

ACCOUNTABILITY BOARD

12:00	Thursday, 13 April 2023	Castalia Room, The Nucleus Business and Innovation Centre, Brunel Way, Dartford DA1 5GA
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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: 6 (to include 4 voting members)

Membership

Vacant	Chair
Cllr Kevin Bentley	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Mark Coxshall	Thurrock Council
Cllr Stephen George	Southend-on-Sea City Council
Simon Cook	Further Education/ Skills representative
Rosemary Nunn	Higher Education representative

For information about the meeting please ask for:

Lisa Siggins, Secretary to the Board

Telephone: 033301 34594

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Essex County Council and Committees Information

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

Members of the public will be able to view and listen to any items on the agenda unless the Committee has resolved to exclude the press and public from the meeting

as a result of the likely disclosure of exempt information as defined by Schedule 12A to the Local Government Act 1972.

How to take part in/watch the meeting:

Board members: should be attending in person at Castalia Room, The Nucleus Business and Innovation Centre, Brunel Way, Dartford DA1 5GA 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.

Officers and members of the public:

Online:

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

By phone:

Telephone from the United Kingdom: 0203 481 5237 or 0203 481 5240 or 0208 080 6591 or 0208 080 6592 or +44 330 088 5830.

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In person:

Castalia Room, The Nucleus Business and Innovation Centre, Brunel Way, Dartford DA1 5GA. You will be asked to sign in and to not speak during the meeting without the express permission of the Chair. Late arrivals will not be guaranteed entry to the meeting.

Accessing Documents

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

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

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

1	Welcome and Apologies for Absence	
2	Minutes of the previous meeting.	6 - 12
	To approve the minutes of the meeting held on 27th January 2023.	
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.	
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6	Finance Update	109 - 124
7	Getting Building Fund Capital Programme update	125 - 187

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| 8 | Local Growth Fund Programme Update | 188 - 219 |
| 9 | Beaulieu Park Station LGF Project Update Report | 220 - 234 |
| 10 | Queensway Gateway Road LGF Project Update | 235 - 247 |
| 11 | A28 Sturry Link Road LGF Project Update | 248 - 267 |
| 12 | London Gateway/Stanford le Hope and Grays South LGF Project Updates - REPORT TO FOLLOW | |
| 13 | Growing Places Fund Update | 268 - 293 |
| 14 | Date of Next Meeting | |
| | To note that the next meeting will be held on Friday 16 June 2023,venue to be confirmed. | |
| 15 | Urgent Business | |
| | To consider any matter which in the opinion of the Chair 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.

16 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chair 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 in Mid-Kent College of Higher & Further Education (Maidstone Campus, Oakwood Park, Tonbridge Road, Maidstone, Kent, ME16) on Friday, 27 January 2023

Present:

Cllr Lesley Wagland	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Nick Bennett	East Sussex County Council
Cllr Rodney Chambers	Medway Council
Cllr Stephen George (Virtual attendance)	Southend-on-Sea City Council
Cllr Deborah Arnold	Thurrock Council
Rosemary Nunn (virtual attendance)	Higher Education representative
Simon Cook	Further Education/Skills representative

Also Present:

Line Bannister	Essex County Council
Mark Bradbury	Thurrock Council
Bernard Brown	Member of the public
Nicholas Brown	Southend-on-Sea City Council
Adam Bryan	SELEP
Alex Colbran	East Sussex County Council
Ellie Clow	SELEP
Howard Davies	SELEP
Helen Dyer	SELEP
Amy Ferraro	SELEP
Michael Neumann	Essex County Council (as delegated S151 Officer for the Accountable Body)
Kevin Munnelly	Thurrock Council
Tim Rignall	Southend-on-Sea City Council
Freya Shelley	Southend-on-Sea City Council
Lisa Siggins	Essex County Council
Steve Samson	Kent County Council
James Winkworth	South Downs National Park Authority

1 Welcome and Apologies for Absence

- Cllr Keith Glazier substituted by Cllr Nick Bennett
- Cllr Kevin Bentley substituted by Cllr Lesley Wagland
- Cllr Mark Coxshall substituted by Cllr Deborah Arnold

Simon Cook acted as Chair and advised the Board that as Sarah Dance is now Chair of SELEP, she is no longer a member of this Board and therefore he was helping to chair the meetings until a new SELEP Deputy Chair and Chair of Accountability Board has been appointed.

