising the integrity of the consented scheme.
- 6.14. If the submitted tenders exceed the available funding package, there is the potential for additional funding to be provided by Tendring District Council to bridge the funding gap. This may result in contractor appointment being delayed until February 2022, whilst formal Cabinet approval processes are followed.
- 6.15. It is recommended that if the Board approve the retention of GBF funding against the Project beyond March 2022, that a further update is provided to the Board in February 2022 which specifically considers the outcome of the tender process and the impact of any further cost increases on the value for money offered by the Project.

7. Better Queensway

- 7.1. Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sq m of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.
- 7.2. The Project is in receipt of £15m of funding from the Housing Infrastructure Fund to enable the necessary highway improvement works and Southend-on-Sea Borough Council has entered into a Joint Venture with Swan Housing Association as development partner. GBF

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investment was sought due to unforeseen costs associated with the upgrade of local electrical networks to provide the needed capacity to meet new government guidelines on energy use in new homes and to enable sufficient resilience in the local grid to provide the required level of electrical vehicle charging points to future proof the town centre.

- 7.3. The Board approved the award of £4.2m of GBF funding to support delivery of the Project in November 2020. To date, none of this allocation has been transferred to Southend-on-Sea Borough Council to support delivery of the Project.
- 7.4. A hybrid planning application for the full Better Queensway scheme was submitted to Southend-on-Sea Borough Council in September 2020. This application was subsequently considered by Planning Committee on 31 March 2021 and it was resolved that the Interim Director of Planning at Southend-on-Sea Borough Council be delegated to grant planning permission subject to the completion of a S106 agreement in relation to the development. The S106 agreement took longer to complete than anticipated, which delayed the formal award of hybrid planning consent until September 2021.
- 7.5. In addition, the Project has experienced delays to the procurement of the enabling works due to utility companies requiring longer than usual lead-in times. This is in part due to the impacts of the COVID-19 pandemic but is also related to other supply chain issues which are being experienced more generally across the construction industry.
- 7.6. The combination of these factors has resulted in a delay to progression of the Project.
- 7.7. The request from Southend-on-Sea Borough Council seeks retention of the GBF funding against the Project for the maximum 6 month period allowed, to 30 September 2022.
- 7.8. Information has been provided to demonstrate how the Project meets the 6 conditions agreed by the Board in July 2021 for retention of GBF funding against the Project beyond 31 March 2022. This information is set out in Appendix B.
- 7.9. The Better Queensway project in its entirety presents the opportunity for full regeneration of the Queensway Estate in Southend. The GBF funding supports part of the initial enabling works which are required to bring forward the wider project. Due to the scale of the Project, it has not yet been possible to secure Full planning consent for all elements of the Project, however, as set out in Appendix B, all required planning consents are in place for the GBF funded works.
- 7.10. Following the formal determination of the Hybrid Planning Application in September 2021, procurement has commenced with regard to the utilities and enabling works which will be supported by the GBF investment. It is expected that this procurement will be complete, and contractors appointed by the end of January 2022.
- 7.11. It has been noted that there is an identified risk within the construction industry supply chain which may lead to cost inflation. The conclusion of the procurement process for the utilities and enabling works package will provide a fixed cost and programme for these works, helping to mitigate this risk.
- 7.12. It is indicated within Appendix B that the project costs have increased since the submission of the Business Case and the consideration of award of funding to the Project by the Board.

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At this stage, the scale of the cost increase is unknown and it is unclear whether this increase in cost will be met through public or private sector funding.

- 7.13. At the time of GBF funding award, the BCR for the Project was reported to be 3:1 based on consideration of all public sector funding secured to support project delivery. It should be noted that an increase in project benefits of an additional 93 new homes has been reported, which will partially offset the impact of any cost increase on the BCR.
- 7.14. Given the lack of information currently available with regard to the scale of the cost increase, to which element of the wider project it applies and as to how this cost increase will be funded, it is not currently possible to confirm that the Project still offers High value for money. However, it should be noted that the Better Queensway project is also in receipt of £15m from Central Government through the Housing Infrastructure Fund and is therefore subject to value for money obligations outlined by Government.
- 7.15. It should be noted that to date none of the £4.2m GBF allocation has been spent to support Project delivery. It is expected that following completion of the ongoing procurement process, that it will be possible for the GBF funding to be spent in full by the end of September 2022.
- 7.16. It is recommended that if the Board approve the retention of GBF funding against the Project beyond March 2022, that a further update is provided to the Board in February 2022 which considers the status of the procurement for the utility and enabling works supported through the GBF, spend of the GBF allocation and provides greater clarity with regard to the scale of the cost increase, how this will be funded and any impact on the value for money offered by the Project.

8. No Use Empty South Essex

- 8.1. The Project will provide short-term secured loans to property owners to enable the return of long-term empty commercial properties back into effective use for residential, alternative commercial or mixed-use purposes. The project will focus on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the pandemic and which may have been impacted by larger regeneration schemes.
- 8.2. The Project replicates the scheme which has been supported through the Growing Places Fund in Kent.
- 8.3. The Board approved the award of £1.2m of GBF funding to support delivery of the Project in November 2020. To date, £557,797 of this allocation has been transferred to Southend-on-Sea Borough Council to support delivery of the Project.
- 8.4. The launch of the No Use Empty South Essex scheme was initially delayed as a consequence of the COVID-19 restrictions, including lockdowns, which were implemented by Central Government. These restrictions meant that it wasn't possible to meet with property owners and developers or to conduct site visits to see potential properties.
- 8.5. These issues were further compounded by resourcing issues which arose due to staff being seconded to support operational activities associated with the response to the COVID-19 pandemic.

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- 8.6. As Kent County Council are experienced in delivering the No Use Empty initiative and have a complete package of established processes in place, the intention is that a Service Level Agreement will be put in place between Southend-on-Sea Borough Council and Kent County Council for provision of back-office services to support the Project. The resourcing issues identified above have led to delays in negotiating the terms of the Service Level Agreement.
- 8.7. As a result of the factors outlined above the launch of the No Use Empty South Essex initiative has been significantly delayed.
- 8.8. Whilst the immediate impacts of the COVID-19 pandemic could have been foreseen at the time of Business Case submission, the introduction of a further lockdown in early 2021 was perhaps unforeseen and contributed to an extended period of resourcing issues and the inability to visit potential sites and meet property owners to assess the suitability for the Project.
- 8.9. It should be noted that discussions between Southend-on-Sea Borough Council and Kent County Council on the Service Level Agreement are nearing completion and it is intended that the scheme will be formally launched in November 2021.
- 8.10. Whilst it is still possible that the full GBF allocation will be utilised by 31 March 2022, Southend-on-Sea Borough Council have considered it prudent to seek approval for retention of the funding beyond March 2022 as it is not clear at this stage if demand for the No Use Empty loans will have been impacted by the COVID-19 pandemic and the extended delivery period will help to mitigate this risk. Kent County Council have reported ongoing demand for their own No Use Empty Initiatives throughout the pandemic, however, this is the first time the scheme has been undertaken in South Essex so there is a greater element of uncertainty regarding ongoing demand.
- 8.11. The request from Southend-on-Sea Borough Council seeks retention of the GBF funding against the Project for the maximum 6 month period allowed, to 30 September 2022.
- 8.12. Information has been provided to demonstrate how the Project meets the 6 conditions agreed by the Board in July 2021 for retention of GBF funding against the Project beyond 31 March 2022. This information is set out in Appendix B.
- 8.13. The primary outstanding risk to delivery of the Project relates to the uncertainty regarding the level of demand for the No Use Empty loans within South Essex as outlined above. Anecdotal evidence suggests that there will be healthy demand for the loans but this will be closely monitored if the Board agree the retention of funding against the Project beyond March 2022.
- 8.14. Whilst Appendix B provides assurances that the total project cost and expected project benefits remain in line with the information presented in the Business Case. It should be noted that due to the nature of the Project, the private sector funding contributions will not be confirmed until suitable properties have been identified and loan applications progressed. Similarly, the exact scale of benefits cannot be confirmed until suitable properties have been identified. The total project cost and benefits outlined within the Business Case were informed by Kent County Council's experience of delivering the No Use Empty initiative and are therefore considered to be realistic and achievable.

- 8.15. Responsibility for securing any required planning consents and for appointing suitable contractors to deliver the works sits with the property owners, rather than Southend-on-Sea Borough Council. For applicants to be eligible for the No Use Empty initiative all planning permissions must be in place and 2 quotes for the required works must be provided with loan applications.
- 8.16. It is recommended that if the Board approve the retention of GBF funding against the Project beyond March 2022, that a further update is provided to the Board in February 2022 which specifically considers the level of demand for the loan offered by the Project.

9. Options available to the Board

- 9.1. The Board are asked to consider whether the 6 projects outlined within this report meet the criteria and conditions agreed in July for the retention of GBF funding beyond 31 March 2022. This report sets out two options for the Board to consider in relation to each project outlined within this report.

Option 1:

Option 1 - for all projects (except Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas):

- 9.1.1. **Agree** that the Project meets the conditions and criteria previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 for a maximum period of 6 months, subject to Strategic Board endorsement at the December 2021 meeting.

Option 1 - for Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas only:

- 9.1.2. **Agree** that the Project meets the conditions previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 and that as an exception funding should be retained against the Project for a maximum period of 12 months, subject to Strategic Board endorsement at the December 2021 meeting;

- 9.2. The Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas projects are both seeking approval for retention of their GBF funding allocations for a period of 12 months. Whilst this is not in line with the criteria agreed by the Board in July 2021, the Board may wish to consider allowing this request, as an exception, due to the fact that the delay in project delivery was caused entirely by the actions of a Central Government department.

- 9.3. If the Board choose Option 1, the Project(s) outlined in this report will continue to delivery in accordance with their Business Case(s) as previously agreed by the Board. The projects have either indicated that their forecast benefits remain unchanged or have increased and therefore the benefits realised will as a minimum be line in with the original prioritisation by the Strategic Board. If the Board choose Option 1 for all Projects outlined in this report, it

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will mean that there will be no funding available to support projects on the prioritised GBF project pipeline, as shown at Appendix A, at this time.

- 9.4. As indicated at the July 2021 Board meeting, Central Government have been unable to formally confirm their position with regard to GBF spend beyond 31 March 2022. Given the purpose of the GBF funding stream, Government have advised that the focus should firmly remain on delivery and full GBF spend by 31 March 2022 wherever possible.
- 9.5. The Grant Determination letter in relation to the 2021/22 GBF allocation has been received and does not impose any additional conditions whereby Government can reclaim the funding if it is not spent in accordance with the stated timetable. Furthermore, the GBF Grant Offer letter indicates that there is an expectation for LEP's and their Accountable Body's to use the freedoms and flexibilities available to them to manage the capital budget between programmes. However, whilst Government have indicated that there are no plans for further capital funding to be routed through LEP's, there remains a risk to the reputation of both SELEP and the relevant local partner if GBF funding is not spent in full by 31 March 2022. Failure of a local partner to meet the requirements of the GBF funding may weaken their case to secure future funding from alternative government funding streams.

Option 2:

- 9.6. Under Option 2, the Board is asked to:
- 9.6.1. **Agree** that the Project does not meet the conditions and criteria previously agreed by the Board for the retention of GBF funding beyond 31 March 2022 and that the Project should be removed from the GBF programme; and
- 9.6.2. **Agree** that the GBF already transferred to the responsible Upper Tier Local Authority to support delivery of the Project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the funding to the next project(s) on the GBF project pipeline.
- 9.7. If the Board choose Option 2, the Project(s) outlined within this report will be removed from the GBF programme. The Project(s) which were previously prioritised by the Strategic Board will no longer be delivered at this time and the forecast benefits will not be realised.
- 9.8. The relevant Upper Tier Local Authority will be required to return the GBF funding already transferred to them to support delivery of the Project(s) within 4 weeks of this Board meeting. This will allow the GBF funding to be reallocated to alternative projects on the GBF project pipeline, which are able to meet the criteria and conditions agreed by the Board in July 2021.
- 9.9. The GBF prioritised project pipeline, agreed by the Strategic Board in March 2021, is set out in Appendix A. The Board have already approved the award of GBF funding to the two projects at the top of the pipeline, Innovation Park Medway – Sustainable City of Business and Charleston's access road: removing the barrier to growth, following the early withdrawal of the Grays Shopping Centre project.
- 9.10. The remaining projects on the pipeline are still awaiting GBF investment, subject to further funding being returned to SELEP for reallocation. These projects include:

- 9.10.1. Princess Alexandra Hospital – Relocation of post graduate medical centre which is seeking £0.5m to support the relocation of the post graduate medical and multi-disciplinary education centre from its current base in Parndon Hall on the main Princess Alexandra Hospital site to some soon to be vacated buildings on the same site. The GBF funding would contribute towards the cost of refurbishing these buildings to establish them as an education base and would offer a variety of benefits including safeguarding 50 jobs, creation of 600sqm of new commercial floorspace and 600 sqm of new learning floorspace and assisting 7,250 new learners.
- 9.10.2. The Amelia Scott which is seeking £1.4m to support the delivery of a new and exciting cultural and educational concept bringing together learning, culture, art and advice in an integrated and expanded Grade II listed building. The project offers a variety of benefits including creation of 310 new jobs, safeguarding 100 jobs, creation of 644sqm of new commercial floorspace and 4,069sqm of new learning floorspace and assisting 4,233 new learners.
- 9.10.3. Techfort which is seeking £1.009m to deliver an enterprise hub for impact, technology and innovation at Dover. Using an internationally proven model, the TechFort provides businesses and individuals with the skills, training and environment to drive economic growth, with a particular focus on the impact and green economy. The project offers a variety of benefits including the creation of 47 new jobs, 2,000sqm of new commercial workspace and 1,990sqm of new learning workspace, assisting 1,000 new learners and 100 businesses and the provision of 50 super/ultrafast broadband connections.
- 9.11. The award of funding to these projects, and the other projects on the pipeline, is subject to the Project(s) being able to demonstrate that they are able to meet the criteria and conditions for retention of GBF funding beyond 31 March 2022, as agreed by the Board in July 2021.
- 9.12. The relevant Upper Tier Local Authorities have been approached and updates have been provided on each of the projects on the GBF project pipeline, except for Station Approach – Braintree Station Access which is the last project on the pipeline.
- 9.13. All updates provided have indicated that the projects remain viable and that it is possible for Business Cases to be submitted in the near future if funding becomes available. All projects have indicated that they would be in a position to spend the GBF funding by the end of September 2022 at the latest. Three projects on the pipeline have indicated an ability to spend the full GBF allocation by the end of March 2022, however, this may prove challenging for any projects which are awarded funding in February 2022 due to the requirement for legal documentation to be completed in advance of the transfer of any funding. The exception being the Amelia Scott project which may be considered for funding award at this meeting if, as a result of decisions taken by the Board, funding becomes available for reallocation.
- 9.14. The report does not identify the recommended option in relation to any of the Projects outlined within this report. However, commentary as to how each of the Projects meets the criteria and conditions agreed by the Board in July 2021 has been provided, alongside an

explanation of any remaining risks to Project delivery, to allow the Board to make informed decisions in each case.

10. Next Steps

- 10.1. If the Board choose Option 1, the funding will be retained against the Project(s) and they will progress to delivery. Project updates will be provided at each Board meeting to ensure that the project(s) remain on track to complete GBF spend by 30 September 2022 at the latest. Noting that if supported by the Board the Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas projects would receive until 31 March 2023 to complete GBF spend.
- 10.2. If the Board choose Option 2, the Project(s) will be removed from the GBF programme and the relevant Upper Tier Local Authority will be required to return the funding already transferred to them to support delivery of the project(s). This funding must be returned within 4 weeks to allow reallocation of the funding to alternative projects on the GBF prioritised project pipeline.
- 10.3. If any of the Projects outlined in this report are removed from the GBF programme, and sufficient GBF funding is available to support both the Princess Alexandra Hospital – relocation of post-graduate medical centre and Amelia Scott projects, the award of funding to the Amelia Scott will be considered under Agenda Item 11 at this meeting. Business Cases for the other projects on the GBF project pipeline with a provisional funding allocation will be brought forward for Board consideration in February 2022.

11. Financial Implications (Accountable Body comments)

- 11.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body received the first tranche of GBF for £42.5m from MHCLG in September 2020; this funding was transferred in full to Partner authorities to support delivery of the Projects. The second tranche of GBF for £42.5m was received from MHCLG in May 2021.
- 11.2. Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 11.3. GBF is allocated through a grant determination from MHCLG (now renamed the Department for Levelling Up, Housing and Communities) via section 31 of the Local Government Act 2003; this is subject to the following condition:

The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.
- 11.4. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all funding is defrayed by 31 March 2022.
- 11.5. SELEP have discussed the proposed approach regarding the retention of GBF funding beyond March 2022 with Government and it was confirmed that no additional governance or approvals would be required from Government in this respect.

11.6. The value of GBF that has been transferred by Essex County Council, as the Accountable Body for delivery of each Project to the respective Local Authority in this report, is shown in Table 1 below.

Table 1 – GBF allocation and remaining balance to Project's requesting extension beyond 31 March 2022

Project Name	Local Authority area	GBF Total Allocation £'000	Total transferred to date £'000	Remaining Balance £'000
Fast Track Business Solutions for the Hastings Manufacturing Sector	East Sussex	3,500	804	2,696
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	Essex	680	680	-
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Essex	1,820	1,820	-
Jaywick Market & Commercial Space	Essex	1,972	493	1,479
South Essex No Use Empty	Southend	1,200	558	642
Better Queensway	Southend	4,200	-	4,200
Total GBF Projects requesting extension beyond 31 March 2022		13,372	4,355	9,017

11.7. All GBF is transferred to the Project Lead Authorities, under the terms of a Funding Agreement or SLA which makes clear that funding can only be made available when the Accountable Body is in receipt of the funding; whilst all funding in this respect has been received from HM Government, there is funding that would need to be recovered from the Partner Authority in advance of reallocation, should the Board agree to Option 2 in the Recommendations for any Projects in this report.

12. Legal Implications (Accountable Body comments)

12.1. The grant funding will be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government and is required to be used in accordance with the terms of the Service Level Agreements between the SELEP Accountable Body, SELEP Ltd and the Upper Tier Local Authority. If a project does not meet the conditions of the SLA, in line with the terms of the SLA, the Accountable Body may clawback the funding for reallocation by SELEP Ltd.

13. Equality and Diversity Implications

13.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

13.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act

13.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

13.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

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

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13.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

14.1. Appendix A - Getting Building Fund prioritised project pipeline

14.2. Appendix B - Compliance with conditions for GBF spend beyond 31 March 2022

14.3. Appendix C – Getting Building Fund allocations and funding transferred to date

(Any request for background papers listed here should be made to the person named at the top 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)	 9 November 2021

Appendix A – Getting Building Fund Prioritised Project Pipeline

Project	Federated Area	GBF allocation (£)	Jobs created	Other benefits	Federated Area Ranking	Overall score	Cumulative total funding ask (£)
Project to be supported with initial £1.019m available for investment							
Innovation Park Medway - Sustainable City of Business	KMEP	778,323	315	3640sqm commercial floorspace 0.46km of new roads/cycle paths	1	9	778,323
Charleston's access road: removing the barrier to growth	East Sussex	240,677	11	1km road resurfaced New cycle route connection	1	8	1,019,000
GBF pipeline projects (to be supported if additional GBF becomes available)							
Princess Alexandra Hospital - Relocation of post graduate medical centre	Essex	500,000	0	50 jobs safeguarded 600sqm Commercial floorspace 600sqm new learning floorspace 7250 new learners assisted	1	8	1,519,000
The Amelia Scott	KMEP	1,400,000	309.6	100 safeguarded jobs 643.7sqm commercial floorspace 4068.9sqm learning floorspace 4233 new learners assisted	3	10	2,919,000
TechFort	KMEP	1,009,000	47	2000sqm commercial floorspace 100 businesses assisted 1km new road/cycle path 1990sqm new learning floorspace 1000 new learners assisted 50 super/ultrafast broadband connections	2	10	3,928,000
Seven Sister Country Park Visitor Infrastructure Uplift	East Sussex	200,000	7	2.9 safeguarded jobs 37sqm commercial floorspace 4 businesses assisted 0.1km new road/cycle path 197sqm learning floorspace 3500 new learners assisted 4523kg/co2 emissions	2	10	4,128,000
Food Street	East Sussex	225,000	40	465sqm commercial floorspace	3	14	4,353,000
Station Approach Braintree Station Access	Essex	2,000,000	500	Improvements to enhance access to/from rail station Provide appropriate facilities for non-motorised users/residents One way system to minimise conflict for road users Additional non-motorised user access i.e. contraflow cycle lane Enhanced urban environment including new pedestrianised area and new bus stop facilities	4	17	8,744,145
Projects haven't met the eligibility criteria for inclusion on the GBF pipeline							
Loughton Library	Essex	932,800	108	27 housing units unlocked 27 housing units delivered	2	15	5,285,800
Purford Green	Essex	1,458,345	124	35 housing units unlocked 35 housing units delivered	3	16	6,744,145

Appendix B – Compliance with conditions for GBF spend beyond 31 March 2022

Fast Track Business Solutions for the Hastings Manufacturing Sector				
Extension requested: 6 months				
Responsible Upper Tier Local Authority: East Sussex County Council				
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board				
The updated programme for the Project is as follows:				
Milestone		Expected date		
Planning – determination of planning application		10 November 2021 (subject to confirmation)		
Land acquisition – exercise option to acquire Highways land		December 2021		
Technical design and contractor procurement		December 2021		
Construction		January to September 2022		
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile				
An increase in build costs of approximately £1.9m has been identified as a result of increased materials costs and adverse site conditions. Work is currently in progress to assemble a Joint Venture partnership to address the cost increase.				
The updated GBF spend profile is as follows (£):				
Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23	Total
1,068,228	811,772	810,000	810,000	3,500,000
Written confirmation that all planning requirements will be met by 31 December 2021				
Planning permission for the project has not yet been granted. It is anticipated that the application will be heard by Hastings Borough Council planning committee at their meeting on 10 November 2021.				
If the planning application is not considered on 10 November 2021, it is expected to be heard at the meeting on 8 December.				
A verbal update on the status of the planning application will be provided during the course of the meeting.				
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022				
Contractual commitments will be put in place following the receipt of planning permission. It is anticipated that this can be finalised by 31 January 2022.				

Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
<p>The total project cost has increased by approximately £1.9m. It is envisaged that private sector funding will be used to bridge this funding gap.</p> <p>The project benefits remain unchanged.</p>
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022
Subject to Board approval, Strategic Board endorsement will be sought in December 2021.

Acceleration of full-fibre broadband deployment in very rural or very hard-to reach areas	
Extension requested: 1 year	
Responsible Upper Tier Local Authority: Essex County Council	
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	
The updated programme for the Project is as follows:	
Milestone	Expected date
Network Phase 1 – total premises connected 1,219	Q1 2021/22 – completed
Network Phase 2 – total premises connected 481	Q2 2021/22 – completed
Network Phase 3 – total premises to be connected 278	Q3 2021/22 – in progress
Network Phase 4 – total premises to be connected 499	Q4 2021/22 – planned
Network Phase 5 – total premises to be connected 563	Q1 2022/23 – planned
Network Phase 6 – total premises to be connected 318	Q2 2022/23 – planned
Network Phase 7 – total premises to be connected 310	Q3 2022/23 – planned
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile	
All funding sources identified to enable delivery of the Project are in place. An updated GBF spend profile has been provided, which shows full spend of the GBF funding in Q3 2022/23.	
Written confirmation that all planning requirements will be met by 31 December 2021	
No planning consents are required.	
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022	
Contractual commitments are in place and contract delivery is in progress.	
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money	
Confirmation has been provided that the total project cost and the expected project costs remain unchanged.	
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022	
Subject to Board approval, Strategic Board endorsement will be sought in December 2021.	

Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas			
Extension requested: 1 year			
Responsible Upper Tier Local Authority: Essex County Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
The updated programme for the Project is as follows:			
Milestone		Expected date	
Network Phase 1 – total premises connected 1,219		Q1 2021/22 – completed	
Network Phase 2 – total premises connected 481		Q2 2021/22 – completed	
Network Phase 3 – total premises to be connected 278		Q3 2021/22 – in progress	
Network Phase 4 – total premises to be connected 499		Q4 2021/22 – planned	
Network Phase 5 – total premises to be connected 563		Q1 2022/23 – planned	
Network Phase 6 – total premises to be connected 318		Q2 2022/23 – planned	
Network Phase 7 – total premises to be connected 310		Q3 2022/23 – planned	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile			
All funding sources identified to enable delivery of the Project are in place.			
The updated GBF spend profile is as follows (£):			
Q1 2022/23	Q2 2022/23	Q3 2022/23	Total
200,000	220,000	1,400,000	1,820,000
Written confirmation that all planning requirements will be met by 31 December 2021			
No planning consents are required.			
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022			
Contractual commitments are in place and contract delivery is in progress.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
Confirmation has been provided that the total project cost and the expected project costs remain unchanged.			
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022			
Subject to Board approval, Strategic Board endorsement will be sought in December 2021.			

Jaywick Market and Commercial Space				
Extension requested: 6 months				
Responsible Upper Tier Local Authority: Essex County Council				
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board				
The updated programme for the Project is as follows:				
Milestone			Expected date	
Detailed design and tender documentation			July to September 2021	
Building contractor procurement			October to November 2021	
Construction			January to August 2022	
Operating Partner Service Agreement			January to September 2022	
Marketing and promotional activity			September 2022	
Facility open and operational				
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile				
All funding sources identified to enable delivery of the Project are in place. However, it is noted that procurement of a construction contractor is ongoing and therefore there remains a risk that additional funding may be required.				
The updated GBF spend profile is as follows (£):				
Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23	Total
155,000	435,000	675,000	707,000	1,972,000
Written confirmation that all planning requirements will be met by 31 December 2021				
Detailed planning consent for the Project was granted on 6 July 2021.				
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022				
Procurement of a construction contractor is ongoing. The deadline for tender submission is 22 November 2021, with contractor interviews scheduled for week commencing 12 December 2021. It is expected that contractor selection and appointment will take place shortly after the interviews and therefore construction contracts are expected to be in place in advance of 31 January 2022.				
However, this programme is subject to receipt of compliant tenders and tenders which are within the available budget window. If tender costs exceed the funding currently available, and cannot be controlled through value engineering, it may be necessary to secure additional funding via formal Cabinet approval. If this process is required, it will take place during January/February 2022 and will delay appointment of the contractor.				

Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
<p>The project cost has increased by £300,000 since submission of the Business Case due to additional costs associated with design changes. These design changes have resulted in increased benefits in the form of the creation of an additional 5 new jobs and a further 3sqm of commercial floorspace.</p> <p>At the time of the GBF funding award, a BCR of 5:1 was calculated for the Project. It is therefore considered that, after taking into account the cost increase and the additional benefits realised, the Project will continue to offer High value for money.</p>
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022
Subject to Board approval, Strategic Board endorsement will be sought in December 2021.

Better Queensway				
Extension requested: 6 months				
Responsible Upper Tier Local Authority: Southend-on-Sea Borough Council				
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board				
The updated programme for the Project is as follows:				
Milestone			Expected date	
Hybrid Planning Application considered by Southend-on-Sea Planning Committee			March 2021	
Completion of required S106 agreement for the wider Better Queensway scheme			September 2021	
Formal award of Hybrid Planning Consent			September 2021	
Procurement of utilities/enabling package of works			September to December 2021	
Construction of utilities/enabling package			January 2022 to January 2023	
Completion of the wider Better Queensway project			January 2033	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile				
All funding sources identified to enable delivery of the Project are in place.				
The updated GBF spend profile is as follows (£):				
Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23	Total
1,050,000	1,050,000	1,050,000	1,050,000	4,200,000
Written confirmation that all planning requirements will be met by 31 December 2021				
All planning requirements for the GBF funded elements of the Project have been met with consent granted in September 2021.				
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022				
Swan Housing Association have been procured by Southend-on-Sea Borough Council as delivery partner.				
Procurement for the enabling and utility works which will be supported through the GBF investment is ongoing but it is expected that contractor appointment will take place before the end of January 2022.				
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money				
It has been indicated that project costs have increased since the submission of the Business Case, however, it is also noted that the benefits have also increased with the Project now expected to deliver 1,760 new homes (an increase of 93 homes).				

