

ACCOUNTABILITY BOARD

10:00	Friday, 10 September 2021	Detling Room, Kent Event Centre, Kent County Showground, Maidstone ME14 3JF
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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:

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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 in the Detling Room at the Kent Event Centre, Kent Showground, Maidstone ME14 3JF. 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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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 - 15
	To approve the minutes of the meeting held on 2 July 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. A copy of the Policy for Public Questions is made available on the SELEP website.	
5	Local Growth Fund programme update	16 - 45
6	Maidstone Integrated Transport Package project update	46 - 54

7	Queensway Gateway Road LGF project update	55 - 66
8	London Gateway/Stanford-le Hope LGF project update	67 - 76
9	A13 Widening project update	77 - 82
	Appendix A will be considered under Exempt items	
10	A28 Sturry Link Road LGF project update	83 - 92
11	A26 Tunbridge Wells Junction and Cycle Improvements Package - LGF funding award	93 - 121
12	LGF additional funding awards	122 - 153
13	Getting Building Fund programme update	154 - 172
14	GBF - Retention of funding beyond 31 March 2022	173 - 185
15	Growing Places Fund programme update	186 - 206
16	Operations update	207 - 229
17	Finance update - Update on the SELEP 2021/22 Revenue Forecast	230 - 238
18	Date of Next Meeting	
	To note that the next meeting will be held on Friday 19 November 2021, 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.	

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.

**20 A13 Widening project update - CONFIDENTIAL
Appendix A**

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

21 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

Minutes of the meeting of the SELEP Accountability Board, held at Astor Pavilion, Kent Event Centre, Kent Showground, Maidstone ME14 3JF on Friday, 02 July 2021

Present:

Sarah Dance	Chair
Cllr Lesley Wagland	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Ron Woodley	Southend Borough Council
Cllr Mark Coxshall	Thurrock Council
Rosemary Nunn	Higher Education representative

Louise Aitken	SELEP
Marwa Al-Qadi	East Sussex County Council
Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
Steven Bishop	Steer
Colin Black	Thurrock Council
Chris Broome	Sea Change Sussex
Bernard Brown	Member of the public
Adam Bryan	SELEP
Joanne Cable	Medway Council
Paul Chapman	Essex County Council
Ellie Clow	SELEP
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)
Lorna Norris	Essex County Council
Vivien Prigg	Essex County Council

Tim Rignall	Southend Borough Council
Christopher Seamark	Kent County Council
Lisa Siggins	Essex County Council
Stephen Taylor	Thurrock Council
Laura Wallis	Essex County Council
Jim Wilkinson	SELEP
Katherine Wyatt	SELEP
Louise Zandstra	Charleston

1 Welcome and Apologies for Absence

The Chair welcomed Board members including one new member – Cllr Mark Coxshall (Cabinet Member at Thurrock Council who will now be attending instead of Cllr Rob Gledhill). Cllr Bentley (new Leader at Essex County Council) is also new to the Board, but he was unable to attend this meeting.

The following apologies were received:

- Cllr Kevin Bentley substituted by Cllr Lesley Wagland
- Simon Cook

2 Minutes of the last meeting

The minutes of the meeting held on Friday 12th March were agreed as an accurate record.

3 Declarations of Interest

Sarah Dance advised that she draws a small salary from Canterbury City Council for some cultural work that she does with them, where they may submit a bid to the levelling up fund. It is not directly related to anything being discussed today, however, Sturry Link Road (agenda item 8) is within Canterbury City Council's administrative area. She confirmed that it was a non-pecuniary interest.

She further advised that she worked for the Mercury Theatre 25 years ago, (agenda item 12) but she does not have any current ties, and which is a non-pecuniary interest.

4 Questions from the public

There were none.

5 SELEP Finance Update

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 provisional outturn position for the SELEP Revenue budget for 2020/21 and the update to the 2021/22 budget including specific grants.

The Chair referred to the reduced revenue deficit position and paid tribute to the team for all their efforts.

Councillor Chambers stressed that Central Government “needed to get its act together” as there are so many unknowns and uncertainties. There was now a degree of urgency regarding the undertaking and completion of the LEP review.

Councillor Wagland suggested that the question be put to Central Government to ascertain whether the LEP review is being queue jumped or whether it is just taking longer than was anticipated.

Councillor Woodley requested that a brief update on the LEP review be provided at future Board meetings.

Resolved:

1. **To Approve** the provisional outturn for the South East LEP revenue budget for 2020/21 in Table 1 of the report.
2. **To Approve** the contribution of £354,000 from General Reserves in Table 1 of the report.
3. **To Approve** the establishment of a ring-fenced reserve for the COVID-19 Skills Support Fund and to contribute the £2.096m balance of this fund to this reserve in 2020/21; and then approve the subsequent draw down of this funding to be applied in 2021/22 to deliver the initiative.
4. **To Approve** the establishment of a ring-fenced reserve for the COVID-19 Business Support Fund and to contribute the £2.396m balance of this fund to this reserve in 2020/21; and then approve the subsequent draw down of this funding to be applied in 2021/22 to deliver the initiative.
5. **To Approve** the proposed 2021/22 latest SELEP revenue budget set out in Table 6 of the report, including the specific grants summarised in Table 7 of the report (and detailed in Appendix 1 of the report).
6. **To Note** the on-going uncertainties regarding the future funding position for SELEP particularly in light of the LEP review and indications from Government that no new Capital monies will be made available through LEPs.

6 Local Growth Fund Programme Update

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 the M2 Junction 5 Improvements project has now received approval from the Secretary of State for Transport and that a full update would be provided to the Board in September.

Resolved:

1. **To Note** the provisional total spend in 2020/21 of £37.483m LGF excluding Department for Transport (DfT) retained schemes and £60.733m including DfT retained schemes, as set out in Table 1 of the report.
2. **To Note** the LGF position reported to Government in May 2021, following implementation of the capital transfer previously agreed by the Board, as set out in Table 3 of the report.
3. **To Agree** the updated total planned LGF spend in 2021/22 of £69.863m excluding DfT retained schemes and increasing to £86.577m including DfT retained schemes, as set out in Table 2 and Appendix A of the report.
4. **To Note** the deliverability and risk assessment, as set out in Appendix D of the report.
5. **To Agree** the spend of LGF beyond 30 September 2021 and the revised completion date for the new construction centre at Chelmsford College project as set out in Section 5 of the report, subject to Strategic Board endorsement via electronic procedure following this Board meeting.

7 LGF (Local Growth Fund) - update on fulfilment of funding conditions

The Board received a report from Helen Dyer, Capital Programme Manager, the purpose of this report was to provide the Board with an update on those projects which have now met the funding conditions attached to the transfer of the remaining LGF allocation at the end of 2020/21.

Helen Dyer clarified that the Beaulieu Park project is expected to complete in December 2025, not late 2026 as stated in the report.

Resolved:

1. **To Note** that the Housing Infrastructure Fund (HIF) Grant Determination Agreement in relation to Beaulieu Park Station has now been signed fulfilling the LGF funding conditions attached to the Project.
2. **To Note** that planning permission has now been granted for the Bexhill Enterprise Park North project which satisfies the LGF funding conditions attached to the Project.
3. **To Note** that both projects will now proceed to delivery as set out within the report.

8 LGF (Local Growth Fund) High Risk Project Update

The Board received a report from Howard Davies, SELEP Capital Programme Officer, and Helen Dyer. The purpose of which was to provide an update on the delivery of the high risk A28 Sturry Link Road and Queensway Gateway Road LGF projects

The report also updated the Board on the London Gateway/Stanford le Hope LGF project which is now considered to be high risk.

The Board also received a verbal update from Richard Dawson, East Sussex County Council, regarding Queensway Gateway Road.

Councillor Gough referred to A28 Sturry Link Road and advised the Board that there was a slight amendment to the report, in that the planning application would now be considered at a meeting to be held on 2nd September and not 14th July. He advised that once the decision was made it would be immediately communicated to SELEP.

Councillor Coxshall referred to London Gateway/Stanford Le Hope and advised that the planning committee date had been deferred to 15th July.

Councillor Glazier referred to Queensway Gateway Road, stating that he hoped that the update provided by Richard Dawson would provide a level of comfort and that he felt confident that a detailed update would be provided at the September Board meeting.

The Board proceeded to discuss the situation regarding A28 Sturry link road and stressed that an update would be required as soon as possible following the planning committee meeting. It was agreed that the date in Recommendation 2.2 of the report be amended to reflect the new meeting date.

Resolved:

A28 Sturry Link Road:

1. **To Note** the update on the Project.
2. **To Agree** that the total £5.9m LGF allocation should be retained against the Project until 10 September 2021 when the outcome of the planning process will be known. Noting that if this is not agreed, that the unspent LGF balance of £135,000 currently held by Kent County Council must be returned to Essex County Council, as the Accountable Body, within 4 weeks of this meeting for reallocation to the next project(s) on the LGF pipeline, alongside the remaining £4.656m LGF allocation still held by the Accountable Body.
3. **To Note** that a further update will be brought to the September Board meeting which will set out the outcome of the planning process and the next steps for the Project.

Queensway Gateway Road

1. **To Note** the update on the Project, the further delay to delivery of the temporary connection and the steps which need to be taken to secure completion of the Project.
2. **To Note** that a further update will be provided to the Board in September 2021, which sets out a clear delivery plan and associated milestones.

London Gateway/Stanford Le Hope

1. **To Note** the update on the Project and the risks identified.
2. **To Agree** that a further update be brought to the Board in September 2021, which sets out a clear delivery plan, with associated milestones and confirms that a full funding package is in place.

9 A26 Tunbridge Wells Junction and Cycle Improvements Package – project change request

The Board received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of this report is for the Board to receive an update on the Tunbridge Wells A26 Cycle and Junction Improvements Package (the Project) and to consider a request to change the scope of the Project.

Cllr Gough stated that he felt that it was justifiable for this project to be brought back to the September Board meeting.

Resolved:

1. **To Agree** to retain the £1.8m LGF allocation against the Tunbridge Wells A26 Cycle and Junction Improvements Package until 10 September 2021; and
2. **To Agree** that an updated Business Case which demonstrates that the revised scope for the Tunbridge Wells A26 Cycle and Junction Improvements Package offers High value for money should be presented to the Board on 10 September 2021, along with evidence as to how the Project meets the conditions for spend beyond 30 September 2021.

10 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.

Colin Black provided a verbal update to the Board, advising that he had been out to the site and that things were progressing well. He acknowledged that there was a need to “pin down” the utilities companies but was confident that delivery would be in accordance with the programme.

Cllr Woodley congratulated Thurrock Council on the work done on this 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 September 2021 Board meeting.

11 LGF (Local Growth Fund) Lessons Learnt Report

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was to summarise the draft Local Growth Fund Lessons Learnt Report (the Report) to enable the Accountability Board (the Board) to discuss the recommendations set out in the Report and to provide their feedback on the Local Growth Fund (LGF) Programme.

The Board discussed the report and in particular the draft recommendations in the Table in 4.1 thereof.

Comments made included:

- Recommendations 1 and 2 - concern was raised that there may be some confusion as to the responsibilities of the Strategic Board and the Accountability Board when considering this recommendation.
- Recommendation 4 - Rosemary Nunn felt that from a Higher Educational perspective, the social value element of this recommendation was important.
- Recommendation 8 – some members questioned whether there was in fact a need to “hold back monies”- a discussion was had in this regard with some members believing that it had merits and would “sharpen minds” to encourage progress of projects. It was also felt that many high-risk projects are often the most transformational, in comparison with smaller lower risk projects. Some members believed that it should be regarded as a “critical friend” and that the recommendation in question should only be used as a last resort. Helen Dyer advised that such a recommendation was used by other LEPs and she would liaise with them on its effectiveness.
- Recommendation 10 – Cllr Chambers referred to the wording regarding further lobbying of HMG on the impact of delays by other governmental organisations continuing and spoke in support thereof.
- Delays caused by issues with utility companies was raised by Cllr Woodley, he felt that there was now improved cooperation and support by fellow Board members which was most welcome.

In response to a question from Cllr Gough, Helen Dyer advised that the comments made today would be fed into a report that would be presented to Strategic Board in October, with an update provided to this Board in November.

Resolved:

1. The Board **discussed** the contents of The Report and the recommendations therein, providing feedback to the Secretariat on their experiences of the Programme and what improvements can be taken forward; and
2. **To Note** the next steps to discuss with Strategic Board and develop an action plan for the implementation of changes.

12 LGF (Local Growth Fund) Additional Funding Awards

This item was not required as no LGF funding was returned to SELEP for reallocation as a result of decisions taken by the Board during the course of this meeting.

13 Getting Building Fund Programme Update

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

The Board were advised that there is a clear message from Central Government that spending of GBF by March 2022 should be a priority, with projects only being considered for a funding extension in exceptional circumstances.

It was also pointed out that due to delays caused by unforeseen and complex land ownership matters, the UTC Maritime and Sustainable Technology Hub project in Newhaven is now reporting that it is very unlikely that their GBF allocation (£1.3m) will be spent in full by 31 March 2022.

The Board discussed the situation with support voiced for option 2 in both cases.

In response to a question from Cllr Coxshall regarding the risk to SELEP's reputation, Suzanne Bennett advised that whilst we are most affected by the risk of GBF projects overrunning due to the high GBF allocation received, SELEP's reputation with Government with regard to delivery is in fact good and Government understand that this is a complex programme which is likely to experience slippage due to the restricted time allowed for delivery.

Cllr Gough made reference to Section 7 of the report and asked for some clarification regarding the referenced reprioritisation of projects in the GBF pipeline, with Helen Dyer providing clarification in this regard.

Resolved:

1. **To Note** the current forecast spend for the GBF programme for 2021/22 financial year of £71.448m.
2. **To Retain** GBF funding against projects after 31 March 2022, subject to certain conditions being satisfied as detailed in 6.9.3 of the report.
3. **To allow** the UTC Maritime and Sustainable Technology Hub Project until the September 2021 Board meeting to demonstrate compliance with the criteria and conditions for retaining the GBF allocation beyond 31 March 2022.

14 GBF (Getting Building Fund) Funding Decisions

The Board received a report from Katherine Wyatt, Capital Programme Officer, and details of the assessment by Steer, the purpose of which was for the Board to consider the award of £1,018,865 Getting Building Fund (GBF) to the Innovation Park Medway – Sustainable City of Business and Accessing Charleston: Removing the barrier to growth Projects as set out in Appendix B of the report.

The Board were advised that the recommendations in the report would need to be amended to include the additional wording "subject to Government approval of project inclusion within the GBF programme".

Resolved:

1. **To Agree** the award of £778,323 GBF to the Innovation Park Medway – Sustainable City of Business Project which has been assessed as presenting High value for money with High/Medium certainty of achieving this, subject to Government approval of project inclusion within the GBF programme.
2. **To Agree** the award of an additional £240,542 GBF to the Accessing Charleston: Removing the barrier to growth Project which has been assessed as presenting High value for money with Low/Medium certainty of achieving this,

subject to Government approval of project inclusion within the GBF programme. This funding is an extension to the funding previously approved at the November 2020 Board meeting.

15 Growing Places Fund Programme Update

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

Helen Dyer advised that an update on the Colchester Northern Gateway project had been provided since the publication of the agenda pack and as a result the recommendations to be considered by the Board had been updated.

Resolved:

1. **To Note** the updated position on the GPF programme.
2. **To Approve** the revised repayment schedule for the Eastbourne Fisherman's Quay and Infrastructure Development project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan.
3. **To Note** the change to the drawdown schedule for the Colchester Northern Gateway project; and
4. **To Note** the ongoing identified risk to the repayment schedule for the Centre for Advanced Engineering project.

16 GPF (Growing Places Fund) Funding Decision

The Board received a report from Helen Dyer, SELEP Capital Programme Manager and details of the assessment by Steer, the purpose of which was for the Board to consider the award of £1.6165m Growing Places Fund (GPF) funding to the Observer Building project (the Project) detailed in Appendix B of the report. This project was included in the GPF project pipeline agreed by Strategic Board on 12 June 2020.

Resolved:

To Approve the award of £1.6165m GPF by way of a loan to support the delivery of the Observer Building project, as set out in Appendix C, which has been assessed as offering High value for money with High certainty of achieving this.

17 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.

The Chair and Cllr Glazier offered their thanks to the team for all their efforts.

Resolved:

1. **To Note** the outcome of the Annual Performance Review and the Essex County Council Internal Audit review of SELEP and Accountable Body processes (report can be seen at Appendix A of the report);
2. **To Note** the update on Assurance Framework compliance monitoring at Appendix B and Governance KPIs at Appendix C of the report; and
3. **To Note** the changes to the Risk Register at Appendix D of the report.

18 Date of Next Meeting

The Chair advised that Katherine Wyatt would be leaving SELEP in August and offered her thanks on behalf of the Board for all her hard work.

The Board noted that the next meeting will take place on Friday 10th September 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 noted **A13 Widening project Update**

CONFIDENTIAL APPENDIX A.

21 Hadlow College CONFIDENTIAL VERBAL UPDATE

The Board received Hadlow College CONFIDENTIAL VERBAL UPDATE.

Chair

Report title: Local Growth Fund Capital Programme Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 10 September 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.
- 1.2. This report sets out the outturn position for 2020/21 and the latest spend forecast for future years.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1 **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.
 - 2.1.2 **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.
 - 2.1.3 **Note** the deliverability and risk assessment, as set out in Appendix D.
 - 2.1.4 **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.
 - 2.1.5 **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.

- 2.1.6 **Agree** the spend of LGF beyond 30 September 2021 and the revised completion date for the Bexhill Enterprise Park project as set out in Section 7 of this report, subject to Strategic Board endorsement in October 2021 and compliance with the conditions outlined at 2.1.5 above.
- 2.1.7 **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 this report, subject to Strategic Board endorsement in October 2021.
- 2.1.8 **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 this report, subject to Strategic Board endorsement in October 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 Fairglen 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.

5. Local Growth Fund spend position

- 5.1. The 2020/21 year-end position shows LGF spend on delivery of projects of £49.314m excluding DfT retained schemes and increasing to £72.564m including DfT retained schemes. In July 2021, the provisional 2020/21 year end position reported to the Board showed LGF spend on delivery of projects of £37.483m excluding DfT retained schemes and increasing to £60.773m including DfT retained schemes. There has been a substantial increase in the amount of LGF spend reported in 2020/21 since the July Board meeting, which is primarily due to Kent County Council providing updated financials for the last quarter of 2020/21.
- 5.2. There has been a substantial reduction in LGF spend when compared to the forecast spend position set out at the start of 2020/21. Original forecasts showed planned LGF spend totalling £128.803m (including DfT retained schemes), which has reduced by £56.238m to £72.564m. This change is shown in Table 1 below.

Table 1: 2020/21 outturn spend figures

LGF (£m)						
	Planned LGF spend in 2020/21	Total actual spend in 2020/21 (as reported in August 2021)	Variance (between planned and actual spend)	Actual LGF spend relative to planned spend in 2020/21 (%)	Additional spend/slippage identified for 2020/21 since the last board meeting	Additional spend/slippage previously considered by the Board
East Sussex	15.602	4.473	-11.129	28.7%	0.000	-11.129
Essex	11.709	10.997	-0.712	93.9%	-0.075	-0.637
Kent	24.963	24.696	-0.267	98.9%	11.906	-12.173
Medway	13.649	4.103	-9.546	30.1%	0.000	-9.546
Southend	11.496	1.855	-9.641	16.1%	0.000	-9.641
Thurrock	10.574	3.189	-7.385	30.2%	0.000	-7.385
Skills	0.000	0.000	0.000	-	0.000	0.000
M20 Junction 10a	0.000	0.000	0.000	-	0.000	0.000
LGF Sub-Total	87.994	49.314	-38.680	56.0%	11.831	-50.511
Retained	40.809	23.250	-17.558	57.0%	0.000	-17.558
Total Spend Forecast	128.803	72.564	-56.238	56.3%	11.831	-68.069

- 5.3. Table 1 shows that only 56% of forecast LGF spend excluding DfT retained schemes and 56.3% including DfT retained schemes was actually spent in 2020/21. This reduction in spend has been due to a number of factors, including:

5.3.1. COVID-19/Brexit impacts on project delivery – the COVID-19 pandemic has led to increased construction costs, delays in sourcing required materials and extended construction programmes due to measures introduced by Government to slow the spread of COVID-19. Brexit has also contributed to an increase in the cost of some required materials, such as granite, and delays in receiving these materials. As a result of

these issues, construction programmes have not progressed as expected prior to the start of 2020/21.

5.3.2 Delays in obtaining required planning permission – a number of projects have experienced delays as a result of extended planning processes. This is primarily due to the impacts of COVID-19, which has caused delays in both local planning authorities and the Planning Inspectorate determining applications and appeals. However, there have also been delays as a result of further consultation requiring changes to the scheme design, which ultimately delayed the determination of the planning application.

5.3.3. Delays experienced in receiving required approvals from or engagement with external organisations, such as Highways England, Network Rail and utility suppliers – a number of projects have reported that the time required to secure the relevant approvals from external organisations has increased and that these processes are often onerous.

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)						
	LGF spend to end of 2019/20	LGF actual spend 2020/21	LGF forecast spend 2021/22	LGF forecast spend 2022/23 onwards	Total	% LGF allocation to be spent by 31 March 2021
East Sussex	59.699	4.473	11.923	5.925	82.020	78.2%
Essex	78.642	10.997	8.394	15.730	113.763	78.8%
Kent	87.784	24.696	15.483	0.993	128.957	87.2%
Medway	21.357	4.103	6.980	0.000	32.440	78.5%
Southend	25.299	1.855	6.488	0.000	33.642	80.7%
Thurrock	26.301	3.189	6.350	0.000	35.840	82.3%
Skills	21.975	0.000	0.000	0.000	21.975	100.0%
M20 Junction 10a	19.700	0.000	0.000	0.000	19.700	100.0%
Sub-total	340.758	49.314	55.616	22.648	468.335	83.3%
DfT retained	70.636	23.250	16.713	0.000	110.600	84.9%
Total spend forecast	411.394	72.564	72.329	22.648	578.935	83.6%

5.5. Based on the 2020/21 year end position, **£94.977m** LGF remained unspent as at 31st March 2021. This figure includes £78.264m LGF from MHCLG and £16.713m LGF from the DfT.

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 MHCLG 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 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 MHCLG guidance on the assessment of LGF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of greater than 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.
 - 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 March 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	54	217.158	1.000
Low/Medium risk - 2	10	36.650	1.984
Medium risk - 3	17	111.082	20.466
Medium/high risk - 4	16	83.749	48.303
High risk - 5	9	130.296	23.224
Total	106	578.935	94.977

- 6.4. In total, £23.224m of unspent LGF is currently allocated to high-risk projects. A summary of the 9 high risk projects and any outstanding funding conditions associated with these projects is set out in Appendix E.
- 6.5. Updates on 6 of the high-risk projects are provided under Agenda Items 6, 7, 8, 9, 10 and 11. 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 July 2021 that, following a successful appeal to the Planning Inspectorate, planning permission had been granted for the Project. At this time, it was noted that East Sussex County Council were taking steps to enter into a Third Party LGF grant agreement with Sea Change Sussex, as delivery partner, to allow the transfer of the £1.94m LGF allocation. It was expected that this agreement would be completed and the Project would progress to delivery, with the LGF funded enabling works due to complete by 30 September 2021.
- 6.5.4. Subsequently, East Sussex County Council have reported that completion of the required Third Party Grant Agreement has been delayed due to ongoing discussions regarding the terms of the agreement. It is now expected that a decision will be made by East Sussex County Council in September 2021, as to whether to enter into a variation of the usual LGF Third Party Grant Agreement which addresses some of the points on which agreement has still not been reached. It should be noted that it is a requirement of the Service Level Agreement (SLA) in place between Essex County Council (as Accountable Body for SELEP), SELEP Ltd. and East Sussex County Council, that the relevant rights and obligations within that SLA are mirrored in the agreement between East Sussex County Council and the third party. In this scenario, the risk sits with East Sussex County Council to assure project delivery as per the SLA.
- 6.5.5. Until the Third Party Grant Agreement is in place, the LGF funding to support delivery of the Project cannot be released to Sea Change Sussex. As a consequence, delivery of the Project has been delayed

and the Board are asked to consider a request to approve LGF spend beyond 30 September 2021, as outlined in Section 7 of this report.

- 6.5.6. As the LGF programme is drawing to a close, and to ensure timely investment of the £1.94m LGF funding allocated to the Project, it is recommended that a time limit is placed on the completion of the required Grant Agreement. If agreement cannot be reached between East Sussex County Council and Sea Change Sussex on terms and the Grant Agreement completed by 19 November 2021, the date of the next Board meeting, it is recommended that the Project should be removed from the LGF programme and the £1.94m LGF funding be released for reallocation to alternative projects on the LGF prioritised project pipeline.
- 6.6. Appendix E also provides a summary of the M2 Junction 5 improvements project, which was previously reported as a high-risk project. An update on this project is provided below.
- 6.7. The Project seeks to deliver major improvements at the junction of the A249 with the M2 (Junction 5) near Sittingbourne. The junction currently suffers from high levels of congestion at peak periods and has a poor road safety record. The junction improvements will help to alleviate the existing congestion, provide capacity for future planned development in the area and improve the safety record of the junction.
- 6.8. The Board approved the award of £1.6m LGF in February 2020, subject to a number of conditions including confirmation of Secretary of State for Transport approval of the planned works following Public Inquiry.
- 6.9. In February 2021, the Board were advised that Secretary of State for Transport approval had still not been received due to the Public Inquiry being delayed as a result of the COVID-19 pandemic. The Board agreed that the full LGF allocation should be transferred to Kent County Council prior to the end of 2020/21 on the condition that the funding would be repaid if Secretary of State for Transport approval was not received by 31 March 2022.
- 6.10. As indicated at the July Board meeting, Secretary of State for Transport approval was received on 17 June 2021 satisfying the funding condition and allowing the Project to progress to delivery. It is now expected that work will commence onsite in January 2022, with completion expected in September 2024.
- 6.11. A full update on the Project will be provided to the Board in February 2022.

7. Local Growth Fund project delivery beyond September 2021

- 7.1 The Strategic Board has previously extended the delivery of the Growth Deal period by six months to 30 September 2021. Any further extensions beyond this date must be considered by both the Strategic Board and Accountability Board on a case by case basis.

- 7.2 Based on the latest LGF reporting provided by local partners, 21 projects are currently forecasting LGF spend beyond 30 September 2021 totalling £53.342m, as set out in Appendix C. 17 of these projects have been considered and approved for spend beyond 30 September by both the Board and Strategic Board.
- 7.3 Four projects are seeking Board approval for spend beyond 30 September 2021 at this meeting. Bexhill Enterprise Park North, Strood Town Centre Journey Time and Accessibility Enhancements and Innovation Park Medway – northern site extension (Rochester Airport Phase 3) are considered below.
- 7.4 The final project seeking approval is the A26 Tunbridge Wells Junction and Cycle Improvements Package. The Board are asked to consider this Project under Agenda Item 11.
- 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.

Bexhill Enterprise Park North

- 7.6 The Board approved the award of £1.94m LGF to the Bexhill Enterprise Park North project in June 2019, at which point it was expected that the Project would complete in March 2020.
- 7.7 As the Board are aware, delivery of the Project was significantly delayed due to the reserved matters planning application for the Project being refused by the Local Planning Authority. Following a planning appeal process, which was extended due to the impacts of the COVID-19 pandemic, full planning permission for the LGF funded enabling works and the proposed commercial development was granted on 1 April 2021.

- 7.8 In July 2021, the Board were informed that completion of the LGF funded enabling works was now expected in September 2021. However, it was noted that this was dependent upon the Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex being completed.
- 7.9 As outlined in Section 6 of this report, the required Grant Agreement has still not been completed due to ongoing discussions regarding the terms of the agreement. As a result of the delay in completing the required legal documentation, it was not possible to release the LGF funding immediately which meant that the enabling works could not be completed through a continuous programme of works as originally intended. As a result, the contractor has had to demobilise and leave site following the completion of the initial works.
- 7.10 Additional time is now required to facilitate the completion of the Grant Agreement, remobilisation of the contractor and to account for likely delays due to working through the winter months, with the LGF funded enabling works now expected to complete in March 2022. As a result, approval is sought for spend beyond September 2021 of the full £1.94m LGF allocation.
- 7.11 Despite the delays in delivering this Project, the scope and the cost of the Project remain unchanged from the original Business Case submission.
- 7.12 As set out in Appendix G, the Project does satisfy the conditions previously agreed by the Board. However, it should be noted that whilst a procurement process has been undertaken and a contractor appointed to deliver the enabling works, an agreement to extend the contractual commitment to cover the LGF funded works will not be signed until the Third Party Grant Agreement has been completed. Sea Change Sussex have indicated to East Sussex County Council that they anticipate being able to confirm the extension of the construction contract prior to the end of September 2021; however, it has been advised that East Sussex County Council will not be taking a decision regarding entering into a revised Third Party Grant Agreement with Sea Change Sussex until September 2021. Following this decision, steps will need to be taken to complete a final review of the Third Party Grant Agreement before it can be completed by both parties. There is, therefore, a risk that the grant agreement will not be completed in time to allow a contractual commitment to be in place with the construction contractor at the end of September.
- 7.13 It is recommended that any decision to approve LGF spend beyond 30 September 2021 on the Bexhill Enterprise Park North project is subject to the timely completion of the Third Party Grant Agreement, as outlined in Section 6 of this report.

Strood Town Centre Journey Time and Accessibility Enhancements

- 7.14 The Board approved the award of LGF funding to the Strood town centre project in March 2015, at which point it was expected that the Project would complete in June 2018.
- 7.15 Whilst delivery of the Project has taken longer than anticipated, the Project is now nearing completion. The public realm and traffic improvements delivered as part of the Project are now substantially complete.
- 7.16 The only outstanding element of the Project is the commissioning of the architectural lighting on St. Nicholas Church. Commissioning of the lighting has been delayed due to a supplier issue which has resulted in the required sim cards not being received in accordance with the expected programme.
- 7.17 It is now expected that the Project will complete in Q3 2021/22, with LGF spend of £0.072m forecast to extend beyond 30 September 2021.
- 7.18 As set out in Appendix G, the Project satisfies the conditions previously agreed by the Board for LGF spend beyond September 2021.

Innovation Park Medway – northern site extension (Rochester Airport Phase 3)

- 7.19 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 4 below.