2 Minutes of the previous meeting

The minutes of the meeting held on Friday 25 November 2022 were agreed as an accurate record.

3 Declarations of Interest

Cllr Nick Bennett declared that he is a Director of East Sussex Energy Infrastructure and Development Ltd (trading as Sea Change Sussex) and of Hastings and Bexhill Renaissance.

4 Questions from the public

Adam Bryan, Chief Executive Officer SELEP advised the Board that one Public Question had been received. He read the question and response to the Board.

Submission by Mr M Jones

The SELEP Accountability Board awarded Sea Change Sussex £4m additional public LGF grant monies on 23rd February 2018 for the Queensway Gateway Road Project.

East Sussex County Council reported that Sea Change needed the additional grant funding partly for the following reason, on [page 118](#) & 119 of the Board Agenda Pack:

“Whilst the Queensway Gateway project is currently allocated £6m, there have been cost increases to the Project...”

“The original project cost included the provision of a compensation cost for the relocation of Bartlett’s SEAT car showroom at the eastern end of the proposed road alignment, based on the dealership being able to finance the bulk of their relocation costs. However, the dealership has not been able to secure the necessary funding to fully finance this move so additional funding has been required to enable this relocation.”

And in relation to the North Queensway GPF Project on [page 83](#):

“The second tenant [Bartlett’s SEAT car showroom] will be locating at the [North Queensway] site but this has been agreed as part of the funding package to relocation [sic] the business to enable the completion of the North [sic] Queensway Gateway LGF project.”

Sea Change never offered the SEAT car dealership any compensation or funding assistance towards its relocation costs, despite having received the additional £4m LGF funding from SELEP. Instead, Sea Change threatened the car dealership with a CPO, which would put them out of business with the loss of 19 skilled local jobs.

Meanwhile, the full £10m Queensway Gateway Road LGF grant has been spent by Sea Change and the SEAT car showroom remains in the same location.

Sea Change is now proposing an alternative signalised connection of the Queensway Gateway Road to the A21 that revokes the need for the SEAT car dealership to relocate.

Therefore, the approved purpose for which a sizeable proportion of the additional £4m LGF public funding was awarded in 2018 has also been revoked.

Will the SELEP Accountability Board commit to claw-back the proportion of LGF grant money from Sea Change, that it approved and paid to assist with the relocation of the SEAT car showroom?

If not, please can the SELEP Accountability Board provide an explanation why it has approved that Sea Change is still to be paid large sums of LGF public grant money for works or services NOT received?

Response

In February 2018, the Accountability Board were advised that the cost of delivering the Queensway Gateway Road project had increased due to a number of factors including:

- Project delays experienced through the planning process as a result of two applications for judicial view of the planning application
- Challenging ground conditions during Winter 2016/17, resulting in lost days during the land remedial works
- The need to relocate the Bartlett’s SEAT car showroom; and
- The requirement for additional utility works to be undertaken.

It was noted that it was the additional utilities works that had had the greatest impact on the project cost.

The update to the Board in February 2018 indicated that Sea Change Sussex, as delivery partner, would also be contributing up to £2m to support completion of the project.

The additional LGF funding awarded to support delivery of the Queensway Gateway Road project was to be used in conjunction with the funding committed by Sea Change Sussex, to address the cost increases outlined. The different funding sources were not allocated to specific areas of cost increase and therefore the LGF funding was not specifically awarded to support the relocation of the Bartlett's car showroom but could be applied to other eligible expenditure incurred in delivery of the Project. As a result, there is not a requirement for the Accountability Board to clawback the LGF funding awarded in this respect.

It is acknowledged that there is currently a risk in relation to the funding previously committed by Sea Change Sussex to support project delivery, and this risk will be closely monitored by the Accountability Board as the project moves towards completion.

5 Getting Building Fund update

The Accountability Board (the Board) received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was to provide the Board with a brief update on the Getting Building Fund (GBF) programme. The report solely focused on decisions which needed to be made in advance of the next meeting (10 March 2023) and which will have a bearing on the ability of local partners to complete their GBF spend by 31 March 2023 in accordance with Government expectations. A full update on the GBF programme will be provided at the next meeting.

The report provided an update on the Swan Modular Housing Factory project and the ASELA LFFN Phase 3 project.