The scale of the cost increase is unknown at this time and it is unclear whether this increase in cost will be met through public or private sector funding.

At the time of Business Case submission and the award of funding by the Board, the BCR for the Project was reported to be 3:1 based on the consideration of all public sector funding secured to support project delivery.

Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022

Subject to Board approval, Strategic Board endorsement will be sought in December 2021.

No Use Empty South Essex			
Extension requested: 6 months			
Responsible Upper Tier Local Authority: Southend-on-Sea Borough Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
The updated programme for the Project is as follows:			
Milestone		Expected date	
Initial Site Identification		October/November 2021	
Formal launch of No Use Empty South Essex		November 2021	
Identification of further sites		Ongoing until funding fully allocated	
Assessment of applications for loan funding		Ongoing until funding fully allocated	
Loan repayments		By March 2026	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile			
Due to the nature of the project, the private sector funding contributions to support project delivery cannot be confirmed until suitable sites have been identified. Private sector investment will be agreed on a case-by-case basis as loans are agreed with property owners. All other funding sources identified to enable delivery of the Project are in place.			
The updated GBF spend profile is as follows (£):			
Q4 2021/22	Q1 2022/23	Q2 2022/23	Total
300,000	500,000	400,000	1,200,000
Written confirmation that all planning requirements will be met by 31 December 2021			
No planning consents are outstanding. The GBF funding is to be made available for developers/landlords as 0% interest loans to bring empty commercial properties back into use as either alternative commercial or mixed-use premises. To be eligible for a loan all applicants must demonstrate that they have any required permissions, including planning.			
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022			
Southend-on-Sea Borough Council will not be entering into any contractual commitments with construction contractors with regard to this project. Procurement responsibilities sit with the loan recipient. All applicants are required to provide two quotes for the required works with their loan application.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
The total project cost and the expected benefits remain unchanged from those set out in the Business Case.			

Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022

Subject to Board approval, Strategic Board endorsement will be sought in December 2021.

Appendix C – Getting Building Fund allocations and funding transferred to date

Project name	Upper Tier Local Authority	GBF funding allocation	GBF funding transferred to date
Fast Track Business Solutions for the Hastings Manufacturing Sector	East Sussex	£3,500,000	£804,365
Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas	Essex	£680,000	£680,000
Extension of full-fibre broadband rollout on Essex to reach rural and hard to reach areas	Essex	£1,820,000	£1,820,000
Jaywick Market and Commercial Space	Essex	£1,972,000	£493,000
Better Queensway	Southend	£4,200,000	-
No Use Empty South Essex	Southend	£1,200,000	£557,797

Forward plan reference number: FP/AB/463

Report title: Getting Building Fund funding decision – The Amelia Scott	
Report to: Accountability Board	
Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 19 November 2021	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Kent	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the award of £1.4m Getting Building Fund (GBF) to The Amelia Scott project (the Project) as set out in Appendix B, should additional funding become available as a result of either Board deciding to remove allocations from GBF projects under earlier decisions on the agenda or confirmation that conditions set by the Board have not been met and therefore allocations have been removed from GBF projects.
- 1.2. If there is no GBF available to be reallocated, this report will not be considered by the Board. Projects will only be considered for award where sufficient allocation is available. The available balance of GBF will be clearly presented to the Board ahead of any decisions being considered.
- 1.3. The Amelia Scott project will only be considered if sufficient funding (£1.9m) is available to support both projects at the top of the pipeline.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** that the award of GBF funding to The Amelia Scott project outlined in this report will only be considered if sufficient funding (£1.9m) is available to support both projects at the top of the pipeline, either as a result of decisions taken during the course of the Board meeting on 19 November 2021 or confirmation being provided in that meeting that funding conditions that have been previously been set by the Board have not been met by GBF Projects;
 - 2.1.2. **Agree** the award of £1.4m GBF to The Amelia Scott project which has been assessed as presenting High value for money with High certainty of achieving this, subject to Government approval of project inclusion within the GBF programme.

3. Background

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

Getting Building Fund funding decision – The Amelia Scott

- 3.2. After the withdrawal of the Gray's Shopping Centre project and a reduction in the GBF ask for the North Kent College project, the Strategic Board agreed to reallocate funding to the St. George's Creative Hub and Laindon Place projects, however there remained £1.019m of unallocated GBF funding.
- 3.3. At the Strategic Board meeting in March 2021, a pipeline of GBF projects was agreed. The Strategic Board identified the Innovation Park Medway – Sustainable City of Business and Accessing Charleston: Removing the barrier to Growth projects as the two highest priorities to support the investment of the £1.019m unallocated GBF. A ranked list of projects was also agreed, which identifies the next projects to proceed if further GBF is returned to SELEP through the cancellation of existing GBF projects from the programme. The pipeline is set out in Table 1.

Table 1: GBF Project Pipeline

GBF Project Pipeline							
Project	Federated Area	GBF allocation (£)	Jobs created	Other Benefits	Federated Area ranking	Overall score	Cumulative Total Funding ask (£)
Princess Alexandra Hospital - Relocation of post graduate medical centre	Essex	500,000	0	•50 jobs safeguarded •600sqm Commercial floorspace •600sqm new learning floorspace •7250 new learners assisted	1	8	500,000
The Amelia Scott	KMEP	1,400,000	309.6	•100 safeguarded jobs •643.7sqm commercial floorspace •4068.9sqm learning floorspace •4233 new learners assisted	3	10	1,900,000
Techfort	KMEP	1,009,000	47	•2000sqm commercial floorspace •100 businesses assisted 1km new road/cycle path •1990sqm new learning floorspace •1000 new learners assisted 50 super/ultrafast broadband connections	2	10	2,909,000
Seven Sister Country Park Visitor Infrastructure Uplift	East Sussex	200,000	7	•2.9 safeguarded jobs •37sqm commercial floorspace •4 businesses assisted •0.1km new road/cycle path 197sqm learning floorspace •35000 new learners assisted •4523kg/co2 emissions	2	10	3,109,000
Food Street	East Sussex	225,000	40	•465sqm commercial floorspace	3	14	3,334,000
Station Approach Braintree Station Access	Essex	2,000,000	500	•Improvements to enhance access to/from rail station •Provide appropriate facilities for non-motorised user/residents •One way system to minimise conflict for road user •Additional non-motorised user access i.e. contraflow cycle lane •Enhanced urban environment including new pedestrianised area and new bus stop facilities	4	17	5,334,000

- 3.4. At the September 2021 meeting, the Board agreed that The Amelia Scott project could bring forward to this meeting a full business case for approval in principle, at the risk of the project sponsor, on the basis that sufficient GBF might be returned to fund both the first ranked project and The Amelia Scott project.
- 3.5. The first project in the pipeline is the 'Princess Alexandra Hospital – Relocation of post graduate medical centre Essex'. The project sponsors have not been able to submit a business case for review in time for decision at the November meeting of this Board. It is recommended that if there is sufficient funding for both this project and The Amelia Scott project, The Amelia Scott project be considered for funding now. This should not be considered a reordering of the pipeline, the funding for the Princess Alexandra Hospital project will not be affected by this decision. Allowing this decision to come forward now is a pragmatic approach that will ensure timely delivery of outputs and outcomes for this programme.
- 3.6. The Project will enable GBF to be Page 157 of 250 as set out in the programme (Table 4) the building will complete in April 2022, and open in May 2022, allowing benefits to be

delivered very quickly. Government announced Getting Building Fund to support the delivery of shovel ready infrastructure projects, to boost economic growth, and fuel local recovery and jobs. If GBF were allocated to the Project, funding would be spent before the end of 2021/22.

- 3.7. The Board can only agree the award of GBF investment to the Project if an allocation from another project is removed and GBF funding is available to be rediverted.
- 3.8. Further information on the remaining projects on the pipeline is available under agenda item 10.

Case for Investment

- 3.9. Table 2 provides an overview of The Amelia Scott project with more detailed information presented in Appendix C and in the project Business Case.

Table 2: Overview of The Amelia Scott project

GBF allocation: £1.4m	Total project cost: £20,608,390
Key project benefits as stated in the Business Case: <ul style="list-style-type: none">• 4,137sqm of new or improved learning/training floorspace, including 1,121sqm of additional floorspace for museum and library use;• Education courses with 3,000 enrolments per annum, of which about 250 will be for accredited courses;• Environmental benefits – turning an inefficient listed building into a BREEAM Very Good building;	

- 3.10. The Project will see two dilapidated grade II listed buildings restored and extended to provide an enhanced library and museum experience and education space. The new fit for purpose education spaces will house services from multiple sites and which, when combined, will help to grow the education potential and offer for the area.
- 3.11. Original cost projections (Oct 2019) were in the region of £16.5m, however recent changes to government legislation following the Grenfell disaster, Brexit and the Covid-19 pandemic have pushed costs to the current £20m level. The project partnerships have secured the majority of additional funding but there remains a shortfall of £1.4m which is the reason for this GBF bid.
- 3.12. The Project will play a pivotal role in attracting visitors to the town and supporting local shops, restaurants and other venues. It will also support local employers, attract and retain staff and respond to the challenges being faced by the High Street.
- 3.13. The scheme will yield substantial economic, educational, environmental, creative and cultural benefits. The educational benefits will offer adult education courses with 3,000 enrolments per annum, out of which about 250 will be for accredited courses. The completed building will provide 4,137sqm of new or improved learning/training floorspace. This will include 1,121sqm of additional floorspace for museum and library uses.
- 3.14. The Project is a cultural facility with potential to create positive wellbeing impacts which will continue to deliver benefits well beyond the 10 year appraisal period and shows a benefit cost ratio of 2.7:1.

3.15. A breakdown of the funding can be seen below in Table 3.

Table 3: Funding allocations to support delivery of The Amelia Scott

Funding Source	Status	Total Allocation £m
Local Authority Funding (Tunbridge Wells Borough Council)	Secured	12.81
National Lottery Heritage Funding	Secured	4.97
Arts Council England	Secured	0.89
Fundraising	Secured	0.54
Getting Building Fund (SELEP)	Subject to Accountability Board Approval	1.40
Total		20.61

3.16. As set out in Table 3 the majority of funding is in place and the approval of £1.4m GBF will bridge the funding gap, allowing the benefits to be delivered sooner.

3.17. There are four main risks to Project delivery, as set out below. Mitigation measures are in place to reduce the likelihood of these risks materialising and the impact on the Project if they do occur. Further details and mitigation measures applied to these risks are set out in Appendix C.

3.17.1. The impacts of the COVID-19 outbreak may continue to increase costs leading to a capital shortfall meaning that the furniture fit out element has to be scaled back and or suspended and or the wider programme of works continues to be delayed.

3.17.2. The risk of wider economic downturn may result in less demand opportunities to let space/run events/run learning activities. This may have a sequential impact on other income generating activities in the building.

3.17.3. The budget for the construction (delivery) phase of the project has been exceeded as a result of the Covid-19 pandemic, market conditions and the unknowns/working with two grade II listed buildings.

3.17.4. Delays to opening the facility if funding cannot be secured in time.

3.18. The Project milestones are set out in Table 4.

Table 4: Project milestones

Key Milestones	Date
Construction Complete	October 2021
Furniture fit out latest start date	January 2022
Furniture fit out completion	April 2022
Facility open	May 2022

4. Outcome of the ITE assessment

- 4.1. The strategic case exhibits alignment with the objectives of the Getting Building Fund. The scheme will deliver 18 new permanent jobs and more than 200 construction jobs. It is also a scheme which will support the Green Recovery, bringing back into use two dilapidated grade two buildings. The scheme promoter notes that the SELEP funding will address a significant increase in costs brought about by the impacts of Covid-19.
- 4.2. A proportionate and robust economic appraisal of the scheme costs and benefits has been undertaken assessing the GVA increase stimulated by the scheme. This bespoke assessment approach, aligned with Green Book principles, uses assumptions from the former Homes and Communities Agency's 'The Additionality Guide'. This assessment shows the scheme to have a benefit cost ratio of 2.7:1 which falls within a "high" value for money categorisation. While this approach is not strictly in line with HMT's The Green Book, it is our recommendation that this remains an appropriate appraisal methodology as the scheme's intended outcomes are job creation rather than land value uplift.
- 4.3. Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers High value for money with High certainty.

5. Financial Implications (Accountable Body comments)

- 5.1. 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 received Getting Building Funding for 2021/22 from MHCLG (department name has since changed) in May 2021 of £42.5m. The GBF allocation of £85m has now been received in full.
- 5.2. 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.
- 5.3. All GBF will be transferred to the sponsoring authority under the terms of a Funding Agreement or SLA.
- 5.4. The Agreements 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.
- 5.5. Should the Board approve the award of GBF as per the recommendations of this report at 2.1.2, a variation agreement will be put in place to the existing GBF service level agreement (SLA) in place between the Accountable Body, SELEP Ltd and the lead authority.
- 5.6. The Accountable Body will not transfer GBF awarded by the Board until the variation agreement is complete.

6. Legal Implications (Accountable Body comments)

- 6.1. 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 GBF is to be administered and used. If the recommendation to award funding to the projects is approved, a variation agreement will be put into place between the Accountable Body, SELEP Ltd and the lead authority.

7. Equality and Diversity Implications

- 7.1. 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:
- 7.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 7.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 7.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

8. List of Appendices

- 8.1. Appendix A – Report of the Independent Technical Evaluator (as attached to Agenda Item 8)
- 8.2. Appendix B – GBF funding awards
- 8.3. Appendix C – The Amelia Scott Project Information

9. List of Background Papers

- 9.1. The Amelia Scott Business Case

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

Role	Date
Accountable Body sign off Stephanie Mitchener Page 161 of 250 (on behalf of Nicole Wood, S151 Officer, Essex County Council)	9 November 2021

Appendix B - Summary of GBF projects seeking funding approval

Name of Project	Sponsoring Upper Tier	S151 officer sign off received	ITE - Recommend?	Secretariat Recommend?	VFM	Certainty	BCR	Total GBF - £
The Amelia Scott	Kent	Yes	Yes	Yes	High	High	2.66:1	1,400,000
Total GBF Recommended for Approval								1,400,000

Appendix C – Getting Building Fund Project Background Information

Name of Project	<p>The Amelia Scott</p> <p>Mount Pleasant Road, Royal Tunbridge Wells</p> <p>Kent County Council</p>
Getting Building Fund value	£1.4m
Description of what Project delivers	<p>The Amelia Scott is a new and exciting Culture and Learning Hub bringing together books, objects, photographs and visual art in two important Grade II listed buildings that will be restored, integrated and extended. It supports the ambition within Kent's growth and infrastructure Framework to secure and build on Tunbridge Wells role as a cultural centre for West Kent and East Sussex.</p> <p>Once completed and services have transferred, the project will allow for other buildings to be redeveloped as part of a larger regeneration project for the town. The Project will help attract up to 480,000 additional visitors to the Borough enabling businesses affected by Covid-19 to rebuild their business.</p>
Need for Intervention	<p>The need for intervention has already been acknowledged by Tunbridge Wells Borough Council (TWBC), National Lottery Heritage Fund, Arts Council England and Kent County Council, who have invested in the project.</p> <p>The need for intervention through the Getting Building Fund hinges on why TWBC as the project promoter cannot bear the risk for the following reasons:</p> <ul style="list-style-type: none"> • In response to the impact of Covid-19, and the additional cost burdens brought about by the pandemic and ongoing market uncertainty TWBC conducted a review of its capital programme. This review sought to stop projects that are considered 'non-critical'. • While The Amelia Scott is viewed as 'non-critical', it is also classed as high priority, given that it is already under construction and given the longer term educational benefits it will bring to the town. • The additional hit on capital costs is however problematic, as TWBC is not in a position to give any further increases in capital contributions to cover this shortfall. Capital projects for most other schemes are on hold however part of the Amelia Scott will deliver statutory services including Gateway services, library service, birth and death registration and some ancillary services. • Finally, there is a real possibility that funding agreements with current funders could be breached, resulting in funding having to be returned. There is therefore, an evidenced need for modest grant intervention at this point to cover the shortfall and unlock the scheme and its partner funding.
Project benefits	<ul style="list-style-type: none"> • 4,137sqm of new or improved learning/training floorspace, including 1,163sqm of additional floorspace for museum and library use;

	<ul style="list-style-type: none"> • Education courses with 3,000 enrolments per annum, of which about 250 will be for accredited courses; • Environmental benefits – turning an inefficient listed building into a BREEAM Very Good building; <p>Additional Benefits include:</p> <ul style="list-style-type: none"> • Generation of direct and indirect economic activity in the local economy of just over £6.54m per annum in its full operation, representing an increase of £3.35m from the current impact of the existing services (the Library and Museum & Art gallery), which is estimated at £3.19m. • Jobs generated and safeguarded as a result of redevelopment. • Construction jobs created – 204. • Enhance Tunbridge Wells as a hub for creative businesses in the South East region. • The facilitation of new creative business start-ups which could encourage investment in Tunbridge Wells and the High Weald. • A promotion of the quality of life for the Town, with a more vibrant arts and culture offer and an improved and more accessible learning provision. 		
Financial Information	Funding Source	Amount, £	Constraints, Dependencies and mitigations
	Local Authority Funding (Tunbridge Wells Borough Council)	12,810,000	Secured
	National Lottery Heritage Funding	4,970,000	Secured
	Arts Council England	890,000	Secured
	Fundraising	540,000	Secured
	Getting Building Fund (GBF)	1,400,000	Subject to Accountability Board approval and funding being available
	Total	20,610,000	
Project constraints and risks	Risk		Mitigation
	Impact of the Covid-19 outbreak forcing construction site works to be suspended and/or impacting the Exhibition fit out works planned for the Autumn putting the planned public opening in April 2022 at risk		The contractor has updated their site working arrangements and have increased material stocks on site to mitigate risk. Continued monitoring of infection rates.
	The needs/requirements of the various Services that are to be incorporated in the Hub are not given sufficient consideration resulting in facilities that are not fit for use		Constant involvement of end users maintained to ensure facilities are fit for purpose.
	A full risk register is available in the business case		
Options consideration	A list of twelve options has been considered in the Business Case and justification has been provided as to why the preferred option has been selected.		

Project Timeline	Key Milestones	Date
	Construction Complete	October 2021
	Furniture fit out latest start date	January 2022
	Furniture fit out completion	April 2022
	Facility open	May 2022
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 8).</p>	
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project Business Case	https://www.southeastlep.com/app/uploads/2020/10/The-Amelia-Scott-GBF-Business-Case.pdf	

Report title: Local Growth Fund Capital Programme Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 19 November 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex, Kent, Medway, Thurrock and Southend	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the overall position of the Local Growth Fund (LGF) capital programme, as part of SELEP's Growth Deal with Government.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Agree** the updated total planned LGF spend on project delivery in 2021/22 of £52.633m excluding DfT retained schemes and increasing to £69.347m including DfT retained schemes, as set out in Table 1 and Appendix A.
- 2.1.2. **Note** the deliverability and risk assessment, as set out in Appendix D.
- 2.1.3. **Note** that the Bexhill Enterprise Park North project has met the conditions attached to the funding award in September 2021, as set out in Section 6.5.4 of this report, and that it will now progress to delivery, with completion of the LGF funded works expected in March 2022.
- 2.1.4. **Agree** the updated completion dates for the following projects, which have experienced delays of more than 6 months:
- 2.1.4.1. Hailsham/Polegate/Eastbourne Movement and Access Transport scheme – delayed from March 2022 to March 2023
- 2.1.4.2. Maidstone Integrated Transport Package – delayed from September 2023 to September 2024
- 2.1.4.3. A28 Sturry Link Road – delayed from March 2024 to June 2025

2.1.4.4. Innovation Park Medway (Phase 2) – delayed from March 2022 to November 2022

2.1.4.5. Southend Town Centre – delayed from March 2022 to January 2024

2.1.5. **Agree** the spend of LGF beyond 30 September 2021 and the revised completion date for the Southend Central Area Action Plan (SCAAP) project as set out in Section 7 of this report, subject to Strategic Board endorsement in December 2021.

3. Summary position

- 3.1. The £578.9m SELEP LGF allocation received from the Ministry of Housing Communities and Local Government (MHCLG) has been fully awarded to support delivery of projects.
- 3.2. In order to satisfy the commitment made to Government to secure the final tranche of LGF funding in 2020/21, and in accordance with decisions made by the Board, the majority of the remaining unspent LGF funding was transferred to Local Partners in March 2021.
- 3.3. Delivery of the ongoing LGF projects and spend of the funding transferred to local partners at the end of 2020/21 will continue to be monitored until all projects have reached completion.

4. Award of Local Growth Fund

- 4.1. The Board has approved the award of the full £578.9m SELEP LGF allocation to 106 projects, including DfT retained schemes. The A127 Fairglens junction improvements project, a DfT retained scheme with an LGF allocation of £15m, is still awaiting approval by the DfT. Despite this, £1.5m of the LGF allocation has been spent to date following a request from Government to accelerate partial release of the funding.
- 4.2. At the Strategic Board meeting on 11 December 2020, a pipeline of LGF projects was agreed by SELEP Ltd. Ten projects were identified to receive additional LGF, based on the £6.693m LGF unallocated at the time of the meeting. A ranked pipeline of projects was also established to identify the next LGF projects in line to receive additional funding, if further LGF became available. This pipeline is set out in Appendix B.
- 4.3. The Board approved the award of £6.662m to the ten prioritised projects at the February and March 2021 Board meetings. In addition, a further £0.901m was awarded to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub project, as the first project on the agreed pipeline, following the cancellation of the Basildon Innovation Warehouse project in February 2021.

- 4.4. Furthermore, following the decision by the Board in September 2021 to reduce the LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package by £623,389, additional LGF funding was awarded to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub, Mercury Rising and Southend Airport Business Park projects.

5. Local Growth Fund spend position

- 5.1. LGF spend in 2021/22 is now forecast to total £52.633m excluding DfT retained schemes and increasing to £69.347m including DfT retained schemes.
- 5.2. The 2021/22 spend forecast has been updated to reflect the reduction in LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package and the associated reallocation of this funding. The spend forecast also takes into account the updated spend profile provided for the Southend Central Area Action Plan (SCAAP) project, which is seeking approval for LGF spend beyond September 2021 at this meeting.
- 5.3. The impact of these changes, combined with other spend profile updates provided through the latest round of LGF quarterly reporting, has resulted in a reduction in forecast LGF spend in 2021/22 from £72.329m to £69.347m (including DfT retained schemes). This change is shown in Table 1 below.

Table 1: Updated spend forecast 2021/22

LGF (£m)				
	Planned LGF spend in 2021/22	Total forecast spend in 2021/22 (as reported in September 2021)	Variance (between planned and forecast spend)	% change in forecast LGF spend in 2021/22
East Sussex	11.923	11.116	-0.807	-6.8%
Essex	8.394	8.352	-0.042	-0.5%
Kent	15.483	14.005	-1.477	-9.5%
Medway	6.980	6.980	0.000	0.0%
Southend	6.488	5.831	-0.656	-10.1%
Thurrock	6.350	6.350	0.000	0.0%
Skills	0.000	0.000	0.000	0.0%
M20 Junction 10a	0.000	0.000	0.000	0.0%
LGF Sub-Total	55.616	52.633	-2.983	-5.4%
Retained	16.713	16.713	0.000	0.0%
Total Spend Forecast	72.329	69.347	-2.983	-4.1%

- 5.4. Table 2 below sets out the updated LGF spend forecast for future years.

Table 2: Summary LGF spend forecast – all years

LGF (£m)					
	Actual LGF spend to end of 2020/21	LGF forecast spend 2021/22	LGF forecast spend 2022/23 onwards	Total	% LGF allocation spent by 31 March 2021
East Sussex	64.172	11.116	6.732	82.020	78.2%
Essex	89.639	8.352	16.000	113.991	78.6%
Kent	112.481	14.005	2.170	128.656	87.4%
Medway	25.460	6.980	0.000	32.440	78.5%
Southend	27.154	5.831	0.729	33.715	80.5%
Thurrock	29.491	6.350	0.000	35.840	82.3%
Skills	21.975	0.000	0.000	21.975	100.0%
M20 Junction 10a	19.700	0.000	0.000	19.700	100.0%
Sub-total	390.072	52.633	25.631	468.335	83.3%
DfT retained	93.887	16.713	0.000	110.600	84.9%
Total spend forecast	483.958	69.347	25.631	578.935	83.6%

5.5. Table 2 shows that 83.6% of the total LGF allocation (including DfT retained schemes) had been reported as spent by the end of March 2021. It is currently forecast that 73% of the remaining LGF funding (including DfT retained schemes) will be spent in 2021/22. This will continue to be monitored throughout the financial year.

5.6 As agreed by the Board, and in line with the commitment made to Government, the majority of the remaining LGF received from MHCLG was transferred to relevant local partners at the end of 2020/21 to support delivery of approved projects beyond 31 March 2021, which represented the official end of the Growth Deal period. The only Government funding still held by Essex County Council, as the Accountable Body for SELEP, totals £4.656m and represents the remaining balance against the A28 Sturry Link Road project.

5.7 At the September meeting, the Board agreed that this funding could be transferred to Kent County Council to support delivery of the Project on condition that all the required land acquisition was completed by 31 March 2023. The transfer of this funding has not yet been actioned due to the provision of an updated delivery programme by Kent County Council which indicates that it may not be possible for the agreed funding condition to be met. More information on this update can be found under Agenda Item 13.

5.8 Delivery of the ongoing LGF projects and spend of the funding transferred to local partners at the end of 2020/21 will continue to be monitored until all projects have reached completion.

6. Deliverability and Risk

6.1. Appendix D sets out a delivery update and risk assessment for all projects included in the LGF programme. This provides a detailed breakdown of the delivery progress for each LGF project, relative to the expected completion dates, as set out in the original business cases.

- 6.2. The summary project risk assessment position is set out in Table 3 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).
- 6.3. The risk assessment has been conducted for LGF projects based on:
- 6.3.1. **Delivery** – considers project delays and any delays to the delivery of project outputs/outcomes. SELEP has considered the delay between the original expected project completion date (as stated in the project business case) and the updated forecast project completion date.
 - 6.3.2. To ensure consistency with Government guidance on the assessment of LGF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of greater than 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.
 - 6.3.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of LGF spend forecast beyond 31 September 2021.
 - 6.3.4. **Reputation** – considers the reputational risk for the delivery partner, local authority and SELEP Ltd.

Table 3: Summary of LGF project risk

Risk Score	Number of projects	LGF allocation to projects (£m)	LGF spend beyond 31 March 2021 (£m)
Low risk - 1	63	245.765	0.000
Low/Medium risk - 2	4	8.987	0.228
Medium risk - 3	17	113.549	12.472
Medium/high risk - 4	14	82.139	42.318
High risk - 5	8	128.496	19.521
Total	106	578.935	74.539

- 6.4. In total, £19.521m of unspent LGF is currently allocated to high-risk projects. A summary of the 8 high risk projects and any outstanding funding conditions associated with these projects is set out in Appendix E.
- 6.5. Updates on 5 of the high-risk projects are provided under Agenda Items 13, 15, 16 and 17. In summary, the position regarding the other 3 high-risk projects is as follows:
- 6.5.1. A127 Fairglan Junction Improvements (DfT retained scheme) (total LGF allocation £15m) – whilst the Board approved the award of the remaining £13.5m LGF allocation to the Project in February 2021, a final decision to approve the Project from the Secretary of State for Transport remains outstanding. A timetable for this decision is not

currently known. The Board will be updated as soon as the Secretary of State for Transport issues their decision.

