



## **Appendix B: GBF Projects spending beyond 31 March 2022 and a summary of high risk GBF projects**

### **1. Purpose**

- 1.1. This appendix provides details of the seven projects seeking approval for Getting Building Fund (GBF) spend beyond the 31 March 2022 at this meeting of the Board, and details of the nine high-risk GBF projects.
- 1.2. The Board is asked to agree GBF spend beyond 31 March 2022 for seven projects. An update on those seven projects is set out in Section 2 of this appendix.
  - 1.2.1. Tendring Bikes and Cycle Infrastructure (£2.3m)
  - 1.2.2. Laindon Place (£0.79m)
  - 1.2.3. Discovery Park Incubator (£2.5m)
  - 1.2.4. Romney Marsh Employment Hub (£3.536m)
  - 1.2.5. ASELA LFFN (£2.5m)
  - 1.2.6. Seven Sisters Country Park Visitor Infrastructure Uplift (£0.2m)
  - 1.2.7. Techfort (£1.009m)
- 1.3. Nine GBF projects have been identified as being High Risk, with a risk score of 5 out of 5. These projects include:
  - 1.3.1. Riding Sunbeams Solar Railways (£2.528m)
  - 1.3.2. UTC Maritime and Sustainable Technology Hub (£1.3m)
  - 1.3.3. Jaywick Market and Commercial Space (£1.972m)
  - 1.3.4. Tendring Bikes and Cycle Infrastructure (£2.3m)
  - 1.3.5. Laindon Place (£0.75m)
  - 1.3.6. Romney Marsh Employment Hub (£3.536m)
  - 1.3.7. Discovery Park Incubator (£2.5m)
  - 1.3.8. Better Queensway (£4.2m)
  - 1.3.9. ASELA LFFN (£2.5m)
- 1.4. Updates on the Riding Sunbeams Solar Railways, UTC Maritime and Sustainable Technology Hub, Jaywick Market and Commercial Space and Better Queensway projects are set out in Section 3 of this appendix.



## 2. GBF spend beyond 31 March 2022

Project: Tendring Bikes and Cycle Infrastructure	GBF award: £2.3m	Risk Rating:	5
Status: Design in progress	Forecast GBF spend beyond 31 March 2022: £1.5m Expected completion date: September 2022		
<u>Project description:</u> The project will deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton aimed at tackling inequality within one of the most deprived areas of the country by: <ul style="list-style-type: none"><li>making significant improvements to the cycle way between Jaywick and Clacton by making new cycle ways, widening existing routes, and by providing improved signage, lighting and drainage. This will allow cyclists in Jaywick to connect to roads and cycle paths in Clacton to allow access to the Station and on to the Business and Industrial Estates of Clacton. It will also allow students to access schools and colleges with the aim of improving skills level in the area.</li><li>working with community organisations in Jaywick to provide a bike loan scheme (Big Essex Cycles) whereby bikes are loaned to local residents for an initial period of one year to create the opportunity to cycle to the station in Clacton and places of work – primarily in Clacton at the Gorse Lane and Bull Hill Industrial Estates, the new commercial workspace in Jaywick and the town centre itself.</li></ul>			
<u>Project benefits:</u> The project will: <ul style="list-style-type: none"><li>tackle deprivation and inequality in Jaywick and Clacton</li><li>provide access to wider employment opportunities</li><li>directly create skills and training opportunities for local residents</li><li>provide access to wider training and up-skilling opportunities</li><li>support economic growth in Jaywick</li><li>Address health inequalities by supporting active travel</li></ul>			
<u>Cause of project delay:</u> Delivery of the improved cycle network infrastructure has been delayed. To date, detailed design work, stakeholder engagement and public consultation has been undertaken on the proposed cycle route. This consultation and engagement resulted in a request to alter the proposed route to place more of a focus on infrastructure enhancements in Jaywick Sands and on the sea front part of the cycle route which connects to Clacton. In addition, public consultation demonstrated that the element of the proposed cycle route in the town centre (linking the pier to the train station) did not have the level of support required to ensure it could play a key part in encouraging an increase in cycle trips.  As a consequence, it has been necessary to make changes to the proposed cycle route in order to address local concerns. The town centre section of the route has been removed from the project and work has been undertaken to reconfigure the proposed improvements to focus on the route from Clacton Pier to Jaywick Sands. This has delayed delivery of the project.			