The Board were advised that the report solely focused on decisions which needed to be taken urgently in order to maximise GBF spend by 31 March 2023.

Helen Dyer explained that the recommendation in relation to the Swan Modular Housing Factory project had been amended from that presented in the agenda pack. The updated decision requires partial return of the GBF funding allocated to the Swan Modular Housing Factory project within 4 weeks of the Board meeting, with the remaining balance due to be repaid by 31 March 2023. This will ensure that sufficient funding is returned now to support the reallocation decisions being taken at this meeting, whilst also giving Essex County Council additional time to engage with Swan Housing about their repayment schedule.

Helen further advised that advice had been sought from Government as to their position in relation to any GBF spend which extends beyond 31 March 2023, and confirmed that Government advice was that responsibility for such decisions sat with the S151 Officer for the Accountable Body. She proceeded to explain that it was proposed that all GBF spend allocated to existing projects or awarded to projects at this meeting should be completed by 30 June 2023 with Michael

Neumann, representing the S151 Officer, confirming that this approach was acceptable.

Cllr Chambers sought clarification regarding the end date for GBF spend, with Helen confirming the date of 30 June 2023. Cllr Chambers also sought clarification as to the timeline for reallocating the remaining GBF funding. Helen advised that the Strategic Board would be asked to agree an approach to allocating the funding at their next meeting and that discussions were under way with the Accountable Body in this regard.

It was confirmed that any project currently in the GBF programme including those being considered at today's meeting would be expected to complete spend of funding by 30 June 2023 but that a longer time period would be allowed for delivery of projects added to the programme at a later date due to the duration of the required governance processes which need to be completed prior to the allocation of the funding.

Cllr Gough asked for clarification regarding the split of responsibilities between the Strategic Board and the Accountability Board, which was provided by Helen.

Cllr Arnold sought reassurance regarding the status of the required year end declarations from Southend-on-Sea City Council, and the implications for the ASELA LFFN Phase 3 project should they not be provided. Helen confirmed that she would be in contact with officers at Thurrock Council regarding the funding and that she was confident that the declarations would be made by Southend-on-Sea City Council. However, if this was not the case, another decision would be sought from the Board.

Resolved:

1. **To Agree** the removal of the Swan Modular Housing Factory project from the GBF programme. The initial £2,480,768 GBF issued to Essex County Council should be returned to Essex County Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects. The remaining £2,049,232 GBF should be returned to Essex County Council, as Accountable Body for SELEP, by 31 March 2023 and a further update on the status of this funding should be provided at the Board meeting on 10 March 2023.

2. **To Agree** that the GBF funding awarded to support the ASELA LFFN Phase 3 project can be released to Southend-on-Sea City Council, rather than Thurrock Council as originally agreed, subject to provision of all outstanding Local Growth Fund (LGF) and GBF year-end declarations by Southend-on-Sea City Council.

6 GBF Funding Decisions

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the award of £654,744 Getting Building Fund (GBF) to four projects in accordance with the new GBF prioritised project pipeline.

Helen advised the Board that S151 Officer sign off from Essex County Council for the Tendring Bikes and Cycle Infrastructure project had now been received and therefore this requirement had been removed from the recommendation. However, Government approval for the increase in GBF funding allocation for each project had not yet been received.

Resolved:

1. **To Agree** the award of an additional £118,182 GBF to Essex County Council for the Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises project, subject to Government approval of the increase in GBF funding allocation.
2. **To Agree** the award of an additional £118,181 GBF to Essex County Council for the Tindal Square, Chelmsford project, subject to Government approval of the increase in GBF funding allocation.
3. **To Agree** the award of an additional £118,181 GBF to Essex County Council for the Jaywick Market and Commercial Space project, subject to Government approval of the increase in GBF funding allocation.
4. **To Agree** the award of an additional £300,200 GBF to Essex County Council for the Tendring Bikes and Cycle Infrastructure project, subject to Government approval of the increase in GBF funding allocation.

7 Getting Building Fund funding decisions and extension requests

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the award of £1,826,024 Getting Building Fund (GBF) to four projects in accordance with the new GBF prioritised project pipeline.

As mentioned under the previous agenda item, Government approval for the increase in GBF funding allocation for each project/the addition of the Techfort Phase 2 project had not yet been received. S151 Officer sign off from Essex County Council for the Enterprise Centre for Horizon 120 Business and Innovation Park project had been received and therefore this requirement had been removed from the recommendation.