Table 4: 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 2022 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 2022 is being sought at this Board meeting

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	

- 7.20 The element of the Innovation Park Medway funding package under consideration in this report relates to the delivery of enabling infrastructure on a section of the northern site.
- 7.21 The Board approved the award of £1.5185m LGF to the Innovation Park Medway – northern site extension project in July 2020, at which point it was expected that the Project would complete in December 2021.
- 7.22 Delivery of the entire Innovation Park Medway project was delayed whilst the adoption of the Local Development Order for the site was awaited. This adoption has now taken place and, as a result, it is possible for delivery of the SELEP funded enabling works on both Innovation Park Medway sites to commence.
- 7.23 Delivery of this element of the Innovation Park Medway project has been delayed to allow time for additional archaeological work to be undertaken on the site. This follows on from a number of archaeological finds during the delivery of the Rochester Airport improvements project. In addition, it has been decided that to maximise cost efficiencies, delivery of this phase of the project should be aligned with the Innovation Park Medway – northern site project allowing all LGF funded enabling works across the northern site of Innovation Park Medway to be delivered at the same time.
- 7.24 It is expected that this element of the Innovation Park Medway project will complete in November 2022, with LGF spend of £0.780m forecast to extend beyond September 2021. It is expected that the full LGF allocation will be spent by the end of March 2022.
- 7.25 As set out in Appendix G, the Project satisfies the conditions previously agreed by the Board for LGF spend beyond September 2021.
- 7.26 The Board is asked to agree the spend of LGF funding beyond 30 September 2021 on the three projects outlined above, subject to endorsement by Strategic Board at their meeting on 1 October 2021.
- 7.27 If any of the approved projects report a Project completion date which is delayed by more than 6 months, a further decision will be required from the Board to grant this extension. This requirement is in line with the change

request process set out in the Assurance Framework and Service Level Agreements between SELEP Ltd, Essex County Council, as Accountable Body, and the local authorities.

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. In addition, the next project on the pipeline – the Kent and Medway EDGE Hub – has received part of its additional LGF request following the return of additional funding as a result of the cancellation of the Basildon Innovation Warehouse project.
- 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. Under Agenda Item 11 the Board are asked to consider a proposed change of project scope for the A26 Tunbridge Wells project and under Agenda Item 10 the Board are asked to consider the latest position on the A28 Sturry Link Road project. If the Board choose not to agree the change of scope for the Tunbridge Wells project and/or agree the reallocation of the remaining unspent LGF balance against the A28 Sturry Link Road project, funding will be released for reallocation through the pipeline. This reallocation will be considered under Agenda Item 12.
- 8.3. It should be noted that 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. This is primarily due to the timing of the decision, the requirement for any funding removed from existing projects to be returned to Essex County Council (as Accountable Body for SELEP) for reallocation and the legal documentation which needs to be completed before the funding can be released. To address this, under Agenda Item 12, 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 crisis on the delivery (and pace of delivery) of project outputs and outcomes, which could impact the overall value for money achieved through the delivery of the programme. 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 currently holds a balance of £4.656m LGF that is allocated to the Sturry Link Road project; transfer of this funding is subject to confirmation of conditions being met and approval from the Board – this is considered under agenda item 10.
- 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 Authority’s (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

- 12.1 Appendix A – LGF spend forecast update
- 12.2 Appendix B – LGF pipeline, agreed by the Strategic Board in Dec 2020

Local Growth Fund Capital Programme Update

12.3 Appendix C – Projects spending LGF beyond 30 September 2021

12.4 Appendix D – Project deliverability and risk update

12.5 Appendix E – High Risk Projects

12.6 Appendix F – LGF Programme Risks

12.7 Appendix G – Compliance with conditions for LGF spend beyond 30 September 2021

(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	
Nicole Wood	01/09/2021
(S151 Officer, Essex County Council)	

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	0.280	0.266	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	0.560	1.792	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	2.280	3.110	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	1.560	0.756	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	0.000	0.000	0.000	1.000
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	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	3.270	1.730	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

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	0.623	0.000	1.800
LGF00010	Kent Thameside LSTF	Kent	2.051	0.480	0.720	0.252	0.286	0.711	0.000	0.000	0.000	4.500
LGF00011	Maidstone 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 Seafront : 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	2.000	0.300	0.070	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 Seafront (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	0.901	0.000	0.000	7.021
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	2.834	0.000	0.000	23.090
LGF00115	Southend Town Centre	Southend	0.000	0.000	0.000	0.000	0.000	0.068	1.557	0.000	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												
LGF00001	Skills		9.923	11.980	0.071		0.000					21.975
LGF00071	M20 Junction 10a				8.300	11.400	0.000					19.700

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
Sub-total			54.563	70.405	78.983	73.778	63.029	49.314	55.616	10.578	12.070	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 Fairglen 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
LGF slippage 2015/16 to 2016/17			0.087									
LGF slippage from 2016/17 to 2017/18				1.422								
LGF slippage from 2017/18 to 2018/19					15.996							
LGF slippage 2018/19 to 2019/20						7.167						
Forecast LGF slippage 2019/20 to 2020/21							19.364					
Forecast LGF slippage 2020/21 to 2021/22								3.213				

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	0.4065	19.4%	Mar-23
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	6.6000	2.0723	31.4%	Mar-23
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	9.0000	4.2499	47.2%	Mar-23
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	8.0000	1.5360	19.2%	Mar-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
LGF00119	University of Essex Parkside (Phase 3)	Essex	5.0000	4.6900	93.8%	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	2.9261	77.5%	Aug-22
LGF00009	A26 Tunbridge Wells junction and cycle improvements package	Kent	1.8000	0.6234	34.6%	Sep-22
LGF00039	Maidstone Integrated Transport	Kent	8.9000	2.3700	26.6%	Sep-23
LGF00040	A28 Sturry Link Road	Kent	5.9000	4.7909	81.2%	Dec-24
LGF00041	Thanet Parkway	Kent	14.0000	2.7250	19.5%	Dec-22
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	8.6000	0.0716	0.8%	Oct-21
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.2000	0.7000	31.8%	Mar-22
LGF00089	IPM (Rochester Airport - Phase 2)	Medway	3.7000	1.7476	47.2%	Nov-22
LGF00115	IPM2 (Rochester Airport - Phase 3)	Medway	1.5185	0.7797	51.3%	Nov-22
LGF00104	Grays South	Thurrock	10.8403	5.3639	49.5%	Aug-24

Appendix D - Local Growth Fund Delivery and Risk														
Project	Accountability Board approval	Delivery Status	Deliverability					Financial				Reputational risk RAG (August 2021)	Overall RAG rating (August 2021)	
			Expected completion date (as stated in Business Case)	Expected completion date (June 2021)	Expected completion date (August 2021)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating (August 2021)	LGF allocation	LGF spend to end of 2020/21	LGF spend beyond 2020/21			Financials RAG rating (August 2021)
East Sussex														
Newhaven Flood Defences	Jun-15	Construction in progress	01/02/2020	30/06/2021	30/09/2021	19	3	4	£1,500,000	£1,500,000	£0	1	2	2
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	01/03/2020	01/03/2022	31/03/2023	36	12	5	£2,100,000	£1,553,502	£546,498	3	3	4
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	01/03/2021	01/12/2022	31/03/2023	24	3	4	£6,600,000	£4,247,663	£2,352,337	4	3	4
Queensway Gateway Road	Mar-15	Construction in progress	01/03/2016	01/03/2022	01/03/2022	72	0	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	4	£9,000,000	£3,610,070	£5,389,930	4	3	4
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	01/03/2021	31/03/2022	31/03/2022	12	0	4	£8,000,000	£5,684,008	£2,315,992	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	30/09/2021	31/03/2022	24	6	4	£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	01/06/2022	30/11/2022	20	5	4	£4,413,000	£1,299,730	£3,113,270	4	2	3
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	Jun-19	Design in progress	01/03/2021	01/12/2021	30/06/2022	15	6	4	£500,000	£119,400	£380,600	4	3	4
Bexhill Creative Workspace	Sep-19	Construction in progress	01/05/2020	30/06/2021	30/09/2021	16	3	4	£960,000	£591,357	£368,643	3	2	3
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	£0	£1,440,000	5	2	4
Essex														
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	01/03/2016	01/03/2016	01/03/2016	0	0	1	£200,000	£200,000	£0	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 Fairglen junction improvements	Pending	Approval pending	01/09/2022	01/04/2023	01/04/2023	7	0	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	Construction in progress	01/03/2021	30/09/2021	30/09/2021	6	0	4	£10,000,000	£10,000,000	£0	1	2	2
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	3	4

Project	Deliverability								Financial			Reputational risk RAG (August 2021)	Overall RAG rating (August 2021)
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (June 2021)	Expected completion date (August 2021)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating (August 2021)	LGF allocation	LGF spend to end of 2020/21	LGF spend beyond 2020/21	Financials RAG rating (August 2021)	
Coastal Communities Housing Intervention Jaywick	Feb-17	LGF project delivered	01/06/2019	01/06/2019	01/06/2019	0	0	1	£666,667	£666,667	£0	1	1
Gilden Way upgrading	Dec-17	Design in progress	01/03/2021	31/12/2021	31/12/2021	9	0	4	£5,000,000	£5,000,000	£0	1	2
Technical and Professional Skills Centre at Stansted Airport	May-17	LGF project delivered	01/09/2018	01/09/2018	01/09/2018	0	0	1	£3,500,000	£3,500,000	£0	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
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
A127/A130 Fairglan Interchange new link road	Feb-19	Design in progress	01/04/2022	01/04/2023	01/04/2023	12	0	4	£6,235,000	£6,235,000	£0	1	3
M11 junction 8 improvements	Nov-17 and Mar-21	Design in progress	01/03/2021	01/11/2022	31/12/2022	21	1	4	£3,733,896	£2,400,000	£1,333,896	3	4
Mercury Rising Theatre	Nov-17	Construction in progress	01/03/2020	30/06/2021	31/08/2021	17	2	4	£1,000,000	£1,000,000	£0	1	2
Basildon Digital Technologies Campus	Jun-19	LGF project delivered	01/09/2020	31/03/2021	01/09/2021	12	5	1	£2,150,000	£2,150,000	£0	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
USP College Centre of Excellence for Digital Technologies and Immersive Learning, Benfleet	Jun-19	Construction in progress	01/09/2020	01/09/2021	30/09/2021	12	0	4	£900,000	£743,000	£157,000	2	1
Flightpath Phase 2	Jun-19 and Feb-21	Construction in progress	30/09/2020	30/09/2021	30/09/2021	12	0	4	£1,981,500	£1,421,500	£560,000	1	2
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
New Construction Centre, Chelmsford College	Jul-20	Construction in progress	01/09/2021	01/09/2021	01/02/2022	5	5	4	£1,295,200	£0	£1,295,200	5	2
Colchester Grow on Space, Queen Street	Feb-21	Design in progress	30/07/2022	30/07/2022	31/08/2022	1	1	2	£3,777,451	£0	£3,777,451	5	2
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	31/03/2021	0	0	1	£6,000,000	£6,000,000	£0	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
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
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
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	Construction in progress	01/09/2019	30/09/2021	30/09/2022	36	12	5	£1,800,000	£1,176,611	£623,389	5	4
Kent Thameside LSTF	Mar-15	LGF project delivered	31/03/2021	30/09/2021	01/08/2021	4	0	1	£4,500,000	£4,500,000	£0	1	1
Maidstone Gyrotary 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
Kent Strategic Congestion Management programme	Mar-15, Apr-16, Feb-17 and Feb-18, and Feb-21	Construction in progress	31/03/2021	30/06/2021	30/09/2021	5	3	4	£4,800,000	£4,700,000	£100,000	2	3
Middle Deal transport improvements	Feb-16	Construction in progress	01/12/2016	30/09/2021	30/09/2021	57	0	5	£800,000	£800,000	£0	1	3
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
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
West Kent LSTF	Apr-16	Construction in progress	31/03/2021	30/09/2021	30/09/2021	5	0	4	£4,900,000	£4,900,000	£0	1	2
Folkestone Seafrost: 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
A28 Chart Road	Nov-15	Project on hold	01/03/2020	TBC	TBC			5	£2,756,283	£2,756,283	£0	5	5

Project	Deliverability								Financial			Financials RAG rating (August 2021)	Reputational risk RAG (August 2021)	Overall RAG rating (August 2021)
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (June 2021)	Expected completion date (August 2021)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating (August 2021)	LGF allocation	LGF spend to end of 2020/21	LGF spend beyond 2020/21			
Maidstone Integrated Transport Package	Nov-15 and Jun-18	Construction in progress	01/02/2020	01/09/2023	01/09/2023	43	0	5	£8,900,000	£6,530,000	£2,370,000	4	5	5
A28 Sturry Link Road	Jun-16	Design in progress	01/10/2021	01/03/2024	31/12/2024	38	9	5	£5,900,000	£1,109,051	£4,790,949	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	£9,275,000	£4,725,000	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 and Mar-21	Construction in progress	31/08/2020	30/09/2021	30/09/2021	12	0	4	£7,021,128	£6,120,000	£901,128	2	1	2
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Design in progress	01/07/2023	01/07/2023	01/07/2023	0	0	1	£2,349,000	£2,298,496	£50,504	2	2	2
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	01/01/2023	31/12/2025	35	35	5	£1,600,000	£0	£1,600,000	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	£8,000,000	£1,000,000	1	1	1
East Malling Advanced Technology Horticultural Zone	Jun-20 and Feb-21	Construction in progress	01/07/2021	01/07/2021	30/09/2021	2	2	2	£1,998,600	£1,683,600	£315,000	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	31/05/2021	31/10/2021	40	5	5	£8,600,000	£8,200,431	£399,569	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	Design in progress	31/03/2021	31/12/2021	31/03/2022	12	3	4	£2,200,000	£768,534	£1,431,466	4	4	4
Rochester Airport - phase 1	Jun-16	Construction in progress	31/03/2018	01/11/2021	01/11/2021	43	0	5	£4,400,000	£2,993,948	£1,406,052	1	4	3
Innovation Park Medway (phase 2)	Feb-19	Design in progress	31/12/2020	31/07/2022	30/11/2022	22	3	4	£3,700,000	£1,136,968	£2,563,032	3	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	31/07/2022	30/11/2022	10	3	4	£1,518,500	£338,827	£1,179,673	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	31/08/2021	15/09/2021	5	0	4	£4,300,000	£2,220,096	£2,079,904	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	31/08/2021	15/09/2021	5	0	4	£8,207,000	£6,866,502	£1,340,498	2	2	3
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	Construction in progress	31/03/2021	01/07/2021	30/09/2021	5	2	4	£7,000,000	£5,109,821	£1,890,179	2	2	3
London Southend Airport Business Park	Feb-16, Sep-17 and Sep-18	Construction in progress	31/03/2021	31/03/2022	31/03/2022	12	0	4	£23,090,000	£20,256,454	£2,833,546	2	2	3
Southend Town Centre Interventions	Jul-20 and Feb-21	Design in progress	01/03/2021	30/09/2021	31/10/2021	7	1	4	£1,625,000	£68,000	£1,557,000	3	2	3
Thurrock														

Project	Deliverability								Financial			Financials RAG rating (August 2021)	Reputational risk RAG (August 2021)	Overall RAG rating (August 2021)
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (June 2021)	Expected completion date (August 2021)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating (August 2021)	LGF allocation	LGF spend to end of 2020/21	LGF spend beyond 2020/21			
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	01/08/2022	TBC			5	£7,500,000	£7,500,000	£0	4	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	01/01/2030	28	0	5	£5,000,000	£5,000,000	£0	1	3	3
Grays South	Feb-19	Design in progress	01/07/2022	01/10/2023	31/08/2024	25	10	4	£10,840,274	£4,490,721	£6,349,553	5	3	4
A13 widening	Apr-17, Jul-20 and Mar-21	Construction in progress	31/12/2019	01/11/2021	31/03/2022	27	4	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 31 March 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 7.
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.	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. Project now seeking extension beyond 30 September 2021. Recommended that condition attached to the funding requiring completion of the outstanding Grant Agreement by the November Board meeting.
A127 Fairglen 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.
A26 Tunbridge Wells cycle improvements, Kent		1.80	65.4%	Uncertainty regarding deliverability of proposed change in scope for Phase 2 of the project	Under Agenda Item 11 the Board are asked to consider whether a proposed change of project scope should be implemented.
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 planning consent required for specific interventions within the programme.	The unspent LGF was transferred to Kent County Council on the condition that the required planning consents for Phases 1 and 3 would be secured by 1 September 2021. Not all the required planning consents have been secured. An update on the Project is provided under Agenda Item 6.
A28 Sturry Link Road, Kent		5.90	18.8%	Planning permission for the project was refused by Kent County Council. A revised planning application is due to be considered in September 2021.	A verbal update on the outcome of the planning application will be presented under Agenda Item 10. If planning permission is refused again, it is recommended that the unspent LGF funding is reallocated to alternative projects on the LGF prioritised project pipeline.
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 8.
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 9.
High risk LGF projects(as reported at February Board) which have now met their funding conditions					
M2 Junction 5, Kent		1.60	0.0%	Project was awaiting approval by Secretary of State for Transport.	The full LGF allocation was transferred to Kent County Council at the end of 2020/21 on the condition that if the Secretary of State has not approved the project by 31 March 2022 that the LGF funding would be returned to SELEP for reallocation. The Secretary of State for Transport approved the project on 17 June 2021.

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.
Resource to deliver LGF projects	There is a risk to the availability of resource to deliver LGF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	4	16	SELEP Ltd has agreed to extend the delivery of the Growth Deal period by a minimum of six months to help ease some of the delivery pressures and to support the appropriate governance of projects.
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.
Affordability of LGF projects	There are likely to be substantial delays to LGF projects at each stage of project delivery as a result of COVID-19, with an impact on the total cost of LGF projects. In addition, there is also a risk to S106 funding contributions which have previously been committed towards LGF projects. Local authority budgets are likely to come under increased pressure and private sector contributions may not be available to the scale/timescales originally anticipated.	3	5	15	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all LGF projects.
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.

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 current LGF spend forecast, 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>

Appendix G – Compliance with conditions for LGF spend beyond 30 September 2021

Bexhill Enterprise Park North

A clear delivery plan with specific delivery milestones and completion date	
Project delivery programme is as follows:	
Milestone	Expected date
Outline Planning Permission secured	4 th May 2018
Reserved Matters Planning Application submitted	13 th October 2018
Reserved Matters Planning Permission granted	1 st April 2021
Commencement of construction onsite	1 st April 2021
Completion of LGF funded enabling works	31 st March 2022
<p>Note: works are being delivered in two phases. Phase 1 works have been undertaken. Phase 2 works are dependent upon release of LGF funding. Construction programme is extended as it was not possible for the LGF funding to be released in time to allow a continuous programme of works.</p>	
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	
<p>The LGF funding supports delivery of enabling infrastructure on a development site, including provision of road access. Delivery of this infrastructure unlocks the land for commercial development.</p> <p>The delivery of the LGF funded enabling works will support the creation of new construction jobs and will leverage private sector investment in the delivery of new employment space. Contracts are in place with regard to the construction of the first 8,000sqm of commercial space on the site.</p> <p>There is capacity on the site to support between 493 new jobs.</p>	
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 on 1 October 2021.	
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project	
<p>Work on the Project has been partially completed, following a tender process. A contractor is therefore in place to deliver the Project. An agreement needs to be put in place between Sea Change Sussex and the contractor to extend the contract to cover the LGF funded works. It is anticipated that this will be achieved prior to 30 September 2021, subject to the Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex being completed in time.</p>	

Strood Town Centre Journey Time and Accessibility Enhancements

A clear delivery plan with specific delivery milestones and completion date
The public realm and traffic improvements being delivered through the Project are substantially complete. The only remaining outstanding element of the Project relates to the commissioning of the architectural lighting at St. Nicholas Church. It is expected that the lighting will be commissioned in Q3 2021/22.
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area
<p>The Project seeks to improve accessibility within the town centre, helping to bring about modal shift through the creation of better and sustainable networks. Through these improvements the project will help secure improved environmental conditions and act as a catalyst to help increase the potential capacity of existing development sites, as well as bringing forward new development opportunities.</p> <p>The Project is expected to enable the creation of between 360 and 450 new jobs and the delivery of between 650 and 815 houses. These outcomes contribute towards the wider regeneration of Strood town centre, which is expected to realise a total of 1,820 new jobs and 3,260 new homes.</p>
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 on 1 October 2021
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project
A contractor has been appointed and the project is substantially complete.

Innovation Park Medway – northern site extension (Rochester Airport Phase 3)

A clear delivery plan with specific delivery milestones and completion date	
Project delivery programme is as follows:	
Milestone	Expected/actual date
Local Development Order Adopted	December 2020 (Medway Council) and February 2021 (Tonbridge & Malling Borough Council)
Completion of detailed design	Q4 2020/21 and Q1 2021/22
Tender process and award of construction contract	Q1 2021/22
Commencement of archaeological works	August 2021
Mobilisation of construction contractor	August 2021
Practical completion of LGF funded enabling works	November 2022
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	
<p>It is envisaged that Innovation Park Medway will attract high Gross Value Added (GVA) businesses focused on technology, engineering and knowledge-intensive sectors, creating high value jobs.</p> <p>The Project is expected to enable the creation of 1,300 new highly skilled jobs in engineering and technology, which will facilitate the upskilling of the local workforce through high quality training and apprenticeships.</p> <p>It is anticipated that through the creation of an Innovation Park focussing on scientific and engineering industries it will be possible, due to available employment offer in highly skilled industries, for Medway to retain a higher number of graduates from the local universities.</p>	
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 on 1 October 2021	
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project	
The construction contractor was appointed in Q1 2021/22 and work is due to start onsite in August.	

Forward plan reference number: FP/AB/430

Report title: Maidstone Integrated Transport Package Project Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 10 September 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: Kent County Council	

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 Maidstone Integrated Transport Package project (the Project).
- 1.2. In January 2021, the Board approved the transfer of the remaining £4.1m LGF to Kent County Council to support delivery of the Project post March 2021. This funding was transferred on the condition that all outstanding planning consents for Phases 1 and 3 of the Project were in place by 1 September 2021. This report provides an update on progress towards securing the required planning consents and towards delivery of the Project as a whole.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the update on project delivery and progress towards achieving the outstanding planning consents;
 - 2.1.2. **Agree** that the £8.9m LGF funding should remain allocated to the Project;
 - 2.1.3. **Agree** to allow the Project until the November Board meeting (19 November 2021) to secure the required planning consent for the relocation of the ragstone wall;
 - 2.1.4. **Agree** that a further update on the Project, which outlines progress towards achieving the outstanding planning consent and on delivery of the Project, should be presented to the November Board meeting.

3. Summary Position

- 3.1. The Project has been awarded a total of £8.9m LGF. This funding has been approved by the Board through a series of decisions taken throughout the Growth Deal period. £6.53m of the LGF allocation was reported as spent to the end of 2020/21.
- 3.2. The Project is split into three separate phases, with each phase at a different stage of development.

3.3. In February 2021, the Board approved the transfer of the remaining £4.1m LGF allocation to Kent County Council, on the condition that the outstanding planning consents for Phases 1 and 3 of the Project were secured by 1 September 2021. The outstanding planning consents were as follows:

3.3.1. Phase 1 – Permission from Maidstone Borough Council to relocate an existing ragstone wall which forms part of the boundary to Mote Park. It was expected that this permission would be secured in March or April 2021.

3.3.2. Phase 3 – Permission from Maidstone Borough Council to demolish the Wheatsheaf Public House. It was expected that this permission would be secured by the end of March 2021.

3.4. The Board agreed that if these conditions were not met by 1 September 2021, that an update report should be presented to the Board at this meeting. It is noted that to date, one of the planning consents has been secured but the other remains outstanding. Accordingly, this report provides an update on the status of these planning consents, alongside an update on the delivery of all three phases of the Project.

4. Phase 1 – A20 Ashford Road junction with Willington Street

4.1. The award of LGF funding to support delivery of Phase 1 of the Project was approved by the Board in February 2016. 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. £1m of LGF funding has been allocated to support delivery of the Phase 1 works.

4.2. 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.

4.3. It was noted by the Board in February 2021 that a planning application needed to be submitted to Maidstone Borough Council to secure permission to relocate the wall due to its association with Mote Park. At the time of the February Board meeting, it was expected that the application would be submitted to Maidstone Borough Council in February 2021, with a decision expected in March or April 2021.

4.4. The latest update provided on this phase of the Project indicates that the planning application has not yet been submitted. It is now expected that the planning application will be submitted during week commencing 13 September 2021, with an expected determination on 5 November 2021 (8 weeks). If the planning application needs to be considered by Planning Committee, then this will happen on 18 November 2021. Pre-application advice has been sought from Maidstone Borough Council's planning department, and no significant risks to the planning application have been identified. It is noted that the delay in submitting the planning application will not impact on the delivery

programme for the Phase 1 works. This is due to the planned timing of the works within the wider overall programme as set out below.

- 4.5. It was noted in February 2021 that due to other pressures on the network and the uncertainty of the impact of the EU Transition on the M20 for which the A20 forms part of the resilient network, the intention has always been to deliver this phase of the works at the back end of the programme. This planned approach to construction allowed scope within the programme for the delay in submitting the planning application, without negatively impacting on the construction of the proposed works.
- 4.6. Alongside the planning application, work is continuing to develop the detailed design and required geotechnical investigations have been taking place during the summer. Procurement of a construction contractor will commence once the detailed design has been completed and the Planning Application determined.
- 4.7. An indicative programme for the delivery of the Project has been provided, however, this programme is subject to change as work remains ongoing to address a number of external factors, including the need to manage any potential clashes with other roadworks within Maidstone and obtaining road space on the Kent County Council and Highways England networks. It is anticipated that a clearer idea of the planned construction programme will be available by the November Board meeting.
- 4.8. The indicative programme for Phase 1 indicates that works will potentially start on site in Spring 2023, with completion by December 2023.

5. Phase 2 – Coldharbour Roundabout and A20 London Road, Aylesford

- 5.1. The award of LGF funding to support delivery of Phase 2 of the Project was approved by the Board in June 2018. £4.2m of LGF funding has been allocated to support delivery of the Phase 2 works.
- 5.2. 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.
- 5.3. The detailed design for the Coldharbour roundabout improvements has now been completed and the necessary acquisition of third-party land has been agreed with the landowner, subject to completion of the required legal documentation.
- 5.4. Procurement of a construction contractor is expected to begin in Autumn 2021, with a view to appointing a contractor in Spring/Summer 2022. Construction is expected to start with off carriageway works in Autumn 2022, however, this is subject to the A249 Bearsted Road improvement scheme nearing completion at this time. If both the Coldharbour roundabout and 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 progress in accordance with the above programme, it is expected that these works will complete in Summer 2023. However, as set out at section 4.7, this is an indicative programme which remains subject to change.

- 5.5. The A20 London Road/Hall Road, Aylesford scheme will remove the current signalised crossroads junction and replace it with a non-signalised roundabout. The works will also include bus stop improvements, cycle and pedestrian facilities and sustainable drainage. The new roundabout has been designed to accommodate the potential increase in traffic over the next 30 years, including local residential development and will deliver journey time improvements and improved junction safety.
- 5.6. Due to proximity of the two junctions within this phase of the Project, the proposed A20 London Road/Hall Road scheme continues to be developed alongside the Coldharbour roundabout improvements with the design of the new non-signalised roundabout nearing completion. The procurement of a construction contractor and the delivery of the improvements to the A20 London Road/Hall Road will follow on from the delivery of the improvements to the Coldharbour roundabout, subject to availability of road space. Whilst the two junction improvement schemes within this phase are closely linked due to their proximity, they cannot be delivered simultaneously as this would result in significant detrimental impacts on both local traffic and the M20 corridor.
- 5.7. The indicative programme for the delivery of the improvements to the A20 London Road/Hall Road junction shows potential commencement of the works in Summer 2023, with completion in Spring/Summer 2024. This programme is still subject to change (see section 4.7 of this report) and is dependent upon the programme for both the A249 Bearsted Road improvement scheme and the Coldharbour roundabout improvements referenced above.

6. Phase 3 – A229 Loose Road corridor, Maidstone

- 6.1. The award of LGF funding to support delivery of Phase 3 of the Project was approved by the Board in April 2019. £3.7m of LGF funding has been allocated to support delivery of the Phase 3 works.
- 6.2. 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.
- 6.2.1. A229 Loose Road junction with A274 Sutton Road (Wheatsheaf junction) – 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.
- 6.2.2. 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.
- 6.2.3. 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.

- 6.2.4. 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.
- 6.3. It was noted by the Board in February 2021 that a planning application needed to be submitted to Maidstone Borough Council to secure permission to demolish the Wheatsheaf Public House, which is on the junction of Loose Road and Sutton Road. At the time of February Board meeting, it was expected that the application would be submitted to Maidstone Borough Council in February 2021, with a decision expected in late March 2021.
- 6.4. The latest update provided on the Project indicates that planning consent for the demolition of the Wheatsheaf Public House was granted on 24 June 2021 by Maidstone Borough Council. Following the determination of the planning application, a heritage assessment of the building was carried out in July 2021. This assessment was required to support the discharge of planning conditions which were applied to the award of consent for demolition. It is expected that the planning conditions will be discharged by December 2021.
- 6.5. A trial closure of Cranborne Avenue (side road adjoining the Loose Road/Sutton Road junction) is planned in Autumn 2021. This trial will establish what impact the closure of this junction will have on the operation of the existing junction to help inform the detailed design of the scheme. Traffic surveys will be carried out to verify the current flow data, with additional counts carried out during the closure to further assess the impacts of the proposed scheme. It is noted that alterations to the junction of Plains Avenue (north of the junction with Cranborne Avenue) with Loose Road may also be required and this will be assessed as part of the final design for the Loose Road/Sutton Road junction improvements.
- 6.6. The detailed design for the Loose Road/Sutton Road junction improvements will be taken forward following the trial closure of Cranborne Avenue, with a view to this being completed in Spring 2022. The indicative programme provided indicates that work will potentially start onsite in Summer 2023, with completed forecast for Spring 2024. However, as set out in section 4.7 of this report, this programme is only indicative at this stage and is subject to change.
- 6.7. The Loose Road/Armstrong Road junction improvements outlined above, 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 contractors and, subject to road space being available, could commence onsite in Summer 2022 with completion by December 2022 (indicative programme, see section 4.7 of this report).
- 6.8. The detailed design for the Loose Road/Sheals Crescent junction improvements outlined above is nearing completion. It is anticipated that these works could be delivered in conjunction with the improvements to the Loose Road/Armstrong Road junction.
- 6.9. The final element of this phase of the Project is the Loose Road junction with Boughton Lane/Cripple Street improvements. ~~Following recent consultation, the design for this element of the Project is currently being reviewed. The indicative programme provided for~~

delivery of these improvements shows works potentially commencing onsite in Summer 2023, with completion anticipated in Spring 2024. As outlined above, this programme is subject to change.

7. Project cost and funding

7.1. The funding breakdown can be seen in Table 1 below:

Table 1: 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

7.2. The Project has already received approval from both the Board and Strategic Board to allow LGF spend beyond 30 September 2021.

8. Options available to the Board

8.1. As indicated in Section 3 of this report, the Board approved the transfer of the remaining £4.1m LGF allocation to Kent County Council prior to the end of 2020/21, on the condition that the remaining outstanding planning consents for Phases 1 and 3 of the Project were secured by 1 September 2021. The outstanding planning consents were as follows:

8.1.1. Phase 1 – Permission from Maidstone Borough Council to relocate an existing ragstone wall which forms part of the boundary to Mote Park. It was expected that this permission would be secured in March or April 2021.

8.1.2. Phase 3 – Permission from Maidstone Borough Council to demolish the Wheatsheaf Public House. It was expected that this permission would be secured by the end of March 2021.

8.2. The update set out within this report demonstrates that whilst permission has been secured to demolish the Wheatsheaf Public House, permission has not yet been sought to relocate the ragstone wall associated with Mote Park. As a result, the conditions attached to the transfer of the remaining LGF funding have not been met.