Project: Laindon Place	GBF award: £0.79m	Risk Rating:	5
Status: Design in progress	Forecast GBF spend beyond 31 March 2022: £0.75m Expected completion date: September 2022		
<u>Project description:</u>  This project seeks to improve the opportunities for the Laindon Place regeneration in terms of the new retail and creating an environment to support businesses opening in the new high street being developed in Laindon.  The GBF funding will be used to support the installation of Electric Vehicle charging points, installation of shop frontages and the provision of quality public realm to support the creation of a new high street for Laindon.			
<u>Project benefits:</u>  The project will: <ul style="list-style-type: none"><li>• Enable creation of a minimum of 60 jobs in the new retail units at Laindon</li><li>• Enable creation of a minimum of 65 jobs on the construction site</li><li>• Deliver 244 new homes</li><li>• Deliver 16 new retail units</li><li>• Deliver a new medical centre, supermarket and commercial space</li></ul>			
<u>Cause of project delay:</u>  The project has been delayed due to three factors: <ul style="list-style-type: none"><li>• Technical approval for the Laindon High Road design was required from the Essex County Council Highways department. This approval (subject to conditions) is now in place but was only secured after a lengthy period of discussions and agreement to adapt several elements of the design to meet the requirements specified by Essex County Council Highways.</li><li>• The changes to the Laindon High Road design need to be formalised through the planning process. A Section 73 Minor Material Amendment application was submitted in August 2021, and it was expected that this application would be determined in November 2021. However, determination of this application has been repeatedly delayed, and is now not expected to be determined until 23 February 2022.</li><li>• Delivery of the project has been delayed as a result of changes in building regulations and the introduction of the Fire Safety Bill (2021). The original design for the scheme complied with the old regulations but did not take account of new industry best practice and the new recommendations set out within the updated documents. Certain elements of the project had to be redesigned in line with updated guidance.</li></ul>			

Project: Discovery Park Incubator	GBF award: £2.5m	Risk Rating:	5
Status: Procurement in progress	Forecast GBF spend beyond 31 March 2022: £2.3m Expected completion date: August 2022		
<u>Project description:</u> The project will deliver flexible, collaborative workspace in which life science start-ups and SMEs can establish their operations and grow as part of an innovative community. The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000sqft of net lettable incubator space. The new facility will include self-contained laboratory units, informal breakout and café space and shared lab support facilities. As well as additional physical space and high-quality facilities, the Incubator will also offer a package of innovation support to tenants, encouraging collaboration between firms at Discovery Park and with higher education, and linking new and emerging businesses with the access to investment, skills and partners that they need to thrive.			
<u>Project benefits:</u> The key benefits of the scheme are: <ul style="list-style-type: none"><li>• An increase in the number and survival rate of life science businesses in Kent and Medway, as firms are attracted to the Incubator and are enabled to expand</li><li>• Increased collaboration between start-up and growing firms, larger businesses and academic institutions at Discovery Park</li><li>• Increased investment at Discovery Park (and in East Kent more broadly) as a result of the increase in business activity at the Incubator</li><li>• Increased investment in start-ups and growing businesses through the opportunity to create a network of investors</li><li>• Longer term benefits through the growth of the life science cluster as a driver of growth in East Kent, contributing to the greater resilience of the sector and regional productivity growth</li></ul>			
<u>Cause of project delay:</u> Delivery of the project has been delayed as cost estimates derived from the initial technical design revealed that project costs were significantly higher than originally anticipated. This prompted a change in approach with the decision taken to utilise existing infrastructure where possible. In addition, the decision was taken to split the works into multiple tender packages, rather than procuring one main contractor, so as to reduce the level of cost risk attached to the project.			



Project: Romney Marsh Employment Hub	GBF award: £3.536m	Risk Rating:	5
Status: Construction in progress	Forecast GBF spend beyond 31 March 2022: £1.649m Expected completion date: May 2022		
<u>Project description:</u> <p>The project is seeking to further develop the Mountfield Road Industrial Estate. This includes the development of a business hub of 751 sqm (GEA) divided into 14 rooms of varying sizes, with offices built for businesses that will range in size from 2-10 employees. The planned flexibility of the space within the business hub will mean that it could also lend itself to providing space for skills training.</p> <p>The undeveloped 6 hectares on the industrial estate requires an access road and servicing. The GBF funding will be used to support the delivery of the required utility infrastructure and access road/pedestrian routes.</p>			
<u>Project benefits:</u> <p>The primary benefit of the project will be to unlock the delivery of 6 hectares of employment land which is expected to be capable of delivering approximately 15,000sqm of new industrial space. This development is expected to lead to the creation of 620 new jobs.</p> <p>Wider economic benefits of the project include:</p> <ul style="list-style-type: none"><li>• Retention and attraction of inward investment to the County and the SELEP area</li><li>• Provision of opportunities for local companies to expand their operations within the area</li><li>• Supporting the delivery and attractiveness of the Mountfield Road Industrial Estate</li><li>• Provision of quality business accommodation in Romney Marsh that can meet the needs of local employers</li></ul>			
<u>Cause of project delay:</u> <p>The utility infrastructure works have been delayed due to the statutory utility companies working to longer than expected timescales when considering requests for information or approvals for proposed works. It is understood that these delays are as a result of staff shortages caused by the COVID-19 pandemic. Approval of proposed designs is still awaited from UK Power Networks (UKPN) and Southern Gas Networks (SGN).</p>			