- 6.5.2. A28 Chart Road, Kent (total LGF allocation £2.756m) – the Project remains on hold whilst waiting for the Chilmington developer to reach their planning obligation to provide funding for the Project, under the terms of the S106 agreement. This planning obligation will be reached once 400 homes have been occupied on the site. It was originally anticipated that the planning obligation would be reached in 2022 or 2023, however, the build out rate has been slower than anticipated so it is looking likely that the planning obligation will not be reached until 2023 or 2024. There remains a risk that LGF spend to date totalling £2.756m may become an abortive revenue cost which would require repayment of the funding to SELEP.
- 6.5.3. Bexhill Enterprise Park North (total LGF allocation £1.94m) – the Board were informed in September 2021 that completion of the required Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex (as delivery partner) had been delayed due to ongoing discussions regarding the terms of the agreement. The Board were also informed that due to the delay in completing the Third Party Grant Agreement, approval for LGF spend beyond 30 September 2021 was required as it hadn't been possible to release the funding to support project delivery.
- 6.5.4. During the course of the September meeting, the Board were informed that the Project did not meet all the conditions for LGF spend beyond 30 September 2021 as a construction contract would not be finalised until the Third Party Grant Agreement had been completed, and would therefore not be in place by the end of September as required. Following this update, the Board decided to:
- 6.5.4.1. **Agree** the spend of LGF beyond 30 September 2021 as an exception and the revised completion date for the Bexhill Enterprise Park North project, subject to Strategic Board endorsement in October 2021, receipt of confirmation that contractual commitments with the construction contractor are in place by 31 October 2021 and compliance with any conditions attached to the completion of the Third Party Grant Agreement; and
- 6.5.4.2. **Agree** that the Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex in relation to the Bexhill Enterprise Park North project must be in place by 19 November 2021. If the grant agreement is not completed by this date, the Project will be removed from the LGF programme and the £1.94m LGF funding will be released for reallocation to alternative projects on the LGF prioritised project pipeline during the Board meeting on 19 November 2021.

6.5.5. Confirmation has been provided by East Sussex County Council that the Third Party Grant Agreement with Sea Change Sussex was signed and executed on 29 October 2021. It has also been confirmed that, as required, the grant agreement reflects the terms of the Service Level Agreement which is in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and East Sussex County Council.

6.5.6. It has also been confirmed by East Sussex County Council that Sea Change Sussex entered into contractual commitments with the construction contractor on 29 October 2021.

6.5.7. The Project has therefore met the conditions that were attached to the funding allocation in September 2021 and will progress to delivery. The construction contractor mobilised on 1 November 2021 and it is expected that the LGF funded element of the Project will be complete by 31 March 2022.

6.5.8. Subject to the Project progressing as planned, the level of risk attached to the Project will be reduced in future LGF programme updates.

7. Local Growth Fund project delivery beyond September 2021

7.1 In April 2020, the Strategic Board agreed to extend the delivery of the Growth Deal period by six months to 30 September 2021. Any further extensions beyond this date must be considered by both the Strategic Board and Accountability Board on a case by case basis.

7.2 Based on the latest LGF reporting provided by local partners, 25 projects are currently forecasting LGF spend beyond 30 September 2021 totalling £58.6895m, as set out in Appendix C. 24 of these projects have been considered and approved for spend beyond 30 September 2021 by both the Board and Strategic Board.

7.3 The final project currently forecasting LGF spend beyond 30 September 2021 is the Southend Central Area Action Plan (SCAAP) Project. The Project is forecasting spend of £0.890m beyond 30 September 2021.

7.4 The Board approved the award of £7m LGF to the Southend Central Area Action Plan (SCAAP) project in 3 phases in June 2016, September 2017 and February 2019. In February 2019 it was expected that the Project would complete in March 2021. Delivery of the Project has been delayed as a result COVID-19 and Brexit impacts on the supply chain. The Project has experienced lead-in times of up to 20 weeks when seeking to source materials and street furniture, which has impacted on the delivery programme. In addition, a major sink hole appeared in Victoria Circus (an area within the scope of the Project) which needed to be stabilised and filled before work on

the Project could recommence. It is now expected that the Project will complete in December 2021.

7.5 The Board has previously agreed that for LGF to be spent beyond 30 September 2021, the project must meet five conditions. These five conditions include projects demonstrating that:

- 7.5.1 there is a clear delivery plan with specific delivery milestones and completion date has been agreed with the Board;
- 7.5.2 there is a direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
- 7.5.3 all funding sources having been identified to enable the delivery of the project. Written commitment will be sought from the respective project delivery partner to confirm that the funding sources are in place to deliver the project beyond the Growth Deal;
- 7.5.4 endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period; and
- 7.5.5 contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project.

7.6 Table 4 demonstrates how the Project meets these conditions.

Table 4: Southend Central Area Action Plan project compliance with conditions for spend beyond 30 September 2021

A clear delivery plan with specific delivery milestones and completion date	
Project delivery programme is as follows:	
Milestone	Expected date
Project delivery – Installation of compass feature in Victoria Circus	November 2021
Project delivery – Installation of street furniture	November/December 2021
Completion of project	December 2021
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	
The Southend Central Area Action Plan outlines the policy response to the challenges and opportunities presented within central Southend. The document gives detailed consideration to how and where employment led regeneration and growth can sustainably be accommodated in the town centre, central seafront area and surrounding gateway neighbourhoods. The Project allows the mechanisms to be put in place to enable the vision for central Southend to be realised, building upon existing investment and unlocking the potential of significant regeneration opportunities (such as the redundant office accommodation on Victoria Avenue).	

It is expected that the Project will support the delivery of 22,410sqm of commercial floorspace and 742 additional jobs (net).
All funding sources having been identified and secured to enable the delivery of the project
Confirmation has been provided that all funding sources required to deliver the Project have been secured
Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period
Endorsement from Strategic Board will be sought in December 2021
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project
All required contractual commitments are in place and much of the project has already been delivered

- 7.7 The Board is asked to agree the spend of LGF funding beyond 30 September 2021 on the Southend Central Area Action Plan project, subject to endorsement by Strategic Board at their meeting on 10 December 2021.
- 7.8 If any of the approved projects report a Project completion date which is delayed by more than 6 months, a further decision is required from the Board to grant this extension. This requirement is in line with the change management process set out in the Assurance Framework and Service Level Agreements between SELEP Ltd, Essex County Council, as Accountable Body, and the local authorities.
- 7.9 At this meeting the Board are asked to consider 5 projects which are reporting delays to completion dates of more than 6 months. All of these projects have previously received Board approval for LGF spend beyond September 2021, and the delays outlined below reflect the difference between the completion date reported at the time of the request for LGF spend beyond September 2021 and the completion date provided in the LGF reporting provided by local partners in the lead up to this meeting.
- 7.10 Hailsham/Polegate/Eastbourne Movement and Access Transport scheme (forecast spend beyond LGF September 2021 - £0516,000) – at the time of the request for LGF spend beyond September 2021, it was expected that the project would complete in March 2022, this has now been revised to March 2023. The primary reasons for the delay in delivering the project are the requirement for extensive drainage surveys and the fact that the works are dependent upon the completion of smaller scale interventions on the A27 which are being delivered by National Highways (formerly Highways England). In addition, development of the project has been impacted by the COVID-19 pandemic and the impact this had on the ability to effectively consult on scheme proposals and traffic regulation orders (TRO's).
- 7.11 Maidstone Integrated Transport Package (forecast LGF spend beyond September 2021 - £2.37m) – at the time of the request for LGF spend beyond September 2021, it was expected that the project would complete in September 2023, this has now been revised to September 2024. This project consists of a variety of interventions at a number of locations across the

Maidstone area. The project has been delayed due to a number of factors including the need to secure a number of consents (planning and listed building) and sensitivities around booking road space to ensure there is no conflict with other ongoing and planned works on both the Kent County Council and National Highways networks. A full update on the Project is provided under Agenda Item 17.

- 7.12 A28 Sturry Link Road (forecast LGF spend beyond September 2021 - £1.711m) – at the time of the request for LGF spend beyond September 2021, it was expected that the project would complete in March 2024, this has now been revised to June 2025. As the Board are aware from previous updates on the project, it took significantly longer than anticipated to secure planning consent for the link road. Whilst planning consent is now in place, there is an ongoing land acquisition process which needs to be completed before the project can be delivered. A revised programme for the land acquisition is set out under Agenda Item 13.
- 7.13 Innovation Park Medway (Rochester Airport - Phase 2) (forecast LGF spend beyond September 2021 - £2.191m) – The Innovation Park Medway project has received funding through the LGF, Getting Building Fund and Growing Places Fund to support delivery of the enabling infrastructure across the site. A summary of the funding awarded to the Innovation Park Medway project is set out in Table 5 below.

Table 5: SELEP investment in Innovation Park Medway

Phase of project	Funding source and allocation	Current status
Rochester Airport – Phase 1	Local Growth Fund - £4.4m	Project progressing onsite with completion expected in November 2021. All LGF funding has been spent
Innovation Park Medway – northern site (Rochester Airport – Phase 2)	Local Growth Fund - £3.7m	Archaeological works being undertaken prior to work commencing onsite. Project expected to complete in November 2022. All LGF funding to be spent by March 2022. Board approval for LGF spend beyond September 2021 already received
Innovation Park Medway – northern site extension (Rochester Airport – Phase 3)	Local Growth Fund - £1.5185m	Works to be progressed to the same timetable as Innovation Park Medway – northern site (Rochester Airport – Phase 2). All LGF funding to be spent by March 2022. Board approval for LGF spend beyond September 2021 already received
Innovation Park Medway - Sustainable City of Business	Getting Building Fund - £0.778m	GBF funding approved in July 2021. Works to progress to same programme as both Innovation Park Medway – northern site and Innovation Park Medway – northern

		site extension works. GBF funding to be spent in full by 31 March 2022
Innovation Park Medway – southern site	Growing Places Fund - £0.65m	Works commenced onsite in August 2021. Project expected to complete in February 2022
Total SELEP investment	£11.047m	

7.14 At the time of the request for LGF spend beyond September 2021 against the Innovation Park Medway (Rochester Airport - Phase 2) project, it was expected that the project would complete in March 2022, this has now been revised to November 2022 – although it should be noted that the LGF funding will be spent in full by the end of March 2022. Progress on the project has been slower than anticipated due to delays in adopting the Local Development Order (LDO) for the site although this has now been adopted and the need for additional archaeological surveys to be undertaken following a number of finds during the delivery of the Rochester Airport improvements (Phase 1) project.

7.15 Southend Town Centre (forecast LGF spend beyond September 2021 - £779,000) – at the time of the request for LGF spend beyond September 2021, it was expected that the project would complete in March 2022, this has now been revised to January 2024. This project consists of 5 different strands of activity and progress on 4 of these strands has been adversely impacted by the COVID-19 pandemic. In summary, the main causes for the delay are:

7.15.1 a low take up of the available shop front grants and empty unit grants during the pandemic due to an unwillingness to invest by tenants and landlords. There has been an increase in applications for these grants since the easing of COVID-19 related restrictions;

7.15.2 issues with extended lead-in times for obtaining required materials and street furniture to deliver the planned public realm improvements due to the impacts of COVID-19 and Brexit.

7.16 The updated project delivery programme for the Project is set out in Table 6 below.

Table 6: Delivery programme for the Southend Town Centre project

Milestone	Expected date
Public Realm	
Detailed design of public realm improvements	August 2021
Procurement of construction contractor	August/September 2021
Construction of public realm improvements	September 2021 to March 2022
Shop front and empty unit grants	
Marketing - ongoing marketing of grants using completed projects as case studies	October to December 2021
Assessment of grant applications	October 2021 to January 2022

Project delivery - Completion of works by grant applicants	October 2021 to March 2022
Activities in empty shop unit	
Construction - Fit out of empty unit for creative and cultural activities.	September to December 2021
Project delivery - Launch of unit and start of programme of activities	January 2022 to January 2024

7.17 The Board are asked to agree the updated completion dates for these 5 projects.

8. Projects remaining on LGF pipeline

- 8.1. As set out in section 4 of this report, the first 10 projects identified on the LGF pipeline have now received their additional LGF funding following approval by the Board in February and March 2021. Subsequently, the next two projects on the pipeline – the Kent and Medway EDGE Hub and the Mercury Rising projects – received the additional funding requested following the cancellation of the Basildon Innovation Warehouse project and the reduction in LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package. In addition, the Southend Airport Business Park project has received a small proportion of the additional LGF funding requested.
- 8.2. For the remaining projects on the pipeline (listed in appendix B), additional LGF can only be awarded if further LGF funding becomes available through the cancellation of existing projects within the LGF programme. If any further LGF funding becomes available, the award of this funding will be considered under Agenda Item 14.
- 8.3. It should be noted that clearly none of the projects remaining on the LGF pipeline will be able to spend any additional LGF funding awarded prior to the end of September 2021 and therefore the Board will be asked to consider whether the projects meet the conditions for LGF spend beyond September 2021 before awarding any available funding to support project delivery.
- 8.4. In advance of additional funding becoming available it is expected that these projects will proceed, as per the agreed scope in the project business cases, and that any increases in project cost will be met by local partners, as per the conditions of the grant.
- 8.5. No concerns have been raised regarding the deliverability of the projects remaining on the pipeline, as local partners or the relevant third-party delivery partners plan to meet the increase in project costs. These projects will remain under review and risks to the delivery of the Board will be brought to the Board's attention.

9. LGF Programme Risks

- 9.1. In addition to project specific risks, Appendix F sets out the overall programme risks. The main risks include the impact of the COVID-19 pandemic on the

delivery (and pace of delivery) of project outputs and outcomes, which could impact the overall value for money achieved through the delivery of the programme. To assess this risk, SELEP is working with local partners to understand the potential impact of COVID-19 on the expected benefits to be realised through the LGF investment and to understand the impact on project costs which could also adversely affect the value for money offered. If required, revised forecast outcomes from the LGF programme will be brought forward for Board consideration.

10. Financial Implications (Accountable Body comments)

- 10.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The only outstanding LGF funding due to be received from HM Government is in respect of the funding for the A127 Fairglen junction improvements project, which remains subject to final approval from the Secretary of State for Transport.
- 10.2. The Accountable Body continues to hold a balance of £4.656m LGF that is allocated to the Sturry Link Road project; transfer of this funding is subject to decision by the Board considered under agenda item 13 at this meeting.
- 10.3. At the end of the financial year 2020/21, the majority of the remaining balance of LGF for each project was transferred to each Local Authority using the 'freedoms and flexibilities' afforded to SELEP, to demonstrate spend of LGF by the end of the Growth Deal, 31 March 2021. The LGF transfers of Capital in advance of need were to be used as an 'Option 4' capital swap (whereby funding can be applied against the partner Council's wider Capital programme provided the equivalent funding is recycled back to LGF delivery in future years) or to be held as a ringfenced grant by the respective Local Authorities.
- 10.4. With the remaining balance of LGF for each project now transferred in advance to the Local Authorities (with the exception of £4.656m held for Kent County Council in respect of the Sturry Link Road project), there is a requirement for the Board to continue to effectively monitor the progress of the LGF projects in order to provide assurance of delivery in line with the agreed business cases.
- 10.5. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant. This is managed through a Service Level Agreement (SLA) that is in place with each Partner Authority and sets out the conditions of the grant.
- 10.6. Should the funding not be utilised in accordance with the conditions, the Government may request return of the funding or withhold future funding streams.

11. Legal Implications (Accountable Body comments)

- 11.1. The grant funding will be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government and required to be used in accordance with the terms of the Service Level Agreements between the Accountable Body and the Partner Authorities.
- 11.2. It is an expectation that the Partner Authorities mirror the terms of the SLA within its funding agreements with the delivery partners.
- 11.3. If the projects fail to proceed, in line with the conditions of the SLA or grant conditions from Central Government, the Accountable Body may clawback the funding for reallocation by SELEP Ltd.

12. Equality and Diversity implication

- 12.1. 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.
- 12.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

13. List of Appendices

- 13.1. Appendix A – LGF spend forecast update
- 13.2. Appendix B – LGF pipeline, agreed by the Strategic Board in Dec 2020
- 13.3. Appendix C – Projects spending LGF beyond 30 September 2021
- 13.4. Appendix D – Project deliverability and risk update

13.5. Appendix E – High Risk Projects

13.6. Appendix F – LGF Programme Risks

(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)	9 November 2021

Appendix A LGF spend forecast update												
SELEP number	Project Name	Promoter	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 and beyond	All Years
East Sussex												
LGF00002	Newhaven Flood Defences	East Sussex	0.300	0.800	0.400	0.000	0.000	0.000	0.000	0.000	0.000	1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	0.000	0.000	0.254	0.000	1.009	0.291	0.276	0.270	0.000	2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	0.600	0.370	1.630	0.498	0.674	0.476	0.482	1.870	0.000	6.600
LGF00036	Queensway Gateway Road	East Sussex	1.419	1.121	5.000	0.890	1.066	0.504	0.000	0.000	0.000	10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	0.505	0.895	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.400
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.530	1.170	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.700
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	6.410	4.600	5.590	2.000	0.000	0.000	0.000	0.000	0.000	18.600
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	0.000	0.000	0.345	0.796	1.408	1.061	1.571	3.819	0.000	9.000
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined with above scheme)	East Sussex										
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	0.000	0.550	0.245	3.700	0.749	0.440	1.544	0.772	0.000	8.000
LGF00073	A22/A27 junction improvement package	East Sussex										
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.000	0.667	0.000	0.000	0.000	0.000	0.000	0.000	0.667
LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	0.000	3.550	4.300	0.350	0.000	0.000	0.000	0.000	8.200
LGF00099	Devonshire Park	East Sussex	0.000	0.000	5.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000
LGF00108	Bexhill Enterprise Park North	East Sussex	0.000	0.000	0.000	0.000	0.000	0.000	1.940	0.000	0.000	1.940
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	0.000	0.000	0.000	0.000	0.229	1.071	3.113	0.000	0.000	4.413
LGF00110	Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	East Sussex	0.000	0.000	0.000	0.000	0.065	0.054	0.381	0.000	0.000	0.500
LGF00116	Bexhill Creative Workspace	East Sussex	0.000	0.000	0.000	0.000	0.014	0.577	0.369	0.000	0.000	0.960
LGF00117	Exceat Bridge Replacement	East Sussex										
LGF00124	Eastbourne Fisherman	East Sussex	0.000	0.000	0.000	0.000	0.000	0.000	1.440	0.000	0.000	1.440
Essex												
LGF00004	Colchester Broadband Infrastructure	Essex	0.200	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.200
LGF00025	Colchester LSTF	Essex	0.911	1.489	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.400
LGF00026	Colchester Integrated Transport Package	Essex	1.527	0.673	1.400	1.400	0.000	0.000	0.000	0.000	0.000	5.000
LGF00027	Colchester Town Centre	Essex	0.955	2.574	1.071	0.000	0.000	0.000	0.000	0.000	0.000	4.600
LGF00028	TGSE LSTF - Essex	Essex	2.131	0.869	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	5.870	2.130	2.000	0.487	0.000	0.000	0.000	0.000	0.000	10.487
LGF00032	A414 Maldon to Chelmsford RBS	Essex	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	0.409	0.605	1.248	0.738	0.000	0.000	0.000	0.000	0.000	3.000
LGF00034	Basildon Integrated Transport Package	Essex	1.633	0.000	0.000	0.750	4.203	0.000	0.000	0.000	0.000	6.586
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	5.800	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.800
LGF00048	A131 Chelmsford to Braintree	Essex	0.000	0.000	1.396	1.104	1.160	0.000	0.000	0.000	0.000	3.660
LGF00049	A414 Harlow to Chelmsford (removed from programme)	Essex										
LGF00050	A133 Colchester to Clacton	Essex	0.000	0.000	0.000	0.525	1.821	0.394	0.000	0.000	0.000	2.740
LGF00051	A131 Braintree to Sudbury (removed from programme)	Essex										
LGF00063	Chelmsford City Growth Area Scheme	Essex	0.000	0.000	1.000	2.500	4.000	2.500	0.000	0.000	0.000	10.000
LGF00064	Chelmsford Flood Alleviation Scheme (removed from programme)	Essex										
LGF00070	Beaulieu Park Railway Station	Essex	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.000	0.000	0.667	0.000	0.000	0.000	0.000	0.000	0.000	0.667
LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000	5.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	0.000	0.000	2.000	1.500	0.000	0.000	0.000	0.000	0.000	3.500
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	0.000	0.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	2.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	0.000	0.000	0.100	2.153	2.747	0.000	0.000	0.000	0.000	5.000
LGF00102	A127/A130 Fairglens Interchange new link road	Essex	0.000	0.000	0.000	1.700	0.176	4.359	0.000	0.000	0.000	6.235
LGF00103	M11 Junction 8 Improvements	Essex	0.000	0.000	0.000	1.800	0.439	0.161	0.334	1.000	0.000	3.734
LGF00105	Mercury Rising Theatre	Essex	0.000	0.000	0.000	0.000	1.000	0.000	0.228	0.000	0.000	1.228
LGF00111	Basildon Digital Technologies Campus	Essex	0.000	0.000	0.000	0.000	0.000	2.150	0.000	0.000	0.000	2.150
LGF00112	Colchester Institute training centre (Groundworks and scaffolding)	Essex	0.000	0.000	0.000	0.000	0.000	0.050	0.000	0.000	0.000	0.050
LGF00113	USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Essex	0.000	0.000	0.000	0.000	0.000	0.743	0.157	0.000	0.000	0.900
LGF00114	Flightpath Phase 2	Essex	0.000	0.000	0.000	0.000	0.782	0.640	0.560	0.000	0.000	1.982
LGF00118	Basildon Innovation Warehouse (removed from programme)	Essex	0.000	0.000	0.000	0.000		0.000				
LGF00119	University of Essex Parkside (Phase 3)	Essex	0.000	0.000	0.000	0.000	0.000	0.000	3.000	2.000	0.000	5.000
LGF00125	New Construction Centre, Chelmsford	Essex	0.000	0.000	0.000	0.000	0.000	0.000	1.295	0.000	0.000	1.295
LGF00127	Colchester Grow on Space	Essex	0.000	0.000	0.000	0.000	0.000	0.000	2.777	1.000	0.000	3.777
Kent												
LGF00003	I3 Innovation Investment Loan Scheme	Kent	0.000	0.389	2.950	0.941	1.360	0.361	0.000	0.000	0.000	6.000
LGF00006	Tonbridge Town Centre Regeneration	Kent	1.833	0.799	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.631
LGF00007	Sittingbourne Town Centre Regeneration	Kent	0.345	2.155	0.001	0.000	0.000	0.000	0.000	0.000	0.000	2.500
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.200

Appendix A LGF spend forecast update												
SELEP number	Project Name	Promoter	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 and beyond	All Years
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	Kent	0.603	0.189	0.049	0.315	0.010	0.011	0.000	0.000	0.000	1.177
LGF00010	Kent Thameside LSTF	Kent	2.051	0.480	0.720	0.252	0.286	0.711	0.000	0.000	0.000	4.500
LGF00011	Maidstone Gyratory Bypass	Kent	0.704	3.724	0.171	0.000	0.000	0.000	0.000	0.000	0.000	4.600
LGF00012	Kent Strategic Congestion Management Programme	Kent	0.863	0.687	0.604	0.236	0.389	1.921	0.100	0.000	0.000	4.800
LGF00013	Middle Deal transport improvements	Kent	0.000	0.800	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800
LGF00014	Kent Rights of Way improvement plan	Kent	0.193	0.056	0.137	0.177	0.335	0.101	0.000	0.000	0.000	1.000
LGF00015	Kent Sustainable Interventions Programme	Kent	0.143	0.406	0.529	0.394	0.245	1.010	0.000	0.000	0.000	2.728
LGF00016	West Kent LSTF	Kent	0.800	1.308	0.333	1.388	0.196	0.875	0.000	0.000	0.000	4.900
LGF00017	Folkestone Seafont : onsite infrastructure and engineering works	Kent	0.533	0.008	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.541
LGF00038	A28 Chart Road - on hold	Kent	0.885	0.984	0.887	0.000	0.000	0.000	0.000	0.000	0.000	2.756
LGF00039	Maidstone Integrated Transport	Kent	0.000	0.265	1.114	0.668	1.517	2.966	0.200	1.100	1.070	8.900
LGF00040	A28 Sturry Link Road	Kent	0.000	0.401	0.385	0.285	0.038	0.000	4.791	0.000	0.000	5.900
LGF00053	Rathmore Road	Kent	1.562	2.638	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.200
LGF00054	A28 Sturry Rd Integrated Transport Package (removed from programme)	Kent	0.022	0.005	0.056	0.000	-0.084	0.000				0.000
LGF00055	Maidstone Sustainable Access to Employment	Kent	0.131	1.869	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
LGF00059	Ashford Spurs	Kent	0.000	0.167	4.173	1.414	1.903	0.230	0.000	0.000	0.000	7.887
LGF00041	Thanet Parkway	Kent	0.000	0.000	0.000	0.000	0.000	9.275	4.725	0.000	0.000	14.000
LGF00058	Dover Western Dock Revival	Kent	0.000	4.915	0.085	0.000	0.000	0.000	0.000	0.000	0.000	5.000
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent										0.000
LGF00062	Folkestone Seafont (non-transport)	Kent	0.000	1.967	3.033	0.000	0.000	0.000	0.000	0.000	0.000	5.000
LGF00072	A226 London Road/B255 St Clements Way	Kent	0.000	0.715	0.846	2.638	0.000	0.000	0.000	0.000	0.000	4.200
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.000	0.000	0.063	0.511	0.093	0.000	0.000	0.000	0.000	0.667
LGF00086	Dartford Town Centre Transformation	Kent	0.000	0.000	0.000	0.522	2.732	1.046	0.000	0.000	0.000	4.300
LGF00088	Fort Halsted (removed from programme)	Kent										0.000
LGF00092	A2500 Lower Road	Kent	0.000	0.000	0.299	0.966	0.000	0.000	0.000	0.000	0.000	1.265
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	Kent	0.000	0.000	1.953	4.167	0.000	0.000	1.224	0.000	0.000	7.344
LGF00096	A2 off-slip at Wincheap, Canterbury (removed from programme)	Kent										0.000
LGF00094	Leigh Flood Storage Area	Kent	0.000	0.000	0.000	0.964	0.829	0.506	0.051	0.000	0.000	2.349
LGF00106	Sandwich Rail Infrastructure	Kent	0.000	0.000	0.000	0.040	1.873	0.000	0.000	0.000	0.000	1.913
LGF00120	M2 J5 improvements	Kent	0.000	0.000	0.000	0.000	0.000	0.000	1.600	0.000	0.000	1.600
LGF00121	Kent and Medway Medical School	Kent	0.000	0.000	0.000	0.000	4.000	4.000	1.000	0.000	0.000	9.000
LGF00126	East Malling Advanced Technology Horticultural Zone	Kent	0.000	0.000	0.000	0.000	0.000	1.684	0.315	0.000	0.000	1.999
Medway												
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	0.298	0.402	0.347	0.393	0.177	0.204	0.000	0.000	0.000	1.821
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	0.200	1.772	0.944	1.384	3.172	0.729	0.400	0.000	0.000	8.600
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	0.870	0.945	0.881	0.747	0.756	0.000	0.000	0.000	0.000	4.200
LGF00021	Medway Cycling Action Plan	Medway	0.228	1.150	0.919	0.203	0.000	0.000	0.000	0.000	0.000	2.500
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	0.300	0.181	0.021	0.061	0.058	0.147	1.431	0.000	0.000	2.200
LGF00061	Rochester Airport - phase 1	Medway	0.000	0.179	0.182	0.104	0.412	2.117	1.406	0.000	0.000	4.400
LGF00089	IPM (Rochester Airport - phase 2)	Medway	0.000	0.000	0.000	0.099	0.471	0.567	2.563	0.000	0.000	3.700
LGF00091	Strood Civic Centre - flood mitigation	Medway	0.000	0.000	1.122	2.378	0.000	0.000	0.000	0.000	0.000	3.500
LGF00115	IPM 2 (Rochester Airport - phase 3)	Medway	0.000	0.000	0.000	0.000	0.000	0.339	1.180	0.000	0.000	1.519
Southend												
LGF00005	Southend Growth Hub	Southend	0.018	0.702	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.720
LGF00107	Southend Forum 2	Southend	0.000	0.000	0.000	0.470	0.668	-1.138	0.000	0.000	0.000	0.000
LGF00029	TGSE LSTF - Southend	Southend	0.800	0.200	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	0.000	0.767	1.211	1.011	0.650	1.472	1.890	0.000	0.000	7.000
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including Southend and Rochford Joint Area Action Plan)	Southend	0.000	2.366	2.076	4.127	10.234	1.454	2.906	0.000	0.000	23.163
LGF00115	Southend Town Centre	Southend	0.000	0.000	0.000	0.000	0.000	0.068	0.828	0.729	0.000	1.625
	A127 Essential Maintenance - additional LGF	Southend	0.000	0.000	0.000	0.000	0.000	0.000	0.207	0.000	0.000	0.207
Thurrock												
LGF00030	TGSE LSTF - Thurrock	Thurrock	0.569	0.162	-0.015	0.160	0.125	0.000	0.000	0.000	0.000	1.000
LGF00046	Thurrock Cycle Network	Thurrock	0.000	0.096	2.384	2.520	0.000	0.000	0.000	0.000	0.000	5.000
LGF00047	London Gateway/Stanford le Hope	Thurrock	0.000	0.663	1.592	2.514	1.844	0.887	0.000	0.000	0.000	7.500
LGF00052	A13 Widening - development	Thurrock	0.000	2.708	0.000	2.292	0.000	0.000	0.000	0.000	0.000	5.000
LGF00056	Purfleet Centre	Thurrock	0.000	0.645	1.000	0.196	3.159	0.000	0.000	0.000	0.000	5.000
LGF00104	Grays South	Thurrock	0.000	0.000	0.000	0.000	3.659	0.831	6.350	0.000	0.000	10.840
LGF00123	Tilbury Riverside (removed from programme)	Thurrock	0.000	0.000	0.000	0.000	0.029	-0.029	0.000	0.000	0.000	0.000
	A13 widening - additional funding	Thurrock	0.000	0.000	0.000	0.000	0.000	1.500	0.000	0.000	0.000	1.500
Managed Centrally												