8.3. It is noted within this report that all phases of the Project are progressing, albeit to differing timelines, with procurement of a construction contractor to deliver the improvements at the Coldharbour roundabout expected to start in Autumn 2021. With regard to the outstanding planning consent for the relocation of the ragstone wall, it is expected that the planning application will be submitted in September 2021, with a decision expected in advance of the next Board meeting.

8.4. The Project aims to reduce congestion and ease traffic movements through Maidstone. The planned junction improvements outlined in this report are designed to increase junction capacity and efficiency and to improve journey times and journey time reliability. It is also

anticipated that these schemes will lead to environmental benefits as a result of reduced queueing traffic.

- 8.5. The need for the Project remains, particularly in light of forecast growth and future development within the Maidstone area. In addition, it has been noted by Kent County Council that a new project team is now in place and that progress on delivering this project is expected to be made. It is therefore recommended that the Board agree that the Project be allowed more time to secure the outstanding planning consent.
- 8.6. As indicated above, it is expected that this planning consent will be secured in advance of the November Board meeting. It is therefore recommended that a further update on the Project is provided at that meeting. This written update will provide a further update on progress towards delivery of all phases of the Project and will likely be accompanied by a verbal update on the outcome of the planning application for the relocation of the ragstone wall. If permission for the relocation of the wall is refused, the Board will be asked to consider whether the LGF funding allocated to the delivery of Phase 1 of the Project should be returned to Essex County Council, as Accountable Body for SELEP, for reallocation to alternative projects on the LGF prioritised project pipeline.
- 8.7. Other options available to the Board at this meeting include:
 - 8.7.1. The reallocation of the £1m LGF which is allocated to the delivery of phase 1 of the Project, as this is where the outstanding planning consent sits. This option is not recommended at this stage as, based on the information provided, the Project remains deliverable and steps are being taken to secure the required permission to relocate the ragstone wall, with a clear programme provided.
 - 8.7.2. Placing LGF spend on hold whilst awaiting the outcome of the final planning application. This option is not recommended as it would have a detrimental impact on the progress of the two phases which are unaffected by the outstanding planning consent. Even placing LGF spend on phase 1 of the Project on hold would be detrimental to progress as other workstreams are continuing, alongside the planning application, including detailed design and geotechnical investigations.
- 8.8. It is recommended that whilst the Project is allowed additional time to secure the outstanding planning consent, that progress towards project delivery continues to be monitored with an update provided to the Board in November. If the update in November demonstrates that the planning risk has been mitigated and that progress has been made towards Project delivery, the Board will be asked to agree that the full £8.9m LGF allocation should remain allocated to the Project and that delivery of all three phases of the Project should proceed. If, however, the update in November indicates that there are still outstanding planning consents or that progress towards delivering the Project has stalled, the Board will be asked to consider whether all or part of the LGF funding should be returned to SELEP for reallocation to alternative projects on the LGF prioritised project pipeline.

9. Financial Implications (Accountable Body comments)

- 9.1. 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 to provide assurance with respect to progress and delivery.

- 9.2. Should the outstanding planning permission be refused, 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.
- 9.3. 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.
- 9.4. 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. The SLA makes clear the expectation of Projects is to deliver in line with the agreed timelines within the Project Business Case, or as subsequently agreed by the Board.
- 9.5. 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.

10. Legal Implications (Accountable Body comments)

- 10.1. There are no significant legal implications arising from the updates provided in this report. If the Project incurs abortive costs funded by LGF or is cancelled at a later date, the provisions within the SLA will be activated and Essex County Council, as the Accountable Body, will work with Kent County Council 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.
- 11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

(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 Nicole Wood (S151 Officer, Essex County Council)	 01/09/2021

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: 10 September 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 final connection to the A21 and the risks to delivery.
- 1.3. Once the programme for the delivery of the final 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 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
 - 2.1.3. **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.

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.

Queensway Gateway Road Project Update

- 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 by the Independent Technical Evaluator (ITE) including confirming a high Benefit Cost Ratio. The Service Level Agreement (SLA) between Essex County Council (as Accountable Body for the LEP), 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 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 – 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. A further Section 278 application was lodged on 4 February 2020 involving East Sussex County Council and 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 Highways England.
- 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 is currently being advertised by East Sussex County Council. 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

- 4.1. Since the last update to the Board, significant progress has been 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 Highways England – who are now in receipt of some of the final plans for incorporation in the Section 278 agreement. It is expected that the remaining plans will be received in advance of this Board meeting. A road safety audit (RSA Stage 1) has informed this design process with the designer's response to the audit being submitted to Highways England for sign off.
- 4.2. The TRO, which is necessary for the closure of Junction Road (required to enable the signalised junction to operate safely and efficiently), has been advertised with a closing date for comments at the end of August.

5. Benefits of the signalised connection with the A21 including priority lanes

- 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. To enable the use of the signalised connection a permanent TRO will be progressed. The prevention of traffic in Junction Road is required for both the signalised connection and the proposed permanent solution and therefore the use of a permanent TRO is the most efficient way to deliver the completion of the scheme.
- 5.3. The consultation with statutory consultees has already taken place and no formal objections were received. The TRO was advertised on 6 August 2021 and the closing date for comments on the draft TRO is 27 August 2021.
- 5.4. If no objections are received, nothing further is required on the TRO and it can then be made by East Sussex County Council, as the highway authority. If objections are received, which cannot be resolved through discussions with the objector(s), these will need to be taken to East Sussex County Council's Planning Committee for consideration in October 2021. The Planning Committee will make a recommendation as to whether to uphold or not uphold any received objections. Therefore, the worst-case scenario for when the decision on when the TRO will be made is the end of October 2021.
- 5.5. Construction of the signalised connection can carry on in parallel whilst any objections to the TRO are being considered. However, it would not be possible for the new road (the Project) to be used as a through route (and open to traffic) between Queensway and the A21 until such time as the TRO has been made and sealed, and Junction Road has been physically closed.

- 5.6. It was noted in the update to the Board in July 2021 that further transport modelling work for the signalised connection with the A21 had been presented to Highways England which demonstrated that the temporary scheme would work satisfactorily and would not have a wider detrimental impact on the strategic and local road networks. As a consequence, Highways England 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 Highways England. The Stage 1 Road Safety Audit needs to be signed off by Highways England and this is expected imminently. Thereafter a full package of plans and detailed designs of the scheme will be submitted to Highways England and East Sussex County Council for final approval. Indications are that the full package of plans/designs will be received prior to this Board meeting. Approval from both Highways England and East Sussex County Council should be forthcoming by mid-September.
- 5.7. A Section 278 legal agreement between Sea Change Sussex, East Sussex County Council and Highways England will incorporate the above technical solution and its plan base allowing construction of the final works.
- 5.8. Work on the legal agreement will progress when the detailed designs for the signalised connection receive technical approval from both Highways England and East Sussex County Council. East Sussex County Council will issue instructions to its legal team as soon as the detailed design has been approved. 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 Highways England. Temporary TRO's (TTRO) have been agreed with East Sussex County Council and Highways England allowing construction to proceed.
- 5.9. 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 by late November 2021 with the full route open to traffic at this point, subject to the TRO to close off Junction Road having been made.

6. Delivery of the 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 final connection.
- 6.3. East Sussex County Council have indicated that their preferred scenario would 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 process is deemed necessary, then the construction start and completion could be delayed further by anywhere between 6 and 18 months from an earliest start date of early 2022.

7. Project budget

- 7.1. The Project was considered by the Strategic Board in March 2015, and the award of £15m LGF funding was approved. 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 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 £	Forecast spend in 2021/22 £	Forecast spend in 2022/23 £	Total £
SELEP LGF Grant	9,496,372	503,628	0	0	10,000,000
Sea Change Sussex	0	188,331	811,669	1,000,000	2,000,000
Total	9,496,372	691,959	811,669	1,000,000	12,000,000

8. Next steps

- 8.1. East Sussex County Council have been in discussions to commission an independent expert (in relation to whether there is a case for a Compulsory Purchase Order) to

Queensway Gateway Road Project Update

undertake an assessment of all options available to facilitate completion of the project's permanent connection. Due to unforeseen circumstances experienced by Sea Change Sussex in relation to the land negotiations, East Sussex County Council is re-evaluating the options available for consideration of a Compulsory Purchase Order. The intention is that this work will be commenced before the next Board meeting in November.

- 8.2. Work will continue to progress the required permanent TRO allowing the closure of Junction Road, alongside the completion of the detailed design for the signalised connection with the A21. The required Section 278 agreement will be progressed following approval of the detailed design by both East Sussex County Council and Highways England. It is anticipated that work will have commenced onsite to deliver the signalised connection with the A21 in advance of the next Board meeting.
- 8.3. It is recommended that a further full update on the Project, including a clear delivery plan and associated milestones be presented at the November 2021 Board meeting. It is expected that this update will include consideration of progress on the preferred approach to project completion, required land acquisitions, the delivery programme and the Project budget.
- 8.4. As the Project continues to be subject to a significant deliverability risk, the Strategic Board will receive an update on the delivery of the Project in October 2021. This update will outline the issues faced by the Project and the anticipated timetable for their resolution and Project completion.
- 8.5. 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.

9. SELEP comments

- 9.1. 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.
- 9.2. 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
- 9.3. The project is also expected to alleviate congestion on The Ridge and improve traffic flows onto the A21.
- 9.4. 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 not only ensure that the levels of congestion are reduced but also to facilitate the unlocking of the development sites which will bring forward the stated employment benefits.
- 9.5. It is noted that, due to the delays in completing the connection with the A21, the benefits will not be realised in accordance with the profile set out in the Project Business Case which

Queensway Gateway Road Project Update

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.

- 9.6. It is recommended that an update on both the anticipated employment benefits and the timeline for the realisation of these benefits is included within the next Project update report due to be presented to the Board in November 2021.
- 9.7. It should be noted that if it is not possible to deliver the final connection 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.

10. Financial Implications (Accountable Body Comments)

- 10.1. 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.
- 10.2. Further slippage has been reported in delivery of both solutions: The Temporary solution (the signalised connection) is now anticipated to be open to traffic in November 2021 (rather than early Autumn as reported in July 2021), provided that the TRO is in place at that point; and the best case scenario for completion of the roundabout for the permanent solution is now reported as June 2022 (reported in July 2021 as January 2022), with land acquisition and planning permissions still required.
- 10.3. The further delays that have been experienced with respect to progressing the land acquisitions required to deliver the permanent connection with the A21, has meant that East Sussex County Council have been unable to progress with the procurement of the independent expert to advise on the case for the CPO; this work is now anticipated to have commenced by the November Board meeting, with timing for completion unclear.
- 10.4. The on-going delays in completion of the Project places at risk the value for money assessment of the business case and it is advised that assurances should be sought by the Board in this respect as part of the update on Project benefits to be provided in November (see section 9.6).
- 10.5. 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.
- 10.6. 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.

Queensway Gateway Road Project Update

- 10.7. 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.
- 10.8. 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 circumstances, the Board may consider recovering some, or all, of the £10m LGF allocated to the Project.
- 10.9. 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.

11. Legal Implications (Accountable Body Comments)

- 11.1. 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

12. Equality and Diversity implications (Accountable Body Comments)

- 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:
 - 12.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - 12.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - 12.1.3. 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 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.

13. List of Appendices


- 13.1. 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)

Queensway Gateway Road Project Update

Role	Date
Accountable Body sign off Nicole Wood (S151 Officer, Essex County Council)	 01/09/2021

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
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/434

Report title: Local Growth Fund – London Gateway/Stanford Le Hope Update Report	
Report to: Accountability Board	
Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 10 September 2021	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: 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 London Gateway/Stanford le Hope LGF project (the Project) which has been identified as high risk.

2. Recommendations

- 2.1. The Board is asked to:
- 2.1.1. **Note** the update on the Project.
 - 2.1.2. **Note** that planning permission has been granted for Phase 1 of the Project.
 - 2.1.3. **Agree** the delay to delivery of the Project to December 2023.
 - 2.1.4. **Agree** that a further update report be brought to the Board in November 2021 to:
 - 2.1.4.1. update on progress of the design developments for Phase 2.
 - 2.1.5. **Agree** that an additional update report be brought to the Board in February 2022, which gives a further update to:
 - 2.1.5.1. 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.
 - 2.1.5.2. 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.
 - 2.1.5.3. confirm that the Project scope and expected benefits remain in line with that set out in the original Business Case.

3. Summary Position

- 3.1. The project aims to ensure that high quality accessibility is provided by non-car means via improved bus facilities in Stanford Le Hope and high quality rail/bus integration to attract potential employees to DP World and Thames Enterprise Business Park and other commuters through:
 - 3.1.1. A new station building with passenger toilets, widened platform, level access to building and station platforms, real time customer information systems (Phase 1)
 - 3.1.2. Creating a mobility hub – a new multi-modal interchange and station buildings with car drop off positions, taxi rank, cycle parking and bus shelter (Phase 2)
- 3.2. The Board approved an LGF allocation of £7.5m to the Project in February 2017. This allocation has been spent in full, supporting design development, ground investigation, site de-risking, planning process and demolition works.
- 3.3. At the time of the funding approval, the project was expected to complete in December 2018, however this slipped to Summer 2022 due to significant design changes, following an assessment of the original design which identified substantial project complications and financial risks. This was linked to a technical solution that sought to deliver the infrastructure requirements of the scheme on a constrained site, as opposed to building over the River Hope, thus bringing the station footprint closer to neighbouring residential properties.
- 3.4. The original Business Case indicated that the Project would support the creation of 756 new jobs (net) at DP World London Gateway and Thames Enterprise Business Park over the period 2016/17 to 2030/31 (50 jobs per annum), through providing the infrastructure to support modal shift to sustainable modes of travel.
- 3.5. Further delays to completion have been experienced due to planning, contract issues and the wider impacts of Covid-19. As a result, additional expertise was brought in to review the project; this has resulted in a revised timeline and delivery through a phased approach, set out in 3.1.1 and 3.1.2 above.
- 3.6. The revised timeframe set out for Phase 1, in Table 1, shows a delivery date of December 2023. It has not been possible to provide further clarity on the delivery plan for Phase 2 in this update and this is now anticipated to be provided to the Board in November, but it is intended that both Phases will be completed in December 2023.
- 3.7. At the meeting in July 2021, the Board was advised that the project had been flagged as high risk due to the slow progress towards completion, planning risks and cost uncertainty.
- 3.8. It was highlighted that there had been difficulty in obtaining planning permission for Phase 1 of the project and that the planning application was being re-presented to the Thurrock planning committee in July 2021.
- 3.9. The Board requested that a further update on the Project be brought to this Board meeting, to include:
 - 3.9.1. an update on the planning position and an update on the July 2021 Planning Committee decision;
 - 3.9.2. an updated delivery programme and timeline;

- 3.9.3. confirmation of a full funding package being in place and confirmation of funding to support the project if costs have risen; and
- 3.9.4. update on progress on the New Engineering Contract (NEC) agreement.

4. Phase 1 - Updated Position

Planning

- 4.1. The planning committee approved the application, which is to deliver Phase 1, at its meeting on the 15 July 2021.
- 4.2. Phase 1 will deliver a new station building, with passenger toilets, a widened platform, level access to the building and with real time customer information systems available for both rail and bus users.

Delivery Programme and Timeline

- 4.3. The timeline for Phase 1 of the project has been revisited as the constraints of the site have enforced a revised phased approach to delivery. The site set aside for Phase 2 of the Project needs to be used to store materials during the initial stages of the Phase 1 delivery programme and therefore staggered delivery of the two elements of the Project is required.
- 4.4. The previous report to the Board anticipated a delivery date of Summer 2022 – this has now been extended to December 2023.
- 4.5. The revised timeline is set out in Table 1.

Table 1: Revised Programme for Phase 1

Local Growth Fund – London Gateway/Stanford Le Hope Update Report

Task	Indicative dates						
Governance for Railway Investment Projects (GRIP) 4 sign off	Sep-21						
Invitation to Tender (ITT) - Design and Build Contractor		Sep-21					
Tender submission			Dec-21				
Tender Evaluation Period				Dec 21 - Jan 22			
Contractor Appointed					Feb-22		
Design and Build Contract, (GRIP) 5-6						Mar 22 – Oct 23	
Project Completion GRIP 7-8							Oct 23 - Dec 23

- 4.6. This programme assumes that the tender process and the construction programme established by the successful tenderer can be delivered as anticipated.

NEC Contract Update

- 4.7. Procurement will commence in September 2021 with the contract planned to be awarded in February 2022.
- 4.8. All parties are working together to ensure all required documentation, including the NEC4 contract for Network Rail and c2c (rail operator), the GRIP (Governance for Railway Investment Projects) 3 and 4 sign offs and development agreements are completed. It is anticipated that all required documentation will be in place in advance of an award of contract.

5. Phase 2 – Updated Position

- 5.1. Phase 2 will provide increased parking for cars and cycles and improved integration with local transport modes, as set out in 3.1.2.
- 5.2. Design work on Phase 2 has now started and it is proposed that a progress update be presented to the November 2021 Board meeting.
- 5.3. Meetings with planning officers have taken place and concept designs are due to be completed in time to give the Board an update in November.
- 5.4. This will be followed by concept visualisations ready for stakeholder and public consultation events early in 2022.
- 5.5. It is expected that Phase 2 will be delivered during the second half of the Phase 1 construction programme, which will allow the whole Project to complete by December 2023.
- 5.6. Completion of the Project in December 2023 should enable the expected benefits to be realised. Work is ongoing to ensure that key stakeholders including London Gateway Port and bus and rail operators are involved in identifying the most effective design for Phase 2 so as to maximise the potential for benefit realisation.
- 5.7. Delivery of the project is expected to have a positive impact on Stanford, but its primary purpose is to improve access to employment opportunities through encouraging modal

shift by offering high quality integration between a variety of sustainable modes of transport as set out in the Business Case.

6. Costs and Funding Package

6.1. The original spend profile set out in the Business Case is shown in Table 2.

Table 2: Spend profile as set out in the Original Business Case

Source of Funding	Financial Profile £(m)				
	2016/17	2017/18	2018/19	2019/20	Total
Local Growth Fund	1.00	2.50	4.00	-	7.50
Thurrock Council	0.55	0.30	0.30	-	1.15
DP World London Gateway	-	0.55	-	-	0.55
c2c	0.85	-	-	2.00	2.85
Total	2.40	3.35	4.30	2.00	12.05

6.2. Whilst Table 2 shows an original commitment of funding by Thurrock Council of £1.15m, it has been confirmed that £1.7m was actually initially allocated to the Project by Thurrock Council Cabinet.

6.3. The costs associated with the scheme have increased as the Project has progressed alongside inflationary pressures, site investigations and the wider impacts of Covid-19.

6.4. Due to cost increases identified in February 2019, a further £4m of capital funding was allocated to the project by Thurrock Council.

6.5. At a meeting of their Cabinet in July 2021, Thurrock Council agreed ‘The provisional assessment of the revised budget requires the current envelope to be increased by £10m to deliver the scheme. This remains an estimate which is now linked to a final proposed design and will be market tested through the subsequent and rigorous procurement exercise. The additional funding will ultimately bring a much improved design with additional benefits to users of the station and the wider community in terms of access, increased parking for cars and cycles and better integration with local transport.’

6.6. Table 3 shows the updated funding profile for the project. This includes estimates for Phase 2 of the project and is subject to design development, planning and a procurement process. It is too early in the programme to suggest that a full funding package is in place for both phases of the Project, but the position should become clearer following evaluation of the Phase 1 construction tenders in January 2022. A fuller understanding of the works which will be included within Phase 2 will be available following the initial design process.

Table 3: Updated Funding Profile

Source of funding	Financial Profile £(m)				
	Spend to end 2020/21	2021/22	2022/23	2023/24	Total
Thurrock Council	-	1.14	7.80	6.78	15.72
LGF	7.16	0.34	-	-	7.50
Other	-	3.79	0.55	-	4.34
S.106	-	-	0.92	0.61	1.53
Total	7.16	5.27	9.27	7.39	29.09

- 6.7. There is a requirement within the SELEP Assurance Framework for any Project changes which have the potential to detrimentally impact on the value for money assessment to be considered by the Board. Due to the reported increase in Project costs, a project change request and updated value for money assessment will be required for the Project. Given the ongoing uncertainty regarding the scope of Phase 2 of the Project and the total Project cost, it seems prudent to delay the change request until there is more certainty on design and cost. This will also provide greater confidence regarding the expected project benefits, which are primarily linked to Phase 2 of the Project. It is recommended that the optimal timing of the project change request be considered at the November Board meeting.

7. The next steps for Phase 1 and Phase 2

- 7.1. The next step towards delivery of the Phase 1 works is the procurement of a design and build contractor. This procurement is scheduled to commence in September 2021, with a contractor appointed in February 2022.
- 7.2. Work will be undertaken simultaneously to ensure that all required documentation is completed in advance of contract award. This includes GRIP Stage 3 and 4 sign offs and development agreements.
- 7.3. In relation to Phase 2, work will continue to complete the concept design in preparation for public consultation and consideration by Planning Committee.
- 7.4. It is recommended that a further report is presented to the Board in November to provide an update on progress of the development of the design for Phase 2.
- 7.5. It is also recommended that a further update be brought to Board in February 2022 to:
- 7.5.1. 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.
 - 7.5.2. confirm 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.
 - 7.5.3. confirm that the Project scope and expected benefits remain in line with that set out in the original Business Case.

8. Financial Implications (Accountable Body comments)

- 8.1. There continue to be a number of challenges to completion of the London Gateway/Stanford Le Hope Project, albeit that the LGF has already been spent supporting

delivery; this presents risks on assuring delivery of the expected outcomes and value for money, given the lack of certainty on the timelines for completion of the Project.

- 8.2. To mitigate these risks, the Board is advised to keep under review the delivery progress of the Project and to take this into account with regard to any further decisions made in this respect
- 8.3. There is concern with respect to the lack of clarity and affordability of the total Project costs across phases 1 and 2; and whether the intended outcomes will be realised including delivering value for money. Confirmation should be sought by the Board in this respect in the update to be provided in February 2022.
- 8.4. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 8.5. All LGF is transferred to Thurrock Council, as the Project's Lead Authority, under the terms of a Funding Agreement or SLA which makes clear that funding can only be used in line with the agreed terms.
- 8.6. 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.
- 8.7. Should it not be possible, for example, to deliver the Project in full, to assure realisation of the benefits set out within the Project business case, there is a risk that the Project may no longer meet the conditions of the Funding Agreement. In these circumstances, the Board may consider recovering some, or all, of the £7.5m LGF allocated to the Project.
- 8.8. 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.

9. Legal Implications (Accountable Body comments)

- 9.1. There are no significant legal implications arising from the proposals set out in this report. If the Project incurs abortive costs funded by LGF or is cancelled at a later date, the provisions set out within the SLA will be activated, and Essex County Council, as the Accountable Body, will work with Thurrock Council, to recover the LGF.

10. Equality and Diversity Implications

- 10.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
 - 10.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 10.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

- 10.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3. In the course of the development of the project business case, the delivery of the Project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

- 11.1. Appendix A – LGF Project Background Information

(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 Nicole Wood (S151 Officer, Essex County Council)	 01/09/2021

Appendix A – LGF Project Background Information

Name of Project	<p>London Gateway/Stanford Le Hope</p> <p>Thurrock Council</p>
Local Growth Fund (LGF) allocation	£7.5m
Description of what Project delivers	<p>On the north banks of the Thames Estuary in Stanford-le-Hope, Essex, London Gateway is the UK's newest and most technologically advanced deep-sea container port catering for global shipping. Once fully developed, London Gateway will comprise six deep sea shipping berths alongside Europe's largest logistics park comprising up to 830,000 square metres of 'B' class warehouse floorspace. In total DP World London Gateway is anticipated to generate approximately 12,000 direct jobs (on-site) with a further 24,000 indirect jobs created within supply chains.</p> <p>DP World London Gateway is remote from the Thurrock Urban Area and accessibility will be an issue for prospective employees without access to a car. Ensuring a sufficient labour supply and good job/skills matching will be critical for not only realising the growth but sustaining the jobs in the long term by maximising productivity. It is therefore necessary to ensure that high quality accessibility is provided by non-car means through better bus facilities in Stanford-le-Hope and high-quality rail/bus integration to attract employees. In addition, good quality passenger transport facilities and bus/rail integration will be necessary to achieve the modal split targets for the development.</p> <p>The project scope will consist of a new multi-modal interchange and station buildings.</p> <p>The new multi-modal interchange will provide:</p> <ul style="list-style-type: none"> • 2 car passenger drop-off positions with landing island; • 2 taxi rank positions with landing island and shelter; • Protected pedestrian walking routes and desire lines; • 2 drop off and 1 pick-up position for a 12m rigid bus (allowing for double-decker) with waiting facilities; and • 84 new secure cycle parking spaces. <p>The new station buildings will:</p> <ul style="list-style-type: none"> • Target a BREEAM Excellent rating; • Adopt best practice station design to develop a carbon neutral station. Station design should include LED lighting, heat pump, heat recovery, rainwater harvesting and be thermally efficient; • Offer increased and integrated waiting facilities with customer information systems; • Include passenger toilets, a commercial retail facility, widened Platform 1 with covered waiting areas, integrated passenger footbridge with lifts and level access from London Road to both station buildings and to the platforms;

	<ul style="list-style-type: none"> • Offer provision for electric pedal bike hire scheme and charging points and real-time customer information system for shuttle bus services to external waiting shelter and internal railway station waiting area.
Project benefits	<p>The project will:</p> <ul style="list-style-type: none"> • Develop an interchange that will connect bus, rail, cycle, taxi and pedestrian modes of transport at Stanford-le-Hope station; • Expand capacity at Stanford-le-Hope station turnstiles; • Implement a package of works that meets the requirements of travel plans for London Gateway and unlocks the next phase of development at London Gateway; • Provide improvements to public transport infrastructure and service reliability to new housing developments and to the major employment growth sites at London Gateway/Coryton; and • Help curb traffic growth and minimise growth in transport emissions in the area through this new transport interchange.
Project constraints	<ol style="list-style-type: none"> 1. Planning Permission is not in place for all elements of the project; 2. Work is ongoing to confirm that a full funding package is in place.
Link to Project page on the website with full Business Case	https://www.southeastlep.com/project/london-gateway-stanford-le-hope/

Report title: A13 widening update report	
Report to: Accountability Board	
Report author: Colin Black, Interim Assistant Director – Regeneration and Place Delivery, and Howard Davies, SELEP Capital Programme Officer	
Meeting date: 10 September 2021	For: Information
Enquiries to: colin.black@thurrock.gov.uk , howard.davies@southeastlep.com	
SELEP Partner Authority affected: Thurrock Council	
Confidential Appendix This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.	

1. Purpose of report

- 1.1. The purpose of this report is to provide an update to the Accountability Board (the Board) on the delivery of the A13 widening project (the Project).
- 1.2. The Board has been regularly updated on a series of issues that have arisen during the delivery of the Project, some of which have caused project costs to rise. Project costs have been confirmed by Thurrock Council however, due to the commercial sensitivity of the contract it is not possible to show the full costs in this report. Table 1 sets out the updated spend position to the end of June 2021; the projected costs of the project are set out in the confidential appendix.
- 1.3. This report provides an update on the position of the project

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the update on the delivery of the Project;
 - 2.1.2. **Note** that a further update on Project delivery will be provided at the November 2021 Board meeting.

3. Background

- 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.

A13 widening update report

- 3.2. 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.
- 3.3. 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.
- 3.4. 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.
- 3.5. 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.
- 3.6. 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.
- 3.7. 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.
- 3.8. The Project is also requesting an additional £1m of additional LGF on the project pipeline if LGF becomes available, this Project is the ninth project on the pipeline, see agenda item 12.
- 3.9. This report provides an update on the progress of the Project and the revised financial position of the Project is included within the confidential appendix.

4. Progress since the last Board meeting

- 4.1. The Board were advised at the meeting in July that considerable progress had been made toward reducing the risks around three key areas:
 - 4.1.1. Utilities Diversion Works
 - 4.1.2. Structures Design
 - 4.1.3. Drainage Design
- 4.2. These issues have remained in sharp focus for the Project team and the team has worked hard to identify mitigation measures to ensure the project remained on programme and in delivery. The main line A13 is now largely out of the ground and the structures are very close to completion so these risks are reducing.

A13 widening update report

- 4.3. Orsett Cock bridges abutment facing works are now complete and traffic is using the new alignment.
- 4.4. Demolition of the previous Orsett bridges now complete.
- 4.5. Minor issues persist with BT apparatus at the Orsett roundabout. This is being progressed as part of design updates.
- 4.6. More than £9.9m has been invested locally, by using regional suppliers and businesses based within 10 miles of the project – supporting the local economy at a time when this is needed more than ever.
- 4.7. The previous meeting was advised that 800,000 hours had passed since the last reporting of injury. A recent incident involving a passing motorist throwing an egg at a contractor resulted in a serious eye injury. The Project Accident Incident Rate is currently 0 which is a significant achievement.
- 4.8. The site continues to take precautions regarding Covid-19, but some isolated cases have caused some minor delays as teams are affected by colleagues being infected or having to isolate.

5. Programme

- 5.1. It was reported to the Board in July that the completion date had slipped from the original date of Autumn 2020 to February 2022. There is no change to this forecast and efforts are being made to bring completion forward where possible.
- 5.2. The Council has worked with the main contractor to reach a commercial agreement that will reduce risk and improve cost and programme certainty and this agreement has now been formalised. The Council confirm that they are still able to meet the remaining costs of the project.

6. Commercial Arrangements

- 6.1. 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 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.

7. Update on Project Costs

- 7.1. The revised expenditure profile remains subject to change as commercial discussions continue through to the end of the Project. An updated forecast spend profile is included within the confidential appendix.
- 7.2. Table 1 shows the spend profile to the end of June 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, Thurrock Council will be responsible for addressing this budget gap through alternative funding sources.

Table 1 – Spend profile to end of Quarter 1 2021/22 (£m)

	2016/17	2017/18	2018/19	2019/20	2020/21	Q1 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					9.248	6.268	15.516		15.516
Adjustment			-0.172	0.172			0.000		0.000
Total Project Cost	2.709	13.408	13.626	33.174	36.055	6.268	105.240	1.000	106.240
Actual Spend									

- 7.3. 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. 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 within The Report of the Independent Technical Evaluator as attached to agenda item 12.

8. Risk and Mitigation

- 8.1. 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.
- 8.2. As set out in 6.1 Thurrock Council has entered into an agreement with Kier that will reduce risk, however, work to wrap up many CE's is ongoing, and it is hoped that this can be further worked on and resolved over the next month or so helping to provide more certainty on cost and programme.

9. Next Steps

- 9.1. It is recommended to the Board that a further update is provided to the November meeting in order to keep the Board informed of progress.

10. Financial Implications (Accountable Body comments)

- 10.1. The full LGF funding allocation has been received by the Accountable Body from HM Government.
- 10.2. £80m of LGF already awarded to this Project 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

A13 widening update report

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. A further £1m is also being sought in agenda item 12; this will be subject to LGF becoming available for reallocation and the pre-agreed LGF investment pipeline.