Cllr Bennett queried the status of the required Variation Agreement in relation to the additional funding awarded to East Sussex County Council at the last Board meeting (25 November 2022) and it was confirmed by Adam Bryan that the agreement was nearing completion.

Resolved:

1. **To Agree** the award of an additional £84,100 GBF to East Sussex County Council for the Seven Sisters Country Park Visitor Infrastructure Uplift project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond

March 2022 for a maximum period of 12 months to 31 March 2023.

2. **To Agree** the award of an additional £250,000 GBF to Kent County Council for the Discovery Park Incubator project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

3. **To Agree** the award of £850,000 GBF to Kent County Council for the Techfort Phase 2 project which has been assessed as offering High value for money with High to Medium certainty of achieving this, subject to Government approval of project inclusion within the GBF programme and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 15 months to 30 June 2023.

4. **To Agree** the award of an additional £641,924 GBF to Essex County Council for the Enterprise Centre for Horizon 120 Business and Innovation Park project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

8 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 10 March 2023, venue to be confirmed.

9 Urgent Business

Cllr Arnold read out the following Statement provided by Thurrock Council in relation to the issuing of the Section 114 notice and the implications for the SELEP funded projects within Thurrock:

The initial impact of the s114 notice is that effectively costs are reviewed to ensure only essential/statutory works continue. This is managed through a panel process and each request is considered on its merits. This sits alongside a wider transformation piece at the Council which has commenced but remains at an early stage.

In respect of the projects with SELEP funding – the projects remain in the capital programme with funding allocated. The project leads continue to assess delivery and associated budgetary impacts and alongside this a new governance structure around major projects is being implemented.

Consequently, and supported by the new processes in place, we will continue to report progress to the SELEP board on the relevant projects.

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Amy Ferraro – Governance Officer	
Meeting Date: 13 April 2023	For: Information
Enquiries to: amy.ferraro@southeastlep.com	
SELEP Partner Authority affected: Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to be updated on the operational activities carried out by the Secretariat to support both this Board and the Strategic Board. The report includes an update on risk management, compliance with the Assurance Framework and performance against governance KPIs.

2. Recommendations

- 2.1. The Board is asked to:

2.1.1. **Note** the proposed updates to the Assurance Framework (Appendix A) at Section 5,

2.1.2. **Note** the update on Assurance Framework compliance monitoring and Governance KPIs at Appendices B and C;

2.1.3. **Note** the changes to the Risk Register at Appendix D; and

2.1.4. **Note** the updated Public Questions Policy at Appendix E.

3. General Operations Update

- 3.1. We are waiting for an update from the Assurance Team from the Cities and Local Growth Unit regarding the Deep Dive into East Sussex projects where the delivery partner is Sea Change Sussex.
- 3.2. The Public Questions Policy was updated at the February 2023 Strategic Board meeting. The process is now streamlined and clarified to simplify this mechanism for both the Board and members of the public.
- 3.3. Requests for information from members of the public with regard to SELEP funded projects in East Sussex have continued. These requests are made in line with the Freedom of Information (FOI) Act or complaints procedures and are responded to accordingly.

4. SELEP Deputy Chair Recruitment

- 4.1. The Strategic Board agreed at their February 2023 meeting to initially run an internal expressions of interest process for current Directors of SELEP Ltd, followed by an external exercise if needed. The deadline for expressions of interest was the 22nd of February and no applications were received.
- 4.2. The external advert for the Deputy Chair position is due to close on the 29th March 2023. The next step is to form a selection panel of Directors to sift and interview potential candidates.
- 4.3. The new Deputy Chair will be appointed at the July Strategic Board or via electronic procedure.

5. Proposed changes to the Assurance Framework

- 5.1. The Strategic Board agreed that the Chair and Deputy Chair roles will no longer be remunerated due to the uncertainties with SELEP's financial position, as a result the Assurance Framework needs updating. There are also other sections that need some non-material updates and general grammatical edits not included in the summary below. Please see the copy of the Assurance Framework attached, with tracked changes included, for the full detailed update proposed.