Appendix A LGF spend forecast update												
SELEP number	Project Name	Promoter	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 and beyond	All Years
LGF00001	Skills		9.923	11.980	0.071		0.000					21.975
LGF00071	M20 Junction 10a				8.300	11.400	0.000					19.700
Sub-total			54.563	70.405	78.983	73.778	63.029	49.314	52.633	12.561	13.070	468.335
Provisional Funding Allocation from MHCLG			69.450	82.270	92.088	91.739	54.915	77.873				468.335
LGF slippage 2015/16 to 2016/17			14.887									
LGF slippage from 2016/17 to 2017/18				26.752								
LGF slippage from 2017/18 to 2018/19					39.858							
LGF slippage 2018/19 to 2019/20						57.819						
Forecast LGF slippage 2019/20 to 2020/21							49.705					
Forecast LGF slippage 2020/21 to 2021/22								78.264				
DfT retained schemes												
LGF00079	A127 Fairglens Junction Improvements	Essex	0.000	0.000	0.000	0.000	1.500	0.000	13.500	0.000	0.000	15.000
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex	0.513	3.487	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000
LGF00081	A127 Kent Elms Corner	Southend	0.500	2.389	1.411	0.000	0.000	0.000	0.000	0.000	0.000	4.300
LGF00082	A127 The Bell	Southend	0.000	0.000	0.000	0.369	0.848	1.004	2.080	0.000	0.000	4.300
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	0.400	0.289	0.311	0.427	0.276	5.164	1.133	0.000	0.000	8.000
LGF00084	A13 Widening	Thurrock	0.000	0.000	13.408	11.507	33.002	17.083	0.000	0.000	0.000	75.000
Sub-total retained schemes			1.413	6.165	15.130	12.303	35.625	23.250	16.713	0.000	0.000	110.600
Provisional Funding Allocation from DfT			1.500	7.500	29.704	3.474	47.822	7.100	13.500			110.600

Appendix B – LGF pipeline, as agreed by the Strategic Board in December 2020

Band	Project name	Existing LGF allocation (£m)	Additional LGF requested (£m)
Projects to proceed with LGF currently available			
1	Kent & Medway Medical School	8.000	1.000
1	Project Flightpath Phase 2	1.422	0.560
1	Dover TAP (KSCMP)	0.300	0.100
1	A127 Essential Maintenance/The Bell Part A	6.600	0.207
1	East Malling Advanced Technology Horticultural Zone	1.684	0.315
1	Southend Town Centre	1.500	0.125
2a	A13 Widening Part A	80.000	1.500
2a	Skills & Business Support for Rural Businesses post Brexit	2.918	1.495
2a	M11 Junction 8*	2.734	1.000
2a	Eastbourne Fisherman's Quay*	1.080	0.360
Project pipeline (projects to proceed should LGF become available)			
2b	Kent and Medway EDGE Hub	6.120	1.224
2b	Mercury Rising	1.000	0.228
2b	Southend Airport Business Park Part A	23.090	0.600
2b	Southend Airport Business Park Part B	23.090	0.500
2b	Southend Airport Business Park Part C	23.090	0.500
2b	Maidstone East Station Access Improvements (West Kent LSTF)	1.246	0.153
2b	A127 Essential Maintenance/The Bell Part B	6.600	0.393
2a	Parkside Phase 3	5.000	1.650
3	A13 Widening Part B	80.000	1.000
3	Dartford Town Centre improvements	4.300	1.000

*Subject to confirmation of local funding sources at February 2021 Accountability Board

Appendix C - Projects spending LGF beyond 30 September 2021

SELEP number	Project Name	Promoter	LGF allocation (£m)	LGF spend beyond 30 September 2021 (£m)	% LGF spend beyond 30 September 2021	Expected project completion date
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	2.1000	0.5165	24.6%	Mar-23
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	6.6000	2.2823	34.6%	Mar-23
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	9.0000	5.0699	56.3%	Mar-23
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	8.0000	2.2600	28.2%	Sep-22
LGF00108	Bexhill Enterprise Park North	East Sussex	1.9400	1.9400	100.0%	Mar-22
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	4.4130	1.6600	37.6%	Nov-22
LGF00124	Eastbourne Fisherman	East Sussex	1.4400	0.9701	67.4%	Mar-22
LGF00070	Beaulieu Park Railway Station	Essex	12.0000	12.0000	100.0%	Dec-25
LGF00103	M11 Junction 8 Improvements	Essex	3.7339	1.1113	29.8%	Dec-22
LGF00105	Mercury Rising	Essex	1.2280	0.2280	18.6%	Mar-22
LGF00119	University of Essex Parkside (Phase 3)	Essex	5.0000	5.0000	100.0%	Mar-23
LGF00125	New Construction Centre, Chelmsford College	Essex	1.2952	0.6072	46.9%	Feb-22
LGF00127	Colchester Grow on Space	Essex	3.7775	3.5721	94.6%	Aug-22
LGF00039	Maidstone Integrated Transport	Kent	8.9000	2.3698	26.6%	Sep-24
LGF00040	A28 Sturry Link Road	Kent	5.9000	1.7109	29.0%	Jun-25
LGF00041	Thanet Parkway	Kent	14.0000	2.7250	19.5%	Dec-22
LGF00093	Kent and Medway EDGE Hub	Kent	7.3440	1.2240	16.7%	Mar-22
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	8.6000	0.2440	2.8%	Dec-21
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.2000	1.3576	61.7%	Mar-22
LGF00089	IPM (Rochester Airport - Phase 2)	Medway	3.7000	2.1906	59.2%	Nov-22
LGF00115	IPM2 (Rochester Airport - Phase 3)	Medway	1.5185	0.9165	60.4%	Nov-22
LGF00045	Southend Central Area Action Plan (SCAAP)	Southend	7.0000	0.8902	12.7%	Dec-21
LGF00057	London Southend Airport Business Park	Southend	23.1625	0.9551	4.1%	Jun-22
LGF00115	Southend Town Centre	Southend	1.6250	0.7790	47.9%	Jan-24
LGF00104	Grays South	Thurrock	10.8403	6.1093	56.4%	Aug-24

Appendix D - Local Growth Fund Delivery and Risk														
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			Expected completion date (as stated in Business Case)	Expected completion date (August 2021)	Expected completion date (October 2021)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating (October 2021)	LGF allocation	LGF spend to end of September 2021	LGF spend beyond September 2021	Financials RAG rating (October 2021)		
East Sussex														
Newhaven Flood Defences	Jun-15	LGF project delivered	01/02/2020	30/09/2021	30/09/2021	19	0	1	£1,500,000	£1,500,000	£0	1	1	1
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	01/03/2020	31/03/2023	31/03/2023	36	0	5	£2,100,000	£1,583,502	£516,498	3	3	4
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	01/03/2021	31/03/2023	31/03/2023	24	0	5	£6,600,000	£4,317,663	£2,282,337	4	3	4
Queensway Gateway Road	Mar-15	Construction in progress	01/03/2016	01/03/2022	TBC			5	£10,000,000	£10,000,000	£0	4	5	5
Swallow Business Park, Hailsham	Feb-16	LGF project delivered	01/03/2017	01/03/2017	01/03/2017	0	0	1	£1,400,000	£1,400,000	£0	1	1	1
Sovereign Harbour	Feb-16	LGF project delivered	01/03/2017	01/03/2017	01/03/2017	0	0	1	£1,700,000	£1,700,000	£0	1	1	1
North Bexhill Access Road and Bexhill Enterprise Park	Nov-15	LGF project delivered	01/03/2018	20/12/2018	20/12/2018	9	0	1	£18,600,000	£18,600,000	£0	1	1	1
Hastings and Bexhill Movement and Access Package	Feb-18	Construction in progress	01/03/2021	31/03/2023	31/03/2023	24	0	5	£9,000,000	£3,930,070	£5,069,930	5	3	4
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	01/03/2021	31/03/2022	30/09/2022	18	5	4	£8,000,000	£5,740,008	£2,259,992	4	3	4
Coastal Communities Housing Intervention Hastings	Feb-17	LGF project delivered	01/04/2020	01/03/2020	01/03/2020	0	0	1	£666,667	£666,667	£0	1	1	1
East Sussex Strategic Growth Project	Jan-17	LGF project delivered	01/03/2021	31/03/2020	31/03/2020	0	0	1	£8,200,000	£8,200,000	£0	1	1	1
Devonshire Park	Mar-17	LGF project delivered	01/03/2020	15/11/2019	15/11/2019	0	0	1	£5,000,000	£5,000,000	£0	1	1	1
Bexhill Enterprise Park North	Jun-19	Design in progress	01/03/2020	31/03/2022	31/03/2022	24	0	5	£1,940,000	£0	£1,940,000	5	5	5
Skills for Rural Businesses Post-Brexit (Plumpton College)	Jun-19 and Feb-21	Construction in progress	01/03/2021	30/11/2022	30/11/2022	20	0	4	£4,413,000	£2,752,970	£1,660,030	4	2	3
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	Jun-19	Construction in progress	01/03/2021	30/06/2022	31/07/2022	16	1	4	£500,000	£500,000	£0	1	3	3
Bexhill Creative Workspace	Sep-19	Construction in progress	01/05/2020	30/09/2021	30/09/2021	16	0	4	£960,000	£960,000	£0	1	2	2
Eastbourne Fisherman's Quayside and Infrastructure Development project	Jul-20 and Feb-21	Construction in progress	01/07/2021	31/03/2022	31/03/2022	8	0	4	£1,440,000	£469,887	£970,113	4	2	3
Essex														
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	01/03/2016	01/03/2016	01/03/2016	0	0	1	£200,000	£200,000	£0	1	1	1
Colchester LSTF	Mar-15	LGF project delivered	01/03/2016	01/12/2016	01/12/2016	9	0	1	£2,400,000	£2,400,000	£0	1	1	1
Colchester Integrated Transport Package	Mar-15	LGF project delivered	01/03/2021	01/03/2021	01/03/2021	0	0	1	£5,000,000	£5,000,000	£0	1	1	1
Colchester Town Centre	Mar-15	LGF project delivered	01/03/2016	01/01/2018	01/01/2018	22	0	1	£4,600,000	£4,600,000	£0	1	1	1
TGSE LSTF - Essex	Mar-15	LGF project delivered	01/08/2016	01/03/2017	01/03/2017	7	0	1	£3,000,000	£3,000,000	£0	1	1	1
A414 Pinch Point Package	Jun-15	LGF project delivered	01/03/2017	01/03/2019	01/03/2019	24	0	1	£10,487,000	£10,487,000	£0	1	1	1
A414 Maldon to Chelmsford RBS	Jun-15	LGF project delivered	01/03/2017	01/12/2016	01/12/2016	0	0	1	£2,000,000	£2,000,000	£0	1	1	1
Chelmsford Station/Station Square/Mill Yard	Jun-15	LGF project delivered	01/12/2017	01/05/2019	01/05/2019	17	0	1	£3,000,000	£3,000,000	£0	1	1	1
Basildon Integrated Transport Package	Mar-15, May-17 and Feb-19	LGF project delivered	01/03/2021	01/03/2021	01/03/2021	0	0	1	£6,586,000	£6,586,000	£0	1	1	1
Colchester Park and Ride and Bus Priority measures	Mar-15	LGF project delivered	01/04/2015	01/04/2015	01/04/2015	0	0	1	£5,800,000	£5,800,000	£0	1	1	1
A127 Fairglan junction improvements	Pending	Approval pending	01/09/2022	01/04/2023	01/04/2024	19	12	5	£15,000,000	£1,500,000	£13,500,000	5	5	5
A127 capacity enhancements	Jun-15	LGF project delivered	01/12/2020	01/11/2018	01/11/2018	0	0	1	£4,000,000	£4,000,000	£0	1	1	1
A131 Chelmsford to Braintree	Feb-17	LGF project delivered	01/03/2020	01/04/2020	01/04/2020	1	0	1	£3,660,000	£3,660,000	£0	1	1	1
A133 Colchester to Clacton	Nov-17	LGF project delivered	01/03/2020	30/06/2020	30/06/2020	3	0	1	£2,740,000	£2,740,000	£0	1	1	1
Chelmsford City Growth Area Scheme	Dec-17	LGF project delivered	01/03/2021	30/09/2021	30/09/2021	6	0	1	£10,000,000	£10,000,000	£0	1	1	1
Beaulieu Park Railway Station	Feb-19	Design in progress	01/03/2024	01/12/2025	01/12/2025	21	0	4	£12,000,000	£0	£12,000,000	5	4	4

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Coastal Communities Housing Intervention Javwick	Feb-17	LGF project delivered	01/06/2019	01/06/2019	01/06/2019	0	0	1	£666,667	£666,667	£0	1	1	1
Gilden Way upgrading	Dec-17	LGF project delivered	01/03/2021	31/12/2021	30/09/2021	6	0	1	£5,000,000	£5,000,000	£0	1	1	1
Technical and Professional Skills Centre at Stansted Airport	May-17	LGF project delivered	01/09/2018	01/09/2018	01/09/2018	0	0	1	£3,500,000	£3,500,000	£0	1	1	1
Innovation Centre - University of Essex Knowledge Gateway	Sep-17	LGF project delivered	01/01/2019	26/04/2019	26/04/2019	3	0	1	£2,000,000	£2,000,000	£0	1	1	1
STEM Innovation Centre - Colchester Institute	Dec-17	LGF project delivered	01/01/2019	01/12/2019	01/12/2019	11	0	1	£5,000,000	£5,000,000	£0	1	1	1
A127/A130 Fairglens Interchange new link road	Feb-19	Design in progress	01/04/2022	01/04/2023	01/04/2024	24	12	5	£6,235,000	£6,235,000	£0	1	3	3
M11 junction 8 improvements	Nov-17 and Mar-21	Construction in progress	01/03/2021	31/12/2022	31/12/2022	21	0	4	£3,733,896	£2,622,597	£1,111,299	4	4	4
Mercury Rising Theatre	Nov-17 and Sep-21	Construction in progress	01/03/2020	31/08/2021	31/03/2022	24	7	4	£1,228,000	£1,000,000	£228,000	2	1	2
Basildon Digital Technologies Campus	Jun-19	LGF project delivered	01/09/2020	01/09/2021	01/09/2021	12	0	1	£2,150,000	£2,150,000	£0	1	1	1
Colchester Institute training centre (Groundworks and scaffolding)	Jun-19	LGF project delivered	01/01/2020	31/03/2021	31/03/2021	14	0	1	£50,000	£50,000	£0	1	1	1
USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Jun-19	LGF project delivered	01/09/2020	30/09/2021	30/09/2021	12	0	1	£900,000	£900,000	£0	1	1	1
Flightpath Phase 2	Jun-19 and Feb-21	LGF project delivered	30/09/2020	30/09/2021	30/09/2021	12	0	1	£1,981,500	£1,981,500	£0	1	1	1
University of Essex Parkside (Phase 3)	Feb-20	Design in progress	31/03/2021	31/03/2023	31/03/2023	24	0	5	£5,000,000	£0	£5,000,000	5	3	4
New Construction Centre, Chelmsford College	Jul-20	Construction in progress	01/09/2021	01/02/2022	01/02/2022	5	0	4	£1,295,200	£688,000	£607,200	4	2	3
Colchester Grow on Space, Queen Street	Feb-21	Design in progress	30/07/2022	31/08/2022	31/08/2022	1	1	2	£3,777,451	£205,391	£3,572,060	5	2	3
Kent														
I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)	Nov-15	LGF project delivered	01/03/2021	31/03/2021	01/06/2021	3	2	1	£6,000,000	£6,000,000	£0	1	1	1
Tonbridge Town Centre Regeneration	Mar-15	LGF project delivered	31/03/2017	30/04/2017	30/04/2017	0	0	1	£2,631,269	£2,631,269	£0	1	1	1
Sittingbourne Town Centre Regeneration	Nov-15	LGF project delivered	01/09/2016	31/03/2021	31/03/2021	54	0	1	£2,500,000	£2,500,000	£0	1	1	1
M20 junction 4 Eastern Overbridge	Mar-15	LGF project delivered	28/02/2017	28/02/2017	28/02/2017	0	0	1	£2,200,000	£2,200,000	£0	1	1	1
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	LGF project delivered	01/09/2019	30/09/2022	31/03/2019	0	0	1	£1,176,611	£1,176,611	£0	1	1	1
Kent Thameside LSTF	Mar-15	LGF project delivered	31/03/2021	01/08/2021	01/08/2021	4	0	1	£4,500,000	£4,500,000	£0	1	1	1
Maidstone Gyrratory Bypass	Mar-15	LGF project delivered	01/02/2017	01/12/2016	01/12/2016	0	0	1	£4,600,000	£4,600,000	£0	1	1	1
Kent Strategic Congestion Management programme	Mar-15, Apr-16, Feb-17 and Feb-18, and Feb-21	Construction in progress	31/03/2021	30/09/2021	31/10/2021	7	1	4	£4,800,000	£4,800,000	£0	1	2	2
Middle Deal transport improvements	Feb-16	LGF project delivered	01/12/2016	30/09/2021	30/09/2021	57	0	1	£800,000	£800,000	£0	1	1	1
Kent Rights of Way improvement plan	Mar-15	LGF project delivered	31/03/2021	31/03/2021	31/03/2021	0	0	1	£1,000,000	£1,000,000	£0	1	1	1
Kent Sustainable Interventions Programme	Mar-15, Apr-16, Feb-17 and Feb-18	LGF project delivered	31/03/2021	31/03/2021	31/03/2021	0	0	1	£2,727,586	£2,727,586	£0	1	1	1
West Kent LSTF	Apr-16	LGF project delivered	31/03/2021	30/09/2021	30/09/2021	5	0	1	£4,900,000	£4,900,000	£0	1	1	1

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				Expected completion date (August 2021)	Expected completion date (October 2021)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating (October 2021)	LGF allocation	LGF spend to end of September 2021	LGF spend beyond September 2021	Financials RAG rating (October 2021)	Reputational risk RAG (October 2021)	
Folkestone Seafront: onsite infrastructure	Mar-15	LGF project delivered	30/09/2015	31/03/2016	31/03/2016	6	0	1	£541,145	£541,145	£0	1	1	1
A28 Chart Road	Nov-15	Project on hold	01/03/2020	TBC	TBC			5	£2,756,283	£2,756,283	£0	5	5	5
Maidstone Integrated Transport Package	Nov-15 and Jun-18	Design in progress	01/02/2020	01/09/2023	01/09/2024	55	12	5	£8,900,000	£6,530,187	£2,369,813	4	5	5
A28 Sturry Link Road	Jun-16	Design in progress	01/10/2021	31/12/2024	30/06/2025	44	5	5	£5,900,000	£4,189,051	£1,710,949	5	5	5
Rathmore Road	Nov-15	LGF project delivered	01/11/2017	01/01/2018	01/01/2018	2	0	1	£4,200,000	£4,200,000	£0	1	1	1
Maidstone Sustainable Access to Employment	Nov-15	LGF project delivered	01/03/2016	01/06/2017	01/06/2017	15	0	1	£2,000,000	£2,000,000	£0	1	1	1
Ashford Spurs	Sep-16 and May-17	LGF project delivered	01/04/2018	01/04/2020	01/04/2020	24	0	1	£7,886,830	£7,886,830	£0	1	1	1
Thanet Parkway	Apr-19	Construction in progress	01/12/2021	31/12/2022	31/12/2022	12	0	4	£14,000,000	£11,275,000	£2,725,000	3	4	4
Dover Western Docks revival	Feb-17	LGF project delivered	01/02/2017	01/04/2017	01/04/2017	2	0	1	£5,000,000	£5,000,000	£0	1	1	1
Folkestone Seafront (non-transport)	Feb-16	LGF project delivered	31/12/2017	31/03/2018	31/03/2018	3	0	1	£5,000,000	£5,000,000	£0	1	1	1
A226 London Road/B255 St Clements Way	Nov-16	LGF project delivered	01/03/2020	31/05/2019	31/05/2019	0	0	1	£4,200,000	£4,200,000	£0	1	1	1
Coastal Communities Housing Intervention (Thanet)	Feb-16	LGF project delivered	31/03/2021	31/03/2021	31/03/2021	0	0	1	£666,666	£666,666	£0	1	1	1
Dartford Town Centre Transformation	Apr-18	Construction in progress	31/03/2021	31/03/2022	31/03/2022	12	0	4	£4,300,000	£4,300,000	£0	1	3	3
A2500 Lower Road	Sep-17	LGF project delivered	01/12/2019	01/03/2019	01/03/2019	0	0	1	£1,264,930	£1,264,930	£0	1	1	1
Kent and Medway EDGE hub	Sep-17, Mar-21 and Sep 21	Construction in progress	31/08/2020	30/09/2021	31/03/2022	19	6	4	£7,344,000	£6,120,000	£1,224,000	3	1	3
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Design in progress	01/07/2023	01/07/2023	01/07/2023	0	0	1	£2,349,000	£2,349,000	£0	1	2	1
Sandwich Rail Infrastructure	Nov-17	LGF project delivered	31/03/2020	28/02/2020	28/02/2020	0	0	1	£1,913,170	£1,913,170	£0	1	1	1
M2 Junction 5	Feb-20	Design in progress	01/01/2023	31/12/2025	31/12/2025	35	0	5	£1,600,000	£1,600,000	£0	1	4	3
Kent and Medway Medical School	Nov-19, Jul-20 and Feb-21	LGF project delivered	01/09/2020	30/06/2021	30/06/2021	9	0	1	£9,000,000	£9,000,000	£0	1	1	1
East Malling Advanced Technology Horticultural Zone	Jun-20 and Feb-21	Construction in progress	01/07/2021	30/09/2021	31/03/2022	8	6	4	£1,998,600	£1,998,600	£0	1	2	2
Medway														
A289 Four Elms roundabout to Medway Tunnel	Mar-15	Design in progress	31/12/2020	31/03/2024	31/03/2024	39	0	5	£1,821,046	£1,821,046	£0	1	5	4
Strood Town Centre	Mar-15	Construction in progress	30/06/2018	31/10/2021	31/12/2021	42	2	5	£8,600,000	£8,355,993	£244,007	2	3	3
Chatham Town Centre	Mar-15	LGF project delivered	31/07/2017	01/12/2019	01/12/2019	28	0	1	£4,200,000	£4,200,000	£0	1	1	1
Medway Cycling Action Plan	Mar-15	LGF project delivered	31/03/2018	31/03/2019	31/03/2019	12	0	1	£2,500,000	£2,500,000	£0	1	1	1
Medway City Estate	Mar-15	Construction in progress	31/03/2021	31/03/2022	31/03/2022	12	0	4	£2,200,000	£842,443	£1,357,557	4	4	4
Rochester Airport - phase 1	Jun-16	Construction in progress	31/03/2018	01/11/2021	30/11/2021	43	0	5	£4,400,000	£4,400,000	£0	1	4	3
Innovation Park Medway (phase 2)	Feb-19	Design in progress	31/12/2020	30/11/2022	30/11/2022	22	0	4	£3,700,000	£1,509,394	£2,190,606	4	4	4
Strood Civic Centre - flood mitigation	Feb-18	LGF project delivered	30/04/2019	01/06/2019	01/06/2019	1	0	1	£3,500,000	£3,500,000	£0	1	1	1
Innovation Park Medway (phase 3)	Jul-20	Design in progress	31/12/2021	30/11/2022	30/11/2022	10	0	4	£1,518,500	£601,958	£916,542	4	4	4
Southend														
Southend Growth Hub	2015	LGF project delivered	31/12/2016	01/03/2017	01/03/2017	2	0	1	£720,000	£720,000	£0	1	1	1
TGSE LSTF - Southend	Mar-15	LGF project delivered	01/08/2016	01/03/2017	01/03/2017	7	0	1	£1,000,000	£1,000,000	£0	1	1	1
A127 Kent Elms Corner	Jun-16	LGF project delivered	19/05/2017	31/05/2019	31/05/2019	24	0	1	£4,300,000	£4,300,000	£0	1	1	1
A127 The Bell	Nov-18 and Feb-19	Construction in progress	31/03/2021	15/09/2021	31/03/2022	12	6	4	£4,300,000	£2,871,196	£1,428,804	4	2	3
A127 Essential Bridge and Highway Maintenance	Sep-16, Nov-18 and Feb-19 and Feb 2021	Construction in progress	31/03/2021	15/09/2021	31/03/2022	12	6	4	£8,207,000	£7,286,624	£920,376	2	2	3
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	Construction in progress	31/03/2021	30/09/2021	31/12/2021	9	3	4	£7,000,000	£6,109,821	£890,179	3	2	3

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London Southend Airport Business Park	Feb-16, Sep-17, Sep-18 and Sep-21	Construction in progress	31/03/2021	31/03/2022	30/06/2022	14	2	4	£23,162,517	£22,207,454	£955,063	2	2	3
Southend Town Centre Interventions	Jul-20 and Feb-21	Design in progress	01/03/2021	31/10/2021	31/01/2024	34	27	5	£1,625,000	£846,000	£779,000	4	2	4
Thurrock														
TGSE LSTF - Thurrock	Mar-15	LGF project delivered	31/03/2016	31/03/2020	31/03/2020	48	0	1	£1,000,000	£1,000,000	£0	1	1	1
Thurrock Cycle Network	Apr-16	LGF project delivered	31/03/2019	31/03/2019	31/03/2019	0	0	1	£5,000,000	£5,000,000	£0	1	1	1
London Gateway/Stanford le Hope	Feb-17	Design in progress	31/12/2018	31/12/2023	31/07/2024	67	7	5	£7,500,000	£7,500,000	£0	5	5	5
A13 - widening development	Feb-17	LGF project delivered	31/12/2019	31/12/2020	31/12/2020	12	0	1	£5,000,000	£5,000,000	£0	1	1	1
Purfleet Centre	Jun-16	Construction in progress	01/09/2027	01/01/2030	31/12/2030	39	11	5	£5,000,000	£5,000,000	£0	1	3	3
Grays South	Feb-19	Design in progress	01/07/2022	31/08/2024	31/08/2024	25	0	5	£10,840,274	£4,730,997	£6,109,277	5	3	4
A13 widening	Apr-17, Jul-20 and Mar-21	Construction in progress	31/12/2019	31/03/2022	31/03/2022	27	0	5	£76,500,000	£76,500,000	£0	5	5	5
Managed Centrally														
Capital Skills	Mar-15	LGF project delivered	31/03/2017	31/03/2017	31/03/2017	0	0	1	£21,974,561	£21,974,561	£0	4	4	3
M20 Junction 10a	Feb-17	LGF project delivered	31/09/2020	31/12/2019	31/12/2019	0	0	1	£19,700,000	£19,700,000	£0	1	1	1

Appendix E - High Risk LGF projects					
Project	RAG Rating	LGF allocation (£m)	Percentage of LGF allocation spent by 30 September 2021	Main project risk	Funding conditions attached/Updates required by the Board
High risk LGF projects including those with outstanding funding conditions					
Queensway Gateway Road, East Sussex		10.00	100.0%	Land acquisition required for several parcels of land to enable completion of the project.	LGF funding spent in full by 31 March 2021. The Board will be provided with an update on the Project, under Agenda Item 16.
Bexhill Enterprise Park North, East Sussex		1.94	0.0%	Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex as delivery partner is still outstanding, delaying delivery of the Project. In addition, contract with construction contractor has not yet been signed.	Project was expected to progress to delivery following outcome of the planning appeal, however, delays in finalising Third Party Grant Agreement have contributed to a delay in delivery. Board agreed that the Project could retain LGF beyond 30 September 2021, subject to the Third Party Grant Agreement being completed by 19 November 2021 and the construction contract being signed before 31 October 2021. East Sussex County Council have confirmed that these conditions have been met.
A127 Fairglens Junction Improvements, Essex		15.00	10.0%	Business Case has been submitted to DfT for approval. Decision still outstanding.	Board will be notified once DfT funding decision has been made.
A28 Chart Road, Kent		2.76	100.0%	Project on hold, awaiting confirmation of the local funding sources to enable the delivery of the project. Risk that LGF spend to date may become an abortive revenue cost and will need to be repaid to SELEP.	Project remains on hold. Board will be updated if the position changes and the project can progress to delivery or if there is a requirement for the LGF funding to be returned to SELEP for reallocation.
Maidstone Integrated Transport Package, Kent		8.90	73.4%	Complex programme of interventions with consent required for specific interventions within the programme.	Work is ongoing to secure the remaining outstanding consent. An update on the Project is provided under Agenda Item 17.
A28 Sturry Link Road, Kent		5.90	71.0%	Acquisition of land from a number of land owners required to enable delivery of the project.	Following award of planning permission in September 2021, negotiations have recommenced with land owners. An update on the Project is provided under Agenda Item 13.
London Gateway/Stanford le Hope, Thurrock		7.50	100%	Planning permission has not yet been granted for the full extent of the project. In addition, costs have increased and there is uncertainty regarding the scope of the second phase of the project.	An update on the Project is provided under Agenda Item 15.
A13 Widening, Thurrock		76.50	100%	Project programme and costs have differed significantly from position set out in project Business Case.	Project is now nearing completion and work is ongoing to manage project costs. An update on the Project is provided under Agenda Item 17.
Total		128.50			

Appendix F - LGF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Failure of third-party organisations to deliver LGF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver LGF projects. If the external organisations experience financial difficulty and are unable to deliver LGF projects, it may not be possible to recover the LGF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	4	20	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring LGF to third party organisations and to ensure clear processes are in place for the oversight of LGF projects delivered by third party organisations.
Affordability of LGF projects	There are likely to be substantial delays to LGF projects at each stage of project delivery as a result of COVID-19, with an impact on the total cost of LGF projects. In addition, there is also a risk to S106 funding contributions which have previously been committed towards LGF projects. Local authority budgets are likely to come under increased pressure and private sector contributions may not be available to the scale/timescales originally anticipated.	4	5	20	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all LGF projects.
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of LGF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace to benefits realisation through the project.	4	4	16	As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery. Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.
Delivery of LGF project benefits	Local partners have made substantial progress towards the delivery of LGF projects, including the outputs identified in the project business cases. However, the economic impact of COVID-19 is likely to substantially reduce the benefits achieved through LGF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the LGF programme. There is also a risk that, in light of COVID-19, there may be changes to project scope brought forward to the Board, which could impact the scale of benefits achieved through LGF investment. As such, the forecast outcomes to be achieved through the Growth Deal, in terms of houses and jobs, will require revision.	3	5	15	SELEP will work with local partners over the coming months to understand the potential impact of COVID-19 on the expected benefits to be received through LGF investment. For any new LGF funding decisions brought forward to the Board, consideration will be given to ensure there remains a strong strategic and economic case for investment in the projects, in light of the potential impacts of COVID-19 in leading to longer term behaviour change.
Resource to deliver LGF projects	There is a risk to the availability of resource to deliver LGF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	3	12	SELEP Ltd extended the delivery of the Growth Deal period by six months to help ease some of the delivery pressures and to support the appropriate governance of projects.