- 10.3. The 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.
- 10.4. 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.
- 10.5. All LGF is transferred to Thurrock Council under the terms of a Funding Agreement or SLA which includes 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.
- 10.6. With the remaining balance of LGF for each project now transferred in advance to the Local Authorities (with the exception of £5.146m held for Essex County Council and Kent County Council projects), 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.

11. Legal Implications (Accountable Body comments)

- 11.1. There are no significant legal implications arising from this report.

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:
 - 12.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 12.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 12.1.3. 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 – confidential appendix

14. List of Background Papers

14.1. None

Role	Date
Accountable Body sign off Stephanie Mitchener (on behalf of Nicole Wood, S151 Officer, Essex County Council)	 20/08/21

Report title: A28 Sturry Link Road project update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 10 September 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: Kent County Council	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to receive an update on the A28 Sturry Link Road project (the Project).

2. Recommendations

- 2.1. The Board is asked to agree one of two options depending upon the outcome of the Sturry Link Road planning application which is due to be determined in advance of this Board meeting:

Option 1

- 2.1.1. If planning consent for the Sturry Link Road is granted by Kent County Council planning committee on 2 September 2021:

- 2.1.1.1. **Agree** that the total £5.9m LGF allocation should be retained against the Project;
- 2.1.1.2. **Agree** that LGF spend on the Project should remain on hold whilst work continues to mitigate the remaining delivery risk as set out in Section 4.5 of this report; and
- 2.1.1.3. **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; **OR**

Option 2

- 2.1.2. If planning consent for the Sturry Link Road is refused by Kent County Council planning committee on 2 September 2021:

- 2.1.2.1 **Agree** that the £134,847 unspent LGF currently held by Kent County Council in respect of the Project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting; and

- 2.1.2.2 **Agree** to the reallocation of the £4,790,949 unspent LGF to the next project(s) on the LGF project pipeline;
- 2.1.2.3 **Agree** that there is compelling justification for the SELEP Accountable Body to not recover the £1,109,051 LGF spent on the Project to date, 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 November 2021 which outlines how the ongoing planning issues will be addressed; and
- 2.1.2.4 **Note** that the further delay in delivery due to the need to develop a revised scheme proposal would potentially mean that the alternative funding from the completed S106 agreements would be available to fund the delivery of the Project.

3 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 The planning application for Sturry Link Road was considered by Kent County Council planning committee on 9 March 2021 and the decision was taken to refuse planning permission due to concerns regarding inadequate provision of public transport infrastructure, inadequate provision for local traffic movements and a failure to demonstrate that the navigation of the Great Stour river would not be compromised as a result of the proposed viaduct.
- 3.4 Following this decision by the Kent County Council planning committee, confirmation was provided to the Board in July 2021 that a revised planning application with minor amendments and clarifications to address the grounds for refusal was being submitted, with determination now expected on 2 September 2021.
- 3.5 Due to the ongoing planning uncertainty the Board agreed, in March 2021, that LGF spend on the project should remain on hold and that the £4.656m LGF currently held by Essex County Council, as the Accountable Body, should continue to be held by the Accountable Body at the end of the 2020/21 financial year. The Board also agreed in July 2021 that planning consent for the Project must be in place by 10 September 2021.
- 3.6 A verbal update on the outcome of the planning application will be provided at this Board meeting.

4 Options available to the Board

- 4.1 This report sets out two potential options for the Board to consider which are directly related to the outcome of the consideration of the revised planning application by Kent County Council planning committee on 2 September 2021.
- 4.2 If planning consent for the Project is granted by Kent County Council planning committee on 2 September 2021, Option 1 is recommended to the Board:

Option 1

- 4.2.1. **Agree** that the total £5.9m LGF allocation should be retained against the Project;
- 4.2.2 **Agree** that LGF spend on the Project should remain on hold whilst work continues to mitigate the remaining delivery risk as set out in Section 4.5 of this report; and
- 4.2.3 **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.
- 4.3 In June 2019, the Project was identified as being a high-risk project due to a number of deliverability concerns. These concerns included outstanding planning consent for the associated residential developments, as well as for the Project itself, a complex funding package and ongoing land acquisition. As a result of these risks the Board agreed that the Project should be put on hold but that the LGF funding should remain allocated to the Project whilst work was undertaken to address the barriers to delivery.
- 4.4 In March 2021 the Board were advised that Canterbury City Council planning committee had granted planning consent for the two main residential developments which are due to financially contribute to the delivery of the Project, which in part helped to mitigate the deliverability risks identified. However, the Project remained on hold as planning consent for the Project itself remained outstanding.
- 4.5 The ongoing land acquisition continues to present a risk to delivery. There are five landowners affected by the Project and, whilst it is hoped that much of the land needed can be acquired through negotiation, there remains a risk that a Compulsory Purchase Order (CPO) may be needed to secure acquisition of the remaining land. A CPO will therefore be progressed alongside the negotiations to reduce the risk of this leading to further delays in project completion.
- 4.6 The timeline for the required land acquisition is:
- 4.6.1. Acquisition of land by voluntary negotiation – Agreement In Principle and Heads Of Terms to be in place by January 2022. This will inform the decision as to whether a CPO is required;
- 4.6.2 The CPO (if required) to be published in January 2022;
- 4.6.3 Acquisition of land by CPO (if required) to be completed by January 2023.

A28 Sturry Link Road project update

- 4.7 Receipt of planning permission would place Kent County Council in a stronger position to progress the negotiations with the affected landowners.
- 4.8 Assuming planning permission is granted in September and the land acquisition progresses to programme, it is expected that construction of the Project will commence in February 2023 with completion expected in December 2024.
- 4.9 Whilst securing planning consent for the Project would be a significant step forward, it is noted that the land acquisition risk remains and therefore it is recommended that LGF spend on the Project remains on hold whilst work continues to progress this workstream.
- 4.10 It is also recommended that a further update on the Project is provided at the November Board meeting which sets out progress towards delivery of the Project, including an update on progress towards mitigating the outstanding deliverability risk.
- 4.11 If planning consent for the Project is refused by Kent County Council planning committee on 2 September 2021:

Option 2

- 4.11.1 **Agree** that the £134,847 unspent LGF currently held by Kent County Council in respect of the Project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting; and
- 4.11.2 **Agree** to the reallocation of the £4,790,949 unspent LGF to the next project(s) on the LGF project pipeline; and
- 4.11.3 **Agree** that there is compelling justification for the SELEP Accountable Body to not recover the £1,109,051 LGF spent on the Project to date, 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 November which outlines how the ongoing planning issues will be addressed.
- 4.11.4 **Note** that the further delay in delivery due to the need to develop a revised scheme proposal would potentially mean that the alternative funding from the completed S106 agreements would be available to fund the delivery of the Project.
- 4.12 If planning consent for the Project is refused on 2 September 2021, it is anticipated that there would be a 30 month delay to delivery. This time would be needed to enable a new scheme to come forward and for the environmental surveys and impact assessment to be reworked. In this scenario, it is anticipated that construction of the Project would commence in Summer 2025, with completion in Summer 2027, to be funded from S106 agreements which are in place (see section 4.19).
- 4.13 To date £1.244m of the £5.9m LGF allocation awarded to the Project has been transferred to Kent County Council, with LGF spend totalling £1.109m reported to SELEP. Kent County Council continue to hold £0.135m LGF against the Project which has been transferred but not yet spent due to the Project being placed on hold.
- 4.14 If planning consent for the Project is refused on 2 September 2021, it is recommended that the £0.135m LGF currently held by Kent County Council is returned to Essex County

Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to an alternative project(s) on the LGF prioritised project pipeline, alongside the £4.656m LGF still held by the Accountable Body as per the decision taken by the Board in March 2021.

- 4.15 The reallocation of this funding will be considered under Agenda Item 12.
- 4.16 The Project is identified in the Canterbury City Council District Local Plan as a key piece of strategic infrastructure required to support the residential development within the area. It is recognised within the Local Plan that Sturry village already suffers from congestion due to high traffic volumes and the impact of the operation of the nearby level crossing and any further development will exacerbate these issues.
- 4.17 Furthermore, the Local Plan states that any further significant development in the area will be required to improve and mitigate the effects of this 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.
- 4.18 As indicated at Section 4.4 of this report, planning consent has now been granted for the two main residential developments associated with the Project – totalling over 1,000 proposed new homes. As required, the associated developers have committed to provide a financial contribution to the delivery of the Project.
- 4.19 The approval of the associated residential developments has strengthened the case for timely delivery of the Project and it is therefore expected that, should the remaining unspent £4.791m LGF be reallocated as recommended under Option 2, the Project will still be delivered through developer contributions which have already been secured through signed S106 agreements for the two main residential developments associated with the Project. Under this scenario, spend of the £1.109m LGF will enable the eventual delivery of the Project and will therefore 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). As indicated under Section 4.12 of this report, the Project is unlikely to be commence construction before Summer 2025, if planning consent is refused on 2 September 2021.
- 4.20 It should be noted, however, that any ongoing planning issues present a significant barrier to Project delivery and therefore there remains a risk that it will not be possible for the Project to proceed. If the Project does not proceed, the £1.109m LGF spent to date will become an abortive revenue cost and will need to be repaid to Essex County Council, as Accountable Body for SELEP, as it will no longer meet the conditions of the SLA.
- 4.21 In light of this risk, it is recommended under Option 2 that a further update is brought to the Board in November 2021 which outlines the steps that will be taken to seek to resolve the planning issues, removing the barrier to delivery of the Project and give assurance regarding the retention of the LGF spent to date.

5. Next steps

- 5.1. If planning permission for the Sturry Link Road is granted on 2 September 2021, and the Board agree Option 1 (as set out in Section 4 of this report), it is intended that a further update report on the Project will be provided to the Board in November 2021. This update will set out the next steps for the Project including progress towards mitigating the outstanding delivery risk and confirmation of the full funding package for the Project.
- 5.2. If planning permission for the Sturry Link Road is refused on 2 September 2021, and the Board agree Option 2 (as set out in Section 4 of this report), it is intended that a further update report will be presented to the Board in November 2021. This update will set out the steps that will be taken by Kent County Council to address the ongoing planning issues to secure delivery of the Project, at a later date, through developer contributions. This update is required as if the planning issues cannot be resolved, and the Project does not proceed to delivery, the £1.109m LGF spent to date will likely no longer meet the requirements of the funding agreement in place between Kent County Council, SELEP Ltd. and Essex County Council (as Accountable Body) and will therefore need to be repaid to the Accountable Body to facilitate reallocation of the funding to alternative projects on the LGF project pipeline.
- 5.3. The reallocation of the unspent £4.79m LGF allocated to the Project will be considered under Agenda Item 12. Noting that the award of the £134,847 currently held by Kent County Council to an alternative project will only be confirmed upon return of the funding to Essex County Council, as Accountable Body for SELEP.

6. Financial Implications (Accountable Body comments)

- 6.1. The Accountable Body will continue to hold the remaining £4.656m LGF in relation to the Project until the Board confirm that it can be released for payment.
- 6.2. Should planning permission be approved for this project, a key risk with respect to purchase of land still remains 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.
- 6.3. Should planning permission be refused, 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.
- 6.4. 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.
- 6.5. 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.

- 6.6. 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 legal implications arising from the proposals set out in this report. If the Project is cancelled at a later date, the provisions set out with the SLA in place between Essex County Council, as Accountable Body, and Kent County Council will be activated, and Essex County Council will work with Kent County Council to recover any abortive revenue costs.

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

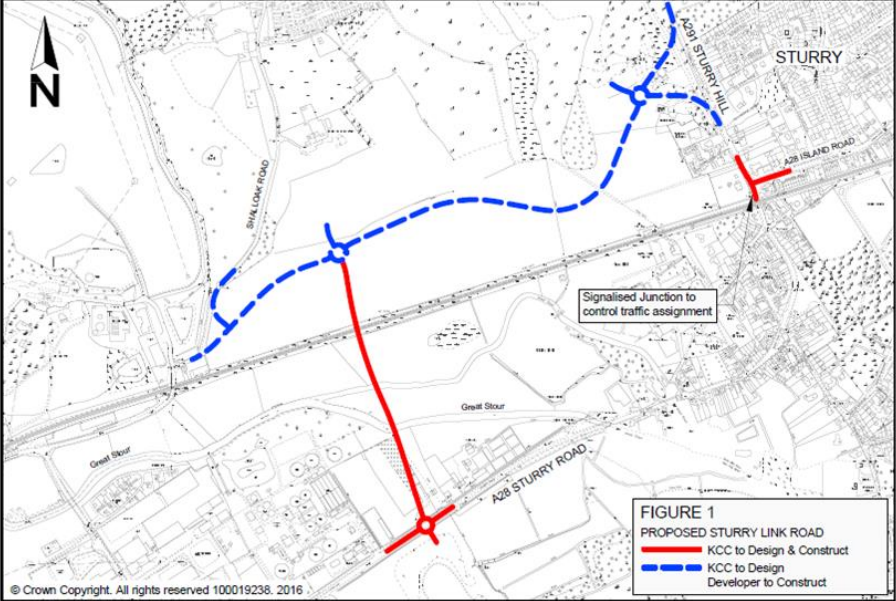
- 9.1. Appendix A – A28 Sturry Link Road project background information

(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	
Nicole Wood	01/09/21

(S151 Officer, Essex County Council)	
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Appendix A – LGF Project Background Information

Name of Project	Sturry Link Road, Canterbury Kent County Council
Local Growth Fund (LGF) allocation	£5.9m
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 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 – 1,106 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. Planning Permission is not yet in place for the LGF funded element of the proposed works; 2. Required land acquisition has not yet been completed.
Link to Project page on the website with full Business Case	https://www.southeastlep.com/project/a28-sturry-link-road/

Forward plan reference number: FP/AB/429

Report title: A26 Tunbridge Wells Junction and Cycle Improvements Package – LGF funding award	
Report to: Accountability Board	
Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 10 September 2021	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Kent County Council	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the award of LGF funding to the A26 Tunbridge Wells Junction and Cycle Improvements Package (the Project).
- 1.2. The Board considered a request to change the scope of the Project at the July Board meeting and requested that an updated Business Case be prepared to demonstrate that the revised scope of the Project offers High value for money. This report considers the updated Business Case and sets out the evidence provided regarding compliance with the conditions previously agreed by the Board in relation to LGF spend beyond 30 September 2021.

2. Recommendations

- 2.1. The Board is asked to agree **one** of two options:

Option 1 (RECOMMENDED)

- 2.1.1. **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 this report) and due to the Project not meeting all the conditions for spend beyond 30 September 2021 (as set out in Section 7 of this report);
- 2.1.2. **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;
- 2.1.3. **Agree** that the £623,389 unspent LGF funding should be reallocated to an alternative project(s) through the LGF project pipeline;
- 2.1.4. **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;

OR

Option 2 (not recommended)

- 2.1.5. **Agree** that the change of scope outlined in this report should be implemented and that the remaining £623,389 LGF allocated to the Project should be awarded to support delivery of these works. Noting that the revised cycle improvements element of the Project has been assessed as offering High value for money with a Low certainty of achieving this;
- 2.1.6. **Agree** the spend of LGF beyond 30 September 2021 as an exception, subject to Strategic Board endorsement in October 2021. Noting that the Board will need to confirm the grounds for the Project being treated as an exception if this option is agreed.

3. Summary position

- 3.1. At the start of the LGF programme, £1.8m of LGF funding was allocated to support the delivery of the Yew Tree Road/Speldhurst Road/A26 junction improvement scheme in Tunbridge Wells. The aim of this project was to ease congestion and facilitate growth.
- 3.2. As set out in the report provided to the Board in July 2021, the scope of the Project was subsequently expanded to also include cycle improvements and was renamed accordingly – A26 Tunbridge Wells Junction and Cycle Improvements Package.
- 3.3. To date, LGF funding totalling £1.177m has been spent on delivery of the Project.
- 3.4. At the last meeting, the Board were advised that a project change request had been received which set out proposals for the spend of the remaining £0.623m LGF funding (as set out in Section 5 of this report). The Board agreed:
- 3.4.1. to retain the £1.8m LGF allocation against the Project until 10 September 2021;
- 3.4.2. that an updated Business Case which demonstrates that the revised scope for the Project offers High value for money should be presented to the Board on 10 September 2021, along with evidence as to how the Project meets the conditions for spend beyond 30 September 2021.

4. Project delivery to date

- 4.1. To date, £1.177m of the £1.8m LGF allocation has been spent on project delivery. A summary of the works completed to date is provided below.

A26 Tunbridge Wells Junction Improvements

- 4.2. Improvements to the Yew Tree Road/Speldhurst Road/A26 junction were delivered during 2015/16 and 2016/17.

- 4.3. The works focused on enhancing the existing junction layout and traffic signals to provide the optimum junction improvement. This was achieved through upgrading traffic islands at the junction and through adjusting vehicle and pedestrian signal timings and phasing to most effectively manage traffic and pedestrian movements.

A26 Tunbridge Wells Cycle Improvements

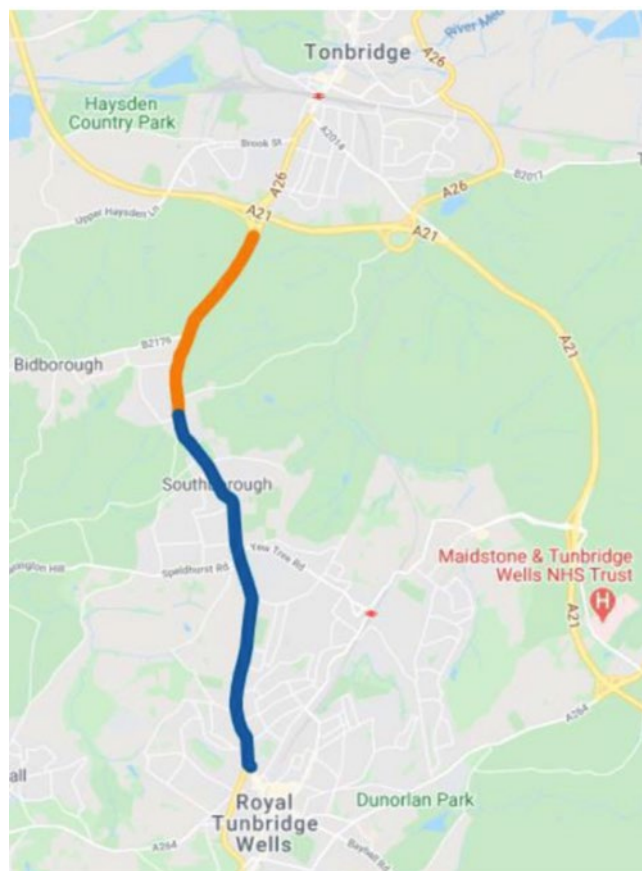
- 4.4. Cycle improvements have been delivered on the A26 between Grosvenor Road, Tunbridge Wells and Speldhurst Road/Yew Tree Road, Southborough. These works included widening of existing cycle lanes, contrasting surface treatment at side junctions and improved signage.
- 4.5. These works form Phase 1 of a wider package of cycle improvements on the A26 between Tunbridge Wells and Tonbridge which were outlined in the Business Case considered by the Board in September 2017. These works were expected to be completed in three phases, as set out below:
- 4.5.1. Phase 1 – Grosvenor Road, Tunbridge Wells to Speldhurst Road/Yew Tree Road, Southborough;
- 4.5.2. Phase 2 – Speldhurst Road/Yew Tree Road, Southborough to Bidborough Ridge, Bidborough; and
- 4.5.3. Phase 3 – Bidborough Ridge, Bidborough to Brook Street, Tonbridge.
- 4.6. Reporting received from Kent County Council indicates that as a result of the completion of the junction and cycle improvement works outlined above, 91 jobs have been created and 106 homes completed.

5. Proposed change to Project scope

- 5.1. As the Board were advised in July 2021, the project change request proposed that the scope of the cycle improvements element of the Project be reduced from three phases (as set out at section 4.5 of this report) to two phases, as follows:
- 5.1.1. Phase 1 – Grosvenor Road, Tunbridge Wells to Speldhurst Road/Yew Tree Road, Southborough (already delivered);
- 5.1.2. Modified Phase 3 - Birchwood Avenue, Southborough to Mabledon/Tonbridge and Malling Borough Council boundary.
- 5.2. It is proposed that the remaining £623,389 LGF is used to bring forward modified Phase 3 cycle improvements. The area covered by the modified Phase 3 is broadly in line with the stretch of the A26 outlined at 4.5.3 above, however, the works will commence slightly closer to Tunbridge Wells than originally intended and will finish at the Tonbridge and Malling Borough Council boundary, rather than continuing to Brook Street, Tonbridge.
- 5.3. The updated Project Business Case indicates that the works will introduce a footway level two-way cycle track with demarcation paving along the eastern side of the A26. The cycle track will be a 3m wide bi-directional cycle track with a minimum width of 2.5m between Birchwood Avenue and the borough boundary, alongside a new toucan crossing.

5.4. The extent of the proposed works is shown in orange on Figure 1 below.

Figure 1: Scheme Location Plan



- 5.5. The Business Case indicates that this LGF investment, in conjunction with the cycle improvements already delivered through the LGF, will encourage cycling by providing an attractive and consistent cycle route along the A26 which enables cyclists to access employment, education and other facilities along the corridor and within the towns of Southborough and Tonbridge.
- 5.6. The cycle improvements proposed within the Business Case will play a role in promoting active travel and addressing peak time congestion on the A26. The prioritisation of active modes of travel has the potential to improve access and inclusion, increase safety, improve health and well-being, reduce noise and air pollution and support planned growth in housing and employment by helping ensure that this takes place in a sustainable manner.
- 5.7. This vision is in line with recent Government policy which promotes decarbonisation of the transport network.

Budget

- 5.8. The updated Project Business Case indicates that the remaining £0.623m LGF funding is sufficient to deliver the proposed works and therefore no other funding sources are identified within the document. It is noted, however, that the Independent Technical Evaluator (ITE) has highlighted in section 8.2.2 below that only a high level costing for the Project has been provided in the revised Business Case which has been raised as a risk with respect to the overall Project cost.

5.9. The forecast spend profile for the remaining LGF funding is set out in Table 1 below.

Table 1: LGF spend profile

Funding Source	2021/22	2022/23	Total
Local Growth Fund (LGF)	£56,000	£567,389	£623,389
Total	£56,000	£567,389	£623,389

Programme

5.10. An indicative delivery programme has been provided within the updated Business Case. This programme will be refined as the design, legal and procurement processes progress.

5.11. The indicative programme provided is set out in Table 2 below.

Table 2: Indicative programme for proposed works

Workstream	Indicative date
Initial design assessment	Completed
Detailed design, completion of Stage 2 Road Safety Audit, establishing the required TRO and production of detailed cost estimate	Q3 and Q4 2021/22
Confirm use of Kent County Council Highways Term Maintenance Contract Framework	November 2021
Contractor mobilisation	May – July 2022
Construction of proposed improvements between Birchwood Avenue and Mabledon	May – September 2022
Open to public	October 2022

6. Risks

- 6.1. The development of the revised scope of works is at a relatively early stage, which inherently means that there is a greater level of risk and uncertainty associated with the project and the associated expected benefits. The key identified risks are outlined below.
- 6.2. A number of key approvals remain outstanding including agreement from Kent County Council Highways Team on the scheme design. Any delays in securing these approvals could have a significant impact on the Project programme. If these approvals cannot be secured, the Board will be asked to agree that the remaining £623,389 LGF allocated to the Project be returned to SELEP for reallocation through the LGF project pipeline.
- 6.3. It is noted within the updated Business Case that the concept designs for the proposed works were included within the Local Cycling and Walking Infrastructure Plans (LCWIP) document which was subject to public consultation. In addition, through the work of the Tonbridge and Tunbridge Wells Bicycle Users Group, a letter of support for the proposed works has been produced which demonstrates support from a range of organisations, including secondary schools. However, no formal public consultation on the proposed works has been undertaken at this stage. It is unclear from the Business Case if further public consultation, beyond that required for the Traffic Regulation Order (TRO), is planned but there remains a risk that the scheme proposals will not be supported by local residents and

that further design work will be required to address concerns raised during any further consultation process undertaken.

- 6.4. As referenced above, there is a requirement for a TRO to be produced. This TRO is required to allow double yellow lines to be installed to prevent parking on the proposed cycle track. This TRO will be subject to public consultation and may need to be considered by the Joint Transportation Board if more than five objections are received. The Joint Transportation Board meet quarterly, and therefore there is the potential for the TRO process to take up to six months.
- 6.5. Finally, as the detailed design is yet to be prepared, there remains a risk that construction costs may be higher than anticipated. This is potentially higher risk in the context of COVID-19 and Brexit which have been the cause of a number of increases in LGF project costs over the last year.
- 6.6. The uncertainty associated with the final design of the proposed works, the costs and the programme, raise concerns regarding the robustness of the expected benefits outlined within the Business Case and the timeline for the realisation of any benefits delivered through the works.

7. LGF spend beyond 30 September 2021

- 7.1. The Strategic Board has previously extended the delivery of the Growth Deal period by six months to 30 September 2021. Any further extensions beyond this date must be considered by both the Board and the Strategic Board on a case-by-case basis.
- 7.2. 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:
 - 7.2.1. there is a clear delivery plan with specific delivery milestones and completion date has been agreed with the Board;
 - 7.2.2. there is a direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
 - 7.2.3. all funding sources have 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;
 - 7.2.4. endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period; and
 - 7.2.5. contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project.
- 7.3. It is apparent from both the indicative programme and the LGF spend profile that most, if not all, of the LGF spend will take place after 30 September 2021.
- 7.4. Table 3 demonstrates the extent of the Project's compliance with these conditions. It should be noted that not all of the five conditions can be met by the Project.

Table 3: Project compliance with the conditions for LGF spend beyond 30 September 2021

A clear delivery plan with specific delivery milestones and completion date	
An indicative delivery programme has been provided for the Project and is set out below. However, it should be noted that this programme will be refined as the design, legal and procurement processes progress.	
Workstream	Indicative date
Initial design assessment	Completed
Detailed design, completion of Stage 2 Road Safety Audit, establishing the required TRO and production of detailed cost estimate	Q3 and Q4 2021/22
Confirm use of Kent County Council Highways Term Maintenance Contract Framework	November 2021
Contractor mobilisation	May – July 2022
Construction of proposed improvements between Birchwood Avenue and Mabledon	May – September 2022
Open to public	October 2022
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	
The emerging Tunbridge Wells Local Plan sets out expectations for the delivery of 1,600 new homes in Royal Tunbridge Wells and Southborough and the creation of 900 new jobs in the local area.	
Delivery of the cycle improvements on the A26 corridor is critical to the delivery of the Local Plan and, as such, these works are included in the Infrastructure Delivery Plan. Delivery of the proposed works will be an important step towards realising the improvements to the entire length of the A26 within the Tunbridge Wells Borough Council administrative area.	
All funding sources have been identified and secured to enable the delivery of the project	
The Business Case indicates that the proposed works will be fully funded through the remaining unspent LGF allocation. Therefore, the availability of this funding to support delivery of the Project is subject to approval by the Board following consideration of this report. If the Board choose not to support the proposed change in project scope, the LGF funding will no longer be available to support project delivery.	
Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period	
If the Board choose Option 2, allowing the LGF spend on the Project to extend beyond 30 September 2021 as an exception, endorsement will be sought from the Strategic Board in October 2021.	
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project	
Contractual commitments with the construction contractor will not be in place by the end of September 2021. The use of Kent County Council Highways Term	

Maintenance Contract Framework is expected to be confirmed in November 2021, however, contractor mobilisation will not take place until May 2022. A construction contractor cannot be appointed until the detailed design for the scheme has been produced. Based on the indicative programme, detailed design will not be complete until March 2022.

- 7.5. As shown in Table 3, the Project does not meet all the conditions previously agreed by the Board for LGF spend beyond September 2021. This is primarily due to the fact that, given the early stage of project development, a construction contractor will not be in place by 30 September 2021. However, at this time, it is also not possible to confirm that the full funding package is in place to deliver the works as the improvements are due to be fully funded through the LGF allocation which is subject to Board consideration of this report.

8. Independent Technical Evaluator Comments

- 8.1. A strategic case has been developed which presents clear alignment with local, regional, and national policy objectives. Economic appraisal has been undertaken using Department for Transport's Active Mode Appraisal Toolkit. The scheme is forecast to result in substantial journey time as well as health benefits which deliver a Benefit Cost Ratio of 6:1. Therefore, the scheme is initially assessed as representing "very high" value for money.
- 8.2. However, the assessment of the Business Case has exposed a number of significant risks associated with the project at its current stage of development:
- 8.2.1. The scheme is still at concept design stage which raises risks around deliverability of the scheme, but also certainty around the scale of impacts that can be expected to be realised;
- 8.2.2. Scheme costs have been developed at a high level and have not been broken down into component parts. This level of detail is not commensurate with outline business case and does not allow for assessment of cost assumptions to be undertaken.
- 8.3. Due to these risks and the high levels of uncertainty around value for money and deliverability that they present, the ITE is only able to attribute a low level of certainty to the Project achieving the High value for money demonstrated within the Business Case.
- 8.4. Were the Board to approve the allocation of funding to the Project, it is recommended that the scheme promoter conduct further scheme development before producing a Full Business Case, which should be subject to further independent technical evaluation at a later stage, to increase the certainty with respect to the value for money assessment.

9. Project Compliance with the SELEP Assurance Framework

- 9.1. Table 4 considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework. This assessment demonstrates that the Project does not fully comply with the requirements of the SELEP Assurance Framework.

Table 4: Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the Project	Compliance (RAG Rating)	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the SELEP Economic Recovery and Renewal Strategy	Green	A compelling strategic case has been developed, presenting a case for investment which is well aligned with current local, regional and national policy objectives.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	Amber	The Business Case sets out the expected outputs and gives an indication as to the expected outcomes of the Project. However, given the early stage of Project development, these elements are still subject to change.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)	Amber/Red	There are a number of identified risks including that the Project is at an early stage of development resulting in uncertainty regarding affordability and realisation of benefits, full public consultation has not been carried out and there are key critical path outstanding approvals.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	Amber	The project is expected to deliver substantial journey time and health benefits. The Business Case indicates a Benefit Cost Ratio (BCR) of 6:1, however, as indicated in this report, the Project is at an early stage of development so there remains an element of uncertainty regarding project costs. In addition, the ITE has indicated that the Business Case does not provide the level of detail expected.