Current Wording	Proposed changes
D.6. In light of the COVID-19 pandemic, a list of exceptions to this Assurance Framework has been published by Government, which is accessible here.	Section removed as no longer applicable.
vii. Board members are not entitled to any remuneration for sitting on either the Strategic Board or any other SELEP Ltd Boards or panels, however, the Chair and Deputy Chair of the Strategic Board are entitled to an allowance of up to £20,000 or £10,000 per annum respectively under the terms of their appointment.	vii. Board members are not entitled to any remuneration for sitting on either the Strategic Board or any other SELEP Ltd Boards or panels.
J.4. The Chief Executive Officer and Chief Operating Officer have been appointed as Attorneys of SELEP Ltd under a Power of Attorney.	J.4. The Chief Executive Officer and the Business Engagement and Communications Manager have been appointed as Attorneys of SELEP Ltd under a Power of Attorney.
Details regarding prioritisation for GPF, SSF and COVID recovery funding under section 7U.	Tenses changed to the past tense to reflect the status of these funding streams
All GBF funding must be spent within 12 months of the official end of the GBF	All GBF funding must be spent within 12 months of the official end of the GBF

programme, with full spend required by 31 March 2023.	programme, with full spend required by 31 March 2023, with the exception of spend extending into Q1 23/24 for projects which received funding in Q4 22/23, and in other exceptional circumstances.
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6. Assurance Framework Monitoring

6.1. It is the role of the Board to oversee the implementation of the requirements of the SELEP 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 and subject to periodic review.

6.2. An assessment has been made of compliance to the requirements of the current Assurance Framework. The following action is required:

Increasing gender diversity on the Strategic Board to 50/50 by January 2023	This has been indicated by Government as a target in the National Assurance Framework.
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6.3. The Private Sector Directors of the Strategic Board have already met this requirement (assuming that a female OSE representative is chosen as has been the case previously, see 6.5 below). The Public Sector Directors are currently all male, and as a result the current gender balance (excluding Co-Opted Directors as per Government’s requirements and assuming a female OSE representative) is 35% female and 65% male.

6.4. It is important to recognise that diversity is not related only to gender balance, however this is an explicit Assurance Framework requirement. Outside of this, general diversity is also an important feature of a balanced Strategic Board.

6.5. There is currently a second vacancy on the Strategic Board for a representative of Opportunity South Essex due to the unforeseen resignation of the previous representative. Only one representative is required for the meeting to be quorate.

6.6. 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 B.

7. Key Performance Indicators

7.1. 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 C.

7.2. All KPIs are mostly delivering in line with targets. Success Essex has not recently met. OSE has been meeting but the website records have not been

kept up to date which is currently being addressed by the relevant officers. The Secretariat will continue to communicate with officers to improve and maintain compliance and ensure that this stays on track as conversations around devolution gather pace across the area.

8. Risk Register

- 8.1. Core funding for 2023/24 has been indicated, but this is subject to successful application and we are still unclear as to whether match funding from Local Authority partners will be required to unlock this funding. Please see Agenda Item 6 for more details on the financial position of the LEP.
- 8.2. Government has indicated that 2023/24 will be the last year for LEP funding and that LEP responsibilities will return to local authorities thereafter. This obviously opens the requirement for a comprehensive set of conversations with the Strategic Board, Local Authorities and all other partners to determine how the area of work currently covered by the SELEP Secretariat is delivered in the future, whilst also putting the measures in place to close the SELEP operation at the appropriate time and to make the requisite changes to governance arrangements and our contractual agreements. The SELEP CEO is engaged in frequent conversations on this and is working closely with all partners on future planning. The detail and implications of transition arrangements will be discussed at future Accountability Boards and early planning will be reported to the Strategic Board in July,
- 8.3. The risk related to the workload and wellbeing of the Secretariat (risk number 9) continues to be rated as a high risk. Workloads remain high due to the decreased resource. The smaller team is less resilient in the case of long-term illness or resignations due to the lack of capacity/specialisation to provide cover.
- 8.4. Relating to 8.2, above, there is a vastly increased risk around the retention of SELEP staff, all of whom will be affected by the recent Government announcement. Two resignations have been received within the past month owing to this uncertainty, and the Board should consider that SELEP's output will reduce commensurately should more members of the Secretariat vacate their roles. The Board may also wish to consider what measures can be taken by partner authorities to retain the expertise of the SELEP Secretariat in those organisations which will be charged with delivering the strategic economic growth agenda into the future.
- 8.5. The risk of non-achievement of Outcomes/Outputs of the Capital Programme (Risk 19) has decreased but is still classified as high risk. In January 2023, the Accountability Board met for an additional meeting in order to take funding decisions related to the Getting Building Fund to maximise GBF spend by 31 March 2023.
- 8.6. There is also a risk that, due to the impacts of the COVID-19 pandemic and Brexit, the forecast project outcomes will not be achieved or will be achieved

over a longer time period than originally expected. The Capital Programme Team will be working with local partners to understand the impact on the realisation of forecast project outcomes and will re-profile these outcomes as required. The Board will receive updates on this process at future meetings.