Appendix F - LGF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
LGF spend beyond the Growth Deal period	Based on the LGF spend figures reported at the end of 2020/21, LGF totalling £94.977m will be spent beyond the original Growth Deal deadline of 31 March 2021.	3	4	12	<p>All projects which are forecasting LGF spend beyond the revised Growth Deal deadline are required to meet five criteria, to help ensure that LGF spend beyond the Growth Deal is only permitted on an exceptional basis.</p> <p>SELEP has used Option 4 Capital Swaps to demonstrate the spend of all but £4.656m of the LGF at the end of 2020/21. Whilst this is permitted under the terms of the grant from Central Government, there is a potential reputational risk to SELEP's delivery track record. This may impact SELEP's ability to successfully secure future funding from Central Government.</p>

Forward plan reference number: FP/AB/472

Report title: Local Growth Fund – A28 Sturry Link Road Update Report	
Report to: Accountability Board	
Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 19 November 2021	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Kent	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to receive an update on the delivery of the A28 Sturry Link Road Local Growth Fund (LGF) project (the Project) which is currently ranked as high risk.
- 1.2. At the September 2021 meeting, the Board agreed that the remaining £4.656m LGF allocated to the project should be transferred to Kent County Council on condition that all the land acquisition required to enable delivery of the Project be completed by 31 March 2023. This report sets out a request for an extension to this deadline to 31 August 2023.

2. Recommendations

- 2.1. The Board is asked to agree **one** of the two options set out in this report:

Option 1 (Recommended)

- 2.1.1. **Agree** to extend the deadline for completion of the land acquisition to 31 August 2023 and to the transfer of the remaining £4.656m to Kent County Council on condition that the updated land acquisition deadline is met. Noting that it was agreed at the September Board meeting that the remaining LGF funding should be transferred to Kent County Council on condition that the land acquisition be completed by 31 March 2023.
- 2.1.2. **Note** that, due to the extension request outlined in this report, none of the remaining £4.656m LGF has been transferred to Kent County Council since the September Board meeting
- 2.1.3. **Note** that a further update on the Project will be provided at the February 2022 Board meeting which will include:
 - 2.1.3.1. an update on progress towards the completion of the land acquisition process;
 - 2.1.3.2. an update on procurement for the design and build contract.

Option 2

2.1.4. As the project may no longer be able to meet the condition attached to the release of the remaining £4.656m LGF at the September meeting, the Board may wish to:

- 2.1.4.1. **Agree** to the reallocation of the remaining £4.791m unspent LGF to the next project(s) on the LGF project pipeline. Noting that £4.656m of this funding is currently held by Essex County Council, as the Accountable Body for SELEP;
- 2.1.4.2. **Agree** that the £134,847 LGF currently held by Kent County Council in respect of the Project should be returned to Essex County Council, as the Accountable Body for SELEP, within 4 weeks of this Board meeting;
- 2.1.4.3. **Agree** that there is compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £1.109m LGF spent to date on the Project, provided that the spend continues to meet the requirements of the funding agreement which is in place and subject to an update being provided to the Board in February 2022 which outlines how the Project will continue.

3. Project Background

- 3.1. The Project involves the delivery of a new link road between the A291 and A28, to the south west of Sturry, Canterbury. The LGF is due to contribute to the cost of constructing a bridge over the railway line and the Great Stour river, to enable traffic to avoid the Sturry level crossing and the congested road network in the area. Further information on the Project can be found in Appendix A.
- 3.2. The Board approved the award of £5.9m LGF to the Project in June 2016 but delivery of the Project has progressed at a slower rate than expected as a result of planning complications and other delivery risks.
- 3.3. Previously the Board had agreed to retain the remaining £4.656m LGF (currently held by Essex County Council, as the Accountable Body) allocated to the Project due to uncertainty surrounding the project.
- 3.4. At the September meeting the Board were advised that planning consent for the Link Road had been granted by Kent County Council Planning Committee on 2 September 2021. The Board agreed to transfer the remaining LGF to Kent County Council on condition that the land acquisition required to enable delivery of the Project was completed by 31 March 2023. It was also noted that a further update on the Project would be provided at this Board meeting which set out progress towards mitigating the remaining delivery risk (land acquisition) and towards delivering the Project.

4. Project Update

- 4.1. Following confirmation of planning permission, a detailed review of the Project programme was undertaken. Due to the delay in obtaining planning consent, additional time was required to engage the property consultants to recommence the voluntary negotiations with landowners for acquisition of the required land and to remobilise consultants to prepare the Compulsory Purchase Order (CPO) documentation.
- 4.2. The updated delivery programme is set out in Table 1 below.

Table 1 – Revised Programme

Task	Timeline
Procurement for Design and Build Contract	Sep 2021 - May 2022
Voluntary Land Negotiations	Sep 2021 - May 2022
Compulsory Purchase Orders if required	Sep 2021 - Aug 2023
Design Phase	May 2022 - Mar 2023
Advance site clearance and environmental mitigation	May 2022 - Jul 2023
Main works construction	Aug 2023 - Jun 2025

- 4.3. The revised programme considers all reasonable foreseeable circumstances which may impact on project delivery. The deadline for land acquisition which was agreed at the September Board meeting (being 31 March 2023) is achievable if a CPO and Public Inquiry are not required. The request for an extension to 31 August 2023 takes into account the worst-case scenario where a CPO is required and where there is a level of objections which require a Public Inquiry to take place.
- 4.4. Kent County Council believe that 31 August 2023 is a more realistic deadline to secure the land required should these circumstances (CPO and Public Inquiry) arise.
- 4.5. It should be noted that initial discussions regarding the required land acquisition have been held with the affected landowners. Negotiations with the different landowners are at varying stages but it is anticipated that it will be possible for the majority of the land to be secured through voluntary acquisition. The CPO is being progressed in parallel to the negotiations in case it is required.
- 4.6. The Project, whilst not yet delivered, has already succeeded in unlocking the associated housing development sites. The uncertainty around the planning consent for the Project has impacted on the delivery programme for the residential developments, however, the updated programme set out in Table 1 fits with the build out timescales for the housing. In addition, the revised programme aligns with the current programme for the second part of the link road which is being delivered by the residential developers.

Funding Package

- 4.7. The £5.9m LGF funding contribution forms part of a complex funding package, which also includes S106 contributions arising from a number of different developments, as shown in Table 2.

- 4.8. To date, £1.244m of the LGF allocation has been transferred to Kent County Council and this funding has been spent on design, surveys, project management and planning costs. These costs have all been capitalised by Kent County Council and therefore this spend meets the conditions attached to the LGF funding, subject to the future construction of the Project.
- 4.9. At the September Board meeting, it was agreed that the remaining £4.656m LGF should be transferred to Kent County Council on condition that the land acquisition be completed by 31 March 2023. This transfer of funding has not yet taken place due to the request from Kent County Council to extend the deadline for completion of the required land acquisition to 31 August 2023 and as a result this funding is still being held by Essex County Council, as the Accountable Body for SELEP.
- 4.10. As set out in Table 2, there are 3 residential developments which are due to contribute in excess of £5m in S106 funding towards delivery of the Project. S106 agreements are already in place for the Broad Oak site and for the Sturry development, committing the developers to provision of the stated contributions. The agreements also include a requirement for an increased contribution towards delivery of the link road, should the LGF funding be removed from the Project.
- 4.11. Heads of Terms for the developer contributions from the North Hersden site have been agreed and it is intended that a planning application will be submitted in March 2022. Contingency plans are in place should the North Hersden site not come forward in the anticipated timeframe, with alternative potential forward funding options identified.

Table 2 - Funding Package

Funding Source	Application in year in £000s									Total
	To date	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Local Growth Fund	1,111	181	4,608							5,900
KCC Forward Funding					600	6,100	-2,600	-2,600	-1,500	0
Herne Bay S.106	250									250
Hopland S.106	1,200								-1,200	0
Sturry S.106					1,100	2,063	2,063	2,063	1,513	8,800
Broad Oak S.106				825	2,063	2,063	2,063	1,788		8,800
North Hersden S.106						2,000	1,650	1,050	1,125	5,825
Totals	2,561	181	4,608	825	3,763	12,225	3,175	2,300	-63	29,575

- 4.12. As set out in Table 2, the timeline for receipt of the S106 contributions extends beyond the Project delivery programme shown in Table 1. To ensure that the Project can progress in accordance with the intended programme, it is anticipated that Kent County Council will forward fund the Project so as to bridge any gaps between costs incurred and S106 contributions received throughout the delivery programme. Kent County Council's financial contribution will be repaid through receipt of the S106 contributions forecast for receipt following completion of the Project.
- 4.13. Approval from Kent County Council for the planned forward funding approach will be sought on 15 November 2021 and a verbal update on the outcome of this decision will be provided during the course of the meeting.

5. Options available to the Board

- 5.1. In light of the updated programme for land acquisition provided by Kent County Council, two options are set out in the report for Board consideration.

Option 1 (Recommended)

5.1.1. **Agree** to extend the deadline for completion of the land acquisition to 31 August 2023. Noting that it was agreed at the September 2021 Board meeting that the remaining LGF funding should be transferred to Kent County Council on condition that the land acquisition be completed by 31 March 2023.

5.1.2. **Note** that, due to the extension request outlined in this report, none of the remaining £4.656m LGF has been transferred to Kent County Council since the September Board meeting.

5.1.3. **Note** that a further update on the Project will be provided at the February 2022 Board meeting which will include:

5.1.3.1. an update on progress towards the completion of the land acquisition process;

5.1.3.2. an update on procurement for the design and build contract.

- 5.2. As outlined in Section 4 of this report, following receipt of planning permission, a detailed review of the Project delivery programme has been undertaken. This review identified that the land acquisition programme provided at the September Board meeting was potentially too optimistic, should a CPO be required. To address this, a more robust programme has been provided which factors in the risk of a CPO and the need for a Public Inquiry. Whilst there remains a possibility that the land acquisition can be completed by 31 March 2023, the updated programme sets out the worst-case scenario and shows completion of the land acquisition by 31 August 2023.

- 5.3. It was agreed at the September Board meeting that the remaining £4.656m LGF should be transferred to Kent County Council on condition that the required land acquisition was completed by 31 March 2023. In light of the updated programme, this transfer of funding has not yet taken place.

- 5.4. Option 1 allows the Project to progress to delivery in accordance with the programme set out in Table 1 and allows for the link road to be delivered to the same timescales as the associated residential developments and the second section of the link road which is being brought forward by the developers.

- 5.5. Kent County Council have provided assurances that the updated programme is robust and takes into account all reasonable foreseeable circumstances that may impact on delivery of the Project, including the need for a CPO and a Public Inquiry. Whilst there is a desire to ensure that the LGF funding is invested in a timely manner, it is recommended on this occasion that the Board agree Option 1 and allow the Project more time to complete the required land acquisition.

- 5.6. Much of the new residential development associated with the Project has already been granted planning permission and therefore it is important to ensure that the link road

progresses to the same timetable as these developments to mitigate the traffic impacts associated with the new developments. Option 1 allows for this objective to be met.

- 5.7. If the Board agree Option 1, a variation agreement between SELEP Ltd., Essex County Council (as Accountable Body for SELEP) and Kent County Council will be completed which applies the requirement for all land acquisition to be completed by 31 August 2023 to the release of the remaining LGF funding. Once this variation agreement is in place, the remaining £4.656m LGF will be released to Kent County Council to support project delivery.
- 5.8. If the Board agree Option 1, a further update on the Project which sets out progress towards the completion of the land acquisition process and an update on the procurement for the design and build contract will be provided at the February 2022 Board meeting.

Option 2

5.8.1. As the project may no longer be able to meet the condition attached to the release of the remaining £4.656m LGF at the September 2021 meeting, the Board may wish to:

- 5.8.1.1. **Agree** to the reallocation of the remaining £4.791m unspent LGF to the next project(s) on the LGF project pipeline. Noting that £4.656m of this funding is currently held by Essex County Council, as the Accountable Body for SELEP;
- 5.8.1.2. **Agree** that the £134,847 LGF currently held by Kent County Council in respect of the Project should be returned to Essex County Council, as the Accountable Body for SELEP, within 4 weeks of this Board meeting;
- 5.8.1.3. **Agree** that there is compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £1.109m LGF spent to date on the Project, provided that the spend continues to meet the requirements of the funding agreement which is in place and subject to an update being provided to the Board in February which outlines how the Project will continue.

5.9. In the original Business Case, it was indicated that the Project would be completed in October 2021. As the Board are aware the Project has been subject to a number of delays, primarily relating to the securing of the required planning permission for both the Project itself and the associated residential developments. Whilst planning permission for the Project and 2 of the 3 key residential developments has now been granted, there are remaining risks to project delivery including land acquisition and confirmation of the funding package which still need to be mitigated. Given these outstanding risks and the further delay in delivery outlined in this report, the Board may wish to consider reallocating the unspent LGF totalling £4.791m to alternative projects through the LGF prioritised project pipeline.

5.10. There is a provision within the completed S106 agreements which requires an increased financial contribution towards the cost of delivering the Project should the LGF funding be removed. As a result, there will still be a full funding package in place to support project

delivery, however, the removal of the funding does present a risk to the delivery programme. The reliance on increased S106 contributions leads to the requirement for increased forward funding from Kent County Council. Should this forward funding not be achievable, delivery of the Project may need to align with the receipt of the S106 contributions which will mean construction is delayed.

- 5.11. Under Option 2 the Board are asked to agree that there is compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £1.109m LGF spent to date on the Project. As outlined above, delivery of the Project can be fully funded through S106 contributions if the LGF funding is removed. Given that 2 of the 3 key residential developments due to financially contribute towards the cost of Project delivery have now received planning approval, the need for timely delivery of the Project has been further strengthened.
- 5.12. In addition, the Local Plan states that any further significant development in the area will be required to improve and mitigate the effects of additional traffic by provision of/or proportionate contribution to the Project allowing traffic to avoid the level crossing through delivery of a new road bridge over the railway line or other associated improvements to the A28 corridor.
- 5.13. It is therefore expected that delivery of the Project will still be forthcoming, and that spend of the £1.109m LGF will have played a role in enabling the delivery of the Project. As a result, the use of the LGF will remain in line with the conditions of the Service Level Agreement (SLA) in place between Kent County Council, SELEP Ltd. and Essex County Council (as Accountable Body for SELEP).
- 5.14. If the Board agree Option 2, the £134,847 LGF currently held by Kent County Council should be returned to Essex County Council, as the Accountable Body for SELEP, within 4 weeks of this Board meeting. The remaining unspent LGF funding (£4.656m) is still held by Essex County Council, as Accountable Body for SELEP.
- 5.15. The reallocation of the funding will be considered under Agenda Item 14 at this Board meeting. Projects remaining on the LGF project pipeline, as set out in Agenda Item 14, are seeking total investment of £4.723m. As a result, there will be approximately £67,000 LGF unallocated through that report. There is one further project on the pipeline which is not currently in a position to seek the additional funding requested, and therefore engagement with this project will take place following the Board meeting to establish whether the additional funding is still required. If this funding is no longer required, options for use of the funding will be presented to the Strategic Board.
- 5.16. If the Board choose Option 2, a further update on the Project will be provided at the February 2022 meeting which outlines how the Project will proceed without LGF investment.

6. Financial Implications (Accountable Body comments)

- 6.1. Should the Board agree to the recommendation at 2.1.1 the Accountable Body will transfer the remaining £4.656m LGF in relation to the Project, on completion of the necessary variation agreement between Essex County Council, as the Accountable Body, South East LEP Ltd and Kent County Council.

- 6.2. The risk with respect to purchase of land was raised to the Board at the September 2021 meeting and the extension now requested in this report is due to ongoing delays relating to land acquisition.
- 6.3. With planning permission approved for this project, a key risk still remains with respect to purchase of land and the Board should continue to monitor progress in this respect against the timescales set out within the report. Continued delays in delivery reduces the value in utilising LGF to support delivery of the project compared to other sources such as s106 contributions, as the opportunity for earlier release of benefit.
- 6.4. Should the Board agree Option 2, Essex County Council will work with Kent County Council to recover the LGF in line with the decisions of the Board; should the Board approve the retention of the LGF already spent, this must continue to meet the requirements of the grant conditions to be retained – primarily this relates to the condition that the grant spend against the project can continue to be capitalised. If the spend becomes an abortive revenue cost, it is required to be returned to the Accountable Body under the terms of the SLA in place.
- 6.5. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 6.6. All LGF is transferred to Kent County Council, as the Project Lead Authority, under the terms of an SLA which makes clear that funding can only be used in line with the agreed terms.
- 6.7. The Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

7 Legal Implications (Accountable Body comments)

- 7.1 There are no significant legal implications arising from the proposals set out for Option 1. If Option 2 is approved, the terms of the SLA between Essex County Council as Accountable Body, South East LEP Ltd and Kent County Council will apply, and Kent County Council would be required to repay the funding in line with the terms and conditions.

8 Equality and Diversity Implications

- 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:
- 8.1.1 Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 8.1.2 Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 8.1.3 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 possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

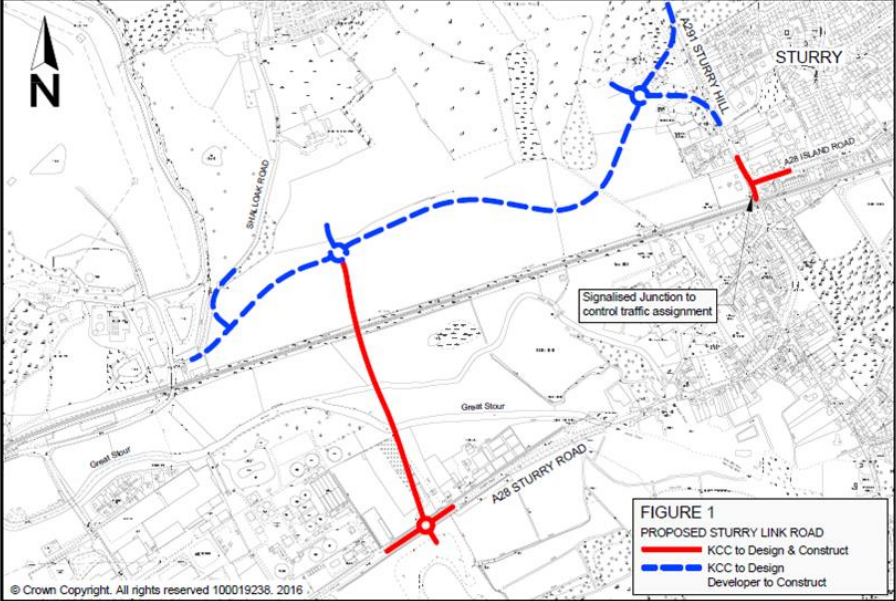
9 List of Appendices

- 9.1 Appendix A – Sturry Link Road Project Background

(Any request for background papers listed here should be made to the person named at the top 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)	 9 November 2021

Appendix A – LGF Project Background Information

Name of Project	Sturry Link Road, Kent Kent County Council
Local Growth Fund (LGF) allocation	£5.9m – Awarded in June 2016
Description of what Project delivers	<p>The Project is for the delivery of the new link road between the A291 and A28, to the south west of Sturry, Canterbury. The LGF is due to contribute to the cost of constructing a bridge over a railway line and the Great Stour River, to enable traffic to avoid the Sturry level crossing and the congested road network in the area. The sections shown in red in Figure 1 below show the sections of road included as part of the scope of the LGF Project.</p> <p>To connect the Project to the existing highway, the developers will be delivering a spine road through the new development site to connect the bridge with the A291 to the North East of the residential and commercial development. This connection is essential to enable traffic to use the new bridge funded as part of the LGF Project. The spine road to be funded and delivered by the developers is shown in blue in Figure 1.</p> <p>Figure 1 A28 Sturry Link Road</p>  <p>The overall objective of the Project is to tackle the existing congestion problem which currently exists at the Sturry level crossing and at the A28/A291 junction. Queuing traffic affects adjacent junctions and can extend 1km in peak periods. The A28 road currently carries 20,000 vehicles per day, but with 6 trains passing per hour, the level crossing is closed for up to 20 minutes/hour during peak times, causing severe</p>

	congestion to trips along the A28. This level of congestion is a major constraint on development to the north east of Canterbury.
Project benefits	<p>Through tackling this congestion pinch point and increasing the capacity of this part of the network, the Project is expected to unlock new development sites to the North East of Canterbury, delivering 4,220 new homes and 1,700 jobs.</p> <p>The scale of development unlocked by the Project includes residential development at the following sites:</p> <ul style="list-style-type: none"> • Broad Oak Farm and Sturry – 1106 homes; • Hoplands Farm, Hersden – 250 homes; • Colliery Site, Hersden – 370 homes; • North Hersden – 800 homes; • Other sites in the north eastern quadrant of Canterbury District
Project constraints	<ol style="list-style-type: none"> 1. Land Acquisition remains a risk and may require a Compulsory Purchase Order to support the acquisition. 2. Work is ongoing to finalise the funding package.
Link to Project page on the website with full Business Case	https://www.southeastlep.com/project/a28-sturry-link-road/

Forward plan reference numbers: FP/AB/465, FP/AB/466, FP/AB/467, FP/AB/468 and FP/AB/469

Report title: LGF additional funding awards	
Report to: Accountability Board	
Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 19 November 2021	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Essex, Kent, Southend and Thurrock	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the award of Local Growth Fund (LGF) to projects on the pipeline should additional LGF funding become available as a result of the Board deciding to remove allocations from projects under earlier decisions on the agenda.
- 1.2. If there is no LGF available to be reallocated, this report will not be considered by the Board. Projects will only be considered for award where sufficient allocation is available. The available balance of LGF will be clearly presented to the Board ahead of any decisions being considered.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** that the award of additional LGF funding to the projects outlined in this report will only be considered if sufficient funding is available as a result of decisions taken during the course of the Board meeting on 19 November 2021;
 - 2.1.2. **Agree** that the projects set out in Appendix D meet the conditions for LGF spend beyond 30 September 2021, subject to Strategic Board endorsement in December 2021;
 - 2.1.3. **Agree** the award of additional LGF to the following projects in the order they appear on the LGF COVID-19 response fund prioritised project pipeline, subject to the LGF funding being returned to the SELEP Accountable Body for reallocation:
 - 2.1.3.1. Southend Airport Business Park - Part A - **£527,483** (remaining balance of LGF ask of £600,000 - £72,517 was awarded at September 2021 Board)
 - 2.1.3.2. Southend Airport Business Park - Part B - **£500,000**
 - 2.1.3.3. Southend Airport Business Park - Part C - **£500,000**

LGF additional funding awards

- 2.1.3.4. Maidstone East Station Access Improvements (West Kent LSTF) - **£153,000**
- 2.1.3.5. A127 Essential Maintenance - Part B - **£393,000**
- 2.1.3.6. University of Essex Parkside - Phase 3 - **£1.65m**
- 2.1.3.7. A13 Widening - Part B - **£1m**

3. Background

- 3.1. In December 2020 SELEP Ltd agreed a new pipeline of LGF projects, which included a total of 20 projects. Details can be found at Appendix C. The first ten projects which were prioritised for additional LGF have now been awarded funding.
- 3.2. A further three projects were awarded a total of £623,389 of LGF at the September Board meeting:
 - 3.2.1. Kent and Medway EDGE Hub Project £322,872
 - 3.2.2. Mercury Rising, Colchester £228,000
 - 3.2.3. Southend Airport Business Park Part A (part funded) £72,517
- 3.3. The process of transferring the funding is subject to the completion of variation agreements and this process is currently underway. There are now eight projects remaining on the pipeline. The total value of the LGF ask for the remaining projects is £5.723m.
- 3.4. The pipeline of LGF projects was established to provide the opportunity for existing LGF projects, which were struggling with cost increases or reduced local funding contributions due to the impact of COVID-19, to seek additional LGF funding.
- 3.5. For projects to be considered for additional LGF, scheme promoters were required to demonstrate:
 - 3.5.1. a legitimate case for why additional public sector investment was required in the project;
 - 3.5.2. that the project remained a strategic priority in supporting the COVID-19 economic recovery and/or in addressing the challenges presented by Brexit;
 - 3.5.3. that the project continued to present high value for money; and
 - 3.5.4. that if additional funding was awarded to the project, that the project was in a strong position to proceed to delivery, with no substantial delivery risks.
- 3.6. The requests for additional funding for the remaining projects on the pipeline, except for the Dartford Town Centre project, have been submitted for review by the Independent Technical Evaluator (ITE) to allow timely funding decisions to be taken if any additional LGF funding becomes available.
- 3.7. During the development of the LGF prioritised project pipeline a value for money risk was identified in relation to the Dartford Town Centre project. At the time of the original LGF

LGF additional funding awards

funding award, the Benefit Cost Ratio (BCR) for the project was calculated to be 2.2:1 and it was expected that, as a result of the additional £1m LGF sought, this would potentially fall to around the 2:1 threshold. Due to this risk, and to ensure compliance with the SELEP Assurance Framework, it was noted that there was a requirement for an updated Business Case to be submitted for the Dartford Town Centre project if the additional LGF funding sought to deliver the Project became available. Due to the project being positioned at the bottom of the LGF project pipeline, work on a revised Business Case has not been taken forward to date.