10. Options available to the Board

10.1. This report sets out two potential options for the Board to consider.

Option 1 (Recommended)

10.1.1. **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 this report) and due to the Project not meeting all the conditions for spend beyond 30 September 2021 (as set out in Section 7 of this report);

- 10.1.2. **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;
 - 10.1.3. **Agree** that the £623,389 unspent LGF funding should be reallocated to an alternative project(s) through the LGF project pipeline;
 - 10.1.4. **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.
- 10.2. Throughout this report a number of risks to project delivery and benefit realisation have been identified, with the majority of the risks stemming from the fact that the proposed works outlined in the Business Case are at an early stage of development. These risks include:
- 10.2.1. concerns regarding affordability of the proposed works as detailed design and a full costing have not yet been completed.
 - 10.2.2. the fact that a number of key approvals, including from the Kent County Council Highways team, remain outstanding presenting a significant risk to both Project delivery and the delivery programme.
 - 10.2.3. the fact that no formal public consultation on the proposed works has been undertaken to date. The only public consultation undertaken was based on the concept designs as included in the Local Cycling and Walking Infrastructure Plans document. There remains a risk, therefore, that there will be public opposition to the proposed cycle improvements.
 - 10.2.4. concerns regarding the robustness of the expected benefits outlined in the Business Case and the timeline for the realisation of any benefits realised due to the high level of uncertainty associated with the final design of the proposed works, the costs and the programme as outlined above.
- 10.3. As set out in Section 8 of this report, these concerns are also raised by the Independent Technical Evaluator. It is noted that the updated Business Case supplied does not provide the level of detail that would be expected in an Outline Business Case. Following consideration of the information provided in the Business Case and the risks and high levels of uncertainty identified, the Independent Technical Evaluator has concluded that they are only able to attribute a low level of certainty to the Project achieving the High value for money demonstrated within the Business Case.
- 10.4. In addition to the risks identified, the Project is unable to meet the conditions for LGF spend beyond 30 September 2021. As set out in Section 5 of this report, works are not expected to commence onsite until May 2022 and therefore the majority, if not all, of the remaining LGF funding will be spent beyond September 2021.
- 10.5. The key issue with regard to compliance with the conditions previously agreed by the Board for extended LGF spend, is the fact that a construction contractor will not be in place by the end of September. Due to the early stage of project development, a decision regarding the

procurement approach will not be taken until November 2021, with contractor mobilisation not expected until May 2022.

- 10.6. The remaining LGF balance against the Project has already been transferred to Kent County Council and therefore under Option 1, it is recommended that this funding should be returned to Essex County Council, as Accountable Body for SELEP, within four weeks of this Board meeting for reallocation to alternative projects on the LGF prioritised project pipeline.
- 10.7. The reallocation of this funding will be considered under Agenda Item 12.
- 10.8. As set out above, concerns have been raised regarding the robustness of the expected benefits outlined in the Business Case due to the early stage of project development. In addition, there are concerns regarding the timeline for the realisation of any benefits achieved through delivery of the Project due to the delay in delivery of the proposed cycle improvements. According to the indicative programme provided, construction of the scheme if approved will take place between May and September 2022.
- 10.9. As the Board will recall, the LGF prioritised project pipeline consists of existing LGF projects which are already in delivery but which have experienced an increase in costs or a loss of match funding contributions as a result of the COVID-19 pandemic or Brexit. The two projects currently at the top of the LGF pipeline, which will receive the most benefit if the funding is reallocated, are as follows:
- 10.9.1. The Kent and Medway EDGE Hub which is seeking an additional £0.324m LGF. The Project has delivered a new skills facility in Canterbury which will support high value employment, growth and investment in Engineering and Technology. This project is nearing completion, with the additional funding sought to ensure that the Hub is equipped to meet the needs of the emerging 'new normal' following the COVID-19 pandemic which has resulted in increased demand for integrating online and immersive virtual services and a rapid rate of change and adoption of new technologies within the engineering and technology sector.
- 10.9.2. The EDGE Hub project seeks to fill regional skills gaps through provision of industry ready graduates and through upskilling the existing workforce. In summary the benefits offered by the project include: creation of an additional 56 jobs by 2024; 1,250 additional undergraduate and postgraduate enrolments by 2024, including 275 additional degree apprenticeship enrolments; 375 additional short course and continuous professional development learners by 2024; 420 employer student research projects completed by 2024; and 12,900 additional school student visits by 2024.
- 10.9.3. Mercury Rising, Colchester which is seeking an additional £0.228m LGF. The project has enabled the expansion and redevelopment of the Mercury Theatre, which is a significant regional cultural performance and training venue in Colchester, Essex. This project is nearing completion, with the additional funding sought to allow the purchase of technical equipment which had to be removed from the original scope of the project due to increasing construction costs associated with the COVID pandemic.

10.9.4. In summary, the benefits offered by the Mercury Rising project include an increase in visitor numbers to the local area, an increase in arts participation through increased capacity for schools and youth involvement, provision of a modern state of the art backdrop to continue professional level training, work experience and apprenticeships in all aspects of theatre and the creative industries and space to house start up creative businesses and entrepreneurs at various stages of their career helping to increase local employment and skills.

10.10. Further information on these projects can be found under Agenda Item 12.

10.11. Any additional LGF funding awarded to these two projects is forecast to be spent in full by the end of 2021, with benefits realisation expected to start shortly after project completion. It is therefore reasonable to assume that whilst these projects offer very different benefits to the scheme under consideration in this report, the realisation of the benefits is likely to be accelerated.

10.12. Under Option 1, the Board are also asked to consider if there is compelling justification for not reclaiming the LGF funding, totalling £1,176,611, which has already been spent on the delivery of the Project.

10.13. The junction improvement works and the first phase of the cycle improvements have been delivered in accordance with the Business Cases approved by the Board. These Business Cases demonstrated that the works undertaken offered High value for money. At this stage, it is too early to confirm whether all the anticipated benefits will be realised and therefore the value for money is not yet assured; but initial reporting from Kent County Council demonstrates that delivery of the Project to date has enabled the creation of 91 new jobs and the delivery of 106 new homes. Benefits realisation will continue to be monitored to ensure that the value for money offered by the Project to date remains high.

Option 2 (not recommended)

10.13.1. **Agree** that the change of scope outlined in this report should be implemented and that the remaining £623,389 LGF allocated to the Project should be awarded to support delivery of these works. Noting that the revised cycle improvements element of the Project has been assessed as offering High value for money with a Low certainty of achieving this;

10.13.2. **Agree** the spend of LGF beyond 30 September 2021 as an exception, subject to Strategic Board endorsement in October 2021. Noting that the Board will need to confirm the grounds for the Project being treated as an exception if this option is agreed.

10.14. Option 2 is available should the Board consider that the risks outlined within this report do not outweigh the benefits expected to be offered by the Project. In light of the risks outlined in this report and the outcome of the ITE assessment, it is not recommended that this option is selected by the Board.

10.15. If the Board choose option 2, delivery of the proposed cycle improvement works will be able to progress. However, at this stage there is no certainty with regard to the exact scope of these works, the affordability, the delivery programme or the robustness of the expected

benefits outlined in the Business Case. As a result of these risks, the ITE has only been able to attribute a low level of certainty to the Project achieving the High value for money demonstrated within the Business Case. Given this information, and the current late stage of the LGF programme, it is considered that this option presents too much risk.

- 10.16. If this option is chosen by the Board, it is recommended that following further project development, an additional Business Case is developed and submitted for ITE review. This is required as, following the review of the current Business Case, the ITE has not been able to attribute any great certainty to the project achieving the value for money set out within the Business Case. Whilst this approach would provide greater assurance regarding the deliverability, affordability, benefits realisation and value for money, it is likely to further delay delivery of the Project and realisation of the expected benefits. In addition, the proportionality of this approach needs to be considered as the value of the funding being awarded is relatively low.
- 10.17. Under option 2, the Board are also asked to agree that the Project can spend the LGF funding beyond September 2021. As indicated previously, the Project does not meet the conditions for spend beyond September 2021, and therefore would need to be approved as an exception to the agreed approach set out in the Assurance Framework.
- 10.18. To date, the Board has only agreed that the Beaulieu Park Station project should be approved for LGF spend beyond 30 September 2021 as an exception to the agreed criteria. In this instance, the decision to consider the project as an exception was predicated on the basis that the removal of the LGF funding awarded to the project would be detrimental to Essex County Council's application for £124.67m from the Housing Infrastructure Fund to support project delivery. An application which was ultimately successful.
- 10.19. Given the scale, value and standalone nature of the proposed work outlined within this report, it is considered that there are no clear grounds for the Project to be treated as an exception. Should the Board be minded to choose Option 2, grounds for the Project to be treated as an exception will need to be confirmed by the Board. It is important that the wider implications for the timely delivery of the LGF programme as a whole are considered when determining any grounds for allowing LGF spend on the Project beyond September 2021.

11. Financial Implications (Accountable Body comments)

- 11.1. Option 1 of the recommendations in this report, allows for the Tunbridge Wells A26 Cycle and Junction Improvements Package (the Project) funding of £623,389 to be reallocated to the LGF pipeline. This is permissible under the requirements of the SELEP Assurance Framework and the SLA between SELEP Ltd, the SELEP Accountable Body (Essex County Council) and Kent County Council.
- 11.2. To enable option 2 of the recommendations to be agreed, the Board will need to be clear on the justification for applying an exception to the agreed criteria for spend beyond September 2021 and accept the risk with respect to securing high value for money for the proposed project change.
- 11.3. Should option 2 be agreed by the Board, it is advised to receive regular updates with regards to progress in delivery, particularly with respect to assurances regarding total costs,

benefits and completion timelines to ensure that the conditions of the SLA continue to be met.

- 11.4. 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.
- 11.5. The grant conditions from central Government strictly specify that the LGF must be spent on capital expenditure in delivering the Project. If any of the £1.177m LGF spend on the Project to date becomes an abortive cost, this will no longer meet the grant conditions and must be repaid to SELEP by Kent County Council under the terms of the Service Level Agreements with the SELEP Accountable Body (Essex County Council).
- 11.6. The Funding Agreement or SLA sets out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.
- 11.7. Should the recommendation under 2.1.3, for repayment of £623,389 of LGF be approved by the Board, subsequent transfer of the LGF, by the Accountable Body, to the next approved project, will only take place following receipt of this funding from Kent County Council.

12. Legal Implications (Accountable Body comments)

- 12.1. A Service Level Agreement (SLA) is already in place between SELEP Ltd, the SELEP Accountable Body (Essex County Council) and Kent County Council. The LGF grant must be administered in accordance with the terms of the SLA. If the Project incurs abortive costs funded by LGF or is cancelled, the provisions set out within the SLA funding agreement will be activated, and Essex County Council, as the Accountable Body, will work with Kent County Council, to recover unspent funding and any relevant associated costs.

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 - Report of the Independent Technical Evaluator


15. List of Background Papers

15.1. [Updated A26 Tunbridge Wells Cycle Improvements 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 Nicole Wood (S151 Officer, Essex County Council)	01/9/2021

Independent Technical Evaluator - Business Case Assessment – Q2 2021/22 Report



Independent Technical Evaluator - Business Case Assessment – Q2 2021/22 Report

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Contents

1 Independent Technical Evaluation of Local Growth Fund Schemes1

Overview1

Method1

Local Growth Fund.....3

Change Requests5

Tables

Table 1.1: Gate 1 & 2 Assessment of Local Growth Fund Approval for Funding for Q2 2021/22.4

1 Independent Technical Evaluation of 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 10th September 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 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 between July and August 2021.

Local Growth Fund

High value for money, low certainty

A26 Tunbridge Wells Cycle Improvements Phase 3 (£0.6m)

- 1.11 Kent County Council is seeking funding for Phase 3 of the A26 Tunbridge Wells Cycle Improvements between the Tunbridge Wells Borough boundary at Mabledon Farm and Birchwood Avenue, Southborough. The overall purpose of the investment is to encourage cycling by providing an attractive and consistent cycle route along the A26 to enable cyclists to access employment, education and other facilities along the corridor and within the towns of Southborough and Tonbridge. Encouraging greater use of active modes also has the potential to address existing congestion issues on the A26, as well as providing health benefits for existing and future residents in the area.
- 1.12 Phase 3 will deliver a footway level, two-way cycle track with demarcation paving along the eastern side of London Road. It will also provide a visual buffer along the edge of the cycle track to deter people from cycling too close to the carriageway. The track will be a 3m wide bi-directional track, with a minimum width of 2.5m.
- 1.13 A strategic case has been developed presenting a clear alignment with local, regional and national policy objectives. Economic appraisal has been undertaken using Department for Transport's Active Mode Appraisal Toolkit. The scheme is forecast to result in substantial journey time as well as health benefits which deliver a benefit cost ratio of 6:1. Therefore, the scheme is initially assessed as representing "very high" value for money.
- 1.14 However, our assessment has exposed a number of significant risks associated with the project at its current stage of development:
 - The scheme is still at concept design stage which raises risk around deliverability of the scheme, but also certainty around the scale of impacts that can be expected to be realised; and
 - Scheme costs have been developed at a high level and have not been broken down into component parts. This level of detail is not commensurate with outline business case and does not allow for assessment of cost assumptions to be undertaken.
- 1.15 Due to these risks and the high levels of uncertainty around value for money and deliverability that they present, we are only able to attribute a low level of certainty to the Project achieving the High value for money demonstrated within the Business Case.
- 1.16 Were the scheme to be approved funding it is our recommendation that the scheme promoter conduct further scheme development resulting in a full business case and that this is subject to further independent technical evaluation at a later stage.

Table 1.1: Gate 1 & 2 Assessment of Local Growth Fund Approval for Funding for Q2 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
Local Growth Fund										
A26 Tunbridge Wells Cycle Improvements Phase 3	£0.6m	Gate 1: 6	Green	Amber	Green	Red	Red	A monetised economic appraisal has been undertaken assessing the journey time and health impacts of the scheme in line with Department for Transport’s Active Mode Appraisal Toolkit. This is appropriate and proportionate for this scheme.	The early level of scheme development and lack of detail around costs present significant risks around value for money of the scheme.	A breakdown of costs and assumptions underpinning costs has not been provided. Additionally, the scheme is at an early stage of development. These present uncertainties related to both deliverability and benefits realisation

Change Requests

- 1.17 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

Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub

- 1.18 Kent County Council is seeking an additional £0.3m to spend on the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub project. The scope of the project involves investing in a state-of-the-art STEM facility at Canterbury Christ Church University. The hub will be composed of 3,588 square metres of floor space and should create £1.8m of income through research and consultancy by 2024. This additional funding would enable the original scheme benefits to be delivered at a faster pace.

Mercury Rising

- 1.19 Essex County Council is seeking an additional £0.2m to spend on the Mercury Rising Project. The scope of the project remains investing in the Mercury Theatre to create a world class hub for performing arts education, participation, training and skills development in Colchester. This facility will be composed of two auditoria, three rehearsal/workshop spaces, meeting rooms and state of the art technical, production and workshop facilities and will have a secondary role as a community hub.
- 1.20 The original business case as reviewed by Steer in October 2017 was based on a scheme capital cost of £9.0m, including an LGF contribution of £1m. The benefit cost ratio for the original scheme was 3.4:1 representing "high" value for money, with a high level of certainty of delivering that value for money.
- 1.21 Additional investment is being sought due COVID-19 related delays. These delays have caused significant extra costs. The project was initially due to be completed in August 2020 with a full programme of work happening in September. The project has not only incurred additional delivery costs but has also lost a substantial amount of potential revenue.
- 1.22 The additional funding request of £0.2m is part of an additional £2.3m required, which collectively represents an increase in total scheme cost from £9.0m to £11.3m. Our assessment shows that the scheme still has a benefit cost ratio comfortably in excess of 2:1 and continues to represent "high" value for money with a high certainty of achieving that value.

Southend Airport Business Park

- 1.23 Southend-on-Sea Borough Council is seeking an additional £1.6m to spend on the Southend Airport Business Park Project. The scope of the project remains investing in the development of a green field site located next to Southend Airport. The project aims to deliver 3,715 jobs, 84,148 square metres of commercial floorspace, 2km of newly built roads, 2km of new cycleways, and to reclaim 19 hectares of land.
- 1.24 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.
- 1.25 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.
- 1.26 The additional funding request of £1.6m represents an increase in total scheme cost from £31.1m 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 Project)

- 1.27 Kent County Council is seeking a further £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.
- 1.28 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.
- 1.29 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.
- 1.30 The project will proceed without further Local Growth Funding, however it would place undue pressure on other Network Rail projects across the area, indirectly removing their potential benefits.
- 1.31 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

- 1.32 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.
- 1.33 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.
- 1.34 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 Summer 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

- 1.35 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.
- 1.36 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.
- 1.37 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.

- 1.38 The additional funding request of £1.7m from the Local Growth Fund increases the total cost of the project 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

- 1.39 Thurrock Council is seeking an additional the £1m to spend on the A13 Widening 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.
- 1.40 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.
- 1.41 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.
- 1.42 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 Highways England 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.

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Report author: Howard Davies, SELEP Capital Programme Officer	
Meeting date: 10 September 2021	For: Decision
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SELEP Partner Authority affected: Kent, Essex, 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 10 September 2021;
 - 2.1.2. **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.
 - 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. Kent and Medway EDGE Hub - **£322,872**
 - 2.1.3.2. Mercury Rising, Essex - **£228,000**
 - 2.1.3.3. Southend Airport Business Park - Part A - **£600,000**
 - 2.1.3.4. Southend Airport Business Park - Part B - **£500,000**

LGF additional funding awards

- 2.1.3.5. Southend Airport Business Park - Part C - **£500,000**
- 2.1.3.6. Maidstone East Station Access Improvements (West Kent LSTF) - **£153,000**
- 2.1.3.7. A127 Essential Maintenance - Part B - **£393,000**
- 2.1.3.8. University of Essex Parkside - Phase 3 - **£1,650,000**
- 2.1.3.9. A13 Widening - Part B - **£1,000,000**

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 ten projects which were prioritised for additional LGF have now been awarded funding.
- 3.2. 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.
- 3.3. For projects to be considered for additional LGF, scheme promoters were required to demonstrate:
 - 3.3.1. a legitimate case for why additional public sector investment was required in the project;
 - 3.3.2. that the project remained a strategic priority in supporting the COVID-19 economic recovery and/or in addressing the challenges presented by Brexit;
 - 3.3.3. that the project continued to present high value for money; and
 - 3.3.4. 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.
- 3.4. The requests for additional funding for the remaining projects on the pipeline, except for Dartford Town Centre, 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.
- 3.5. It is not known if any additional LGF funding will become available for reallocation at this meeting. However, under agenda item 10 the Board are asked to consider the position with regard to the remaining unspent LGF of £4,790,949 currently allocated to the A28 Sturry Link Road project.
- 3.6. In addition, under agenda item 11 the Board are asked to consider whether to agree the proposed change of scope for the A26 Tunbridge Wells junction and cycle improvements package. If the proposed change of scope is not agreed, the remaining unspent LGF allocation of £623,389 will be returned to the Accountable Body for reallocation.
- 3.7. 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.

LGF additional funding awards

- 3.8. 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 A28 Sturry Link Road project and A26 Tunbridge Wells junction and cycle improvements package

- 3.9. As indicated above, there is the potential for up to £5,414,338 of LGF to be reallocated, subject to decisions in earlier agenda items; this is in respect of the A28 Sturry Link road (£4,790,949) and A26 Tunbridge Wells junction and cycle improvements package (£623,389). Of this potential total funding, £758,236 is currently held by Kent County Council, with the remaining £4,656,102 held by Essex County Council, as the Accountable Body for SELEP.
- 3.10. If agreed by the Board in earlier agenda items, Kent County Council will be required to return the respective funding to the Accountable Body within 4 weeks of this Board meeting. See agenda items 10 and 11.
- 3.11. Any funding awarded by the Board cannot be transferred to the respective Projects until it has been received by the Accountable Body.
- 3.12. 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:
- | | | |
|---------|---|------------|
| 3.12.1. | Kent and Medway EDGE Hub Project
(At the March 2021 Board meeting the project was allocated an additional £901,128, but insufficient LGF was available at the time to award the full £1.224m requested). | £322,872 |
| 3.12.2. | Mercury Rising, Colchester | £228,000 |
| 3.12.3. | Southend Airport Business Park - Parts A, B and C | £1,600,000 |
| 3.12.4. | West Kent LSTF - Maidstone East Station Access Improvements | £153,000 |
| 3.12.5. | A127 Essential Maintenance and The Bell Junction Improvements | £393,000 |
| 3.12.6. | University of Essex - Parkside Phase 3 | £1,650,000 |
| 3.12.7. | A13 Widening, Thurrock - Part B | £1,000,000 |
- 3.13. This would leave £67,466 LGF unallocated at this time. If this situation arises, initial proposals on the approach to allocating this funding will be brought to the Strategic Board in October 2021.

4. Summary Position

LGF additional funding awards

- 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

Project name	Current LGF Allocation £m	Additional LGF requested £m	Total LGF £m	Cumulative total funding ask £m
Kent and Medway EDGE Hub (remaining ask)	7.021	0.323	7.344	0.323
Mercury Rising, Essex	1.000	0.228	1.228	0.551
Southend Airport Business Park - Part A	23.090	0.600	23.690	1.151
Southend Airport Business Park - Part B		0.500	24.190	1.651
Southend Airport Business Park - Part C		0.500	24.690	2.151
West Kent LSTF - Maidstone East Station Access Improvements	1.246	0.153	1.399	2.304
A127 Essential Maintenance and The Bell Junction Improvements	6.600	0.393	6.993	2.697
Parkside Phase 3	5.000	1.650	6.650	4.347
A13 Widening - Part B	81.500	1.000	82.500	5.347
Total	125.457	5.347	130.804	

- 4.2. The projects detailed in this report have provided updated versions of their applications for additional LGF funding. 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 11.
- 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 Benefit Cost Ratio (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 increase in project costs. 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 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. This is primarily due to the timing of the decision, the requirement for any funding removed from existing projects to be returned to Essex County Council (as Accountable Body for SELEP) for reallocation and the legal documentation which needs to

LGF additional funding awards

be completed before the funding can be released. As a result, information has been provided in Appendix E 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 and the A127 Essential Maintenance 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 October 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 (£5.347m) then initial proposals on the approach to allocating the remaining funding will be presented to the Strategic Board in October 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; of this amount, Essex County Council, as the Accountable Body for SELEP, is holding £4.656m, with the remaining amount with Kent County Council.
- 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.
- 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 11
- 8.2. Appendix B – Project Background Information
- 8.3. Appendix C – LGF Project Pipeline
- 8.4. Appendix D – Reallocation scenarios should LGF funding be returned
- 8.5. Appendix E – Evidence of compliance with conditions for LGF spend beyond 30 September 2021

9. List of Background Papers

LGF additional funding awards

- 9.1. [Kent and Medway EDGE Hub Project webpage](#)
- 9.2. [Mercury Theatre Project webpage](#)
- 9.3. [Southend Airport Business Park Project webpage](#)
- 9.4. [West Kent LSTF - Maidstone East Station Access Improvements Project webpage](#)
- 9.5. [A127 Essential Bridge and Highway Maintenance Project webpage](#)
- 9.6. [University of Essex Parkside - Phase 3 Project webpage](#)
- 9.7. [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 Nicole Wood (S151 Officer, Essex County Council)	 01/09/21

Appendix B1 – Local Growth Fund Project Background Information

Name of Project	<p>Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub</p> <p>Canterbury Christ Church University</p> <p>Kent County Council</p>
Description of what Project delivers	<p>The Project is delivering a new 3,588m² facility in Canterbury, with satellite facilities at Discovery Park, Kent Science Park and Medway Campus, to support high value employment, growth and investment in Engineering and Technology businesses.</p> <p>The Project will:</p> <ul style="list-style-type: none"> • significantly broaden Canterbury Christ Church University's Higher Education offer by adding a new suite of Technical and Professional Education opportunities (Higher and Degree Apprenticeships, Foundation Degrees, Undergraduate Degrees, Masters and Doctoral programmes) in Engineering, Product Design and Technology. • create a new Engineering and Technology Innovation Service that will work with small businesses, larger companies, inventors and entrepreneurs to take innovations from prototype to commercialisation. • support companies with business-focused PhD, Masters, Undergraduate and commercial research projects using state-of-the-art facilities; and • offer new business-focused short courses and CPD opportunities, meeting the needs of small and larger companies. <p>The EDGE Hub will act as a catalyst for developing an enhanced local and regional strategic approach to inspiring and enabling an expansive sustainable education pipeline, supporting new learning and career pathways in Engineering and Technology. It will build on and interface with other regional STEM educational ambitions which have the potential to engage young people in employer-led scientific research embedded in their learning experiences.</p>
Case for additional LGF funding	<p>Additional LGF funding is required due to a number of factors:</p> <ul style="list-style-type: none"> • Impact of COVID-19 on construction - due to site shutdown during lockdown and subsequent required changes to working practices, completion of the EDGE Hub has been delayed by 5 months resulting in increased project management costs; • Changes to Health and Safety Regulations - changes to Health and Safety standards associated with ventilation have resulted in the need to design and implement enhanced ventilation systems; • Design changes - a number of required design changes have been identified as a consequence of planning control (e.g. roof top screening) and actual costs in excess of the original estimates (e.g.

	Local Growth Fund (earlier funding award)	1.120	2.500	2.500		0.901	7.021
	Local Growth Fund (this report)					0.323	0.323
	Office for Students	-	3.000	2.500	1.000	-	6.500
	Canterbury Christ Church University	1.610	0.970	0.200	0.200	0.300	3.280
	Equipment in kind	-	0.100	0.200	0.200	0.200	0.700
	Borrowing	-	2.000	0.780	1.000	0.500	4.280
	Total	2.730	8.570	6.180	2.400	2.224	22.104
Risks to project delivery	<p>The main risks impacting the ability of the project to proceed are:</p> <ul style="list-style-type: none"> Potential COVID-19 impacts on the supply chain may delay the fit out of the building (for example, specialist fit out teams having to self-isolate). Mitigation measures in place including strict appropriate COVID-19 working conditions. The increased demand for integrating online and immersive virtual services, as well as the rapid rate of change and adoption of new technologies within engineering and technology, puts the project at risk of not being able to meet the needs of the emerging 'new normal', without additional investment. <p>Subject to Board approval of the additional LGF allocation, there are no remaining barriers to Project delivery. The funding will be used to ensure the provision of additional equipment to be provided within the hub.</p>						
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 11).</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/kent-and-medway-engineering-and-design-growth-and-enterprise-edge-hub/</p> <p>Application for additional LGF funding: https://www.southeastlep.com/app/uploads/2020/10/Kent-and-Medway-EDGE-Hub-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 B2 – Local Growth Fund Project Background Information

Name of Project	Mercury Rising, Colchester Essex County Council
Description of what Project delivers	<p>The principal objectives of the scheme are to:</p> <ul style="list-style-type: none"> • Create world class facilities for artists and audience alike improving the audience experience thereby increasing future capacity and attracting more visitors; • Provide a new hub housing 15 new local creative businesses; • Improve rehearsal and production facilities to support high quality productions locally, regionally and nationally; • Increase the contribution to the regional creative economy including skills development, business support for SME's in the sector and networking opportunities; • Improve access for disabled people and other marginalised communities; • Improve the public realm; • Improve business sustainability; • Open up new routes for digital presentation and creation; • Create a safe and welcoming environment for Mercury staff and users; • Support the visitor economy and placemaking for Colchester and North Essex. <p>The Mercury Rising Project meets the Growth Deal aims of creating jobs, providing 52.3 gross additional direct FTE jobs in the economy, while realising the core objective of providing a greater cultural experience in a redeveloped building to anchor the creative economy in Essex and the SELEP economies. The project meets the objectives of the strategic plan for Colchester and will become a key asset for the town as it seeks to recover from the COVID-19 pandemic.</p>
Case for additional LGF funding	<p>As with most capital projects in 2020, COVID-19 has delayed delivery and has resulted in significant extra costs being incurred. This has caused delays to the project, originally completion was expected in August 2020 with the theatre opening to the public in September 2020.</p> <p>Some additional funding has been made available by other funding organisations, but there remains a gap due to:</p> <ul style="list-style-type: none"> • Additional contractor fees; • Additional fees in relation to design and consultant teams; • Increased costs of materials and storage; • Unforeseen fire safety standard changes resulting in increased costs.