Project: ASELA LFFN	GBF award: £2.5m	Risk Rating:	5
Status: Delivery in progress	Forecast GBF spend beyond 31 March 2022: £0.35m Expected completion date: May 2022		
<u>Project description:</u> The project will build upon the Department for Digital, Culture, Media and Sport (DCMS) funded LFFN ASELA Project and extend through additional funding the delivery and access to fibre connectivity across the South Essex Region and in doing so working collectively as six local authorities in partnership with Government to deliver further outcomes for the public sector but most importantly realise immediate benefits for local businesses and communities to grow and flourish post COVID-19. To leverage the Dark Fibre spines (unused optical fibres) being rolled out in the most cost-effective way, as part of the existing ASELA LFFN project, maximising benefits of a further investment, and driving key strategic outcomes for the region.			
<u>Project benefits:</u> The project will: <ul style="list-style-type: none"><li>• Enable additional public sector sites which will stimulate further investment from the private sector to realise access to a fibre to the premise solution with a consequent tangible impact in lifting local GVA and supporting local business investment and growth. This is building upon interest already being generated by the LFFN Project even before delivery</li><li>• Help retain existing businesses and attract new business sectors to the South Essex Corridor which will result in an increase in Business Rates and a return on Business Rate retention</li><li>• Attract to the Corridor new growth sectors (advanced manufacturing, environmental technologies and energy, digital and creative services, life sciences and healthcare) which will generate higher skilled job opportunities for local residents and consequently higher wages</li><li>• Promote the major regeneration projects already planned for the Corridor with a view to stimulating investment</li><li>• Enable the key strategies and outcomes of the South Essex Corridor and contribute to a long-term legacy of the Corridor</li><li>• Create 2,000 new jobs and will deliver 15,000 new broadband connections</li></ul>			
<u>Cause of project delay:</u> Delivery of the Project has been progressing well and it was anticipated that the works would be completed by the end of March 2022. However, in recent weeks, unforeseen duct blockages have meant that delivery of the Project is now expected to extend into April 2022, with the final invoice to be paid in May 2022.			



Project: Seven Sisters Country Park Visitor Infrastructure Uplift	GBF award: £0.2m	Risk Rating:	5
Status: Design in progress	Forecast GBF spend beyond 31 March 2022: £0.19m Expected completion date: September 2022		
<u>Project description:</u>  Seven Sisters Country Park attracts over 500,000 visitors per year but is run-down with a very limited engagement and retail offer. The barn used as a welcome point is typically closed from October - April (but has not opened since 2020) and has poor accessibility.  South Downs National Park Authority took over responsibility for the Country Park in Summer 2021 and are in the process of implementing a new Business Plan. This project represents a comprehensive refresh of the visitor offer, including upgraded physical and intellectual access, new toilets and 233 sqm of new retail space for local businesses. In addition, it will refurbish 3 dilapidated properties increasing the local tourism provision and providing on site accommodation for a Site Warden.			
<u>Project benefits:</u>  The GBF funded element of the project will: <ul style="list-style-type: none"><li>• Create 6.5 FTE jobs</li><li>• Create 1 x 1 bed flat for onsite warden</li><li>• Create 131 sqm high footfall retail space</li><li>• Deliver 1 new superfast Broadband connection</li><li>• Support 100 enterprises</li><li>• Contribute towards increasing footfall and increase in visitor spend through the provision of the new retail space</li></ul>			
<u>Cause of project delay:</u>  The project was placed on the GBF project pipeline in March 2021 but was only awarded funding by the Accountability Board in February 2022, following the removal of the Fast Track Business Solutions for the Hastings Manufacturing Sector project from the GBF programme.			