- 3.8. In the meantime, delivery of the project has continued with the initial works completed in September 2020. Construction of the second phase of the project is ongoing onsite and work is progressing to bring forward the later phases of the project. Alternative funding has been secured to enable delivery of the later phases of the project, however until all phases of the project have been fully costed, the Project will remain on the LGF prioritised project pipeline.
- 3.9. It is not known if any additional LGF funding will become available for reallocation at this meeting. However, under agenda item 12 the Board are asked to note the position with regard to the remaining unspent LGF of £1.94m currently allocated to the Bexhill Enterprise Park North project.
- 3.10. All project scheme promoters have confirmed that any part of the total amount requested will be able to deliver all or part of the benefits projected by the business case.
- 3.11. Board members are asked to note that the projects on the LGF COVID-19 response fund prioritised project pipeline are projects that are in a position to deliver benefits in a short space of time should the additional funding become available.

Reallocation of unspent LGF allocation against the Bexhill Enterprise Park North project

- 3.12. As indicated above, there is the potential for up to £1.94m of LGF to be reallocated, subject to updates provided and decisions made in an earlier agenda item; this is in respect of the Bexhill Enterprise Park North project. Of this potential total funding, £1.94m is currently held by East Sussex County Council.
- 3.13. If agreed by the Board in agenda item 12, East Sussex County Council will be required to return the respective funding to the Accountable Body within 4 weeks of this Board meeting.
- 3.14. Any LGF funding awarded by the Board cannot be transferred to the respective Projects until it has been received by the Accountable Body.
- 3.15. Should there be funding available for reallocation to projects on the LGF pipeline, it is recommended that it should be allocated, up to the total value available, in accordance with the pipeline order set out below:

3.15.1.	Southend Airport Business Park - Parts A, B and C	£1.527m
3.15.2.	West Kent LSTF - Maidstone East Station Access Improvements	£153,000
3.15.3.	A127 Essential Maintenance and The Bell Junction	£262,517

LGF additional funding awards

Improvements

- 3.16. The A127 Essential maintenance and Bell Junction project had applied for £393,000 and the balance of £130,483 will remain on the LGF pipeline.

4. Summary Position

- 4.1. Table 1 below shows the projects remaining on the LGF project pipeline, including details of the current LGF allocation and the additional LGF ask. Further information on the projects and the reasons behind the need for additional funding can be found in Appendix B.

Table 1: Overview of the additional funding requests for LGF projects

LGF Project Pipeline				
Project name	Current LGF Allocation £m	Additional LGF requested £m	Total LGF £m	Cumulative total funding ask £m
Southend Airport Business Park - Part A	23.815	0.527	24.343	0.527
Southend Airport Business Park - Part B		0.500	24.843	1.027
Southend Airport Business Park - Part C		0.500	25.343	1.527
West Kent LSTF - Maidstone East Station Access Improvements	1.246	0.153	1.399	1.680
A127 Essential Maintenance and The Bell Junction Improvement	6.600	0.393	6.993	2.073
Parkside Phase 3	5.000	1.650	6.650	3.723
A13 Widening - Part B	81.500	1.000	82.500	4.723
Total	118.161	4.723	122.885	

- 4.2. The projects detailed in this report have previously provided updated versions of their applications for additional LGF funding, and each local authority has confirmed that this information is still valid and up to date. These applications have been reviewed by the ITE to ensure the projects continue to present High value for money, based on their original Business Case and the additional funding ask.
- 4.3. The outcome of the ITE review is set out in Appendix A as attached to agenda item 8.
- 4.4. It should be noted that a revised economic appraisal was undertaken for the A13 Widening Project as part of its application for additional LGF funding. This assessment demonstrated that the BCR for the Project itself had reduced to 1.7:1, which no longer represents High value for money. However, it was also noted by the ITE that an additional scenario which considered the impacts of the Lower Thames Crossing had been provided. This assessment demonstrated a BCR of 2.5:1, which represents High value for money. The Board are therefore asked to consider the fact that the A13 Widening Scheme no longer offers High value for money in isolation, however, when considered in conjunction with the Lower Thames Crossing, High value for money is maintained.
- 4.5. All projects listed in Table 1 are considered to present High value for money with a High level of certainty, subject to consideration of the points raised above with regard to the A13 Widening Project.
- 4.6. No concerns have been raised about the deliverability of the projects on the pipeline, as local partners plan to meet the increased project costs, if no further funding becomes

LGF additional funding awards

available through this mechanism. These projects will remain under review and risks to the delivery of the projects will be brought to the Board's attention.

- 4.7. The project information provided in Appendix B includes details on project specific risks. In addition to these risks, it should be noted that clearly none of the projects considered within this report will be able to spend any additional LGF funding awarded at this meeting prior to the end of September 2021. As a result, information has been provided in Appendix D which sets out how the projects detailed in this report meet the conditions previously agreed by the Board for LGF spend beyond 30 September 2021.
- 4.8. The University of Essex - Parkside 3, the A127 Essential Maintenance and the Southend Airport Business Park Projects already have approval from both the Board and Strategic Board for LGF spend beyond 30 September 2021. The Board are therefore asked to consider whether the remaining projects on the LGF project pipeline, as set out in this report, meet the conditions previously agreed by the Board for LGF spend beyond 30 September 2021, before agreeing the reallocation of any funding that becomes available during the course of this meeting. Strategic Board endorsement for LGF spend beyond September 2021 will be sought in December 2021 in relation to any projects which are awarded additional funding at this meeting.
- 4.9. If the value of LGF returned for reallocation at this meeting exceeds the value of LGF being sought by the projects in Table 1 (£4.723m) then initial proposals on the approach to allocating the remaining funding will be presented to the Strategic Board in December 2021.
- 4.10. Transfer of any available funding to the Upper Tier Local Authorities responsible for the projects identified in this report is dependent upon return of the removed LGF allocations to Essex County Council, as the Accountable Body for SELEP. In addition, variation agreements will need to be put in place to address any changes in LGF allocation.
- 4.11. If allocations are not available for all projects, the pipeline will be maintained in case further LGF funding becomes available for reallocation. Those projects in the pipeline will be brought forward for approval as and when allocations become available.

5. Financial Implications (Accountable Body comments)

- 5.1. This report is being presented at this meeting, conditional on additional LGF becoming available for reallocation, as a result of previous agenda items.
- 5.2. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 5.3. All LGF is transferred to the Project Lead Authorities, under the terms of a Funding Agreement or SLA which makes clear that funding can only be made available when the Accountable Body is in receipt of the funding; whilst all funding in this respect has been received from HM Government, there may be funding that needs to be recovered from Partner Authorities in advance of reallocation.
- 5.4. The Agreements also 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.

LGF additional funding awards

- 5.5. Should the Board approve the award of LGF to specific pipeline projects in this report, a Variation Agreement to the current SLAs will be put in place to include each project LGF allocation.
- 5.6. The transfer of LGF to each Lead Authority will be subject to the Variation Agreements being in place.

6. Legal Implications (Accountable Body comments)

- 6.1. Variation agreements will need to be put in place to the existing Service Level Agreement (SLA) between Essex County Council, as Accountable Body, local authorities and SELEP Ltd. These variation agreements will need to be entered into by all parties before the LGF can be transferred to local authority partners.
- 6.2. The LGF must be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government, and used in accordance with the terms of the Service Level Agreement between the Accountable Body, local authorities and SELEP Ltd.

7. Equality and Diversity Implications

- 7.1. 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:
 - 7.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 7.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 7.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

8. List of Appendices

- 8.1. Appendix A – Report of the Independent Technical Evaluator (as attached to agenda item 8)
- 8.2. Appendix B – Project Background Information
- 8.3. Appendix C – LGF Project Pipeline

LGF additional funding awards

8.4. Appendix D – Evidence of compliance with conditions for LGF spend beyond 30 September 2021

9. List of Background Papers

9.1. [Southend Airport Business Park Project webpage](#)

9.2. [West Kent LSTF - Maidstone East Station Access Improvements Project webpage](#)

9.3. [A127 Essential Bridge and Highway Maintenance Project webpage](#)

9.4. [University of Essex Parkside - Phase 3 Project webpage](#)

9.5. [A13 Widening Project webpage](#)

(Any request for background papers listed here should be made to the person named at the top 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)	 9 November 2021

Appendix B1 – Local Growth Fund Project Background Information

Name of Project	<p>Southend Airport Business Park</p> <p>Southend-on-Sea Borough Council</p>
Description of what Project delivers	<p>The project delivers a business park which will support the continued growth of the London Southend Airport and its associated activities as a key economic asset and addressing the current lack of availability of high quality employment land and premises in the area.</p> <p>Phase 1 – Delivered the infrastructure work including provision of both off-site and on-site infrastructure requirements and a new rugby club house and pitches (including parking and access road). Moving the rugby club freed the site for development.</p> <p>Phase 2 - Development of the Airport Business Park. The second phase includes construction of an Innovation Centre (The Launchpad), internal road construction, cycleway infrastructure, ground preparation and provision of site utilities.</p>
Case for additional LGF funding	<p>Application A - £527,483 (Request £600,000, £72,517 already awarded). To allow for virus resilience measures to be incorporated into the building of the Launchpad Innovation Centre. This will allow accreditation to be included in the marketing of the centre ensuring that the project benefits are realised.</p> <p>Application B - £500,000. The fundamentals of the project remain as relevant in today's COVID climate as they were at the time of the initial LGF 2018 funding award. Greater knowledge of on-plot costs related to ground conditions and site levels are impacting development viability. The fallback position is Southend Borough Council investment via reduction in land values.</p> <p>Application C - £500,000 - Although the site remained open during the Q1 2020 national lockdown, the impact of COVID-19 was felt throughout the enabling contractor's supply chain leading to delays and associated increased costs. The most visible onsite illustration of this is a borrow pit from which soil was removed for foundations of both the enabling works and the key Ipeco Holdings (commercial and military crew seating manufacturer) transaction, still awaiting soil imports from regional donor sites which have been closed due to the COVID-19 pandemic.</p>
Project benefits	<p>The overall benefits of the entire project are:</p> <ul style="list-style-type: none"> (1) 3,669sqm (GIA) Innovation Centre delivered; (2) 63,000sqm of new commercial floorspace as part of Phase 2 of project; (3) 2,600 new jobs as a result of project.
Financial Information	<p>Original LGF allocation: £23.09m</p> <p>Additional LGF allocated (10 September 2021 Board meeting) £72,517</p>

Additional LGF funding requested: Part A - **£0.527m**, Part B - **£0.500m**, Part C - **£0.500m**. Total £1.6m. The Board are asked to consider the award of Parts A, B or C dependent on the level of funding that may become available.

The total capital cost of the Project is **£32.670m**.

Project spend profile:

Original project spend profile (£m)						
Funding sources	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	Total
Local Growth Fund (LGF)	4.442	4.471	11.642	2.535	-	23.090
Southend-on-Sea BC	0.957	0.116	0.116	4.751	2.040	7.980
Total	5.399	4.587	11.758	7.286	2.040	31.070

Revised project spend profile (£m)						
Funding sources	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	Total
Local Growth Fund (LGF)	4.442	4.127	10.234	4.287		23.090
Additional LGF					1.600	1.600*
Southend-on-Sea BC	0.957	0.103			6.920	7.980
Total	5.399	4.230	10.234	4.287	8.520	32.670

* Assumes that Part A, B and C of the additional LGF funding requested will be contributed by Southend-on-Sea Borough Council if the additional LGF funding is not awarded.

Risks to project delivery

The residual risk of the fully enabled site, after the successful relocation of Westcliff Rugby Club made possible by the original LGF award, is development viability at plot level mainly as a consequence of (i) ground conditions and (ii) site plot levels.

Outcome of ITE Review

The project continues to represent High value for money with a High certainty of achieving this. Further information can be found in the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 8)

Evidenced compliance with Assurance Framework?

Yes, the project does meet the requirements of the SELEP Assurance Framework.

Link to Project webpage, application for additional LGF

Project page:
<https://www.southeastern.com/project/london-southend-airport-business-park/>

funding and Strategic Board decision	<p>Application for additional LGF funding: https://www.southeastlepp.com/app/uploads/2020/10/Southend-Airport-Business-Park-additional-LGF-application.pdf</p> <p>Strategic Board decision to prioritise project for receipt of additional LGF funding: https://www.southeastlepp.com/app/uploads/2019/11/Strategic-Board-Dec-2020-Draft-Minutes.pdf</p>
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Appendix B2 – Local Growth Fund Project Background Information

Name of Project	Maidstone East Station Access Improvements (West Kent LSTF)																																																																																																	
	Kent County Council																																																																																																	
Description of what Project delivers	The project includes the refurbishment and extension of the station building to provide level access and additional booking hall space to cater for future growth, as well as a new tenancy and large public realm area fronting the station with clear pedestrian links to the town centre and additional cycle storage.																																																																																																	
Case for additional LGF funding	Further LGF funding is sought as a result of additional costs incurred due to COVID-19 related delays during the construction phase of the Maidstone East Station Access Improvements project. These costs increases were a result of the requirement to comply with the 'Build UK' government guidance relating to construction works continuing during the COVID-19 pandemic.																																																																																																	
Project benefits	The immediate benefit from the scheme will be the provision of a range of integrated smarter choice measures which will facilitate a substantial increase in the use of sustainable transport modes for journeys, in full or in part, to work or education, especially in the peak period. This will result in a variety of benefits including reduction in traffic noise, improvements to air quality, health benefits associated with increased physical activity and improved journey quality.																																																																																																	
Financial Information	<p>Original LGF allocation: £1.246m</p> <p>Additional LGF funding requested: £0.153m</p> <p>The total capital cost of the Project is £9.288m</p> <p>Project Spend Profile</p> <table><tr><th colspan="7">Original project spend profile (£m)</th></tr><tr><th>Funding sources</th><th>Up to 2017/18</th><th>2018/19</th><th>2019/20</th><th>2020/21</th><th>2021/22</th><th>Total</th></tr><tr><td>Local Growth Fund</td><td>3.100</td><td>0.500</td><td>0.700</td><td>0.600</td><td></td><td>4.900</td></tr><tr><td>Private Sector</td><td>2.985</td><td>0.100</td><td>0.340</td><td>0.340</td><td></td><td>3.765</td></tr><tr><td>Kent County Council</td><td>0.120</td><td>0.350</td><td></td><td></td><td></td><td>0.470</td></tr><tr><td>Total</td><td>6.205</td><td>0.950</td><td>1.040</td><td>0.940</td><td>0.000</td><td>9.135</td></tr></table> <table><tr><th colspan="7">Revised project spend profile (£m)</th></tr><tr><th>Funding sources</th><th>Up to 2017/18</th><th>2018/19</th><th>2019/20</th><th>2020/21</th><th>2021/22</th><th>Total</th></tr><tr><td>Local Growth Fund (LGF)</td><td>2.441</td><td>1.388</td><td>0.196</td><td>0.875</td><td></td><td>4.900</td></tr><tr><td>Additional LGF</td><td></td><td></td><td></td><td></td><td>0.153</td><td>0.153</td></tr><tr><td>Private Sector</td><td>2.985</td><td>0.100</td><td>0.340</td><td>0.340</td><td></td><td>3.765</td></tr><tr><td>Kent County Council</td><td>0.170</td><td></td><td></td><td>0.300</td><td></td><td>0.470</td></tr><tr><td>Total</td><td>5.596</td><td>1.488</td><td>0.536</td><td>1.515</td><td>0.153</td><td>9.288</td></tr></table>							Original project spend profile (£m)							Funding sources	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	Total	Local Growth Fund	3.100	0.500	0.700	0.600		4.900	Private Sector	2.985	0.100	0.340	0.340		3.765	Kent County Council	0.120	0.350				0.470	Total	6.205	0.950	1.040	0.940	0.000	9.135	Revised project spend profile (£m)							Funding sources	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	Total	Local Growth Fund (LGF)	2.441	1.388	0.196	0.875		4.900	Additional LGF					0.153	0.153	Private Sector	2.985	0.100	0.340	0.340		3.765	Kent County Council	0.170			0.300		0.470	Total	5.596	1.488	0.536	1.515	0.153	9.288
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Risks to project delivery	Proceeding without additional funding will contravene corporate investment regulations as costs will be incurred without investment authority. This will mean purchase orders could not be raised, suppliers and contractors could not be paid and work will stop.
Outcome of ITE Review	The increase in funding has a marginal effect on the BCR and as such the project continues to offer High Value for money with a High certainty of achieving this. Further information can be found in the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 8).
Evidenced compliance with Assurance Framework?	Yes, the project meets the requirements of the SELEP Assurance Framework.
Link to Project webpage, application for additional LGF funding and Strategic Board decision	<p>Project page: https://www.southeastlepp.com/project/west-kent-local-sustainable-transport-fund-lstf/</p> <p>Strategic Board decision to prioritise project for receipt of additional LGF funding: https://www.southeastlepp.com/app/uploads/2019/11/Strategic-Board-Dec-2020-Draft-Minutes.pdf</p>

Appendix B3 – Local Growth Fund Project Background Information

Name of Project	A127 Essential Major Maintenance Southend-on-Sea Borough Council																																																																																			
Description of what Project delivers	<p>The A127 Essential Major Maintenance element of the project seeks to improve the condition and quality of the A127 from the borough boundary to Victoria Gateway in a cost-effective manner, addressing the results of years of underinvestment in highway infrastructure.</p> <p>The works involve strengthening the carriageway by filling voids below the concrete carriageway slabs, repairing concrete slabs and resurfacing to original levels. The works also involve repairing defective road drainage, safety barrier repairs and replacing defective lighting columns.</p>																																																																																			
Case for additional LGF funding	Additional investment is being sought for additional costs due to COVID-19 and also to support an increase in costs as works to fill voids below concrete carriageway slabs are more than was anticipated.																																																																																			
Project benefits	The project will address the significant reliability and resilience issues along the A127 and will support the overall programme of investment in the A127 corridor supporting the delivery of growth for Southend and the airport business park.																																																																																			
Financial Information	<p>Original LGF allocation: £10.9m</p> <p>Additional LGF funding requested: Part A - £0.207m (agreed in February 2021), Part B - £0.393m, Total £0.6m. The Board are asked to consider the award of Part B only.</p> <p>The total capital cost of the Project is £12.282m.</p> <p>Project spend profile:</p> <table><tr><th colspan="7">Original project spend profile (£m)</th></tr><tr><th>Funding sources</th><th>2017/18</th><th>2018/19</th><th>2019/20</th><th>2020/21</th><th>2021/22</th><th>Total</th></tr><tr><td>Local Growth Fund</td><td>-</td><td>1.230</td><td>3.820</td><td>5.850</td><td>-</td><td>10.900</td></tr><tr><td>Southend-on-Sea BC</td><td>0.190</td><td>-</td><td>-</td><td>0.529</td><td>-</td><td>0.719</td></tr><tr><td>S106 contributions</td><td>-</td><td>-</td><td>0.063</td><td>-</td><td>-</td><td>0.063</td></tr><tr><td>Total</td><td>0.190</td><td>1.230</td><td>3.883</td><td>6.379</td><td>-</td><td>11.682</td></tr><tr><th colspan="7">Revised project spend profile (£m)</th></tr><tr><th>Funding sources</th><th>2017/18</th><th>2018/19</th><th>2019/20</th><th>2020/21</th><th>2021/22</th><th>Total</th></tr><tr><td>Local Growth Fund</td><td>-</td><td>0.396</td><td>1.123</td><td>2.983</td><td>6.605</td><td>11.107</td></tr><tr><td>Additional LGF funding</td><td>-</td><td>-</td><td>-</td><td>-</td><td>0.393</td><td>0.393</td></tr><tr><td>Southend-on-Sea BC</td><td>0.190</td><td>-</td><td>-</td><td>-</td><td>0.529</td><td>0.719</td></tr></table>							Original project spend profile (£m)							Funding sources	2017/18	2018/19	2019/20	2020/21	2021/22	Total	Local Growth Fund	-	1.230	3.820	5.850	-	10.900	Southend-on-Sea BC	0.190	-	-	0.529	-	0.719	S106 contributions	-	-	0.063	-	-	0.063	Total	0.190	1.230	3.883	6.379	-	11.682	Revised project spend profile (£m)							Funding sources	2017/18	2018/19	2019/20	2020/21	2021/22	Total	Local Growth Fund	-	0.396	1.123	2.983	6.605	11.107	Additional LGF funding	-	-	-	-	0.393	0.393	Southend-on-Sea BC	0.190	-	-	-	0.529	0.719
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S106 contributions	-	-	-	0.063	-	0.063									
Total	0.190	0.396	1.123	3.046	7.527	12.282									
Risks to project delivery	Main construction commenced on 1 September 2020 and the project is due to complete in Autumn 2021 and therefore there are no risks to project delivery.														
Outcome of ITE Review	<p>The project has been assessed as offering High value for money with a High certainty of achieving this.</p> <p>For additional information, please refer to the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 8).</p>														
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.														
Link to Project webpage, application for additional LGF funding and Strategic Board decision	<p>Project page: https://www.southeastlep.com/project/a127-essential-bridge-and-highway-maintenance-southend/</p> <p>Application for additional LGF funding: https://www.southeastlep.com/app/uploads/2019/09/A127-Essential-Maintenance-Phase-A-Application-for-additional-LGF.pdf</p> <p>Strategic Board decision to prioritise project for receipt of additional LGF funding: https://www.southeastlep.com/app/uploads/2019/11/Strategic-Board-Dec-2020-Draft-Minutes.pdf</p>														

Appendix B4 – Local Growth Fund Project Background Information

Name of Project	<p>University of Essex Parkside Phase 3</p> <p>Essex County Council</p>
Description of what Project delivers	<p>Provision of an extension to the Parkside Office Village, in order to provide further accommodation for growing businesses. This phase of the project will enable larger businesses to come to the site for the first time, driving growth in the wider economy.</p>
Case for additional LGF funding	<p>As part of the University's cash conservation strategy required to manage the impact of COVID-19, all major capital projects have had to be deferred apart from those projects already under construction, projects to provide dual mode delivery of the University's curriculum or those necessary to assure the University's business continuity. Parkside Phase 3 has been deferred.</p> <p>Parkside Phase 3 remains a key component of the vision for Knowledge Gateway development and one to which the University remains committed.</p> <p>Additional LGF investment is needed to help to cover increased contractor costs due to inflation and risk being factored into the price of the build and additional design costs that will ensure Parkside Phase 3 has the flexibility in design to adapt to changing market conditions, creating even greater confidence that the benefits set out in the Business Case can be delivered.</p>
Project benefits	<p>The main project benefits are:</p> <ul style="list-style-type: none"> • Creation of 300 jobs by 2023 (assuming occupation of building immediately following completion); • Provide the opportunity to attract an anchor tenant to the region making Knowledge Gateway a substantially more attractive proposition for suitable employers looking to relocate into the region; • Provide additional grow-on space to complement the current business ecosystem available on Knowledge Gateway, including the Innovation Centre, further enabling the University to achieve its aim of developing Parkside into a technology cluster and SME hotspot; • Facilitate recruitment of skilled graduates by businesses within the local economy; • Overcome a shortage of private investment in office space suitable for businesses within the knowledge economy.
Financial Information	<p>Original LGF allocation: £5m</p> <p>Additional LGF funding requested: £1.65m</p> <p>The total capital cost of the Project is £12.15m.</p>

	Project spend profile:							
	Original project spend profile (£m)							
	Funding sources	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	University of Essex	0.450	1.321	1.500	2.229			5.500
	LGF			5.000				5.000
	Total	0.450	1.321	6.500	2.229	0.000	0.000	10.500
	Revised project spend profile (£m)							
	Funding sources	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	University of Essex	0.280	0.440	0.870	0.440	2.330	1.140	5.500
	LGF				3.270	1.700	0.030	5.000
	Additional LGF					0.250	1.400	1.650
	Total	0.280	0.440	0.870	3.710	4.280	2.570	12.150
Risks to project delivery	<ul style="list-style-type: none"> • Tenant led changes as a result of a pre-let could affect project; • Changes in scope, that require the development to align with market demands, for example higher levels of internal fit out for multiple tenants, necessitating additional design works and costs which will negatively impact upon project time/scope/cost; • COVID-19 pandemic negatively affecting the project timetable. 							
Outcome of ITE Review	<p>The additional funding increases the cost of the project from £10.5m to £12.15m. The BCR remains above 2:1 and therefore offers High value for money with a High certainty of achieving this.</p> <p>Further in information can be found in the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 8).</p>							
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.							
Link to Project webpage, application for additional LGF funding and Strategic Board decision	<p>Project page: https://www.southeastlep.com/project/university-of-essex-parkside-phase-3-colchester/</p> <p>Application for additional LGF funding: https://www.southeastlep.com/app/uploads/2020/10/Parkside-3-additional-LGF-Application.pdf</p> <p>Strategic Board decision to prioritise project for receipt of additional LGF funding: https://www.southeastlep.com/app/uploads/2019/11/Strategic-Board-Dec-2020-Draft-Minutes.pdf</p>							

Appendix B5 – Local Growth Fund Project Background Information

Name of Project	A13 Widening Thurrock Council
Description of what Project delivers	The project involves widening the A13 Stanford le Hope Bypass in both directions, from the junction with the A128 in the west to the A1014 in the east. Once the Project is completed, there will be a continuous three-lane carriageway from the M25 to Stanford le Hope.
Case for additional LGF funding	Project costs have increased as a result of the COVID-19 pandemic, in part due to the changed working practices now required. Whilst Thurrock Council have previously given a commitment to cover any cost over-run on this project, the wider impacts of the COVID-19 pandemic have placed a greater pressure on the finances of all local authorities. Additional LGF investment would help to reduce these pressures for Thurrock Council.
Project benefits	The project will reduce congestion thereby delivering environmental benefits in terms of reduced noise and air pollution and improved journey times. It will also provide a significant contribution in supporting much needed economic recovery and growth not only on a regional and national platform but given the proximity to significant ports, logistics and industry, also on an international basis.
Financial Information	Original LGF allocation: £80m Additional LGF funding requested: £1.0m An additional £1.5m LGF has already been awarded to support delivery of the Project through the LGF project pipeline. Therefore, the total LGF allocation to the Project will increase to £82.5m if the additional £1m LGF is awarded. Additional project information can be viewed in the High Risk Project Update Report (Agenda Item 17)
Risks to project delivery	<p>The COVID-19 pandemic has resulted in reduced capacity and delayed delivery, a shortage of materials and an increase in costs. Work has progressed onsite but there are still significant impacts on utility works and drainage particularly. There is a risk that this issue will continue to impact on the project.</p> <p>The COVID-19 pandemic has added to the risk profile of the Project however, appropriate mitigations remain in place and are being managed. The re-negotiation of the commercial arrangements is an opportunity to further mitigate increases in costs and programme delays.</p> <p>Current key risks include: slow progress from the Environment Agency around specific approvals and defect correction activities which are taking longer to resolve than expected.</p> <p>The Project is nearing completion, with the Project expected to complete</p>

	in February 2022.
Outcome of ITE Review	<p>The updated value for money assessment provided by Thurrock Council indicates that the BCR for the Project has reduced to 1.7:1 which falls within the Medium value for money category.</p> <p>An additional scenario which considers the benefits of the scheme with the impacts of the Lower Thames Crossing (LTC) included has also been provided. In this scenario the Project has a BCR of 2.5:1 which falls within the High value for money category.</p> <p>The ITE has highlighted that the Board should consider that the scheme on its own does not represent High value for money.</p> <p>Further detail can be found in the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 8).</p>
Evidenced compliance with Assurance Framework?	<p>The project does not meet the requirements of the SELEP Assurance Framework when considered in isolation as the BCR for the scheme itself falls below 2:1. However, when the impacts of the LTC are considered, the BCR rises to 2.5:1. National Highways are committed to delivering the LTC and therefore it seems reasonable to include the impacts of the scheme in the BCR calculations. As a result, the Project is considered to comply with the Assurance Framework.</p>
Link to Project webpage, application for additional LGF funding and Strategic Board decision	<p>Project page: https://www.southeastlep.com/project/a13-widening/</p> <p>Strategic Board decision to prioritise project for receipt of additional LGF funding: https://www.southeastlep.com/app/uploads/2019/11/Strategic-Board-Dec-2020-Draft-Minutes.pdf</p>