	The additional LGF would allow the project to reinstate items of equipment, including: Upgraded IT equipment, upgraded digital equipment to future proof the theatre and electrical equipment to support travelling touring teams.																																																																																																		
Project benefits	<p>The overall benefits of the entire project are:</p> <ul style="list-style-type: none">• Increase visitor numbers to the local area;• Create a sustainable and fully accessible state of the art theatre that engages with the local community through ongoing and increased community engagement projects and is a model of best practise for community cohesion;• Increase arts participation through increased capacity for schools and youth involvement;• Provide a modern state of the art backdrop to continue professional level training, work experience and apprenticeships in all aspects of theatre and the creative industries;• House start up creative businesses and entrepreneurs at various stages of their career and increase local employment and skills.																																																																																																		
Financial Information	<p>Original LGF allocation: £1.00m</p> <p>The total capital cost of the Project is £11.323m.</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></td><td>1.00000</td><td></td><td></td><td></td><td>1.00000</td></tr><tr><td>Colchester Borough Council</td><td></td><td>0.50000</td><td>0.50000</td><td></td><td></td><td>1.00000</td></tr><tr><td>Essex County Council</td><td>0.50000</td><td>0.50000</td><td></td><td></td><td></td><td>1.00000</td></tr><tr><td>Arts Council England</td><td>0.47873</td><td>2.00000</td><td>1.52127</td><td></td><td></td><td>4.00000</td></tr><tr><td>Mercury Fundraising</td><td>0.04720</td><td>0.15025</td><td>1.79152</td><td></td><td></td><td>1.98897</td></tr><tr><td>Total</td><td>1.02593</td><td>4.15025</td><td>3.81279</td><td>0.00000</td><td>0.00000</td><td>8.98897</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></td><td></td><td>1.00000</td><td></td><td></td><td>1.00000</td></tr><tr><td>Additional LGF</td><td></td><td></td><td></td><td></td><td>0.22800</td><td>0.22800</td></tr><tr><td>Colchester Borough Council</td><td></td><td>1.19500</td><td></td><td></td><td></td><td>1.19500</td></tr><tr><td>Essex County Council</td><td></td><td></td><td>1.00000</td><td></td><td></td><td>1.00000</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		1.00000				1.00000	Colchester Borough Council		0.50000	0.50000			1.00000	Essex County Council	0.50000	0.50000				1.00000	Arts Council England	0.47873	2.00000	1.52127			4.00000	Mercury Fundraising	0.04720	0.15025	1.79152			1.98897	Total	1.02593	4.15025	3.81279	0.00000	0.00000	8.98897	Revised project spend profile (£m)							Funding sources	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	Total	Local Growth Fund (LGF)			1.00000			1.00000	Additional LGF					0.22800	0.22800	Colchester Borough Council		1.19500				1.19500	Essex County Council			1.00000			1.00000
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Essex County Council			1.00000			1.00000																																																																																													

Page 133 of 238

	Arts Council England	0.47873			3.16910	0.35217	4.00000
	Mercury Fundraising	0.04813	0.07827	0.47826	0.54110	0.12220	1.26796
	Sport England				0.04000		0.04000
	National Endowment for Science, Technology and the Arts (NESTA)				0.40000		0.40000
	Town Deal				0.35000		0.35000
	Arts Council Treasury Kick Start				0.86409		0.86409
	European Regional Development Fund (ERDF)				0.97800		0.97800
	Total	0.52686	1.27327	2.47826	6.34229	0.70237	11.32305
Risks to project delivery	The Project is 90% complete, there are no further barriers to completion.						
Outcome of ITE Review	The scheme 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 11)						
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.southeastlep.com/mercury-rising-theatre-colchester/</p> <p>Application for additional LGF funding: https://www.southeastlep.com/app/uploads/2020/10/Mercury-Theatre-application-for-additonal-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 B3 – 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 - £600,000. 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> <p>(1) 3,669sqm (GIA) Innovation Centre delivered;</p> <p>(2) 63,000sqm of new commercial floorspace as part of Phase 2 of project;</p> <p>(3) 2,600 new jobs as a result of project.</p>
Financial Information	<p>Original LGF allocation: £23.09m</p> <p>Additional LGF funding requested: Part A - £0.600m, Part B - £0.500m, Part C - £0.500m. Total £1.6m. The Board are asked to consider the award</p>

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 11)

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

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

Page 136 of 238
 Application for additional LGF funding:

	https://www.southeastlep.com/app/uploads/2020/10/Southend-Airport-Business-Park-additional-LGF-application.pdf 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
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Appendix B4 – 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
Original project spend profile (£m)																																																																																																		
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Total	5.596	1.488	0.536	1.515	0.153	9.288																																																																																												

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 11).
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 B5 – 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 at this time.</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
Original project spend profile (£m)																																																																																				
Funding sources	2017/18	2018/19	2019/20	2020/21	2021/22	Total																																																																														
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Southend-on-Sea BC	0.190	-	-	0.529	-	0.719																																																																														
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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																																																																														
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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 Summer 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 11).</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 B6 – 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	The additional funding increases the cost of the project from £10.5m up to £12.15m. The BCR remains above 2:1 and therefore offers High value for money with a High certainty of achieving this. Further in information can be found in the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 11).							
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 B7 – 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 A13 Widening Update Report (Agenda Item 9)
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>
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 included has also been</p>

	<p>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. Further detail can be found in the Report of the Independent Technical Evaluator (Appendix A as attached to Agenda Item 11).</p>
Evidenced compliance with Assurance Framework?	No, the project does not meet the requirements of the SELEP Assurance Framework when considered in isolation. The BCR for the scheme itself falls below 2:1.
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 – Reallocation scenarios should LGF funding be returned

Scenario 1	Reallocation of unspent LGF allocation against A28 Sturry Link Road project
Breakdown of Reallocation	<p>There is the potential for a total of £4,790,949 LGF currently allocated to the A28 Sturry Link Road project to be returned for reallocation to alternative projects on the LGF pipeline. £4,656,102 of this funding is still held by Essex County Council, as the Accountable Body for SELEP, whilst the remaining £134,847 is currently held by Kent County Council.</p> <p>At the March 2021 Board meeting, the Kent and Medway EDGE Hub Project was allocated £901,128. The Kent and Medway EDGE Hub project remains at the top of the LGF project pipeline with a remaining additional LGF ask of £322,872. It is recommended that the balance of £4,468,077 is allocated to the next projects on the pipeline as follows:</p> <ul style="list-style-type: none"> • Mercury Rising £228,000 • Southend Airport Business Park - Parts A, B and C £1,600,000 • West Kent LSTF - Maidstone East Station Access improvements £153,000 • A127 Essential Maintenance and The Bell Junction Improvements – Part B £393,000 • University of Essex - Parkside Phase 3 £1,650,000 • A13 Widening - Part B £444,077 <p>Note: The A13 Widening - Part B project is seeking additional LGF investment of £1m, however, in this scenario, there would only be £444,077 available for award at this Board meeting. This will leave A13 Widening - Part B at the top of the project pipeline seeking a further £555,923 if more LGF funding becomes available for reallocation.</p>
Scenario 2	Reallocation of unspent LGF allocation against the A26 Tunbridge Wells junction and cycle improvements package
Breakdown of Reallocation	<p>There is the potential for £623,389 LGF currently allocated to the A26 Tunbridge Wells junction and cycle improvements package to be returned for reallocation to alternative projects on the LGF pipeline. This funding is currently held by Kent County Council.</p> <p>At the March 2021 Board meeting, the Kent and Medway EDGE Hub Project was allocated £901,128. The Kent and Medway EDGE Hub project remains at the top of the LGF project pipeline with a remaining additional LGF ask of £322,872. It is recommended that the balance of £300,517 is allocated to the next projects on the pipeline as follows:</p> <ul style="list-style-type: none"> • Mercury Rising £228,000 • Southend Airport Business Park - Part A £72,517 <p>Note: Southend Airport Business Park - Part A is seeking additional LGF investment of £600,000 and will therefore remain at the top of the LGF prioritised project pipeline seeking a further £527,483.</p>

Scenario 3	Reallocation of unspent LGF allocation against the A28 Sturry Link Road project and A26 Tunbridge Wells junction and cycle improvements package
Breakdown of Reallocation	<p>As indicated above, there is the potential for £5,414,338 currently allocated to the A28 Sturry Link road (£4,790,949) and A26 Tunbridge Wells junction and cycle improvements package (£623,389) to be returned for reallocation to alternative projects on the LGF project pipeline. £758,236 of this funding is currently held by Kent County Council, with the remaining £4,656,102 held by Essex County Council, as the Accountable Body for SELEP.</p> <p>At the March 2021 Board meeting, the Kent and Medway EDGE Hub Project was allocated £901,128. The Kent and Medway EDGE Hub project remains at the top of the LGF project pipeline with a remaining additional LGF ask of £322,872. It is recommended that the remaining £5,091,466 be allocated to alternative projects on the LGF pipeline as set out below:</p> <ul style="list-style-type: none"> • Mercury Rising £228,000 • Southend Airport Business Park - Parts A, B and C £1,600,000 • West Kent LSTF - Maidstone East Station Access Improvements £153,000 • A127 Essential Maintenance and The Bell Junction Improvements £393,000 • University of Essex - Parkside Phase 3 £1,650,000 • A13 Widening - Part B £1,000,000 <p>Note: This would leave £67,466 LGF unallocated at this time.</p>

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

Name of Project	Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub Canterbury Christ Church University 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 extra equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q4 2021/22 at the latest.</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 will deliver the following benefits which directly relate to the creation of new jobs and improving skills levels within the SELEP area:<ul style="list-style-type: none">• Creation of an additional 56 jobs by 2024;• 1,250 additional undergraduate and postgraduate enrolments by 2024, including 275 additional degree apprenticeship enrolments;• 375 additional short course and continuous professional development learners by 2024;• 420 employer student research projects completed by 2024; and• 12,900 additional school student visits by 2024.</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 October 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 extra equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q4 2021/22 at the latest.	A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	The Project will deliver the following benefits which directly relate to the creation of new jobs and improving skills levels within the SELEP area: <ul style="list-style-type: none">• Creation of an additional 56 jobs by 2024;• 1,250 additional undergraduate and postgraduate enrolments by 2024, including 275 additional degree apprenticeship enrolments;• 375 additional short course and continuous professional development learners by 2024;• 420 employer student research projects completed by 2024; and• 12,900 additional school student visits by 2024.	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 October 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.
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A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area											
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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 October 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	Mercury Rising Colchester Essex 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 extra equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q3 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><p>The project will deliver the following benefits which directly relate to the creation of new jobs and improving skills levels within the SELEP area:</p><ul style="list-style-type: none">• An increase in direct FTE employment of 24 jobs plus indirect employment of 29.6 FTE;• Creation of 5.7 FTE construction jobs;• Generate 540m² of “hot desking” office space, accommodating 10 new creative businesses creating 20 FTE jobs;• Additional number of people obtaining employability skills per annum:<ul style="list-style-type: none">○ 15 additional Technical Theatre degree students;○ 27 additional Early Career Training programme participants;○ 24 additional interns, work experience participants and apprentices;○ A further 6,690 primary and secondary school students involved in the Creative Learning and Talent programme;• Additional day and overnight visitors to Colchester totalling 12,222 (25% to 2023) and an increase in attributable tourism spend in the local economy of £309,237 per annum or £0.923 million to 2023, supporting an estimated 18 FTE jobs in consumer services in Colchester.</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 October 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 extra equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q3 2021/22.	A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	<p>The project will deliver the following benefits which directly relate to the creation of new jobs and improving skills levels within the SELEP area:</p> <ul style="list-style-type: none">• An increase in direct FTE employment of 24 jobs plus indirect employment of 29.6 FTE;• Creation of 5.7 FTE construction jobs;• Generate 540m² of “hot desking” office space, accommodating 10 new creative businesses creating 20 FTE jobs;• Additional number of people obtaining employability skills per annum:<ul style="list-style-type: none">○ 15 additional Technical Theatre degree students;○ 27 additional Early Career Training programme participants;○ 24 additional interns, work experience participants and apprentices;○ A further 6,690 primary and secondary school students involved in the Creative Learning and Talent programme;• Additional day and overnight visitors to Colchester totalling 12,222 (25% to 2023) and an increase in attributable tourism spend in the local economy of £309,237 per annum or £0.923 million to 2023, supporting an estimated 18 FTE jobs in consumer services in Colchester.	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 October 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 extra equipment. It is expected that this equipment will be purchased and the additional LGF funding fully spent by the end of Q3 2021/22.											
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area											
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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 October 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	Southend Airport Business Park - Parts A, B and C	
	Southend on Sea Borough Council	
Evidence of compliance with conditions previously agreed by the Board	A clear delivery plan with specific delivery milestones and completion date	
	Project delivery programme is as follows:	
	Milestone	Expected date
	Part A	
	Construction Commenced	May 2021
	Fit out works – SELEP Funding	Dec 2021 – March 2022
	Part B	
	Plot Ground Works, or provision of transformers to improve viability	Nov 2021 – March 2022
	Part C	
	Borrow pit works	30 Nov 2022
	A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	
	The Project directly links to the provision of improved high-quality provision of employment land to deliver high quality jobs within the SELEP area. The Project will support the creation of 3,715 new jobs through delivery of 84,148sqm of new commercial floorspace and associated infrastructure.	
	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 October Board meeting.		
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project		
Delivery of the Project has commenced. Contractual commitments are in place.		

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 Q3 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 October 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 Q3 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 October 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.
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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 October 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		A clear delivery plan with specific delivery milestones and completion date
		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.
		A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area
		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.
		The Project is expected to contribute towards the delivery of 4,000 new jobs and 3,000 new homes within the local area.
		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 October Board meeting.
		Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project
	Delivery of the Project has commenced. Contractual commitments are in place.	

Report title: Getting Building Fund Capital Programme update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 10 September 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 total spend on project delivery in 2020/21 of £13.614m GBF, as set out in Table 1.
- 2.1.2. **Note** the current forecast spend for the GBF programme for 2021/22 financial year of £69.879m, as set out in Table 2.
- 2.1.3. **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.
- 2.1.4. **Agree** the preferred course of action for the Laindon Place project:

Option 1

- 2.1.4.1. **Agree** to allow the Project until the November Board meeting (19 November 2021) to secure the required planning approvals for the proposed electric vehicle charging points (**recommended option**) **OR:**

Option 2

- 2.1.4.2. **Agree** that the project should be removed from the GBF programme and that the £790,000 GBF allocation should be reallocated to alternative projects on the GBF project pipeline, in accordance with the decision made by the Board in March 2021.

- 2.1.5. **Note** the update on the GBF projects which have been identified as High Risk.

- 2.1.6. **Agree** that planning permission must be secured and the Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex in

Getting Building Fund Capital Programme update

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.

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 two projects under Agenda Item 14.

4. Getting Building Fund spend position

- 4.1. The 2020/21 year-end position shows GBF spend on project delivery of £13.614m.
- 4.2. There has been a substantial reduction in GBF spend when compared to the forecast spend position set out at the start of the GBF programme. Original baseline forecasts showed planned GBF spend of £35.228m, which has reduced by £21.613m to £13.614m. This change is shown in Table 1 below.

Table 1: 2020/21 outturn spend figures

GBF (£m)				
Local Authority	Planned GBF spend in 2020/21 (2020/21 Baseline)	Total actual spend in 2020/21 (as reported in August 2021)	Variance (between planned and actual spend)	Actual GBF spend relative to planned spend in 2020/21 (%)
East Sussex	4.946	1.656	-3.290	33.475
Essex	17.120	4.542	-12.579	26.527
Kent	11.232	6.266	-4.966	55.788
Medway	0.530	0.205	-0.325	38.709
Southend	0.400	0.000	-0.400	0.000
Thurrock	1.000	0.946	-0.054	94.622
Total	35.228	13.614	-21.613	38.647

- 4.3. Table 1 shows that only 39% of the forecast GBF spend was actually spent in 2020/21. This reduction in spend has been due to a number of factors, including:

Getting Building Fund Capital Programme update

- 4.3.1. Completion of Service Level Agreements (SLA) and Third Party Grant Agreements – the completion of the SLAs between Essex County Council (as Accountable Body for SELEP), SELEP Ltd. and the six upper tier local authorities was delayed due to SELEP not receiving the GBF grant conditions from Central Government until late September 2020. There is a requirement within the SLA for the upper tier local authorities to enter into a back-to-back grant agreement with any third party delivery partners. Completion of these back-to-back agreements was dependent upon the SLA's being completed and the timeline for the Third Party Grant Agreements was therefore also negatively impacted by the delay in receiving the grant conditions. No GBF funding could be released to support project delivery until all the required legal documentation had been completed.
 - 4.3.2. Approval required for changes to reported project outcomes – at the outset of the GBF programme, details of all the GBF projects including the benefits that would be realised in each case was provided to Government. In many cases this information reflected the benefits that would be achieved over an extended period of time, i.e., 30 years from project completion. It was subsequently identified that Government only intended to directly monitor the outcomes of the GBF programme for a five year period and therefore a significant number of projects were required to seek Government approval to reduce the number of benefits attributed to them so as to align with the monitoring period. This process further compounded the delays to the completion of the SLA's and Third Party Grant Agreements.
 - 4.3.3. Timing of 2020/21 GBF forecasts – the 2020/21 GBF spend forecast figures used in this analysis were provided by scheme promoters during Summer 2020, in advance of the award of the GBF funding and the commencement of the projects. Since the award of the funding, the projects have progressed and scheme promoters now have a clearer understanding of when the funding will actually be spent. This has highlighted that some of the forecast spend profiles provided at the outset of the GBF programme were overly optimistic.
 - 4.3.4. Delays in obtaining required planning permission – whilst the majority of the GBF projects had the required planning permission in place in advance of the funding being awarded, a number of projects have experienced delays as a result of extended planning processes. This is primarily due to the impacts of COVID-19, which has caused delays in local planning authorities and has resulted in delays to projects progressing to delivery.
- 4.4. Table 2 below sets out the updated GBF spend forecast for future years.

Table 2: Summary GBF spend forecast - all years

Getting Building Fund Capital Programme update

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	Forecast GBF spend - 2021/22	Forecast GBF spend - 2022/23	
East Sussex	11.420	6.416	5.005	1.656	8.258	1.507	11.420
Essex	27.292	20.115	7.177	4.542	22.750	0.000	27.292
Kent	35.019	18.023	16.997	6.266	28.753	0.000	35.019
Medway	2.768	0.792	1.977	0.205	2.563	0.000	2.768
Southend	5.400	0.558	4.842	0.000	5.400	0.000	5.400
Thurrock	3.100	1.635	1.465	0.946	2.154	0.000	3.100
Total	85.000	47.537	37.463	13.614	69.879	1.507	85.000

- 4.5. Based on the 2020/21 year end position, GBF totalling £71.364m remains to be spent before the end of the GBF programme with £69.879m forecast for spend in 2021/22. The remaining £1.507m is currently forecast for spend in 2022/23, however, this is subject to Board approval of requests from two projects to retain their GBF allocations beyond March 2022 which will be considered under Agenda Item 14.

5. Update on fulfilment of funding conditions

- 5.1. There are two projects within the GBF programme which are still subject to conditions that were attached to the award of the GBF funding.
- 5.2. The first is the Jaywick Market and Commercial Space Project, which was considered by the Board in November 2020. The project seeks to deliver a covered market and affordable business space in Jaywick Sands which will support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area, which is one of the most deprived in the country.
- 5.3. The project was awarded a GBF allocation of £1.972m subject to planning consent for the Project being granted by the end of Q1 2021/22. Following an update on the project in March 2021, the Board agreed that the project should be given an extension to the end of July 2021 to secure the required planning consent.
- 5.4. It has now been confirmed that planning consent for the Jaywick Market and Commercial Space Project was granted by Tendring District Council Planning Committee on 6 July 2021. As such, the Project has now met the funding conditions that were attached to the award of GBF funding and the Project can progress to delivery.
- 5.5. The second project with outstanding funding conditions is the Laindon Place Project, which was considered by the Board in March 2021. The GBF funding was sought 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.
- 5.6. The project was awarded a GBF allocation of £0.790m, subject to provision of written confirmation from Essex County Council.

Getting Building Fund Capital Programme update

- 5.6.1. Essex Highways have approved the public realm works; and
- 5.6.2. the Section 73 application has been approved for the installation of the electric vehicle charging points.
- 5.7. During the March 2021 Board meeting, it was indicated that it was expected that these funding conditions would be met in advance of the July 2021 Board meeting. Due to an oversight, an update of the fulfilment of these funding conditions was not included within the GBF Update Report presented to the Board in July, however, the latest position is set out below.
- 5.8. Essex Highways approval of the public realm works – a copy of a letter from Essex Highways has been provided which indicates approval of the planned public realm works. This funding condition has therefore been met.
- 5.9. Approval of the Section 73 application for the installation of the electric vehicle charging points – it has been confirmed that this funding condition has 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 Building Regulations and the introduction of the Fire Safety Bill, it has been necessary to redesign some elements of the wider project which has resulted in a delay in submitting the planned Section 73 application.
- 5.10. Whilst work continues on the redesign of the modular elements of the scheme, it is proposed that approval for the electric vehicle charging points is instead secured through a Section 96a application (this allows for non-material amendments to be made to an existing planning consent). This application can be easily prepared, and determination is expected within 28 days. It is expected that a Section 96a application can be submitted and determined in advance of the next Board meeting, 19 November 2021.
- 5.11. It is now expected that the Section 73 application will be submitted in November 2021 with determination expected in February 2022. The wider scheme has already received planning permission and therefore the design amendments to accommodate the changes in Building Regulations and the introduction of the Fire Safety Bill are considered to be low risk, although this will continue to be monitored. Based on the updated timeline for the Section 73 application, it will be necessary for the Project to seek approval from the Board for retention of the GBF funding beyond 31 March 2022 in order to secure project delivery. This decision is expected to come forward in November 2021.
- 5.12. Two options are set out within this report for Board consideration. Option 1 allows the Laindon Place project until the November 2021 Board meeting to secure the required approvals for the electric vehicle charging points. This option would allow the Project to retain the GBF allocation, supporting realisation of the Project outputs and outcomes previously endorsed by the Board.
- 5.13. Option 2 requires the removal of the Project from the GBF programme, and the reallocation of the funding through the GBF prioritised project pipeline. This option would mean that the GBF funded elements of the wider Project would not be delivered at this time and the forecast benefits (see section 5.5) would not be realised.

- 5.14. As it is expected that the required approvals for the electric vehicle charging points can be secured within a short timeframe, it is recommended that the Board choose Option 1 allowing the Project until 19 November 2021 to secure the planning approvals.

6. Deliverability and Risk

- 6.1. 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.
- 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 GBF projects based on:
- 6.3.1. **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.
 - 6.3.2. To ensure consistency with Ministry of Housing Communities and Local Government (MHCLG) 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.
 - 6.3.3. **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 GBF programme (Q3 and Q4 2021/22).
 - 6.3.4. **Reputation** – considers the reputational risk for the delivery partner, relevant Upper Tier Local Authority and SELEP Ltd.

Table 3: 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	6.265	0.224
Low/Medium Risk - 2	11	40.781	11.363
Medium Risk - 3	11	25.610	15.796
Medium/High Risk - 4	5	5.017	4.107
High Risk - 5	3	7.328	6.180
Total	36	85.000	37.670

- 6.4. In total £7.328m GBF is allocated to High Risk projects, with £7.278m of this funding currently unspent.
- 6.5. 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

Getting Building Fund Capital Programme update

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 three High Risk projects identified in Table 3. These projects will be monitored closely, and the Board will be updated if, due to deliverability concerns, the overall project RAG rating increases.

- 6.6. The three High Risk projects identified in Table 3 are Fast Track Business Solutions for the Hastings Manufacturing Sector, Riding Sunbeams and UTC Maritime and Sustainable Technology Hub. Updates on the Riding Sunbeams and UTC Maritime and Sustainable Technology Hub projects are provided under Agenda Item 14 and an update on Fast Track Business Solutions for the Hastings Manufacturing Sector is set out below.

Fast Track Business Solutions for the Hastings Manufacturing Sector

- 6.7. 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.
- 6.8. 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.
- 6.9. The Project has been identified as High Risk due to two main factors. Firstly, East Sussex County Council have reported that the required Third Party Grant Agreement between themselves and Sea Change Sussex, as delivery partner, has not yet been completed. The Grant Agreement has 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.
- 6.10. It has been advised that a decision will be taken by East Sussex County Council in September 2021, as to whether to enter into a variation of the usual GBF Third Party Grant Agreement which addresses some of the points on which agreement has not yet been reached. It should be noted that it is a requirement of the Service Level Agreement (SLA) in place between Essex County Council (as Accountable Body for SELEP), SELEP Ltd. and East Sussex County Council, that the relevant rights and obligations within that SLA are mirrored in the agreement between East Sussex County Council and the third party. In this scenario, the risk sits with East Sussex County Council to assure project delivery as per the SLA.
- 6.11. The second factor is that planning consent for the Project has not yet been granted. A planning application was submitted to Hastings Borough Council in April 2021 but has not yet been determined. At the time of preparing this report, a date for the determination of the planning application has not been confirmed. As a result, there remains a risk that planning permission will not be granted or that planning consent will not be granted in time to allow the project to proceed to delivery during the duration of the GBF programme.
- 6.12. Within the original project Business Case, the project milestones indicated that the construction programme would span 10 months – from January to October 2021. Based on this programme, there is already insufficient time for the Project to be delivered by 31 March 2022 as per the conditions of the GBF. In line with decisions taken by the Board in July 2021, the Project could take steps to seek approval to retain the GBF allocation beyond

Getting Building Fund Capital Programme update

March 2022. Subject to the Project meeting the criteria and conditions agreed by the Board at the last Board meeting, the Project could seek a maximum 6 month extension on GBF spend to 30 September 2022.

- 6.13. Based on the delivery programme within the Business Case, the planning application will need to be determined in early November 2021 at the latest to ensure that the Project can be delivered by 30 September 2022.
- 6.14. In light of these risks to delivery, and to ensure timely investment of the GBF funding, it is recommended that a time limit is placed on the completion of the Third Party Grant Agreement and the determination of the planning application. It is recommended that if the Grant Agreement has not been completed and planning consent granted by 19 November 2021, the date of the next Board meeting, that the Project is removed from the GBF programme and the funding released for reallocation to alternative projects on the GBF project pipeline.
- 6.15. It should be noted that if the conditions outlined above are met, successful delivery of the Project will be dependent upon a decision by the Board to allow retention of the GBF funding against the Project beyond 31 March 2022. If the conditions are met, a further update on the Project will be presented to the Board in November 2021, which outlines whether the Project meets the criteria and conditions previously agreed by the Board for retention of the GBF funding beyond 31 March 2022.

7. GBF Programme Risks

- 7.1. 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.
- 7.2. 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.

8. Financial Implications (Accountable Body comments)

- 8.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body 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.

Getting Building Fund Capital Programme update

8.2. 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 Partner Authority and sets out the conditions of the grant.

8.3. GBF is allocated through a grant determination from MHCLG 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.

8.4. Should the funding not be utilised in accordance with the conditions, the Government may request return of the funding, or withhold future funding streams.

8.5. 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 31st March 2022.

8.6. 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.

8.7. The latest forecast indicates that £1.5m of the total £85m GBF allocation will be spent after 31st 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 MHCLG do not include an end date, there is no risk of clawback by Government due to spend beyond 31st 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 – the Government review this as part of the Annual Performance Review of LEPs in advance of confirming funding for the forthcoming year.

9. Legal Implications (Accountable Body comments)

9.1. There are no significant legal implications arising from the proposals set out in this report. If the Project(s) is/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 Council Council will work with the Partner Authorities to recover any abortive revenue costs.

10. Equality and Diversity Implications

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

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

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

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

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

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

11. List of Appendices

11.1. Appendix A – GBF Spend Position

11.2. Appendix B – Programme Risk Register

11.3. 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 Nicole Wood (S151 Officer, Essex County Council)	 01/09/2021

Appendix A - GBF Spend Position

				2020/21								
Project Name	Project Number	Local Authority area	GBF Allocation	Q2 2020-21 Baseline	Q2 2020-21 Actual	Q2 2020-21 Difference	Q3 2020-21 Baseline	Q3 2020-21 Actual	Q3 2020-21 Difference	Q4 2020-21 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 adaptions-	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	Forecast
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	226,599
The Observer Building, Hastings (Phase 2) Option A	769,022	-	144,978	914,000	934,678	-	20,678	-	-	-
Charleston's access road: removing the barrier to growth	-	-	69,293	89,293	-	-	89,293	-	-	-
Creative Hub, 4 Fisher Street, Lewes	14,154	-	235,846	250,000	143,116	-	106,884	-	89,431	89,431
Riding Sunbeams Solar Railways	-	-	413,654	2,342,372	-	-	2,342,372	185,128	50,000	-
Sussex Innovation Falmer - Covid Secure adaptations-	-	-	200,000	200,000	-	-	200,000	-	144,270	144,270
UTC Maritime & Sustainable Technology Hub	-	-	300,000	300,000	-	-	300,000	250,000	-	250,000
	1,285,280	-	1,586,667	4,945,665	1,655,558	-	3,290,107	1,935,128	510,300	-
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	-	-	-
Harlow Library	-	-	-	-	-	-	-	-	-	-
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
Modus	1,960,000	-	-	1,960,000	1,960,000	-	-	-	-	-
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	31,470
Rocheway	218,498	-	160,502	713,000	218,498	-	494,502	-	-	-
Swan modular housing factory	1,044,405	-	1,002,220	2,046,625	1,044,405	-	1,002,220	-	-	-
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	64,743	-	195,800	260,543	64,743	-	195,800	233,527	42,870	-
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	-	-
Thanet Parkway Railway Station	1,760,741	-	1,219,561	6,514,388	3,162,699	-	3,351,689	1,371,152	5,000,000	3,628,848
First and Second Floors, Building 500, Discovery Park, Sandwich	-	-	-	-	-	-	550,000	-	550,000	1,500,000
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	-	-
St George's Creative Hub	-	-	-	-	-	-	323,204	-	323,204	-
	4,864,033	-	2,332,436	11,231,866	6,265,991	-	4,965,875	6,078,709	7,562,133	1,483,424
Medway										
Britton Farm Redevelopment Learning, Skills & Employment Hub	140,829	-	339,171	530,000	205,157	-	324,843	200,000	148,000	-
Innovation Park Medway - Sustainable City of Business	-	-	-	-	-	-	-	-	-	-
	140,829	-	339,171	530,000	205,157	-	324,843	200,000	148,000	-
Southend										
Better Queensway	-	-	-	-	-	-	-	-	-	-
South Essex No Use Empty	-	-	400,000	400,000	-	-	400,000	400,000	-	-
	-	-	400,000	400,000	-	-	400,000	400,000	-	-
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
	944,068	-	55,932	1,000,000	946,218	-	53,782	700,000	970,691	270,691
Total	11,775,751	-	15,112,372	35,227,907	13,614,465	-	21,613,442	9,313,837	9,593,891	280,054
									11,589,037	24,121,245

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	- 698,846	250,000	1,898,846	1,648,846	-	800,000	800,000	3,250,000	3,500,000	250,000
Restoring the Glory of the Winter Garden	421,753	-	246,753	246,753	1,000,000	127,131	- 872,869	1,000,000	1,022,236	22,236
The Observer Building, Hastings (Phase 2) Option A	554,521	-	223,801	223,801	799,000	-	- 799,000	799,000	778,322	- 20,678
Charleston's access road: removing the barrier to growth	89,293	-	-	-	-	-	-	240,542	329,835	89,293
Creative Hub, 4 Fisher Street, Lewes	17,453	-	-	-	-	-	-	-	106,884	106,884
Riding Sunbeams Solar Railways	231,699	-	866,933	866,933	-	672,316	672,316	185,128	1,820,948	1,635,820
Sussex Innovation Falmer - Covid Secure adaptations-	55,730	-	-	-	-	-	-	-	200,000	200,000
UTC Maritime & Sustainable Technology Hub	- 185,743	250,000	100,000	- 150,000	250,000	335,743	85,743	1,000,000	500,000	- 500,000
	485,860	500,000	3,336,333	2,836,333	2,049,000	1,935,190	- 113,810	6,474,670	8,258,225	1,783,555
Essex										
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	-	-	-	-	-	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	-	-	-	-	-	1,820,000	1,820,000	-	1,820,000	1,820,000
Enterprise Centre for Horizon 120 Business Park	3,016,288	-	1,508,144	1,508,144	-	1,508,146	1,508,146	-	6,032,578	6,032,578
Harlow Library	327,434	-	324,783	324,783	977,000	324,783	- 652,217	977,000	977,000	-
Jaywick Market & Commercial Space	657,333	-	657,333	657,333	1,801,027	657,334	- 1,143,693	1,801,027	1,972,000	170,973
Labworth Car Park, Canvey Island modernisation	- 372,185	-	-	-	-	-	-	374,000	373,112	- 888
Modus	-	-	-	-	-	-	-	-	-	-
Nexus	800,000	-	400,000	400,000	-	400,000	400,000	-	1,600,000	1,600,000
Remodelling of buildings at Harlow College to provide new 'T'-levels	706,366	-	368,918	368,918	1,396,222	368,918	- 1,027,304	1,396,222	1,475,672	79,450
Rocheway	494,502	-	-	-	-	-	-	494,502	494,502	494,502
Swan modular housing factory	1,161,865	-	1,161,865	1,161,865	2,483,375	1,161,865	- 1,321,510	2,483,375	3,485,595	1,002,220
Tendring Bikes & Cycle Infrastructure	575,000	-	575,000	575,000	1,600,000	1,150,000	- 450,000	1,600,000	2,300,000	700,000
Tindal Square, Chelmsford	187,500	-	187,500	187,500	750,000	375,000	- 375,000	750,000	750,000	-
Laindon Place	-	197,500	197,500	-	197,500	197,500	-	790,000	790,000	-
	7,554,103	197,500	5,381,043	5,183,543	9,205,124	8,643,546	- 561,578	10,171,624	22,750,459	12,578,835
Kent										
Digitally Connecting Rural Kent and Medway	- 170,904	743,027	242,828	- 500,199	814,528	1,872,088	1,057,560	2,029,609	2,225,409	195,800
Javelin Way Development	-	-	-	-	-	-	-	-	-	-
Romney Marsh Employment Hub	1,275,116	493,116	884,116	391,000	493,117	884,117	391,000	1,972,466	3,536,466	1,564,000
Thanet Parkway Railway Station	2,465,149	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	-	450,000	450,000	-	-	550,000	550,000	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	425,489	319,512	372,499	52,987	319,512	372,500	52,988	1,278,051	1,490,000	211,949
St George's Creative Hub	323,204	-	-	-	-	-	-	323,204	323,204	-
	4,731,745	6,390,732	4,339,160	- 2,051,572	3,838,540	4,640,818	802,278	23,464,272	28,753,351	5,289,079
Medway										
Britton Farm Redevelopment Learning, Skills & Employment Hub	-	400,000	540,000	140,000	510,000	746,843	236,843	1,460,000	1,784,843	324,843
Innovation Park Medway - Sustainable City of Business	-	-	-	-	778,323	778,323	-	778,323	778,323	-
	-	400,000	540,000	140,000	1,288,323	1,525,166	236,843	2,238,323	2,563,166	324,843
Southend										
Better Queensway	-	-	-	-	4,200,000	4,200,000	-	4,200,000	4,200,000	-
South Essex No Use Empty	-	100,000	555,000	455,000	-	345,000	345,000	800,000	1,200,000	400,000
	-	100,000	555,000	455,000	4,200,000	4,545,000	345,000	5,000,000	5,400,000	400,000
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	12,532,208	7,988,232	14,512,832	6,524,600	20,880,987	21,651,015	770,028	49,448,889	69,878,983	20,430,094