Project: Techfort	GBF award: £1.009m	Risk Rating:	5
Status: Planning and Scheduled Monument Consent being sought	Forecast GBF spend beyond 31 March 2022: £1.009m Expected completion date: By December 2022		
<u>Project description:</u>  The project seeks to renovate Casements in building numbers 51 and 52 in the Citadel which comprises 10,890 sqft in total. These buildings are in poor condition, and it is intended that urgent maintenance and upgrading is carried out to accommodate a unique mix of cultural uses including a gallery, market, recording studio and bar as the first step of delivering the ambitious Techfort vision.  The project will kickstart further development of Techfort at the Citadel enabling the birth of a new cultural, arts and technology community that can contribute to Dover and Kent as well as making re-use of a range of dilapidated buildings and historical assets.			
<u>Project benefits:</u>  The project will: <ul style="list-style-type: none"><li>• Create 17 new jobs</li><li>• Create 10,890 sqft of space for a mix of creative businesses</li><li>• Enable re-use of the Citadel as a unique historical asset to deliver local and national economic benefits and act as a catalyst for the long-term redevelopment of the wider site.</li></ul>			
<u>Cause of project delay:</u>  The project was placed on the GBF project pipeline in March 2021 but was only awarded funding by the Accountability Board in February 2022, following the removal of the Fast Track Business Solutions for the Hastings Manufacturing Sector project from the GBF programme.			



### 3. High- risk GBF projects

Project: Riding Sunbeams Solar Railways	GBF award: £2.528m	Risk Rating:	5
Status: Design in progress	Expected completion date: September 2022		
<u>Project description:</u>  The project will 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.  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.			
<u>Project benefits:</u>  The project benefits include: <ul style="list-style-type: none"><li>• Establishing the first proven route-to-market for direct-wire power purchase agreements, and the technical and commercial framework to help guide Network Rail’s low carbon power procurement trajectory</li><li>• Creating green employment opportunities. Over the 25-year lifetime of the project it is estimated that the solar farm will support 40 jobs</li><li>• Benefiting the region’s electricity network resilience and providing capacity enhancement solutions whilst opening up renewable energy capacity for the rail industry</li><li>• Saving of annual carbon per megawatt of around 245t/CO2e</li><li>• Stimulating local social and environmental impact through the development of community benefit and options for community investment</li></ul>			
<u>Risks:</u>  Delivery of the project is dependent upon progression through the Network Rail GRIP process. Currently the programme for GRIP stages 5 to 8 will not be available until GRIP stage 4 has been completed and therefore there remains uncertainty around the full project programme.  In addition, receipt of required approvals from Network Rail have been further pushed back as a direct result of delays in the provision of required information from UK Power Networks (UKPN).			
<u>Mitigation/action required:</u>  Riding Sunbeams are continuing to work with Network Rail to seek to progress the project as quickly as possible. A full update on the expected project programme will be provided to the Accountability Board in April 2022.			



Project: UTC Maritime and Sustainable Technology Hub	GBF award: £1.3m	Risk Rating:	5
Status: Work underway to agree the required lease documentation	Expected completion date: September 2022		
<u>Project description:</u> The project is seeking to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising: 1,630 sqm of educational/training and business support space for the maritime sector, 1,595 sqm of commercial office space and 1,500 sqm of ancillary space. 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.			
<u>Project benefits:</u> The project will deliver the following benefits: <ul style="list-style-type: none"><li>• creation of 133 gross jobs (46 net new jobs)</li><li>• £3.683m in Land Value Uplift</li><li>• £2.055m in external benefits associated with workforce upskilling</li><li>• support provided to Maritime Businesses from 2022/23 onwards</li><li>• 346 trainees achieving qualifications each year</li></ul>			
<u>Risks:</u> In September 2021 the Accountability Board agreed that GBF funding could be retained against the project beyond 31 March 2022 for a maximum period of 6 months. The basis for the request to retain GBF funding against the Project beyond March 2022 was that there were complex land ownership matters involved with delivery of the Project which were taking longer than anticipated to resolve. Agreement has been reached between all parties with regard to the acquisition of the lease. All parties are keen to move quickly to resolve the lease issues and Lewes District Council are currently undertaking required due diligence. The aim is to complete the acquisition by the end of February 2022. Until the acquisition of the lease has been completed, it is not possible for the project to progress to delivery. Consequently, there remains a risk that it will not be possible for the GBF funding to be spent in full by September 2022.			
<u>Mitigation/Action required:</u> Steps are being taken by Lewes District Council to complete the land acquisition as soon as possible. The Accountability Board will receive a further update on project delivery at the April 2022 Board meeting including an updated delivery programme and assurances will be sought with regard to the projects ability to spend the full GBF allocation by 30 September 2022. In addition, the release of the remaining GBF funding to East Sussex County Council to support project delivery will be subject to confirmation of lease acquisition by Lewes District Council by 31 March 2022.			