Outcome of LGF prioritisation - SELEP Strategic Board - 11th December 2020

Projects prioritised for additional LGF										
	Band	Project name	Federated Area and ranking	Existing LGF allocation (£m)	% of LGF allocation spent to date	Additional LGF requested (£m)	Cumulative total (£m)	LGF spend end date	Estimated value for money	Barriers to project delivery
Projects to proceed to Accountability Board for funding approval in February/March 2021	1	Kent & Medway Medical School	KMEP 1	8.0000	100%	1.0000	1.0000	2020/21		
	1	Project Flightpath Phase 2	SEB 1	1.4215	100%	0.5600	1.5600	2020/21		
	1	Dover TAP (KSCMP)	KMEP 2	0.3000	80%	0.1000	1.6600	2021/22		
	1	A127 Essential Maintenance/The Bell Part A	OSE 2	6.6000	50%	0.2070	1.8670	2021/22		
	1	East Malling Advanced Technology Horticultural Zone	KMEP 3	1.6836	0%	0.3150	2.1820	2020/21		
	1	Southend Town Centre	OSE 3	1.5000	0%	0.1250	2.3070	2021/22		
	2a	A13 Widening Part A	OSE 1	80.0000	79%	1.5000	3.8070	2021/22		
	2a	Skills & Business Support for Rural Businesses post Brexit	TES 1	2.9180	8%	1.4950	5.3020	2021/22		
	2a	M11 Junction 8*	SEB 2	2.7339	88%	1.0000	6.3020	2022/23		
	2a	Eastbourne Fisherman's Quay*	TES 2	1.0800	0%	0.3600	6.6620	2021/22		

LGF pipeline										
	Band	Project name	Federated Area and ranking	Existing LGF allocation (£m)	% of LGF allocation spent to date	Additional LGF requested (£m)	Cumulative total (£m)	LGF spend end date	Estimated value for money	Barriers to project delivery
Ranked order of LGF pipeline - should additional LGF become available following Feb 2021 Accountability Board	2b	Kent and Medway EDGE Hub	KMEP 4	6.1200	100%	1.2240	7.8860	2020/21		
	2b	Mercury Rising	SEB 4	1.0000	100%	0.2280	8.1140	2020/21		
	2b	Southend Airport Business Park Part A	OSE 4	23.0900	87%	0.6000	8.7140	2021/22		
	2b	Southend Airport Business Park Part B	OSE 5	23.0900	87%	0.5000	9.2140	2021/22		
	2b	Southend Airport Business Park Part C	OSE 6	23.0900	87%	0.5000	9.7140	2021/22		
	2b	Maidstone East Station Access Improvements (West Kent LSTF)	KMEP 5	1.2460	80%	0.1530	9.8670	2020/21		
	2b	A127 Essential Maintenance/The Bell Part B	OSE 8	6.6000	50%	0.3930	10.2600	2021/22		
	2a	Parkside Phase 3	SEB 3	5.0000	0%	1.6500	11.9100	2023/24		
	3	A13 Widening Part B	OSE 7	80.0000	79%	1.0000	12.9100	2021/22		
	3	Dartford Town Centre improvements	KMEP 6	4.3000	74%	1.0000	13.9100	2021/22		

*Subject to confirmation of local funding sources at February Accountability Board

Appendix D – Evidence of compliance with conditions for LGF spend beyond 30 September 2021

Name of Project	West Kent LSTF – Maidstone East Station Access Improvements Maidstone Kent County Council										
Evidence of compliance with conditions previously agreed by the Board	<table><tr><td>A clear delivery plan with specific delivery milestones and completion date</td></tr><tr><td>The Project is nearing completion. If additional LGF funding is awarded, this will allow purchase of cycle storage equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q4 2021/22.</td></tr><tr><td>A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area</td></tr><tr><td>The Project aims to reduce car use and increase the level of active travel in Maidstone. This will contribute to a reduction in congestion within the town centre, which will unlock sites within the centre for commercial and residential use – thereby delivering new jobs and homes. The West Kent LSTF programme is expected to contribute towards the creation of 405 jobs and 443 new homes.</td></tr><tr><td>All funding sources having been identified and secured to enable the delivery of the project</td></tr><tr><td>Confirmation has been provided that all funding sources required to deliver the Project have been secured.</td></tr><tr><td>Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period</td></tr><tr><td>Endorsement from Strategic Board will be sought at the December Board meeting.</td></tr><tr><td>Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project</td></tr><tr><td>The Project is nearing completion. Contractual commitments are in place.</td></tr></table>	A clear delivery plan with specific delivery milestones and completion date	The Project is nearing completion. If additional LGF funding is awarded, this will allow purchase of cycle storage equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q4 2021/22.	A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	The Project aims to reduce car use and increase the level of active travel in Maidstone. This will contribute to a reduction in congestion within the town centre, which will unlock sites within the centre for commercial and residential use – thereby delivering new jobs and homes. The West Kent LSTF programme is expected to contribute towards the creation of 405 jobs and 443 new homes.	All funding sources having been identified and secured to enable the delivery of the project	Confirmation has been provided that all funding sources required to deliver the Project have been secured.	Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period	Endorsement from Strategic Board will be sought at the December Board meeting.	Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project	The Project is nearing completion. Contractual commitments are in place.
A clear delivery plan with specific delivery milestones and completion date											
The Project is nearing completion. If additional LGF funding is awarded, this will allow purchase of cycle storage equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q4 2021/22.											
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area											
The Project aims to reduce car use and increase the level of active travel in Maidstone. This will contribute to a reduction in congestion within the town centre, which will unlock sites within the centre for commercial and residential use – thereby delivering new jobs and homes. The West Kent LSTF programme is expected to contribute towards the creation of 405 jobs and 443 new homes.											
All funding sources having been identified and secured to enable the delivery of the project											
Confirmation has been provided that all funding sources required to deliver the Project have been secured.											
Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period											
Endorsement from Strategic Board will be sought at the December Board meeting.											
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project											
The Project is nearing completion. Contractual commitments are in place.											

Name of Project	A13 Widening Thurrock Council
Evidence of compliance with conditions previously agreed by the Board	<p>A clear delivery plan with specific delivery milestones and completion date</p> <p>If additional LGF funding is awarded, this will contribute towards the construction costs of the ongoing A13 widening works. It is expected that the Project will complete by the end of Q4 2021/22 and the additional LGF funding will be spent in advance of project completion.</p> <p>A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area</p> <p>Both residential and commercial development along the A13 corridor is constrained by the limited capacity of the strategic road network, including the dual carriageway section of the A13. The Project provides additional capacity on the A13, thereby enabling key development sites to come forward.</p> <p>The Project is expected to contribute towards the delivery of 4,000 new jobs and 3,000 new homes within the local area.</p> <p>All funding sources having been identified and secured to enable the delivery of the project</p> <p>Confirmation has been provided that all funding sources required to deliver the Project have been secured.</p> <p>Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period</p> <p>Endorsement from Strategic Board will be sought at the December Board meeting.</p> <p>Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project</p> <p>Delivery of the Project has commenced. Contractual commitments are in place.</p>

Report title: Queensway Gateway Road Project Update	
Report to: Accountability Board	
Report author: Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 19 November 2021	For: Decision
Enquiries to: Helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to receive a further update on the delivery of the Queensway Gateway Road project (the Project).
- 1.2. The Board has been provided with regular updates on the Project and this update sets out the current position in relation to the signalised connection to the A21 (previously referred to as the temporary connection) and the risks to delivery.
- 1.3. Once the programme for the delivery of the permanent (roundabout) connection with the A21 has been confirmed, further updates will be provided to the Board on an exception basis, should there be any substantial changes to the project programme.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the latest position on the delivery of the Project and the steps which need to be taken to secure completion; and
 - 2.1.2. **Agree** that the Board will be provided with a further update on the Project, which updates the project delivery plan and associated milestones, at its meeting on 11 February 2022.

3. Background

- 3.1. The Project will deliver a single carriageway road link between A21 Sedlescombe Road North and Queensway in Hastings. Construction of this road link provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward.
- 3.2. The Project originally received an allocation of £15m Local Growth Fund (LGF) at the March 2015 Strategic Board meeting, which was supported by a positive report from the

Queensway Gateway Road Project Update

Independent Technical Evaluator (ITE) which included confirmation of a high Benefit Cost Ratio. The Service Level Agreement (SLA) between Essex County Council (as Accountable Body for SELEP), and East Sussex County Council confirmed that £10m of the £15m would be made available in the 2015/16 financial year - initially £2.5m with £7.5m to follow later in the financial year.

- 3.3. Subsequent to this decision, East Sussex County Council identified a need to amend the LGF allocations to a number of their projects to facilitate successful delivery. This was achieved by reallocating funding between East Sussex County Council LGF funded projects. As a result, the LGF allocation to the Project was reduced to £6m and subsequently increased back up to £10m in February 2018.
- 3.4. The LGF funding has been spent in full supporting project delivery to the end of 2020/21.
- 3.5. Further information regarding the Project can be found in Appendix A - LGF Project Background Information.
- 3.6. The original Business Case indicated that the Project would complete in November 2016 based on when the funding would be received. As the Board are aware from previous updates, delivery of the Project has been slower than anticipated due to initial delays:
 - 3.6.1. in securing planning permission and discharge of planning conditions due to a judicial review challenge which was overcome by the issue of a fresh planning application on 8 January 2016, allowing the project to proceed from December 2016 on receipt of the last discharges; and
 - 3.6.2. in progressing the embankment works and completing the associated highways works – with timescales increasing from 10 to 19 months due to delays in the receipt of a Section 278 agreement connecting one end of the new Queensway Gateway Road (the Project) to Queensway.
- 3.7. The remainder of the main carriageway works were completed in 6 months from January to July 2019. The only remaining works are the junction improvements with the A21 to allow the connection to open to traffic. A further Section 278 application was lodged on 4 February 2020 involving East Sussex County Council and National Highways (formerly Highways England) for the first time. This resulted in two Section 278 agreements being awarded on 8 October 2020 to progress works on the existing carriageway to the junction of Whitworth Road and Junction Road. This has left the last connection works between Whitworth Road and the A21 which have been progressed to meet the requirements of East Sussex County Council and National Highways.
- 3.8. The completion of the final section of the Project has been impacted by delays that Sea Change Sussex (as delivery partner) have experienced in securing the land to construct the scheme with extant planning permission approved by Hastings Borough Council.
- 3.9. This report provides an update on the delivery of a signalised connection and priority lanes to make the road link to the A21 (referred to in previous Board reports as the temporary connection). This will allow the full use of the new road between Queensway and the A21 in the manner intended in the original Business Case. This will involve the closure of Junction Road, as originally intended, with a Traffic Regulation Order (TRO) which has been

advertised by East Sussex County Council and the details of the outcome of this process are explained below in paragraph 4.2. The report also provides an update on the final connection with the A21 (referred to in previous Board reports as the permanent connection).

4. Progress on the signalised connection since the last update to the Board (previously referred to as the temporary connection)

- 4.1. Since the last update to the Board, progress continues to be made in the redesign of the junction to provide a signalised connection to the A21, with priority lanes on the A21, which meets the requirements of the two highway authorities – East Sussex County Council and National Highways. This design has now received Road Safety Audit Stage 1 approval from National Highways.
- 4.2. The TRO, which is necessary for the closure of Junction Road (required to enable the signalised junction to operate safely and efficiently), was considered at the 13 October 2021 East Sussex County Council Planning Committee meeting. The three objections received were not upheld and the TRO was approved by the Committee.
- 4.3. It should be noted that the Stage 1 Road Safety Audit highlighted the need for a TRO for the prohibition of parking in areas of Whitworth Road where it will cause a road safety issue. This order had previously been applied for by Sea Change Sussex in March 2020 in anticipation of this issue. At this time the order could not be progressed due to enforcement concerns. Sea Change Sussex will need to provide an updated statement of reason, the Road Safety Audit and the TRO plans to East Sussex County Council before any orders can be drafted and advertised. The timescales for completion of the TRO will be reliant on receipt of the above information and the subsequent statutory and public consultation on the prohibition of parking on Whitworth Road. The TRO will be processed in a timely manner in the same way as the TRO for Junction Road, once all the required information has been received.

5. Delivery programme for the signalised connection with the A21

- 5.1. As highlighted above, the signalised connection involves the introduction of traffic lights at the junction between the A21 and Junction Road and securing a TRO for the section of road between Junction Road and The Ridge. The delivery of this connection will maximise the employment benefits of the scheme already realised through the 90% of the new road which is already complete and will resolve existing traffic congestion, particularly along The Ridge.
- 5.2. It was noted in previous updates to the Board that further transport modelling work for the signalised connection with the A21 had been presented to National Highways which demonstrated that the signalised connection would work satisfactorily and would not have a wider detrimental impact on the strategic and local road networks. As a consequence, National Highways provided an in principle technical approval of the modelling aspect of the scheme, while Sea Change Sussex worked through the Road Safety Audit process with National Highways. As highlighted in section 4.1, the Stage 1 Road Safety Audit has been signed off by National Highways.

Queensway Gateway Road Project Update

- 5.3. Following sign off of the Stage 1 Road Safety Audit a full package of plans and detailed designs of the scheme, including a Stage 2 Road Safety Audit, will need to be submitted to National Highways and East Sussex County Council for final approval. Subject to the design work being acceptable, approval from both National Highways and East Sussex County Council should be forthcoming in early 2022.
- 5.4. A Section 278 legal agreement between Sea Change Sussex, East Sussex County Council and National Highways which is anticipated for completion in early Spring 2022 will incorporate the above technical solution and its plan base allowing construction of the final works.
- 5.5. The process of agreeing terms on the legal agreement will not be onerous, but it should be noted that the legal agreement will also require the input of the legal team at National Highways. Work on the legal agreement is now progressing with East Sussex County Council and National Highways having issued instructions to their legal teams.
- 5.6. Temporary TRO's (TTRO) have been agreed with East Sussex County Council and National Highways allowing construction to proceed.
- 5.7. Sea Change Sussex have advised that the expected programme for delivery of the signalised connection is 6 weeks with an additional 2-week contingency. Based on the estimated timescales for the approvals process and delivery programme, it is currently anticipated that the signalised connection will be constructed and complete, at the earliest, by early 2022. However, opening the route to traffic will be subject to the TRO's to close off Junction Road and to introduce parking restrictions on Whitworth Road having both been sealed.

6. Delivery of the permanent connection with the A21

- 6.1. The majority of the carriageway has been delivered with the final junction and carriageway widening on the A21 outstanding. The business case from February 2015 contemplated a signalised junction at either end of the new road (the Project) with a plan indicating a proposed roundabout junction with the A21. The largely completed planning permission permits a roundabout to be constructed which would require further land acquisition.
- 6.2. At this stage land acquisition negotiations have not been concluded, which means it is not possible to provide a definite timeline for completion of the proposed final connection.
- 6.3. East Sussex County Council have indicated that their preferred scenario continues to be for Sea Change Sussex to secure the necessary land through negotiations from all of the relevant landowners. If land cannot be secured through negotiation, and a Compulsory Purchase Order (CPO) process is deemed necessary, then the construction start and completion could be delayed further by anywhere between 6 and 18 months compared to the timeline for completing the permanent connection with the land secured by negotiation.
- 6.4. At present the focus is on implementing the signalised connection to enable the road to fully open to traffic and therefore progress towards completing the required land acquisition, either through negotiation or CPO, has been negligible since the last update to the Board.

7. Project budget

Queensway Gateway Road Project Update

- 7.1. The Project was considered by the Strategic Board in March 2015, and the award of £15m LGF funding was approved. The SLA between Essex County Council (as the Accountable Body for SELEP) and East Sussex County Council confirmed that £10m of the £15m would be made available in the 2015/16 financial year – initially £2.5m with £7.5m to follow later in the financial year.
- 7.2. Subsequent to this decision, East Sussex County Council identified a need to amend the LGF allocations to a number of their projects to facilitate successful delivery. This was achieved by reallocating funding between East Sussex County Council LGF funded projects. As a result, the LGF allocation to the Project was reduced to £6m and subsequently increased back up to £10m in February 2018.
- 7.3. The LGF funding has been spent in full supporting project delivery to the end of 2020/21. Sea Change Sussex has retained funding up to £2m to complete the Project.
- 7.4. Spend on the Project to the end of March 2021 totalled £10.188m, which includes full spend of the £10m LGF allocation.
- 7.5. Despite the potential impacts of the COVID-19 pandemic on the construction industry and the delays encountered in delivering the Project, Sea Change Sussex remain confident that the Project can be delivered within the available budget. Costs have now been identified for the majority of the outstanding works including the construction of the final connection, professional and management fees for the completion of the Project and CPO indemnity costs including land compensation payments. Assurances have been provided that, after consideration of these identified costs, sufficient funding remains within the funding package to deliver the final connection.
- 7.6. The updated Project spend profile is set out in Table 1 below.

Table 1: Queensway Gateway Road spend profile

	Actual spend to end of 2019/20 £	Actual spend in 2020/21 £	Actual spend in 2021/22 £	Forecast spend in 2021/22 £	Forecast spend in 2022/23 £	Total £
SELEP LGF Grant	9,496,372	503,628	0	0	0	10,000,000
Sea Change Sussex	0	188,331	159,987	651,682	1,000,000	2,000,000
Total	9,496,372	691,959	159,987	651,682	1,000,000	12,000,000

8. Impacts were the Signalised connection to be made the final connection

- 8.1. Early in preparing for the construction of the permanent roundabout solution it became apparent that there would be a need to resolve traffic issues caused by the construction works to avoid severe tailbacks onto the A21 and surrounding local road networks. It was at this stage the temporary link was devised as a means of minimising disruption while allowing sufficient working time on site for the roundabout construction to progress.

Queensway Gateway Road Project Update

- 8.2. Initially the scope of this solution was very limited with resilience to provide highway capacity for between 3 and 5 years. This was identified by National Highways officers to meet with their requirements on the basis that the necessary land acquisition would be secured by negotiation or potentially provided by a CPO.
- 8.3. However, with the increasing uncertainty of the land being secured by negotiation and the timescales that a potential CPO could take, Sea Change Sussex has looked at a design for the connection to the A21 which meets the requirements of National Highways for highway network resilience for a 15 year time period post opening of the scheme. This design incorporates slip roads on the A21 and a signalised junction with priority turn lanes and the modelling results for the signalised connection show comparable performance to a roundabout solution. In addition, the scheme all falls within the existing highway boundary, does not require any third-party land and falls within the scope of permitted development rights extendable via agreements under the Highways Acts.
- 8.4. As highlighted elsewhere in the report, in terms of the necessary approvals to construct the signalised connection:
- 8.4.1. the scheme has passed through its Stage 1 Road Safety Audit;
 - 8.4.2. the TRO for the closure of Junction Road was approved at East Sussex County Council's Planning Committee on 13 October 2021;
 - 8.4.3. the further TRO requirement resulting from the Road Safety Audit regarding parking restrictions on Whitworth Road will need to be advertised but the drafting and processing of the order is dependent upon receipt of the statement of reasons, the Road Safety Audit and the TRO plans from Sea Change Sussex;
 - 8.4.4. the detailed designs of the scheme and stage 2 Road Safety Audit will need to be submitted to National Highways and East Sussex County Council, and subject to the designs being acceptable, technical approval should be forthcoming in early 2022; and
 - 8.4.5. the preparation of the necessary S278 and S6 legal agreements with East Sussex County Council and National Highways in parallel to seeking technical design approval.
- 8.5. It is not until Sea Change Sussex have the required highways agreements in place with both East Sussex County Council and National Highways that all consents required to construct the signalised junction will be in place. In addition, the road cannot open to traffic until both the TRO's referred to above have been made.
- 8.6. While due consideration should be given to the potential for this to be retained as a long-term solution it cannot be adopted as the final connection until Sea Change Sussex know it can progress to completion and opening. Adopting the scheme as a final connection prematurely would risk commitment to a scheme that could be determined to be undeliverable and would prejudice the delivery of the current scheme by adversely impacting the case for a CPO to provide certainty on the land acquisition.

Queensway Gateway Road Project Update

- 8.7. At present the focus is on implementing the signalised connection to enable the road to fully open to traffic and therefore progress towards completing the required land acquisition, either through negotiation or CPO, has been negligible since the last update to the Board.
- 8.8. At the September meeting, the Board were advised that East Sussex County Council had been in discussions to commission an independent expert (in relation to whether there is a case for a CPO) to undertake an assessment of all options available to facilitate completion of the project's permanent connection. As set out above, the focus is currently on implementing the signalised connection to enable the road to open to traffic and as a result this appointment has been placed on hold. If it is decided that the signalised connection will not be retained as a long-term solution, then the appointment of an independent expert will be revisited.

9. Benefits Realisation from the Scheme

- 9.1. The benefits of both the signalised connection and the permanent connection fall into two categories: the economic Benefits and the transport benefits. Whilst there has been significant delay in the delivery of the transport outputs of the scheme it is estimated based on the performance of the current connection that these will be realised in early 2022, with the opening of the signalised connection between the A21 and Queensway. The completion of the Gateway Road (the Project) will enable it to perform its intended function in relieving congestion along The Ridge and improving connectivity across the Growth Corridor to the A21.
- 9.2. The economic case for the road was based on the unlocking of employment land within the ownership of East Sussex County Council and Hastings Borough Council which is identified in the adopted Hastings Local Plan. This land was made accessible by the creation of the middle roundabout of the scheme, which was completed in 2019, meaning the potential employment site has been accessible since then. Hastings Borough Council are currently marketing their land for commercial development, however, the disposal of the land has been adversely impacted by the COVID-19 pandemic. Therefore, the jobs outcomes are dependent on the uptake of the land by commercial developers.

10. Next steps

- 10.1. With a number of the necessary approvals already in place, the next steps are for full technical approval to be given for the detailed design drawings, which is expected by early 2022, and the completion of the necessary legal agreements with East Sussex County Council and National Highways to enable the works to be undertaken on the highway. Furthermore, the TRO for the parking restrictions on Whitworth Road identified through the Stage 1 Road Safety Audit will continue to be drawn up and consulted upon with stakeholders and then advertised locally. In the interim, initial site works took place during week commencing 25 October to confirm the location of underground services on the A21 following recommendations in the Road Safety Audit.
- 10.2. It is recommended that a further full update on the Project, be presented at the February 2022 Board meeting.
- 10.3. The Board will continue to receive regular updates on the Project until satisfied that the deliverability risk has been fully addressed and has reduced to an acceptable level.

11. SELEP comments

- 11.1. The update on the Project presented to the Board in September 2021, indicated that it was expected that the signalised (temporary) connection would be constructed by late November 2021 and that the full length of the new road would be opened to traffic following completion of the required TRO.
- 11.2. This report sets out a further delay to the construction of the signalised connection, with this now not expected to be complete until at least early 2022. This delay stems from an extended timeline for receipt of technical approval from both East Sussex County Council and National Highways, prompted by a delay in submission of the full package of plans and detailed designs for the scheme by Sea Change Sussex.
- 11.3. In addition to this delay, it is also noted in this report that the Stage 1 Road Safety Audit identified the need for an additional TRO which prohibits parking on areas of Whitworth Road that will cause a road safety issue. Whilst this requirement does not directly impact on the construction programme for the signalised connection, it does have the potential to impact on the timing of the opening of the new road as the TRO will need to be sealed in advance of traffic being able to use the full length of the road.
- 11.4. In addition to the requirement for an extra TRO as outlined above, the proposed signalised connection still requires final technical approval from East Sussex County Council and National Highways and the completion of a Section 278 legal agreement. Progress towards completion of the signalised connection will continue to be monitored and a further update will be provided to the Board in February 2022. This update must include the requested table which clearly shows the milestones that still need to be achieved in order to secure delivery of the Project and the dates associated with these milestones.
- 11.5. It is noted within the report that progress towards delivering the permanent (roundabout) connection with the A21 has been put on hold whilst Sea Change Sussex and East Sussex County Council focus on implementing the signalised connection and ensuring that the full length of the new road can be opened to all traffic. Whilst this approach may accelerate the delivery of the temporary connection, it has an associated negative impact on the timeline for any CPO which may need to be progressed to enable the acquisition of the remaining required land, if the permanent connection is to be delivered as set out in previous updates to the Board.
- 11.6. In Section 8.6 of this report, it indicates that consideration will be given to the potential for the signalised connection to be retained as a long-term solution, rather than being used as a temporary option whilst the permanent (roundabout) solution is progressed. If, after due consideration, it is believed that this is a viable option which will deliver the benefits outlined within the Business Case, a formal Change Request will need to be brought forward for Board consideration. In light of the time that has passed since the submission of the original Business Case (February 2015), the Change Request will need to revisit the benefits offered by the scheme and provide assurances that the Project continues to offer High value for money. There is a requirement for this Change Request to be considered by the Independent Technical Evaluator in advance of any decision by the Board to endorse the change in approach.

Queensway Gateway Road Project Update

- 11.7. At this stage, East Sussex County Council and Sea Change Sussex have been unable to confirm the likely timetable for the potential submission of a Change Request. The timing of this will be impacted by the timeline for securing final approvals for the delivery of the signalised connection and a likely period of review post construction to assess the benefits realised as a result of the implementation of the signalised connection. A clear timeline for consideration of the Change Request will be provided at the February 2022 Board meeting.
- 11.8. Finally, as indicated in the Business Case, the completed project will provide access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward. Specifically, the Project opens up the development potential of key sites south of The Ridge, with capacity for up to 12,000sqm of employment floorspace.
- 11.9. According to the Business Case, the development of these key employment sites will facilitate the creation of 900 new jobs, with the first jobs originally expected to be realised in 2018/19, on the assumption that the road would be open in November 2016.
- 11.10. The project is also expected to alleviate congestion on The Ridge and improve traffic flows onto the A21.
- 11.11. The delay in completing the final section of the Project presents a risk to the realisation of these benefits. The connection with the A21 is critical to ensure that the levels of congestion are reduced. It is expected that the completion of the signalised connection and the opening of the full length of the new road, will allow the immediate realisation of the anticipated traffic benefits and it is expected that these benefits will continue to be felt over a 15 year period.
- 11.12. It is noted that, due to the delays in completing the connection with the A21, the employment benefits will not be realised in accordance with the profile set out in the Project Business Case which indicated initial job creation in 2018/19. To date, reporting provided by East Sussex County Council indicates that no jobs have been created as a result of the Project.
- 11.13. The report indicates that access to the employment land was unlocked in 2019, when the roundabout in the middle of the new road was completed. Hastings Borough Council have been marketing their land for commercial development; however, progress has been adversely impacted by the COVID-19 pandemic and to date none of the land has been disposed of and therefore no commercial development has come forward. The land within the ownership of East Sussex County Council has not yet been marketed.
- 11.14. The realisation of the stated employment benefits is entirely dependent upon the disposal of the land and therefore it is not currently possible to give an indication as to when the expected new jobs will be created. As a result, an updated profile for the new jobs has not been provided in this report. Further updates on the expected timeline for realisation of the employment benefits will be provided at future Board meetings. The completion of the signalised connection and the opening of the full length of the new road may increase the attractiveness of the available land.
- 11.15. It should be noted that if it is not possible to deliver the final connection with the A21 as set out within this report, that steps may be taken by the Board and Essex County Council (as

the Accountable Body for SELEP) to recover the £10m LGF allocation to the Project from East Sussex County Council under the terms of the SLA which is in place.