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	Total Baseline	Total Forecast
	Baseline	Forecast	Difference	Baseline	Forecast	Difference	2022/23	2022/23
East Sussex								
Fast Track Business Solutions for the Hastings Manufacturing Sector	-	-	-	-	-	-	-	-
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	-	706,552	706,552	-	-	-	-	706,552
Sussex Innovation Falmer - Covid Secure adaptations-	-	-	-	-	-	-	-	-
UTC Maritime & Sustainable Technology Hub	-	550,000	550,000	-	250,000	250,000	-	800,000
	-	1,256,552	1,256,552	-	250,000	250,000	-	1,506,552
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	-	-	-	-	-	-	-	-
Harlow Library	-	-	-	-	-	-	-	-
Jaywick Market & Commercial Space	-	-	-	-	-	-	-	-
Labworth Car Park, Canvey Island modernisation	-	-	-	-	-	-	-	-
Modus	-	-	-	-	-	-	-	-
Nexus	-	-	-	-	-	-	-	-
Remodelling of buildings at Harlow College to provide new 'T'-levels	-	-	-	-	-	-	-	-
Rocheway	-	-	-	-	-	-	-	-
Swan modular housing factory	-	-	-	-	-	-	-	-
Tendring Bikes & Cycle Infrastructure	-	-	-	-	-	-	-	-
Tindal Square, Chelmsford	-	-	-	-	-	-	-	-
Laindon Place	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
South Essex No Use Empty	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Thurrock								
LFFN	-	-	-	-	-	-	-	-
Transport and Logistics Institute	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	-	1,256,552	1,256,552	-	250,000	250,000	-	1,506,552

Appendix A - GBF Spend Position

Project Name	Total Difference	Total Baseline	Total Forecast	Total Difference
	2022/23	All years	All years	All years
East Sussex				
Fast Track Business Solutions for the Hastings Manufacturing Sector	-	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	-	2,527,500	2,527,500	-
Sussex Innovation Falmer - Covid Secure adaptations-	-	200,000	200,000	-
UTC Maritime & Sustainable Technology Hub	800,000	1,300,000	1,300,000	-
	800,000	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	-
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	-	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	-	1,972,000	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	-
	-	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	-	4,200,000	4,200,000	-
South Essex No Use Empty	-	1,200,000	1,200,000	-
	-	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	800,000	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 9 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													
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (August 2021)	Months delay incurred (since original Business Case)	GBF Allocation	Actual GBF spend to end of 2020/21	Forecast GBF spend 2021/22	Forecast GBF spend 2022/23	Financials RAG rating (August 2021)	Deliverability risk RAG rating (August 2021)	Reputational risk RAG rating (August 2021)	Overall (August 2021)	
East Sussex														
Fast Track Business Solutions for the Hastings Manufacturing Sector	Oct-20	Design in progress	31/10/2021	29/04/2022	5	£3,500,000	£0	£3,500,000	£0	5	5	4	5	
Restoring the Glory of the Winter Garden	Oct-20	Construction in progress	01/05/2022	01/05/2022	0	£1,600,000	£577,764	£1,022,236	£0	3	2	1	2	
The Observer Building, Hastings (Phase 2) Option A	Oct-20	Construction in progress	31/03/2022	31/03/2022	0	£1,713,000	£934,678	£778,322	£0	2	1	1	1	
Charleston's access road: removing the barrier to growth	Nov-20 and Jul-21	Construction in progress	31/03/2021	31/10/2021	7	£329,835	£0	£329,835	£0	3	4	1	3	
Creative Hub, 4 Fisher Street, Lewes	Nov-20	Construction in progress	30/04/2021	30/09/2021	5	£250,000	£143,116	£106,884	£0	1	4	1	2	
Riding Sunbeams Solar Railways	Nov-20	Design in progress	30/03/2022	30/06/2022	3	£2,527,500	£0	£1,820,948	£706,552	5	5	4	5	
Sussex Innovation Falmer - Covid Secure adaptations	Nov-20	Construction in progress	31/03/2021	31/08/2021	5	£200,000	£0	£200,000	£0	3	4	2	3	
UTC Maritime & Sustainable Technology Hub	Nov-20	Design in progress	31/03/2022	30/09/2022	5	£1,300,000	£0	£500,000	£800,000	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	9	£680,000	£0	£680,000	£0	5	4	3	4	
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	3	£1,820,000	£0	£1,820,000	£0	5	4	3	4	
Enterprise Centre for Horizon 120 Business Park	Nov-20	Construction in progress	30/06/2022	30/06/2022	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	3	£977,000	£0	£977,000	£0	4	4	3	4	
Jaywick Market & Commercial Space	Nov-20	Design in progress	31/03/2022	31/03/2022	0	£1,972,000	£0	£1,972,000	£0	4	3	3	3	
Labworth Car Park, Canvey Island modernisation	Nov-20	Construction in progress	30/06/2021	31/08/2021	2	£700,000	£326,888	£373,112	£0	1	2	1	1	
Modus	Nov-20	Project completed	31/03/2021	31/03/2021	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	9	£1,600,000	£0	£1,600,000	£0	4	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	7	£1,500,000	£24,328	£1,475,672	£0	4	4	2	3	
Rocheway	Nov-20	Construction in progress	31/12/2022	31/12/2022	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	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	0	£2,300,000	£0	£2,300,000	£0	5	3	2	3	

Project	Deliverability					Financial							
	Accountability Board approval	Delivery Status	Expected completion date (as stated in Business Case)	Expected completion date (August 2021)	Months delay incurred (since original Business Case)	GBF Allocation	Actual GBF spend to end of 2020/21	Forecast GBF spend 2021/22	Forecast GBF spend 2022/23	Financials RAG rating (August 2021)	Deliverability risk RAG rating (August 2021)	Reputational risk RAG rating (August 2021)	Overall (August 2021)
Tindal Square, Chelmsford	Nov-20	Design in progress	31/03/2022	31/03/2022	0	£750,000	£0	£750,000	£0	5	4	3	4
Laindon Place	Mar-21	Design in progress	31/03/2022	31/03/2022	0	£790,000	£0	£790,000	£0	4	4	3	4
Kent													
Digitally Connecting Rural Kent and Medway	Sep-20	Project in progress	31/03/2022	31/03/2022	0	£2,290,152	£64,743	£2,225,409	£0	5	1	1	2
Javelin Way Development	Nov-20	Construction in progress	17/03/2022	17/03/2022	0	£578,724	£578,724	£0	£0	1	1	1	1
Romney Marsh Employment Hub	Nov-20	Design in progress	28/02/2022	28/02/2022	0	£3,536,466	£0	£3,536,466	£0	4	2	1	2
Thanet Parkway Railway Station	Nov-20	Construction in progress	31/03/2022	31/03/2022	0	£11,999,000	£3,162,699	£8,836,301	£0	3	2	1	2
First and Second Floors, Building 500, Discovery Park, Sandwich	Nov-20	Construction in progress	03/07/2021	31/08/2021	1	£2,500,000	£0	£2,500,000	£0	3	2	1	2
New Performing & Production Digital Arts Facility @ North Kent College	Nov-20	Construction in progress	28/02/2022	28/02/2022	0	£12,301,796	£2,459,825	£9,841,971	£0	3	1	1	2
The Meeting Place Swanley	Nov-20	Design in progress	31/05/2022	31/05/2022	0	£1,490,000	£0	£1,490,000	£0	4	2	1	2
St George's Creative Hub	Mar-21	Design in progress	30/06/2021	30/06/2021	0	£323,204	£0	£323,204	£0	3	2	1	2
Medway													
Britton Farm Redevelopment Learning, Skills & Employment Hub	Sep-20	Construction in progress	31/03/2022	31/03/2022	0	£1,990,000	£205,157	£1,784,843	£0	4	1	1	2
Innovation Park Medway - Sustainable City of Business	Jul-21	Design in progress	31/03/2022	31/03/2022	0	£778,323	£0	£778,323	£0	5	2	2	3
Southend													
Better Queensway	Nov-20	Design in progress	31/03/2034	31/03/2034	0	£4,200,000	£0	£4,200,000	£0	5	2	2	3
South Essex No Use Empty	Nov-20	Project in progress	31/03/2022	31/03/2022	0	£1,200,000	£0	£1,200,000	£0	5	2	2	3
Thurrock													
LFFN	Oct-20	Project in progress	28/02/2022	31/03/2022	1	£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	0	£600,000	£0	£600,000	£0	1	2	1	1

Forward plan reference numbers: FP/AB/437
and FP/AB/438

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: 10 September 2021	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex County Council	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider whether the two 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. Establish SELEP's position on retaining Getting Building Fund funding against the UTC Maritime and Sustainable Technology Hub project beyond 31 March 2022, choosing one of the following options as detailed in Section 6 of this report:

Option 1 – RECOMMENDED

- 2.1.1.1. **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 October 2021 meeting; **OR**

Option 2

- 2.1.1.2. **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
- 2.1.1.3. **Agree** that the £505,907 already transferred to East Sussex County Council 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 £1.3m GBF allocation to the next project(s) on the GBF project pipeline.

Getting Building Fund – Retention of funding beyond 31 March 2022

- 2.1.2. Establish SELEP's position on retaining Getting Building Fund funding against the Riding Sunbeams project beyond 31 March 2022, choosing one of the following options as detailed in Section 6 of the report:

Option 1 – RECOMMENDED

- 2.1.2.4. **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; **OR**

Option 2

- 2.1.2.5. **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
- 2.1.2.6. **Agree** that the £2,527,500 GBF already transferred to East Sussex County Council 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.

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.
- 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. UTC Maritime and Sustainable Technology Hub Project**
- 4.1. The UTC Maritime and Sustainable Technology Hub project is seeking to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising:
 - 4.1.1. 1,630 sqm of educational/training and business support space for the maritime sector;
 - 4.1.2. 1,595 sqm of commercial office space; and
 - 4.1.3. 1,500 sqm of ancillary space.
- 4.2. 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.
- 4.3. The Board approved the award of £1.3m of GBF funding to support delivery of the Project in November 2020. To date, £505,907 of this allocation has been transferred to East Sussex County Council, as the responsible Upper Tier Local Authority.
- 4.4. In July 2021 the Board were advised that, due to complex and unforeseen land ownership matters, progress on the Project had been delayed and that it was unlikely that the GBF funding would be spent in full by 31 March 2022. A formal request to retain the GBF funding against the Project beyond March 2022 has now been submitted, in line with the approach agreed by the Board at their last meeting.

Getting Building Fund – Retention of funding beyond 31 March 2022

- 4.5. The basis for the request to retain GBF funding against the Project beyond March 2022 is that there are complex land ownership matters involved with delivery of the Project which have taken longer than anticipated to resolve. In summary, there is a lease from a head lessee which now sits with the Department for Education (DfE), however, the DfE had to take legal action to recover this lease from the previous UTC Academy Trust which caused initial, unexpected delays to the project. The intention is for the DfE to sub-lease to Lewes District Council, although there may be scope for Lewes District Council to take a direct lease from the head lessee.
- 4.6. There are a number of restrictions on the lease including an overage clause, which would be triggered for this project. In July, it was reported to the Board that agreement had been reached regarding most of the terms under which a lease would be taken by Lewes District Council and an initial valuation for overage purposes was being undertaken by the Landlord; it was anticipated in the previous report that the lease documentation would be agreed by the end of July, however, this has not been possible. Discussions are continuing between the DfE and Lewes District Council so that the council can understand the costs that might be associated with the overage clause.
- 4.7. If Lewes District Council were to take a direct lease from the head lessee, the restrictions in the lease would still apply but the process would be simpler and it would remove the need for the DfE to be Landlord – a role it is not set up to undertake.
- 4.8. Once agreement has been reached with regard to the lease, expected by 31 October 2021, Lewes District Council are confident of being able to deliver the project as set out within the Business Case, albeit to a delayed programme.
- 4.9. The request from Lewes District Council seeks retention of the GBF funding against the Project for the maximum 6 month period allowed, to 30 September 2022.
- 4.10. 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 Table 1 below.

Table 1: UTC Maritime and Sustainable Technology Hub project compliance with conditions for retention of GBF funding beyond 31 March 2022

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
Agree lease documentation	End of October 2021
Run Expression of Interest process for operator and make appointment	End of October 2021
Detailed design and project specification	November to December 2021
Procurement of works	December 2021 to January 2022
Construction works	March to August 2022
Opening and handover of facility	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					
All funding sources identified to enable delivery of the Project are in place.					
The updated GBF spend profile is as follows (£):					
Q2 2021/22	Q3 2021/22	Q4 2021/22	Q1 2022/23	Q2 2022/23	Total
64,257	100,000	335,743	550,000	250,000	1,300,000
Written confirmation that all planning requirements will be met by 31 December 2021					
Outstanding planning requirements include: a change of use for part of the building and Listed Building Consent.					
Confirmation has been provided that all required planning applications will be submitted in time to allow decisions to be taken before 31 December 2021.					
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022					
According to the updated programme provided, procurement of a construction contractor will take place during December 2021 and January 2022. Based on this programme it is expected that a construction contractor will be appointed prior to 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					
Confirmation has been provided that, once the issue with the lease has been resolved, the project will be delivered as set out in the Business Case. The total project cost and the expected benefits remain unchanged. The project therefore continues to offer High value for money.					
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 October 2021.					

- 4.11. Whilst the Project does comply with the criteria and conditions agreed by the Board with regard to retention of GBF funding beyond March 2022, 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 September 2022.
- 4.12. Assurances have been provided that assuming the lease issues can be resolved in a timely manner, the Project can complete by 30 September 2022. As set out in the updated programme shown in Table 1, the lease documentation is expected to be agreed by the end of October 2021. If the Board agree the retention of funding against the Project beyond March 2022 an update on the Project will be provided to the Board in November, and if the lease issues are still ongoing the decision to grant an extension to the Project will be revisited.

5. Riding Sunbeams Project

Getting Building Fund – Retention of funding beyond 31 March 2022

- 5.1. The Riding Sunbeams project 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.
- 5.2. 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.
- 5.3. The Board approved the award of £2.5275m of GBF funding to support delivery of the Project in November 2020. The full GBF allocation has already been transferred to East Sussex County Council, as the responsible Upper Tier Local Authority.
- 5.4. Following a review of the Project delivery programme with Network Rail, Riding Sunbeams have submitted a request for their GBF funding allocation to be retained against the Project beyond March 2022.
- 5.5. As indicated above, this Project is seeking to build and connect the world's first megawatt scale renewable solar energy plant directly powering direct current railways. The most complex element of the Project is the connection between the solar energy plant and Network Rail's distribution system. As this Project is the first of its kind, there is no pre-existing established approach for Network Rail to follow.
- 5.6. Riding Sunbeams and Network Rail have been working together to fully understand the requirements for the connection to the Network Rail distribution system and to ensure that the correct systems are established for this Project and any potential future projects. Whilst these requirements are now well understood, it has taken longer than originally anticipated to reach this point due to the complexities involved and the innovative nature of this Project.
- 5.7. Overall, the Project is progressing well with the solar array and cable route due for completion by March 2022. This will leave the connection with the Network Rail distribution system to be completed post March.
- 5.8. The request from Riding Sunbeams seeks retention of the GBF funding against the Project for an additional 3 month period, to 30 June 2022.
- 5.9. 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 Table 2 below.

Table 2: Riding Sunbeams project compliance with conditions for retention of GBF funding beyond 31 March 2022

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	May to August 2021
Procurement of contractor	August to October 2021
GRIP Stage 1 to 4 – Outline Design	August 2021 to February 2022
GRIP Stage 5	February to June 2022

Getting Building Fund – Retention of funding beyond 31 March 2022

Construction of solar park and cable route	March to May 2022				
Construction and commissioning of connection to Network Rail distribution system	March to June 2022				
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 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22	Q1 2022/23	Total
50,000	231,699	866,933	672,316	706,552	2,527,500
Written confirmation that all planning requirements will be met by 31 December 2021					
Confirmation has been provided that both the required planning applications have already been submitted and are expected to be determined in advance of 31 December 2021.					
Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022					
According to the updated programme provided, procurement will take place between August and October 2021. Based on this programme it is expected that a contractor will be appointed prior to 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					
Confirmation has been provided that the project will be delivered as set out in the Business Case. The total project cost and the expected benefits remain unchanged. The project therefore continues to offer High value for money.					
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 October 2021.					

- 5.10. The reason for the request to retain GBF funding against the Project beyond March 2022, stems from the innovative nature of the Project. Whilst efforts were made to understand how the Project would deliver the power needed by Network Rail in advance of Business Case submission, the full extent of the complexities were unknown until detailed work commenced. As this is a first of its kind project, there was no previous examples of project delivery that could be relied upon to inform the approach to delivering the Project. As a result, it is considered that the full range of complexities involved in completing the connection with the Network Rail distribution system could not have been foreseen at the time of Business Case development.
- 5.11. Whilst the Project does comply with the criteria and conditions agreed by the Board with regard to retention of GBF funding beyond March 2022, it is noted that the delivery programme provided is subject to Network Rail's GRIP Stage 1 to 4 design period, which will fully inform the construction programme. GRIP Stage 4 is currently expected to complete in early 2022, with construction of the Project commencing in January 2022 with completion in June 2022.
- 5.12. If the Board agree the retention of funding against the Project beyond March 2022 an update on the Project will be provided to the Board in November, which focuses on progress made towards completion of GRIP Stage 4 and any implications identified for the construction programme. Currently the Project has only requested retention of the GBF

funding for an additional 3 months, to 30 June 2022, which does offer some flexibility within the programme, however, the Board will be invited to revisit their decision should delays with the construction programme be identified.

6. Options available to the Board

- 6.1. The Board are asked to consider whether the two 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:

- 6.1.1. **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 October 2021 meeting.
- 6.2. 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. Both projects have indicated that their project benefits remain unchanged and therefore the benefits realised will be line in with the original prioritisation by the Strategic Board. This 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.
- 6.3. 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.
- 6.4. 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:

- 6.4.1. **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

- 6.4.2. **Agree** that the GBF already transferred to East Sussex County Council 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.
- 6.5. 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.
- 6.6. East Sussex County Council 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.
- 6.7. 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.
- 6.8. The remaining projects on the pipeline are still awaiting GBF investment, subject to further funding being returned to SELEP for reallocation. These projects include:
- 6.8.1. 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.
- 6.8.2. 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.
- 6.8.3. 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.
- 6.9. The award of funding to these projects and other projects on the pipeline, is subject to the Project(s) being able to demonstrate that they are able to meet the criteria and

Getting Building Fund – Retention of funding beyond 31 March 2022

conditions for retention of GBF funding beyond 31 March 2022, as agreed by the Board in July 2021. Discussions will be held with each of the relevant Upper Tier Local Authorities in advance of the Board meeting to confirm the position of each project on the pipeline.

- 6.10. The recommended option for both projects outlined within this report is Option 1 - Agree that the Projects meet the conditions and criteria previously agreed by the Board for the retention of GBF funding beyond 31 March 2022. Whilst acknowledging that there are risks to project delivery within the agreed timeframe in both cases, the projects have demonstrated that they meet the criteria and conditions agreed by the Board in July 2021.
- 6.11. Both projects continue to play an important role in supporting economic recovery post COVID-19, as was the original purpose of the GBF funding stream.
 - 6.11.1. The UTC Maritime and Sustainable Technology Hub project continues to be a high strategic priority for East Sussex County Council and Lewes District Council, and has a key role to play in wider regeneration plans for Newhaven;
 - 6.11.2. The Riding Sunbeams project is an innovative, first of its kind project, which is directly aligned with current government legislation regarding decarbonisation of the transport network and clean growth.
- 6.12. If the Board choose Option 1, progress towards delivery will be continually monitored through regular project updates to the Board.

7. Next Steps

- 7.1. 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.
- 7.2. If the Board choose Option 2, the Project(s) will be removed from the GBF programme and East Sussex County Council 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.
- 7.3. An assessment of the projects on the pipeline is being undertaken to determine whether the projects are able to meet the criteria and conditions previously agreed by the Board. Subject to deliverability being confirmed, decisions regarding the reallocation of the GBF funding will be sought from the Board in November 2021.

8. Financial Implications (Accountable Body comments)

- 8.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body 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.

Getting Building Fund – Retention of funding beyond 31 March 2022

8.2. 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.

8.3. GBF is allocated through a grant determination from MHCLG 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.

8.4. 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 31st March 2022.

8.5. 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.

8.6. A total of £505,907 GBF has been transferred to East Sussex County Council as lead authority for the UTC Maritime & Sustainable Technology Hub project. Essex County Council, as the Accountable Body is holding the remaining GBF balance of £794,093 in respect of the Project, which has a total GBF allocation of £1,300,000.

8.7. The full GBF allocation of £2.5275m has been transferred to East Sussex County Council as lead authority for the Riding Sunbeams Project.

8.8. 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 either Project.

9. Legal Implications (Accountable Body comments)

9.1. Service Level Agreements are in place between the SELEP Accountable Body, SELEP Ltd and the upper tier for the transfer of the funding in line with the terms of the grant conditions received from Central Government. The SLAs should contain the projects in the appendices, including any conditions.

9.2. If the projects are not listed in the appendices to the SLA, the SLA will need to be varied to add them.

9.3. If the projects are listed in the appendices the SLAs govern how the GBF monies are to be administered and used

10. Equality and Diversity Implications

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

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

Getting Building Fund – Retention of funding beyond 31 March 2022

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

11. List of Appendices

- 11.1. Appendix A - Getting Building Fund prioritised project pipeline

(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 Nicole Wood (S151 Officer, Essex County Council)	 01/09/2021

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

Forward Plan reference number: FP/AB/439

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Date: 10 September 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 **Note** the ongoing identified risk to the repayment schedule for the Centre for Advanced Engineering project;
- 2.1.4 **Agree** that a revised repayment schedule for the Centre for Advanced Engineering project can be brought forward in November, contrary to the GPF loan agreement which requires the Board to receive 6 months' notice of any change to the Project;
- 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. As outlined in Section 7 of this report, a revised repayment schedule for the

Centre for Advanced Engineering project will be presented to the Board in November 2021.

- 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 next project on the GPF pipeline (Table 2) – Cockle Wharf receives Board approval during the course of 2021/22.
- 4.8 Repayments forecast for 2021/22 and 2022/23 reflect revised repayment schedules approved by the Board since July 2020 but excludes forecast repayments against the Centre for Advanced Engineering project in light of the repayment risks outlined within this report.

Table 1: GPF Cash Flow Position

£	2021/22	2022/23
GPF available at the outset of year	15,817,202	9,389,744
GPF funding repurposed	-	-
GPF available for investment	15,817,202	9,389,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	12,016,500	1,350,000
Position before GPF repayments are made	3,800,702	8,039,744
GPF repayments expected	5,589,042	5,670,000
Carry forward	9,389,744	13,709,744

- 4.9 As shown in Table 1 total GPF drawdown of £12.0165m is forecast for 2021/22. Sufficient GPF funding is currently being held to meet these drawdown requirements. It is expected that by the end of 2021/22 all Round 1 and 2 GPF projects will have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix C.
- 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 Homes Initiative	KMEP	2,500,000	No

- 4.12 There is sufficient GPF funding currently available to support investment in the Leigh Port Quay Wall (Cockle Wharf) project in 2021/22.

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. In addition, due to a lack of reporting with regard to the benefits realised as a result of the Project, delivery of project outcomes is also flagged as High risk.

The combination of these two factors has resulted in the overall project being considered as high risk.

- 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 2,944 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 £0.65m 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 – risk to repayment 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.
- 7.4 The repayment schedule agreed at the time of the funding award requires full repayment of the GPF funding in 2021/22. 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. The college has experienced a significant reduction in income as a result of the pandemic, with effects particularly felt in relation to apprenticeships, commercial income and international/higher education income.
- 7.5 Discussions between Essex County Council and South Essex College regarding the repayment of the GPF funding have taken place and it has been identified that the repayment mechanism outlined within the original Project Business Case is no longer viable. An alternative repayment mechanism has been identified, however, as this represents a significant change from the original Business Case it will first be considered by the Strategic Board in October 2021 before an update including a revised repayment schedule is presented to the Board in November 2021.
- 7.6 As indicated in Section 5.2 of this report, to date there has been a lack of reporting with regard to the benefits realised as a result of the Project. Essex County Council are continuing to work with South Essex College to secure

this information, with an update on benefits realised required at the November 2021 Board meeting.

- 7.7 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 the revised repayment schedule will not now be presented to the Board until November 2021, this requirement will not be met. The Board are therefore asked to agree that, contrary to the terms of the loan agreement, the Project can give only 4 months' notice of the proposed change in repayment schedule, allowing it to come forward in November for a Board decision.

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 £1.176.6m 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 4 below.

Table 4: 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 4.

9. Financial Implications (Accountable Body Comments)

- 9.1 A total of £15.167m (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 agreed GPF investments due at present in this financial year including the funding decisions 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 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.
- 9.6 The impact of writing off the loan is that the balance of the recyclable loan scheme is reduced by £18,767.
- 9.7 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.
- 9.8 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.
- 9.9 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.

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 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.

(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 Nicole Wood (S151 Officer, Essex County Council)	01/09/2021

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
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. Discussions ongoing to finalise proposed revised repayment schedule. Revised repayment schedule to be presented to the Board in November.	No update provided on delivery of project outcomes.	Risk to repayment schedule identified by scheme promoter. No update provided on delivery of project outcomes.	
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.	
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.	Project Complete	Project complete and GPF funding spent in full	The COVID-19 outbreak has impacted on the delivery of the additional site enabling works and on the sale of plots, resulting in the need for an amended repayment schedule. A revised repayment schedule was agreed by the Board in November 2020. There remains a risk that further repayment schedule changes may be required if adverse market conditions impact on uptake of plots.	Further site enabling works are being undertaken to mitigate planning risks which will encourage take up of plots on the site. These works have been delayed as a result of the COVID-19 pandemic. There remains a risk that adverse market conditions will impact on the uptake of plots at the site, which would further delay the realisation of any benefits at the site.	COVID-19 has resulted in the need for additional safety measures to be considered when planning work onsite. Issues identified with supply chain disruption due to COVID-19 including delivery of statutory consents and availability of some construction materials. These issues may impact on both project construction programmes and build costs.	Delivery of the additional enabling works has been delayed by the COVID-19 pandemic.

Growing Places Fund Update Appendix A										
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
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 ongoing, 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.	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		Construction programme has been delayed as a result of the COVID-19 pandemic but forecast project outcomes still expected to be met.
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 and it is expected that work will be completed in March 2022. Marketing of the industrial units is about to commence. 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 and it is expected that the works will be complete by March 2022. 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 project, however, it is still expected that the project outcomes will be as set out in the Business Case.	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.
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 65 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 achieved by 2024/25.	As with any development project there is a planning risk, although for the identified properties this is considered to be low risk.	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. The piling work has commenced onsite. Required Southern Water diversion work has been completed and work to relocate a UKPN substation is due to commence.	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.

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
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.	Due to the COVID-19 pandemic there is a risk to the survival of the businesses that are housed within the Fitted Rigging House. Improvement in tenants stability has been reported but risk remains.		Revised repayment schedule agreed at July Board meeting but uncertainty remains regarding survival of commercial tenants post COVID 19.
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>A contractor has been appointed to deliver the project, with work due to commence onsite on 22 August 2021.</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 can commence onsite.	GPF spend has been slower than originally expected but the project is now in a position to commence work 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 due to commence 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, 14 commercial and 25 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.</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</p>	<p>3 projects currently contracted and underway in Folkestone, Hythe and Sheerness. These projects are expected to return 3 empty commercial units back into use and create 14 residential units. Expressions of interest received in relation to 2 further projects.</p>	Work on the first 3 projects is underway. Further properties to be identified as scheme progresses.	3 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 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>Works have commenced onsite and the failed roof has been removed.</p>	Works are ongoing but there was a delay to ordering the substation which may have implications for other works. In addition, asbestos has been discovered within the building which needs to be managed.	GPF allocation is expected to spent in full during 2021/22.	No repayment risk identified.	It is expected that the Project outcomes will be realised as per the Business Case.		Project is progressing with completion expected in May 2022

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 to 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.
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			Project completed and GPF repaid in full
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.
Eastbourne Fisherman Quayside and Infrastructure Development	East Sussex	Round Two	This capital project has secured £1,000,000 European Maritime and Fisheries Fund (EMFF) grant funding to build a Fishermen's Quay in Sovereign Harbour to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet.	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	Repayment will be in line with amended repayment schedule agreed by the Board in July 2021	Project is now complete and outcomes have started to be realised		Project 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
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.
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. 275 homes are now occupied, with a further 227 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>	This project is already on site and the S106 agreement was signed at the end of January 2018.	The GPF Funding has already been spent	The GPF funding has been repaid in full.	The contractor is on site and will be delivering 1,400 homes, 1,200sqm of commercial space, a new school, hotel and various new open spaces. The scheme is now delivering more than was originally intended and there are no delivery risks.	Contractors stopped work onsite due to the COVID-19 pandemic, which caused a 10 week delay to the programme. However, the developer has accelerated delivery of later phases of the project and completion of the development is now expected ahead of programme.	Overall the project is on track to deliver outputs and outcomes.
Sovereign Harbour	East Sussex	Round One	The Pacific House project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Sovereign Harbour Innovation Park in the A22/A27 growth corridor.	The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2,345m ² of high quality office space.	Project Complete	Project Complete	No repayment risk identified	The majority of the forecast outcomes have been realised despite the impacts of the COVID-19 pandemic.		Project delivered
Discovery Park	Kent	Round One	The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.	The project promoter has informed Kent County Council that they no longer wish to proceed with the GPF loan and therefore the project has been removed from the GPF programme. The GPF funding has been repaid in full by Kent County Council and has been reallocated through GPF round 3.	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme
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	3,011,000	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	39,353,042	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	-	2,000,000						2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	-	100,000	200,000	250,000				550,000
Javelin Way Development	Kent	1,597,000	1,597,000	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	4,820,000	1,095,000	790,000	540,000	597,000	0	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	200,000	-				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
Sub Total		15,686,500	6,570,000	2,062,102	-	-	-	100,000	1,750,000	13,336,500	500,000	15,686,500
Total		70,808,542	61,692,042	49,399,151	35,936,633	7,589,042	5,670,000	1,890,000	3,790,000	13,933,500	734,600	70,789,775

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
Leigh Port Quay Wall - Cockle Wharf (subject to future Board approval)	Southend	3,500,000	-	3,500,000			3,500,000
Sub Total		19,186,500	5,320,000	12,016,500	1,350,000	500,000	19,186,500
Total		73,062,542	50,199,042	12,016,500	1,350,000	500,000	73,062,542

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	312	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	149	0
Harlow West Essex	3,000	1,200	1,270	735
Live Margate	0	66	0	65
Round 2 GPF Projects				
Colchester Northern Gateway	81	450	0	0
Charleston Centenary	6	0	6	0
Eastbourne Fisherman	4	0	2	0
Centre for Advanced Engineering	56	0	0	0
Fitted Rigging House	300	0	195	0
Javelin Way Development	311	0	0	0
Innovation Park Medway	307	0	20	0
No Use Empty Commercial	16	28	26	25
Total	8,324	6,277	2,944	2,627

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 known meaning that a number of risks have been identified including realisation of project benefits, project delivery and repayment of the GPF loan.
- **Income from commercial tenants** – GPF funding is often used to support the development of commercial workspace, which is then rented to businesses to generate the income required to repay the GPF loan. Due to the impacts of COVID-19, scheme promoters of this type of project have expressed a desire to support their commercial tenants during this period. This support is often in the form of rent deferrals or rent holidays. Whilst this support increases the likelihood of their tenants being able to survive the current period of uncertainty, it places significant pressures on the cash flow of the scheme promoters as they see a drop in rental income. There is also a risk that, despite the support offered, businesses will not survive leading to further losses in service charge income and an increase in business rates payable on empty commercial space. Whilst the Government are encouraging landlords to be flexible during this period, there is currently no support being offered to landlords to help mitigate the impact on their cash flow position thus raising a significant risk to the repayment of the GPF funding.