Project: Jaywick Market and Commercial Space	GBF award: £1.972m	Risk Rating:	5
Status: Procurement of lead building contractor is underway	Expected completion date: September 2022		
<u>Project description:</u> The project will build and operate a covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.  The project will construct affordable rent business units offering 9,500 sqft lettable area and a covered local market of 10 affordable pitches. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events.			
<u>Project benefits:</u> The project will deliver the following benefits: <ul style="list-style-type: none"><li>• 45 FTE jobs will be directly created</li><li>• indirect and induced impacts are estimated to comprise around 16 FTE jobs</li><li>• wider entrepreneurship in the local community encouraged and a mutually supportive local business network leading to an increased rate of start-up of businesses in the community and a higher survival rate for businesses</li><li>• creation of training opportunities leading to a rise in skills and employability resulting in higher average earnings among Jaywick Sands residents, and therefore increased consumer spend locally supporting business growth among local shops and services</li><li>• increased employment opportunities leading to a reduction in deprivation due to unemployment/involuntary exclusion from the labour market and a reduction in deprivation caused by low income</li><li>• access to a wider range of fresh food creating positive health impacts across all age groups but particularly impactful on the 46% of Jaywick Sands households who do not own a car and therefore struggle to access affordable, healthy food</li></ul>			
<u>Risks:</u> Procurement of a lead contractor has been undertaken, however, the tenders received were significantly higher than anticipated. This has resulted in the cost of delivering the project exceeding the available budget and has led to a requirement for an updated Value for Money assessment to be produced to demonstrate that the project continues to offer High value for money.  Delivery of the project cannot begin until a full funding package has been secured.			
<u>Mitigation/action required:</u> Tendring District Council are taking steps to secure the additional finance required to support delivery of the project and an update will be provided to the Accountability Board in April 2022.  An updated Value for Money assessment has been provided and this will be reviewed by the Independent Technical Evaluator in advance of the April 2022 Accountability Board meeting.			



Project: Better Queensway	GBF award: £4.2m	Risk Rating:	5
Status: Procurement of contractor for utilities and enabling works in progress	Expected completion date: January 2033		
<u>Project description:</u>  Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sqm of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.  The Project is in receipt of £15m of funding from the Housing Infrastructure Fund (HIF) to enable the necessary highway improvement works and Southend-on-Sea Borough Council has entered into a Joint Venture with Swan Housing Association as development partner. GBF investment was sought due to unforeseen costs associated with the upgrade of local electrical networks to provide the needed capacity to meet new government guidelines on energy use in new homes and to enable sufficient resilience in the local grid to provide the required level of electric vehicle charging points to future proof the town centre.			
<u>Project benefits:</u>  The project will: <ul style="list-style-type: none"><li>• increase the attractiveness of the area to developers</li><li>• increase the attractiveness of the area to businesses</li><li>• increase footfall in the area</li><li>• increase connectivity between the Queensway estate and Southend town centre</li><li>• reduce environmental impacts through the provision of electric vehicle charging points and through enabling the use of sustainable transport means in the town</li><li>• provide enhanced public realm and open space for local people, alongside providing a more attractive living environment and landmark development for Southend</li><li>• enable the creation of additional jobs and GVA as a result of the delivery of additional high-quality commercial space, with increased local resident spend through an increased population on the site and across the wider town</li></ul>			
<u>Risks:</u>  The primary risk relates to the recent decision by the Regulator for Social Housing to downgrade Swan Housing Association’s viability and governance grades and Swan Housing’s announcement of a planned partnership with Orbit.  Early indications are that these changes will not impact on the ability of the project to proceed as planned, however, Southend-on-Sea Borough Council are continuing to seek assurances from all involved parties.			
<u>Mitigation/action required:</u>  Southend-on-Sea Borough Council are seeking assurances from Swan Housing about the future of the			



project and are actively seeking a meeting with Orbit. In addition, the release of the GBF funding to Southend-on-Sea Borough Council to support project delivery will be dependent upon receipt of confirmation that the project can proceed as planned.