12. Financial Implications (Accountable Body Comments)

- 12.1. There continue to be a number of challenges to completion of the Project, albeit that the full £10m LGF allocation has already been spent supporting delivery; this presents risks to the Board on assuring delivery of the expected outcomes, particularly given the progressive slippage in delivery between updates and the on-going lack of certainty on the timelines for completion of the Project.
- 12.2. Further slippage has been reported in delivery of both solutions since the last update provided in September 2021: The Temporary solution (the signalised connection) is now anticipated to be open to traffic in early 2022 (rather than November 2021 which was reported in September 2021 and early Autumn as reported in July 2021), provided that an additional TRO is in place at that point and the necessary Section 278 legal agreement is signed. The best-case scenario for completion of the roundabout for the permanent solution was previously reported as June 2022 (reported in July 2021 as January 2022 completion), however, this work is currently on hold and an estimated timeline has not been provided for completion. Land acquisition and planning permissions are still required and the procurement of an independent expert to advise on the case for the CPO by East Sussex County Council (previously reported as about to commence in September 2021) is paused whilst the permanent solution is on hold.
- 12.3. As reported in the September 2021 Board meeting, the on-going delays in completion of the Project places at risk the value for money assessment of the business case. It was advised that assurances should be sought by the Board in this respect as part of the update on Project benefits to be given to the Board in November, however, a clear timeline of milestones and delivery has not been provided to SELEP by East Sussex County Council, which would help to provide assurances on the Project benefits realisation. This is to now form part of the update to the Board in February 2022. (see section 11.4).
- 12.4. The remaining costs of the Project are to be met by the delivery Partner, Sea Change Sussex; East Sussex County Council have sought assurances from Sea Change Sussex that they have sufficient funding in place to meet the estimated £2m additional costs to complete the Project.
- 12.5. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant. This is managed through a Service Level Agreement (SLA) that is in place with East Sussex County Council and sets out the conditions of the grant.
- 12.6. The LGF was transferred to East Sussex County Council, under the terms of the SLA which 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.
- 12.7. Should it not be possible, for example, to deliver the final section of the road to enable the full realisation of the benefits set out within the Project Business Case, there is a risk that the Project may no longer meet the conditions of the Funding Agreement. In these

Queensway Gateway Road Project Update

circumstances, the Board may consider recovering some, or all, of the £10m LGF allocated to the Project.

- 12.8. To mitigate these risks, the Board is advised to keep under review the delivery progress of this Project and to take this into account with regard to any further decisions made in this respect.

13. Legal Implications (Accountable Body Comments)

- 13.1. There are no significant legal implications arising from the proposals set out in this report. If the Project is cancelled at a later date, the provisions set out with the SLA will be activated, and Essex County Council, as the Accountable Body, will work with East Sussex County Council, to recover any abortive revenue costs.

14. Equality and Diversity implications (Accountable Body Comments)

- 14.1. 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:

14.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;

14.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not;

14.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

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

- 14.3. 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.


15. List of Appendices

- 15.1. Appendix A - LGF Project Background Information

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	9 November 2021

Appendix A – LGF Project Background Information

Name of Project	Queensway Gateway Road, Hastings East Sussex County Council
Local Growth Fund (LGF) allocation	£10,000,000 – initial award March 2015
Description of what Project delivers	<p>The Queensway Gateway Road scheme comprises a single carriageway road link between A21 Sedlescombe Road North and Queensway. The road will connect with Queensway running south of its junction with the Ridge West, crossing the Hollington Stream valley on an embankment and then running south of Whitworth Road to join the A21 at a new junction north of the existing Sainsbury's store, as shown below. The road will facilitate access to employment sites to the north and south.</p>  <p>The road will connect the Combe Valley Way (formerly known as the Bexhill Hastings Link Road) via Queensway to the A21, redistributing traffic from Combe Valley Way and The Ridge heading towards the A21. The opening of the Combe Valley Way changed the balance of traffic movements in the Hastings and Bexhill area, and has resulted in increased traffic volumes along the Ridge and Queensway. By relieving congestion, the Queensway Gateway Road will improve strategic connectivity in the Bexhill Hastings</p>

	<p>Growth Corridor, improving employment development potential in Queensway and employment and housing growth potential in North Bexhill.</p> <p>The key objectives of the project are:</p> <ul style="list-style-type: none"> • to support the development and employment potential of the Bexhill Hastings Growth Corridor; • to improve strategic access between the A21 and Queensway/Combe Valley Way and thereby strategic access to employment and housing sites in North Bexhill and Hastings; and • to alleviate congestion at junctions to the A21 enabling Combe Valley Way to perform to its full potential as a driver of economic growth.
Project benefits	<p>The Queensway Gateway Road provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward.</p> <p>The new road allows land to be released for employment development, as set out within Hastings Local Plan 2004 and Hastings Planning Strategy. Specifically, the road opens up the development potential of key sites south of The Ridge, with capacity for up to 12,000sqm of employment floorspace.</p> <p>It is expected that the Project will lead to the creation of 900 new jobs. In addition, the development of Queensway Gateway Road and Combe Valley Way are expected to directly contribute to the delivery of at least 60,000 sqm of new employment workspace and construction of 3,100 new homes in North Bexhill by 2028 as a result of improved connectivity.</p>
Project constraints	<p>The Project is being delivered in phases with the first phase having started early in 2017. In March 2019, the western section of road was completed and was opened for access to local businesses only.</p> <p>The final section of the road, to connect the already completed sections with the A21, requires the purchase of remaining properties on the route. These acquisitions are under negotiation, however, there is currently no clear timeline as to when the acquisitions will be completed either through negotiation or potentially through a Compulsory Purchase Order. This issue has delayed the completion of the Project and is identified as a significant risk to delivery.</p> <p>An alternative signalised connection with the A21 is being progressed to allow use of the new road as a through route, whilst land acquisition negotiations continue.</p>
Link to Project page on the website with full Business Case and links to any	<p>https://www.southeastlep.com/project/queensway-gateway-road/</p> <p>Funding decision (note: original LGF allocation to the project was £15m):</p>

<p>previous decisions by Accountability Board and/or Strategic Board</p>	<p>https://www.southeastlep.com/app/uploads/2018/06/Minutes-SELEP-Board-20th-March-2015-V3.pdf</p> <p>Project changes:</p> <p>https://www.southeastlep.com/app/uploads/2020/08/Accountability-Board-Summary-of-Decisions-23.02.18.pdf</p>
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Forward plan reference number: FP/AB/473,
and FP/AB474

Report title: Local Growth Fund - High Risk Project Update Report	
Report to: Accountability Board	
Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 19 November 2021	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Kent and Thurrock	

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 following Local Growth Fund (LGF) projects which are currently ranked as high risk: A13 Widening and Maidstone Integrated Transport Package (ITP).

2. Recommendations

- 2.1. The Board is asked to:

A13 Widening

- 2.1.1. **Note** the update on the Project

- 2.1.2. **Note** that a further update will be brought to the February 2022 Board meeting

Maidstone ITP

- 2.1.3. **Note** the update on the Project

- 2.1.4. **Note** that a further delivery update will be brought to the February 2022 Board meeting, which will include:

- 2.1.4.1. progress towards securing the required consent to relocate the ragstone wall; and

- 2.1.4.2. a funding breakdown which sets out the split between the phases of the project.

3. Summary Position

- 3.1. The Project involves widening the A13 Stanford le Hope Bypass from 2 to 3 lanes in both directions, from the junction with the A128 (Orsett Cock roundabout) in the west to the A1014 (the Manorway) in the east. Once the Project is completed, there will be a continuous three-lane carriageway from the M25 to Stanford le Hope, which will reduce congestion, improve journey times and support further economic growth.
- 3.2. The Project is a Department for Transport (DfT) retained scheme, which means the original business case for the Project was reviewed by the DfT and the funding decision was made by the Secretary of State in April 2017.
- 3.3. At the time of the original funding decision, the estimated Project cost totalled £78.866m, with £66.058m LGF being secured from the DfT and a further £5m LGF having been awarded by SELEP towards the early development stage of the Project.
- 3.4. The Board has received updates on issues and progress since November 2019. In July 2020, the total cost of the Project was reported to have increased to £114.7m. In light of Project cost increases, the Board agreed to award a further £8.942m LGF towards the project, increasing the overall LGF contribution to the Project to £80m.
- 3.5. At the point of this additional funding award to the Project, Thurrock Council (the Council) provided assurances that the Project would still progress through to completion and that the Council will underwrite any further funding shortfall that arises. This will include seeking additional funding through any external sources available to the Council, as well as the use of its own capital resources such as capital receipts and Prudential Borrowing.
- 3.6. The project received an additional £1.5m additional LGF at the March 2021 Board meeting as the Project had seen costs rise mainly due to the impact of the Covid-19 pandemic.
- 3.7. The Project is also requesting an additional £1m of additional LGF on the project pipeline if LGF becomes available. The Project is seventh on the pipeline and the award of any LGF funding which becomes available as a result of decisions taken at this meeting will be considered under Agenda Item 14.
- 3.8. Project costs have arisen since Business Case submission, and these costs continue to be met by Thurrock Council, as per the terms of Service Level Agreement between SELEP Ltd., Essex County Council (as Accountable Body for SELEP) and Thurrock Council.
- 3.9. In September 2021 Board members received an update on the Project and the issues which have arisen through the delivery of the project to date which have impacted on the timescales and the budget required to complete the delivery of the project.
- 3.10. Project Background is set out in Appendix A

4. Project Update

Local Growth Fund - High Risk Project Update Report

- 4.1. Progress on site continues to be good with all new bridges in operation and all old bridges demolished.
- 4.2. Key areas of work are focussed on:
 - 4.2.1. Continuation of central reserve works
 - 4.2.2. Orsett roundabout traffic island works
 - 4.2.3. Drainage works between Orsett bridges
 - 4.2.4. Street Lighting installation
 - 4.2.5. Boundary wall works to Barrington Farm
- 4.3. Road closures are still continuing during overnight periods as well as some weekend works. These will cease from the 26 November 2021 (in line with Christmas trading legislation). There are no road closures planned for post-Christmas, but if required they will go through the normal application process with Network Management.
- 4.4. The Board were given an overview on the type of contract entered into and the issues that had arisen as part of that agreement in July 2021. An agreement was reached with Kier (the main contractor) on costs to the end of 2020/21. As to be expected, there are a number of relatively minor Compensation Events (CE) outstanding which continue to be worked through and are continuing to fall and be dealt with as they arise.
- 4.5. Key risks to the overall project delivery are:
 - 4.5.1. Slow progress from Environment Agency for approval to remove water (Abstraction Licence) for construction of the balancing pond liner. Acceptance of the pre-application document has been received. The application should be approved, and this is expected soon.
 - 4.5.2. Defect correction activities (this is the period of time allowed for any defects to be corrected and is set out in the NEC contract). All parties are involved in discussions to resolve these matters as speedily as possible.
- 4.6. Project completion is still expected in February 2022.
- 4.7. Table 1 shows the updated spend to date for the Project, including spend to the end of the second quarter 2021/22.

5. Update on Project Costs

- 5.1. The revised expenditure profile remains subject to change as commercial discussions continue through to the end of the Project.
- 5.2. The Board were advised of forecast total costs for the project at the September meeting, and it has been advised that costs remain broadly in line with the forecasts presented. As a result, there is no confidential appendix provided with this report. If total forecast costs

Local Growth Fund - High Risk Project Update Report

change, a further update will be provided via a confidential appendix at the February 2022 Board meeting.

- 5.3. The project spend to date (Table 1) does show a slight variation in reported spend to end 2020/21, from spend reported at the September meeting. This due to the finalisation of the position having been agreed and updated, as part of the final accounts closure process at Thurrock Council.
- 5.4. Table 1 shows the spend profile to the end of September 2021. To note, this includes planned spend of £1m of LGF that remains subject to additional LGF becoming available and being approved by the Board; if this £1m is not awarded additionally, Thurrock Council will be responsible for addressing this budget gap through alternative funding sources.

Table 1 – Project Spend to Date

Public Report										
	2016/17	2017/18	2018/19	2019/20	2020/21	Q1 2021/22	Q2 2021/22	Total	2021/22	Total
LGF Development Funding	2.709		2.291					5.000		5.000
LGF DfT Retained Scheme Funding		13.408	11.483	32.657	8.510			66.058		66.058
Additional LGF - awarded July 2020					8.942			8.942		8.942
Additional LGF - allocated to the project in March 2021					1.500			1.500		1.500
Additional LGF (subject to additional LGF becoming available)					0.000			0.000	1.000	1.000
Third Party			0.024	0.345	7.855			8.224		8.224
Thurrock Council					8.062	10.649	7.447	26.158		26.158
Adjustment			-0.172	0.172				0.000		0.000
Total Project Cost	2.709	13.408	13.626	33.174	34.869	10.649	7.447	115.882	1.000	116.882
Actual Spend										

- 5.5. As part of the project's application seeking additional LGF at the March Board meeting a review of the Value for Money (VfM) was undertaken and assessed by the Independent Technical Evaluator (ITE). This suggested that due to increased project costs the VfM had reduced to a Benefit Cost Ratio (BCR) of 1.7:1 in the core scenario. This falls within the 'medium' value for money category. An additional scenario which considers the benefits of the scheme with the impacts of Lower Thames Crossing included has also been presented. In this scenario the scheme has a BCR of 2.5:1 which falls within the "high" value for money category. This is set out under Appendix A in agenda item 8.

6. Next Steps

- 6.1. A further update will be presented to the Board in February 2022, including an update on project costs and progress on delivery of the Project.

Maidstone ITP

7. Summary Position

- 7.1. At the Accountability Board meeting in September 2021 Board members agreed:
- 7.1.1. that the £8.9m LGF funding should remain allocated to the Project;
 - 7.1.2. that a project update should be provided to the Board in February 2022 on progress towards securing the required consent to relocate the ragstone wall;
 - 7.1.3. that a further update on the Project, which outlines progress towards achieving the outstanding consents and on delivery of the Project, should be presented to the November Board meeting.
- 7.2. Project Background is set out in Appendix B

8. Project Update

Phase 1 – A20 Ashford Road junction with Wilmington Street

- 8.1. At the September Board meeting, the Board were advised that the ragstone wall associated with Mote Park could be repositioned under permitted development but that listed building consent would be required. A pre-application meeting has taken place with Maidstone Borough Council and it is expected that consent will be received in December 2021.
- 8.2. Procurement of a contractor will commence once the listed building consent is granted.
- 8.3. The indicative programme, which is subject to receipt of listed building consent for the relocation of the ragstone wall, is in line with the update given to the Board in September 2021. Works are expected to start on site in Spring 2023, with completion by December 2023.

Phase 2 – Coldharbour Roundabout and A20 London Road, Aylesford

- 8.4. The detailed design for the Coldharbour roundabout improvements has now been completed and the required acquisition of third party land has been agreed with the landowner and is currently with solicitors to finalise the legal agreement.
- 8.5. Procurement of a construction contractor is expected to begin in early 2022 (in the September update this was expected to occur during the Autumn of 2021), with a view to appointing a contractor in Summer 2022. Construction is expected to start with off carriageway works in Autumn 2022.
- 8.6. As advised in September, the commencement of the works is subject to the A249 Bearsted Road improvement scheme nearing completion at this time. If both the Coldharbour roundabout and the A249 Bearsted Road improvement scheme were onsite at the same time, this would cause an unacceptable conflict of roadworks near the M20. If the delivery of the improvements to the Coldharbour roundabout are to progress in

accordance with the above programme, it is expected that these works will complete in Summer 2023.

- 8.7. The A249 Bearsted Road improvement scheme is separate to the Maidstone Integrated Transport Package project, and is not in receipt of LGF funding. However, due to its proximity to the planned LGF funded works, the improvement scheme needs to be factored into the programming of the LGF works to ensure that impacts on the road network are maintained at an acceptable level throughout the construction programme.
- 8.8. The indicative programme for the delivery of the improvements to the A20 London Road/Hall Road junction indicates commencement of the works in Summer 2023, with completion in Spring/Summer 2024. This programme is still subject to change and is dependent upon the programme for both the A249 Bearsted Road improvement scheme and the Coldharbour roundabout improvements referenced above.

Phase 3 – A229 Loose Road corridor, Maidstone

- 8.9. The A229 Loose Road corridor is made up of 4 junction improvements on the strategic route leading in and out of Maidstone Town Centre. The route suffers from existing congestion and poor journey time reliability. A summary of the improvements proposed at each junction is set out below, along with the latest update on delivery for each element of this phase of the Project:
 - 8.9.1. A229 Loose Road junction with A274 Sutton Road (Wheatsheaf junction) – this measure will see the demolition of the existing Wheatsheaf Public House, for which consent has been granted. The adjoining side road, Cranbourne Avenue, will be permanently closed to allow improved capacity benefits and the current traffic signal crossroads will be replaced with a reconfigured signalised junction. In September 2021, the Board were advised that a trial closure of Cranborne Avenue would take place during Autumn 2021, however, this has been delayed until early 2022 to avoid conflict with nearby Southern Gas Network works.
 - 8.9.2. The detailed design for the junction improvements will be taken forward following the trial closure of Cranborne Avenue. The indicative programme shows that design work will be completed by the end of 2022 and work will potentially start onsite in Summer 2023, with completion forecast for Spring 2024.
 - 8.9.3. A229 Loose Road junction with Armstrong Road – this is a relatively small junction improvement that requires the relocation of the existing pedestrian crossing to the southern side of Loose Road which will allow the inclusion of a dedicated right turn lane to remove the existing blocker to free-flow of traffic for vehicles exiting the town.
 - 8.9.4. The proposed junction improvements fall under permitted development and Kent County Council are investigating whether it would be possible to deliver this element of the Project ahead of the improvements to the Loose Road/Sutton Road junction. If this is possible the works will be taken forward using Kent County Council's term contractor (Amey have been awarded a contract to deliver highway services on behalf of Kent County Council which runs until 30 April 2023) and, subject to road space being available, could commence onsite in

Summer 2022 with completion by December 2022. Detailed design is currently being refined.

- 8.9.5. A229 Loose Road junction with Sheals Crescent – this element of the overall project is the reconfiguration of the junction using lining only to alter the priority for vehicles accessing the one-way system allowing for an improved flow of traffic travelling towards the town. Detailed design for these improvements is complete and contract documentation is being prepared.
- 8.9.6. A229 Loose Road junction with Boughton Lane/Cripple Street – the current configuration of this junction is a staggered crossroads which does not have the ability to ‘square’ up. The aim of this scheme is to allow for additional capacity to move freely through the junction.
- 8.9.7. Following recent consultation, the design for this element of the Project is currently being reviewed. The indicative programme provided shows works potentially commencing onsite in Summer 2023, with completion anticipated in Spring 2024.

9. Project Costs and Funding

- 9.1. The Board received an updated funding breakdown at the September Board meeting. The funding breakdown can be seen in Table 2 below. The scheme promoter was asked to provide a breakdown which sets out the split between each phase of the Project. This will be provided at the Board meeting in February 2022, as external cost consultants are currently reviewing this element.

Table 2: Spend profile for the Maidstone Integrated Transport Package

Funding source	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total
LGF	0.265	1.114	0.668	1.517	2.966	2.000	0.300	0.070	8.900
Private Sector	1.560	0.040	0.010	0.010	0.030	0.000	1.934	0.000	3.584
Total	1.825	1.154	0.678	1.527	2.996	2.000	2.234	0.070	12.484

10. Next Steps

- 10.1. A further update will be presented to the Board in February 2022, on progress towards securing the required listed building consent which is required to relocate the ragstone wall and an update on overall project delivery.
- 10.2. A funding breakdown which sets out the split between the phases of the project will also be provided at the meeting in February 2022

11. Financial Implications (Accountable Body comments)

- 11.1. There continue to be a number of challenges to completion of the projects in this report, albeit that the majority of the LGF will have been spent by the end of 2021/22; this presents risks on assuring delivery of the expected outcomes, given the lack of certainty on the timelines for completion of the projects.

- 11.2. To mitigate these risks, the Board is advised to keep under review the delivery progress of these projects and to take this into account with regard to any further funding decisions made.
- 11.3. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 11.4. All LGF is transferred to Thurrock Council and Kent County Council, as the Project Lead Authorities, under the terms of a Funding Agreement or SLA which makes clear that funding can only be used in line with the agreed terms.
- 11.5. The Agreements also 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.

A13 Widening Project

- 11.6. LGF of £80m has been awarded to this Project and has been transferred to Thurrock Council to support delivery. Additionally, in December 2020, SELEP Ltd agreed a new pipeline of LGF projects. Based on the £6.7m unallocated at the time of the meeting, 10 projects were prioritised to receive additional LGF, due to cost increases or reduced local funding contributions, due to the impact of Covid-19. The A13 Project was included on this agreed pipeline, seeking an additional £1.5m LGF, which has been transferred by the Accountable Body to Thurrock Council.
- 11.7. Thurrock Council continue to re-confirm that all remaining costs of the Project will be met by the Council and have advised that the risks to the Project are being actively managed down.

Maidstone ITP Project

- 11.8. The full £8.9m LGF allocation for this Project has been transferred to Kent County Council to support delivery. There remains a lack of certainty in this update with regard to the total LGF spent to date on delivering this Project and with respect to the final completion date; it is expected that this information would be provided to the Board in the next update at the February 2022 Board meeting to provide assurance with respect to progress and delivery.
- 11.9. Should the outstanding listed building consent be refused for the ragstone wall, the Board will need to consider whether this phase of the Project remains deliverable, in part or in full, and whether any funding is required to be recovered from Kent County Council, as a consequence.

12. Legal Implications (Accountable Body comments)

- 12.1. There are no significant legal implications arising from the proposals set out in this report

13. Equality and Diversity Implications

- 13.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- 13.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- 13.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
- 13.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 13.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

14. List of Appendices

- 14.1. Appendix A – A13 Widening Project Background
- 14.2. Appendix B - Maidstone ITP Project Background

(Any request for background papers listed here should be made to the person named at the top 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)	 9 November 2021

Appendix A – LGF Project Background Information

Name of Project	A13 Widening Thurrock Council													
Local Growth Fund (LGF) allocation	<table><tr><th>Date of award</th><th>Amount (£m)</th></tr><tr><td>April 2016 (LGF Development Funding)</td><td>5.000</td></tr><tr><td>March 2017 (DfT)</td><td>66.058</td></tr><tr><td>July 2020 (DfT)</td><td>8.942</td></tr><tr><td>March 2021 (Additional LGF)</td><td>1.500</td></tr><tr><td>Total</td><td>81.500</td></tr></table>		Date of award	Amount (£m)	April 2016 (LGF Development Funding)	5.000	March 2017 (DfT)	66.058	July 2020 (DfT)	8.942	March 2021 (Additional LGF)	1.500	Total	81.500
Date of award	Amount (£m)													
April 2016 (LGF Development Funding)	5.000													
March 2017 (DfT)	66.058													
July 2020 (DfT)	8.942													
March 2021 (Additional LGF)	1.500													
Total	81.500													
Description of what Project delivers	The Project is involves widening the A13 Stanford le Hope Bypass in both directions, from the junction with the A128 in the west to the A1014 in the east. Once the Project is completed, there will be a continuous three-lane carriageway from the M25 to Stanford le Hope.													
Project benefits	When complete in February 2022, the Project will help address existing traffic congestion and improve journey times. It will also provide a significant contribution in supporting much needed economic growth not only on a regional and national platform but given the proximity to significant ports, logistics and industry, also on an international basis too which is why the delivery of the scheme is of critical importance.													
Project constraints	<ul style="list-style-type: none">Increased Project costs have been a major cause for concern.Contract issues around Compensation Events have added to the rising costs.Covid-19 increased delays and added pressure to costs. <p>Current key risks are:</p> <ul style="list-style-type: none">slow progress from Environment Agency around specific approvals anddefect correction activities which are taking longer to resolve than expected. <p>The Project is nearing completion, with work expected to complete in February 2022.</p>													
Link to Project page on the website with full Business Case	https://www.southeastle.com/project/a13-widening/													

Appendix B – LGF Project Background Information

Name of Project	Maidstone Integrated Transport Package (ITP)											
	Kent County Council											
Local Growth Fund (LGF) allocation	<table><tr><th>Date of Award</th><th>Amount (£m)</th></tr><tr><td>February 2016 (Phase 1)</td><td>1.00</td></tr><tr><td>June 2018 (Phase 2)</td><td>4.20</td></tr><tr><td>April 2019 (Phase 3)</td><td>3.70</td></tr><tr><td>Total</td><td>8.90</td></tr></table>		Date of Award	Amount (£m)	February 2016 (Phase 1)	1.00	June 2018 (Phase 2)	4.20	April 2019 (Phase 3)	3.70	Total	8.90
Date of Award	Amount (£m)											
February 2016 (Phase 1)	1.00											
June 2018 (Phase 2)	4.20											
April 2019 (Phase 3)	3.70											
Total	8.90											
Description of what Project delivers	<p>The Project is for the delivery of the three Phases of work.</p> <p><u>Phase 1</u> It was originally intended that this phase of the Project would deliver improvements to the junctions at either end of Willington Street, which is located to the east of Maidstone town centre. However, following public consultation, it was agreed by the Board that this phase of the Project should bring forward a larger scale intervention at one end of Willington Street only, at the junction with A20 Ashford Road.</p> <p>The works delivered through this phase of the Project will include an upgrade to the traffic lights at the junction to include a pedestrian crossing, the creation of a new lane for vehicles turning left into Ashford Road from Willington Street, the creation of a new lane for vehicles turning right into Willington Street from Ashford Road and a rebuild of the current ragstone boundary wall of Mote Park so it is 4 metres closer to the park.</p> <p><u>Phase 2</u> The Coldharbour roundabout element of this phase will enlarge the roundabout to allow 3 lanes of traffic to circulate it. In addition, the existing traffic signals will be removed and replaced with give way markings. The proposed works are expected to improve capacity of the roundabout by 60% in the morning peak and 40% in the evening peak.</p> <p><u>Phase 3</u> The A229 Loose Road corridor is made up of 4 junction improvements on the strategic route leading in and out of Maidstone Town Centre. The route suffers from existing congestion and poor journey time reliability.</p> <p><u>A229 Loose Road junction with A274 Sutton Road (Wheatsheaf junction)</u> – this measure will see the demolition of the existing Wheatsheaf Public House. The adjoining side road, Cranbourne Avenue, will be permanently closed to allow improved capacity benefits and the current traffic signal crossroads will be replaced with a reconfigured signalised junction.</p> <p><u>A229 Loose Road junction with Armstrong Road</u> – this is a relatively small junction improvement that requires the relocation of the existing</p>											

	<p>pedestrian crossing to the southern side of Loose Road which will allow the inclusion of a dedicated right turn lane to remove the existing blocker to free-flow of traffic for vehicles exiting the town.</p> <p><u>A229 Loose Road junction with Sheals Crescent</u> – this element of the overall project is the reconfiguration of the junction using lining only to alter the priority for vehicles accessing the one-way system allowing for an improved flow of traffic travelling towards the town.</p> <p><u>A229 Loose Road junction with Boughton Lane/Cripple Street</u> – the current configuration of this junction is a staggered crossroads which does not have the ability to ‘square’ up. The aim of this scheme is to allow for additional capacity to move freely through the junction.</p>
Project benefits	<p>Phase 1 and 2 of the project will deliver:</p> <ul style="list-style-type: none"> • Journey time savings • Improved journey time reliability • Reduced rat-running on unsuitable routes • Enabling planned housing and employment growth <p>Phase 3 of the project will deliver:</p> <ul style="list-style-type: none"> • Removal of the existing traffic signal controlled junction • Provision of a new 4 arm roundabout • Re-alignment of the A20 western arm consisting of a two lane eastbound approach and central island widening • Additional entry lane allowing lane designation that better aligns with traffic volume • Upgrade of the existing traffic signal controlled pedestrian crossing on the A20 western arm • Relocation of the eastbound bus stop to the west of the roundabout • Modification to adjacent pedestrian facilities
Project constraints	<p>Planning permissions have delayed elements of the project:</p> <ol style="list-style-type: none"> 1. Demolition of the Wheatsheaf pub – this is now approved 2. Relocation of a ragstone wall at Mote Park – Listed Building Consent is underway and expected to be resolved by February 2022
Link to Project page on the website with full Business Case	<p>https://www.southeastlep.com/project/maidstone-integrated-transport/</p>