As the country emerges from the latest period of lockdown, these risks will continue to be monitored to understand their impact on the ongoing project delivery and repayment of the GPF funding.

Forward Plan reference number: FP/AB/440

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Suzanne Bennett Chief Operating Officer	
Meeting Date: 10 September 2021	For: Information
Enquiries to: Suzanne.bennett@southeastlep.com	
SELEP Partner Authority affected: Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to be updated on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report includes 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. **Note** the update on Assurance Framework compliance monitoring at Appendix A and Governance KPIs at Appendix B; and
 - 2.1.2. **Note** the changes to the Risk Register at Appendix C.

3. Assurance Framework Monitoring

- 3.1. It is the role of the Accountability Board to oversee the implementation of the requirements of the Local Assurance Framework (LAF). To receive grant funding from central Government, SELEP must have in place a LAF which demonstrates full compliance with the National Assurance Framework, published by central Government in January 2019.
- 3.2. 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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- 3.3. 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 A.

4. Key Performance Indicators

- 4.1. We are tracking a number of KPIs to ensure there is compliance with the governance requirements in the Assurance Framework. These can be found at Appendix B.
- 4.2. 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.

5. Risk Register

- 5.1. Since the last meeting of Accountability Board, the risks and uncertainty related to the future of the LEP have increased which is reflected in changes to the Risk Register. The original commitment from HM Government was that more detailed plans for the future of LEPs would be announced ahead of summer recess but unfortunately no announcement has been made.
- 5.2. In addition, on 27 July LEP Chief Executives were informed by the Cities and Local Growth Unit (CLGU) that the arrangements for the Core Funding for LEPs would be changing. Rather than LEPs being awarded £500,000 for the year having met the funding and match conditions, LEPs would now be eligible for £250,000 funding for the first six months of 2021/22.
- 5.3. This was on the basis that CLGU will: "...use the LEP Review process to collect further financial data on LEP performance, to inform decisions on funding for the remaining 6 months". The letter received by the Chief Executive can be found at Appendix D.
- 5.4. The letter does not set out on what basis the funding for the remaining six months would be released. The only prudent course of action is to assume that the further £250,000 will not be released and the impact of this is set out in the Finance Update (Agenda Item 17).
- 5.5. The Minister for Small Business wrote to LEP Chairs and CEOs on 29 July setting out that the LEP Review would now become part of the Levelling Up White Paper. Currently the commitment is to publish this White Paper 'later this year'. This letter can be found at Appendix E.
- 5.6. These delays and changes to funding has increased the number of medium and high rated risks the Secretariat are managing. There are now eight red rated risks increased from four at last reporting and six medium risks, reduced from eight at last time of reporting. Full details of the medium and high rated risks can be seen in the risk register at Appendix C. The significant changes to risks and ratings can be seen below.
- 5.7. The ongoing uncertainty related to the LEP Review is now having an appreciable impact on the team and there is an increased risk to their wellbeing and the rating of this risk has been increased to the highest level.

The Secretariat Management Team are working to mitigate this risk through frequent updates and accessing the wider suite of support that Essex County Council, as the employer, offers.

- 5.8. The delays to the Review do now constitute a risk to the recruitment and retention of SELEP Ltd Board members. The current Chair's term ends with this financial year and the term cannot be extended further so the impact of this risk could be significant. The CEO will look to work with other LEPs who have recently appointed new Chairs and Board Members to learn from their experiences.
- 5.9. Whilst the majority of Covid-19 risks have abated as cases have reduced (at time of writing) there does remain a risk for this Board that due to members' illness or self-isolation the quorum can't be met, and decisions won't be able to be taken. Accountability Board must meet in person and the quorum for the Board is narrow as it is a small committee. The Quorum for meetings of the Accountability Board is two thirds of the Committee Members, including at least four Council Members.
- 5.10. The Secretariat are working with the supporting officers of the voting Board members to ensure that deputies can be put into place at short notice whenever possible.
- 5.11. All risks related to the LEP Review and the future funding of the LEP and interventions by the LEP have now been rated as high risk due to the issues set out above. Whilst the Secretariat are mitigating these risks where possible, it must be stated that much remains outside of our control.
- 5.12. Following discussions with Essex County Council's Internal Audit team it has been agreed that the Chief Operating Officer will work with them to ensure that the risks are being managed as well as possible.
- 5.13. If there is any further movement on the LEP Review over the Summer it will be provided as a verbal update at the Board meeting.

6. Accountable Body Comments

- 6.1. 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.
- 6.2. 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.
- 6.3. 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:

- 6.3.1. 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
- 6.3.2. That the SELEP's Local Assurance Framework is compliant with the minimum standards as outlined in the *National Local Growth Assurance Framework* (2019).
- 6.4. This confirmation was provided to the Government, by the S151 Officer on the 26 February 2021.
- 6.5. 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.
- 6.6. 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.
- 6.7. 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 17)

7. Financial Implications (Accountable Body comments)

- 7.1 The anticipated 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. Government have currently only given the opportunity for SELEP to apply for half of the usual allocation, totalling £250,000, to support the first 6 months of 2021/22. The Government has not confirmed if the further £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 17).
- 7.2 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
- 7.3 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.

- 7.4 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.

8. Legal Implications (Accountable Body comments)

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

9. List of Appendices

- 9.1. Appendix A – Assurance Framework monitoring
- 9.2. Appendix B - Governance and Transparency KPIs
- 9.3. Appendix C – Extract from Risk Register
- 9.4. Appendix D – LEP Core Funding Confirmation Letter
- 9.5. Appendix E – Letter from Minister Scully (28 July 2021)

(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)	20/08/21



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING 2021/22

Updated August 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 for the outset of each meeting.	COMPLETE/ONGOING
All members of the Strategic Board, Accountability Board and Federated Boards are required to complete a Register of Interests form.	COMPLETE/ONGOING
All senior members of staff or staff involved in advising on decisions must also have a valid register of interests, reviewed the same as for board members.	COMPLETE/ONGOING

CAPITAL PROJECTS

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

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

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	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	Y	04/03/21	Y	19/05/21	Y	22/07/21	Y
OSE	02/12/20	Y	10/03/21	N	19/05/21	N		
TES	07/12/20	Y	15/03/21	Y	14/06/21	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	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		
KMEP	02/12/20	N	04/03/21	N	19/05/21	N		
OSE	02/12/20	Y	10/03/21	N	19/05/21	N		
TES	07/12/2020	Y	15/03/21	Y	14/06/21	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)?
Accountability Board	20/11/20	Y	12/02/21	Y	12/03/21	Y
Strategic Board	11/12/20	Y	29/01/21	Y	19/03/21	Y
SE	15/03/21	N	12/04/21	N		
KMEP	02/12/20	N	04/03/21	N		
OSE	02/12/20	Y	10/03/21	N		
TES	07/12/20	Y	15/03/21	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%

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	The uncertainty of the LEP Review is beginning to impact staff morale, further impacted by the changes to funding in year. The likelihood of staff members looking for new roles is increasing which will increase workloads of the staff remaining, further increasing the risk of stress. Posts are having to be left unfilled due to the financial uncertainties in this and future years which is already impacting on workloads	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	All Man Team	Ongoing
10	Recruitment and Retention of Board Members Risk	3	5	15	Med	The current Chair's term will end in March 2022 and cannot be extended. The current Deputy's term ends at the end of February 2022, although this could be extended. A number of other Board members are reaching the end of their two-year term in March 2022. Given the uncertainties surrounding the future of LEPs and lack of clarity on what Board roles will entail, there is a risk that Board members will choose not to extend terms and/or high quality replacements cannot be attracted to SELEP	Other LEPs have recently attracted new Chairs, the CEO will work with the CEOs from those areas to understand their process. Discussions around the priorities for SELEP in October will help focus on what attributes/skills will be needed for a future Board. Board Effectiveness survey conducted and responses will be used to provide additional support to Board members where possible within the resources that are now available	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 DoI 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
19	Non achievement of Outcomes/Outputs of the Capital Programme	3	4	12	Med	Given the impact of lockdown on the economy, there is now a very high risk that not all of the outcomes and outputs that were stated in the business cases for both GPF and LGF projects will be achieved. This risk has been downgraded as evidence of a 'v' shaped recovery is beginning to be presented. However this likelihood is based on the roadmap out of lockdown being achieved which is not assured	The capital programme continues to be closely monitored and the team work closely with delivery partners. The team is also providing regular updates to HMG. All known changes to GBF outcomes and outputs have been approved by CLGU. An exercise to rebase the outcomes of the programme will be undertaken this financial year	H Dyer	Ongoing
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 the 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	5	4	20	High	The GBF programme requires all funding to be spent by 31 March 2022 and all projects to be substantially delivered. This is a very tight deadline to work to and there is a significant reputational risk should SELEP not be able to deliver the full programme. The likelihood of this risk occurring is increased by the delay to HMG providing the grant determination and the introduction of a time consuming change control process	Issues and concerns with the Change Control and reporting processes have been raised with CLGU and will be flagged at the APR. Strategic Board have agreed the process for establishing a GBF reserve list and the list was agreed at their meeting in March. The additional staff member recruited to oversee the funding stream has now resigned. There is significant difficulties in recruiting fixed term employees currently and other options to deliver the work are being explored as a top priority	H Dyer	31/03/2022
Risks Related to Funding/Financial Position									

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
12	GPF Project Repayments	5	3	15	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
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 potential for misappropriation of monies at Hadlow. 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	Whilst a balanced budget for 2021/22 was constructed, it was communicated in July that HMG intended to change the approach to LEP Core funding. Rather than pay the £500K on confirmation of match at the start of the year, £250K would be paid in quarter 2 with the remainder to be paid at an unspecified time and on unspecified criteria later in the year, following the LEP Review. On this basis it cannot be assumed that the further tranche of £250K will be received. The future funding of SELEP is now very uncertain. An additional withdrawal from reserves will be required in this year but this creates further pressures in 2022/23	A full review of the budget for 2021/22 has been undertaken and a number of savings identified, but these savings will impact on the productivity and outputs of the Secretariat. Following agreement of the priorities for the team with Strategic Board in October, the Delivery Plan for this year will be redrafted to reflect the reduction in resources. There is sufficient funding available in reserves to support the budget in 2021/22, but this is not a sustainable position. A considerable reduction to the size of the team is now required. Following confirmation at Strategic Board of their priorities for 2022/23 in October, a budget will be brought to Accountability Board in November. The CEO/COO will work with ECC HR team to ensure team reductions are carried out in accordance with ECC policies and procedures. Representations are being made to HMG by SELEP and the LEP Network; certainty on the funding position for next year is now of paramount importance	CEO/COO	Ongoing

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
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									
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.	Evidence on what business support will be needed as we move into to Recovery is being collated. Secretariat is working closely with Growth Hub Cluster (SELEP, Herts and London) to understand the emerging requirements from both business and HMG. 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.	J Simmons	Ongoing
41	Future Engagement in Skills Agenda Risk - reduction or elimination of LEP involvement in Skills, losing local knowledge and insight	4	5	20	High	The DfE published a Skills for Jobs White Paper and a related Bill is being taken through Parliament. The policies therein do not include a clear role for LEPs, although LEP Skills Advisory Panels (SAPs) are cited and 2021/22 funding for SAPs has been confirmed by DfE. Stemming from the White Paper, current Calls for Local Skills Improvement Plans (LSIPs) and Strategic Development Fund bids have been launched for Employer representative organisations and colleges respectively which LEPs are not able to bid to. These are pilots at this stage and a national roll out isn't confirmed. This means there is a risk that the learning and knowledge that has been developed over the last years and work with the SAP could be lost, potentially setting back the skills agenda in the SELEP region. It has been announced that 2 LSIP pilots will run in the SELEP area, one covering Kent and Medway and one covering East Sussex	The Secretariat are working with the business representative organisations, who have been invited to bid to produce LSIPs to ensure that learning is shared and DfE has indicated a role for SAPs. Working with the LEP Network and the Skills Advisory Panel, we will continue to present evidence of the impact that SELEP has had in pushing forward Skills in the region and make the case for a continuing role, with strong collaborations in areas such as the major projects skills work and digital. Alongside the SAP, the DSP has also had year 3 funding confirmed by DCMS.	CEO/L Aitken	Ongoing

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
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	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	CEO/COO	31/03/2022
44	LEP Review - timing risk	5	5	25	High	Recommendations were not published ahead of parliamentary summer recess. We have been advised that the LEP Review is now running alongside the Levelling Up White Paper, currently the publication date of the WP is not known. SELEP will now have to begin to implement changes to reduce the cost base in advance of confirmation of direction of travel from HMG. There is also a risk that if the LEP Review continues to be delayed it will not be possible to make changes to the operation model in the time available to meet HMG expectations	Plans are now being made to draw up options for the team. The Secretariat Management Team is engaged with ECC HR as the Secretariat are employed by ECC and any changes will need to adhere to their policies. Strategic Board will be asked to set out their priorities in October to allow for an assessment of resources required.	CEO/COO	31/03/2022



Kate O'Neill
Cities and Local Growth Unit
2 Marsham Street,
London, SW1P 4DF
27 July 2021

Dear LEP Chief Executive

LEP Core Funding 2021 - 2022

Thank you for your patience in waiting for confirmation on LEPs core funding allocation. This letter sets out the arrangements for LEP core funding for the 2021-22 financial year.

The Government has decided to provide LEPs with an initial six months of core funding in 2021-22 to the value of £250,000 per LEP, on the basis set out below.

- That we will use the LEP review process to **collect further financial data on LEP performance, to inform decisions on funding for the remaining 6 months.**

We will contact LEPs over the coming weeks with further detail on the financial data we expect LEPs to provide. This information will support our understanding of LEP finances as part of the review and will help inform our decision on whether the allocation of the remaining 6 months of funding will be released to LEPs later this year

- It is also our expectation that **any LEP recruitment will be confined to that which is necessary to maintain the existing head count, where there is evidence that this is business critical.**

We acknowledge that LEPs have reported some staff departures due to the ongoing review. LEPs are not expected to freeze all recruitment, however this expectation sets out that – given the ongoing review - LEPs are expected not to increase their overall staff numbers and only hire where this is business critical.

As with previous years, Government will continue to require LEPs to match fund this locally. As the government is only initially paying each LEP £250,000 of core funding, LEPs are only required to raise at least £125,000 for the first 6 months of the year.

Funding for 2021-22 will be provided to each LEP in mid-August via a section 31 payment to the relevant Accountable Body. In line with the individual LEP allocation the LEP Network will also receive an initial 6 months of its annual funding allocation of £39,000 in 2021-22. Government expect that this will be supplemented by a contribution from each LEP, as Chairs have previously agreed.

We have not made any final decisions around the future funding of LEPs beyond this financial year, and we cannot at this stage set out what the outcome of the review will be. We will be considering the future funding of LEPs as part of the Spending Review and Levelling Up White Paper.

Please see attached the application form and accompanying guidance document for the 2021-22 LEP Core Funding. Please use the attached application form to complete your application for this funding for 2021-22.



Please submit your application form no later than **close of play 3rd August** to localgrowthassurance@communities.gov.uk. If you have any queries about this process, please contact the local growth assurance team.

Without prejudice to the outcome of the review, we would like to invite you to share the impacts this core funding change may have on the LEP. This can include staff redundancy, staff departures, recruitment risk, delivery risk, financial risk and future uncertainty. **Please send any responses via email to the mailbox above.**

Kind Regards

Kate O'Neill

Director, Policy Directorate, Cities and Local Growth Unit



28 July 2021

Dear LEP Chairs and Chief Executives,

Review of future business institutions

I wanted to write to you to thank the LEP network and LEPs for their ongoing collaboration on our review of future business institutions, and to thank you for your recent letter to the Secretary of State and Communities Secretary.

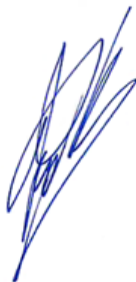
At the Budget in March we committed to reviewing the future role of Local Enterprise Partnerships and were clear that we wanted to ensure that local businesses continue to have the representation and support in their area to drive the recovery and to level up. Since then, we have been working collaboratively with you and other stakeholders through a series of regional roundtables, to understand local priorities, what has worked effectively and what could be improved. This has been much appreciated.

We have heard plaudits for LEPs' ability to convene critical local partners such as universities, educational establishments and skills providers; their support of the Covid-19 response in providing advice and support and helping to adapt local strategies for recovery; the vital role local business support services play or the support LEPs provide in developing business cases; and the role business plays in helping local partners to think more strategically across the functional economic area. We have also heard that there could be a tighter sense of mission for business institutions, more consistency, more engagement with and representation of dynamic SMEs, and more joint working across wider geographies on sector-based projects.

I was also encouraged to read your examples of the fine work business continues to do in partnership with local government in places, such as on lithium extraction to support battery manufacturing in Cornwall.

Since our announcement at the Budget, the Government has committed to publish a landmark Levelling Up White Paper later this year to set out our bold new policy interventions to improve livelihoods and opportunity in all parts of the UK. Just last week, the Prime Minister set out our commitment to rewriting the rulebook on devolution, deepening powers and extending devolution to County areas with a more flexible approach, with strong local leadership at the heart of our agenda. It is our view that we should now consider the future role of Local Enterprise Partnerships, and the vital role for local business leadership in driving levelling up, within the context of the White Paper and the Spending Review.

You have received a separate letter from CLGU Directors regarding core funding for this year. I appreciate the uncertainty the ongoing review is causing but trust you will keep working closely with us through the Summer and as we develop exciting plans to level up our country.

A handwritten signature in blue ink, appearing to read 'Paul Scully', with a stylized, cursive script.

PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets
Minister for London

Report title: Update on the SELEP 2021/22 Revenue Forecast	
Report to: Accountability Board	
Report author: Lorna Norris, Senior Finance Business Partner	
Meeting date: 10 September 2021	For: Note
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 SELEP Revenue Forecast for 2021/22 and the continued risks to the future funding position for the LEP.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Note** the updated forecast revenue outturn position for 2021/22 of a net overspend of £88,000.

2.1.2 **Note** the risks with respect to the future funding position for SELEP.

3. 2021/22 revenue budget update

- 3.1 The updated 2021/22 SELEP revenue budget was agreed by Accountability Board at its July 2021 meeting. The forecast outturn position indicates an overspend of £88,000 relative to the budgeted net income of £78,000; details can be seen in Table 1 overleaf. This forecast overspend will mean that a contribution from reserves of £10,000 is required to fund the net expenditure position.

Table 1: SELEP Revenue Budget Forecast

	Forecast Outturn	Latest Budget	Variance	Variance	Previous Forecast	Forecast Movement
	£000	£000	£000	%	£000	£000
Staff salaries and associated costs	974	1,101	(127)	-12%	1,101	(127)
Staff non salaries	10	10	-	0%	10	(0)
Recharges (incl. Accountable Body)	373	366	7	2%	366	7
Total staffing	1,357	1,477	(120)	-8%	1,477	(120)
						-
Meetings and admin	35	40	(5)	-12%	40	(5)
Chair and Deputy Chair Allowance including oncosts	41	41	-	0%	41	0
Consultancy and project work	436	472	(36)	-8%	472	(36)
COVID-19 Support Programmes	3,945	4,453	(508)	-11%	4,453	(508)
Grants to third parties	2,653	2,675	(22)	-1%	2,675	(22)
Total other expenditure	7,110	7,681	(571)	-7%	7,681	(571)
						-
Total expenditure	8,467	9,158	(691)	-8%	9,158	(691)
						-
Grant income	(3,321)	(3,593)	272	-8%	(3,593)	272
GPF Contribution to Support Reserves	(1,000)	(1,000)	-	0%	(1,000)	-
Contributions from partners	(150)	(150)	-	0%	(150)	-
COVID-19 Support Fund	(3,986)	(4,493)	507	-11%	(4,493)	507
External interest received	-	-	-	0%	-	-
Total income	(8,457)	(9,236)	779	-8%	(9,236)	779
						-
Net expenditure	10	(78)	88	-113%	(78)	88
						-
Net Contributions to/(from) Operational reserves	(10)	78	(88)	-113%	78	(88)
						-
Final net position	-	-	-	0%	-	-

3.2 Overall, the net forecast position has moved by a total of £88,000 from that reported in July 2021; the main movements are summarised as follows:

3.2.1. The budgeted position assumed receipt of £500,000 of Core Funding from Government, in line with prior financial years; this assumption was based on information from HM Government that Core Funding would continue into 2021/22 and would be dependent on LEPs achieving a satisfactory score as part of the Annual Performance Review. SELEP achieved the highest possible score at the Annual Performance Review. However, as set out in the Operations Update (agenda item 16), Government have currently only confirmed that £250,000 is available to apply for. Due to the uncertainty with respect to the remaining £250,000, it is considered prudent to assume that this won't be received in the current forecast.

3.2.2 The implication of this assumption is considered further in section 5 below, however, to ensure sufficient income is available to offset planned expenditure, the following adjustments have been applied to the forecast:

Forecast Expenditure Reductions	£'000
Reduction in Salary costs through non-recruitment to vacant posts	(121)
Reduction in Meeting and Admin costs	(5)
Reduction in Consultancy and Project work	(36)
Reduction in Contribution to Reserves	(78)
Contribution from Reserves	(10)
Net expenditure reduction to offset reduced Core Funding	(250)

3.2.3 The other significant movement in the forecast is with respect to the COVID-19 business support programme; the budget assumed that spend under this contract would be fully incurred in 2021/22, however, delays in the initiation of this programme mean that £507,000 of spend is forecast into 2022/23.

3.2.4 This adjustment to the forecast does not have a net impact on the overall position, however, as the funding for this programme will be drawn down from the Ringfenced Reserve to match the expenditure as it is incurred.

3.3 Currently no external interest is budgeted or forecast to be received in 2021/22 with respect to capital balances held by Essex County Council on behalf of SELEP; at this point in the year, this is considered to be the prudent approach given the lower balances held and the on-going low interest rates. An update on this position will be provided at the next meeting of the Board, when there is expected to be greater certainty with respect to this opportunity.

3.4 Table 2 sets out the forecast position for the specific revenue grants, the in-year movement of which is incorporated into Table 1. It is currently assumed that the majority of specific grants will spend in line with budget; however, where it is known that the programmes or workstreams funded by the grant are planned to be delivered post 2021/22, this has been reflected in the grant forecast spend profile.

Table 2 – Specific Revenue Grants 2021/22 Forecast Summary

Fund	Grant brought forward	Grant Received	Grant Applied	Grant Carried Forward
	£000	£000	£000	£000
GPF Revenue Grant	(987)	-	-	(987)
Sector Support Fund (SSF)	(1,394)	-	1,373	(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)	112	-
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)	3,048	(1,009)
SELEP Core and GBF Capacity Grants	(23)	(250)	273	-
Covid-19 Skills Fund	(2,096)	-	2,096	-
Covid-19 Business Support Fund	(2,396)	-	1,889	(507)
Total Revenue Funding Applied	(7,301)	(1,521)	7,306	(1,515)

3.5 In addition to the above grants, the Accountable Body administers the following funds on behalf of SELEP; these enable investment through grants or loans to third parties to support delivery of the SELEP priorities.

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)	13,017	(9,390)
Getting Building Fund (GBF)	-	(42,500)	42,500	-
Total Funds	(30,362)	(48,089)	69,061	(9,390)

- 3.6 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 10.
- 3.7 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 Fairglens 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 5 for further details.
- 3.8 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 (further information on the GPF position can be found in Agenda item 15) and decision making by the Strategic Board and the Board with respect to continued investment into the GPF pipeline;
- 3.9 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 spent in 2021/22, subject to any decisions by the Board to extend delivery timelines for specific projects (see Agenda item 13 and 14).

4. Reserves

- 4.1 The SELEP budget includes a contribution to the operational reserve of £78,000; however, the forecast overspend requires a contribution from this reserve of £10,000 to ensure sufficient funding is available to support the planned spend; this forecast position reflects the assumption that the full Core Funding contribution will not be received as had been anticipated in the budget (see section 3).
- 4.2 The Ringfenced 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 means that £507,000 of this funding is required to be carried into this year to meet this commitment.

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

Table 4 – Forecast Reserves Summary

	Opening Balance £000	In-Year Contribution £000	In-Year Withdrawal £000	Closing Balance £000
General Operational Reserves	(972)	(1,000)	1,010	(962)
Ring-fenced Reserves				
Covid-19 Skills Support Fund	(2,096)	-	2,096	-
Covid-19 Business Support Fund	(2,396)	-	1,889	(507)
Total Reserves	(5,464)	(1,000)	4,995	(1,469)

- 4.4 The forecast position for the Operational reserves into future financial years is included in Table 5; this position assumes that no new funding will be received to support the operations of the SELEP from 2022/23 and that the reserves will be down to the minimum value by the end of that year, with no funding to support continuing operations into 2023/24.
- 4.5 The minimum level of reserves is currently set at £260,000; this minimum is to ensure that sufficient funds are available to support any redundancy costs that may be incurred in the event of a wind down of SELEP. The latest assessment of funding required to support these costs suggest that the minimum amount may need to be increased; this position will be confirmed as part of budget setting for 2022/23, including a wider assessment of the on-going obligations of the Accountable Body with respect to SELEP – a report on this will be provided to the November Board meeting.

Table 5 – Forecast Operational Reserves

	2021/22 Latest Budget £000	2021/22 Forecast £000
Opening balance 1st April	972	972
Planned Utilisation		
Planned withdrawal	(903)	(1,010)
Planned Contribution	1,000	1,000
Total	97	(10)
Balance remaining 31st March	1,069	962
Minimum value of reserve	260	260

5. Core Funding

- 5.1 As set out in section 3.2 above, it is currently unclear if SELEP will receive the additional £250,000 of Core Funding to support the 2021/22 budget; or if it is to be allocated, whether there will be conditions attached for use. As a result, it is proposed to mitigate the impact of this on the budget through non-recruitment to vacancies; reducing planned delivery and improvements; and utilising reserves to support the outstanding gap.
- 5.2 Whilst we are currently holding sufficient reserves to fund the second tranche of Core Funding, the growing uncertainty about future years' funding means that those reserves are likely to be required to support the activities of the team in financial year 2022/23. Therefore, it has been necessary to review the delivery plan for the Secretariat to either postpone or remove activities that are deemed not to be essential in this financial year. This will ensure that the maximum value of reserves will be available to apply in 2022/23.
- 5.3 There are a number of activities and costs that are necessary to ensure that SELEP meets its obligations under the Assurance Framework and contracts with other parties, including SLAs with Local Authorities. Ensuring these activities can continue has been the first priority. Reductions have been identified in the discretionary work that supports the strategic agenda. Whilst this won't have an immediate impact it does have the potential to impact on the future influence and activities of SELEP.
- 5.4 It will be necessary to reduce the third party support we currently contract for key sectors. This will mean a reduction of in the representation of SELEP in key conversations concerning the Housing agenda and a reduction in support to the Rural working group.
- 5.5 We will postpone the project that was planned for quarter 3 to improve the SELEP website pending confirmation of future funding and details on the future role of LEPs. This work was due to be undertaken to ensure the website was fit

for purpose for the new role of SELEP. As the LEP Review has been delayed, this work may have been delayed in any case. There are some functional issues with the website, where it doesn't work as well as it could do, but this can be addressed using the workarounds that have been used to date. This does impact on the efficiency of the Secretariat.

- 5.6 We will also reduce the additional third party support we receive via our Communications/PR contract to the base level and use the resources within the team only. This will reduce the outputs of the Communications team but the ongoing uncertainty surrounding LEPs means this work is already impacted in any case.
- 5.7 Following some resignations in the Secretariat, posts will be held vacant wherever possible. Other approaches to resourcing will be pursued for those posts that are associated with work deemed as essential as it is already proving difficult to recruit on short term contracts. The uncertain nature of the future funding of the LEP means that we cannot recruit on a permanent basis at this time.
- 5.8 The current Chair of SELEP Ltd will be coming to the end of his term in March 2022. Originally it had been planned to engage an Executive Search company to assist with identifying potential candidates for that role. This approach has been used in the past and has been successful. This will now not be possible, potentially impacting on the quality and/or quantity of the candidates identified for the post.

6. Risks

- 6.1 In addition to the risk set out above with respect to the non-receipt of the remaining £250,000 allocation of core funding, the key on-going risk is in respect to the lack of certainty of the role of LEPs moving forward due to the delay in any output from the LEP review, plus whether there will be any funding to support this.
- 6.2 SELEP has been advised that it is the view of government that the future role of Local Enterprise Partnerships, and the vital role for local business leadership in driving levelling up, should be considered within the context of the White Paper and the Spending Review. This approach has the impact of extending any decision making and confirmation of funding, or otherwise, in this respect, into late Autumn 2021 and beyond.
- 6.3 This delay has the impact that SELEP will need to be considering its future position without any certainty with respect to Government expectations. The only indication received from Government, in this respect, is their expectation that any future LEP recruitment will be confined to that which is necessary to maintain the existing head count, where there is evidence that this is business critical.
- 6.4 The Accountable Body will work with the SELEP Secretariat to consider the on-going contractual commitments of the LEP and to consider options in light of these uncertainties. The expectation is that a report will be taken to Strategic

Board in October 2021, setting out the position to enable consideration of options that can be brought back to the Board in November as part of the budget setting proposals for 2022/23.

7. Financial Implications (Accountable Body comments)

- 7.1 This report has been authored by the Accountable Body, in conjunction with the SELEP Chief Operating Officer, and the recommendations are considered appropriate.

8. Legal Implications (Accountable Body comments)

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

9. Equality and Diversity implication

- 9.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 9.3 In the course of the development of the 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

- 10.1 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 Nicole Wood (S151 Officer Essex County Council)	01/09/21