- 8.7. It should also be noted that there is a risk that an inability to achieve the stated project outcomes will be masked by a lack of robust post scheme completion monitoring and evaluation. There are currently a large number of monitoring and evaluation reports outstanding, and without this information, it cannot be confirmed whether the projects are delivering in accordance with their agreed Business Cases. As delivery of the Capital Programme nears a conclusion, there will become an ever greater focus on securing the required monitoring and evaluation documentation to ensure that robust updates can be provided to the Board and to Central Government.
- 8.8. The risk of high levels of staff absences due to COVID-19 (risk 34) has been reassessed as low as we leave the Winter season. The Secretariat continues to work from home and staff are encouraged to be vaccinated. Further variants may occur and business continuity must be a priority of the Management Team on an ongoing basis.
- 8.9. Risk 46, rated as medium, is a reputational risk related to the increasing numbers of requests for information about projects and questions raised about the delivery of outputs and outcomes of some projects. SELEP and the Accountable Body continue to look at opportunities to improve the management of the Capital Programme and the presentation of information to the Board and the public.

9. Accountable Body Comments

- 9.1. 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.
- 9.2. 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.
- 9.3. The S151 Officer of the Accountable Body is required to provide the following confirmation to Government on an annual basis:
 - 9.3.1. 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
 - 9.3.2. That the SELEP's Local Assurance Framework is compliant with the minimum standards as outlined in the *National Local Growth Assurance Framework (2021)*.
- 9.4. This confirmation was provided by the S151 Officer on the 28 February 2023.

- 9.5. 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.
- 9.6. 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 for SELEP to be properly administered.
- 9.7. 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 6).
- 9.8. The outcome of the Annual Performance Review 2021-22 confirmed an outcome of “met” with respect to Governance and Strategic Impact of the LEP; with regards to Delivery, however, concerns were identified due to delays in delivering some of the Getting Building Fund (GBF) projects, where a significant proportion of spend of the GBF by Local Partners is post March 2022. Due to GBF slippage from 2021/22 and 2022/23, quarterly reporting of spend to Government will continue to be a requirement in 2023/24.

10. Financial Implications (Accountable Body comments)

- 10.1. Government have indicated that a further reduced core funding allocation of £250,000 may be made available to SELEP for 2023/24; this remains subject to confirmation and clarification of any conditions, including whether any match funding is required. The delay in notification of funding means that SELEP are unable to effectively plan to utilise this funding.
- 10.2. The agreed budget for 2023/24 makes no assumption with respect to receipt of Core Funding and is sufficient to meet the current obligations for the SELEP. The current level of reserves continue to be monitored, but are considered sufficient to support the SELEP budget for 2023/24, with some reserves remaining to meet known commitments into future years.
- 10.3. Essex County Council, as the Accountable Body for the SELEP, is only able to meet funding commitments made by the SELEP, where it is in receipt of sufficient funding to do so and any spend is in line with the requirements of the Local Assurance Framework and any conditions associated with individual funding allocations.
- 10.4. The recent announcement by Government in their Budget statement that no further Core Funding will be available post 2023/24 means that options with respect to the future position of the Essex County Council employees that support the SELEP Secretariat, the existing funding agreements and other contractual arrangements in respect of SELEP being managed by the Accountable Body, now need to be considered with respect to potential future transition arrangements that align to the requirements across the six partner authorities in the SELEP geography.

11. Legal Implications (Accountable Body comments)

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

12. List of Appendices

12.1. Appendix A – Updates to the SELEP Assurance Framework

12.2. Appendix B – Assurance Framework Compliance Monitoring

12.3. Appendix C - Governance and Transparency KPIs

12.4. Appendix D – Extract from Risk Register

12.5. Appendix E – Public Questions Policy 2023

13. List of Background Papers

13.1. 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 Michael Neumann (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 31/03/2023



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK



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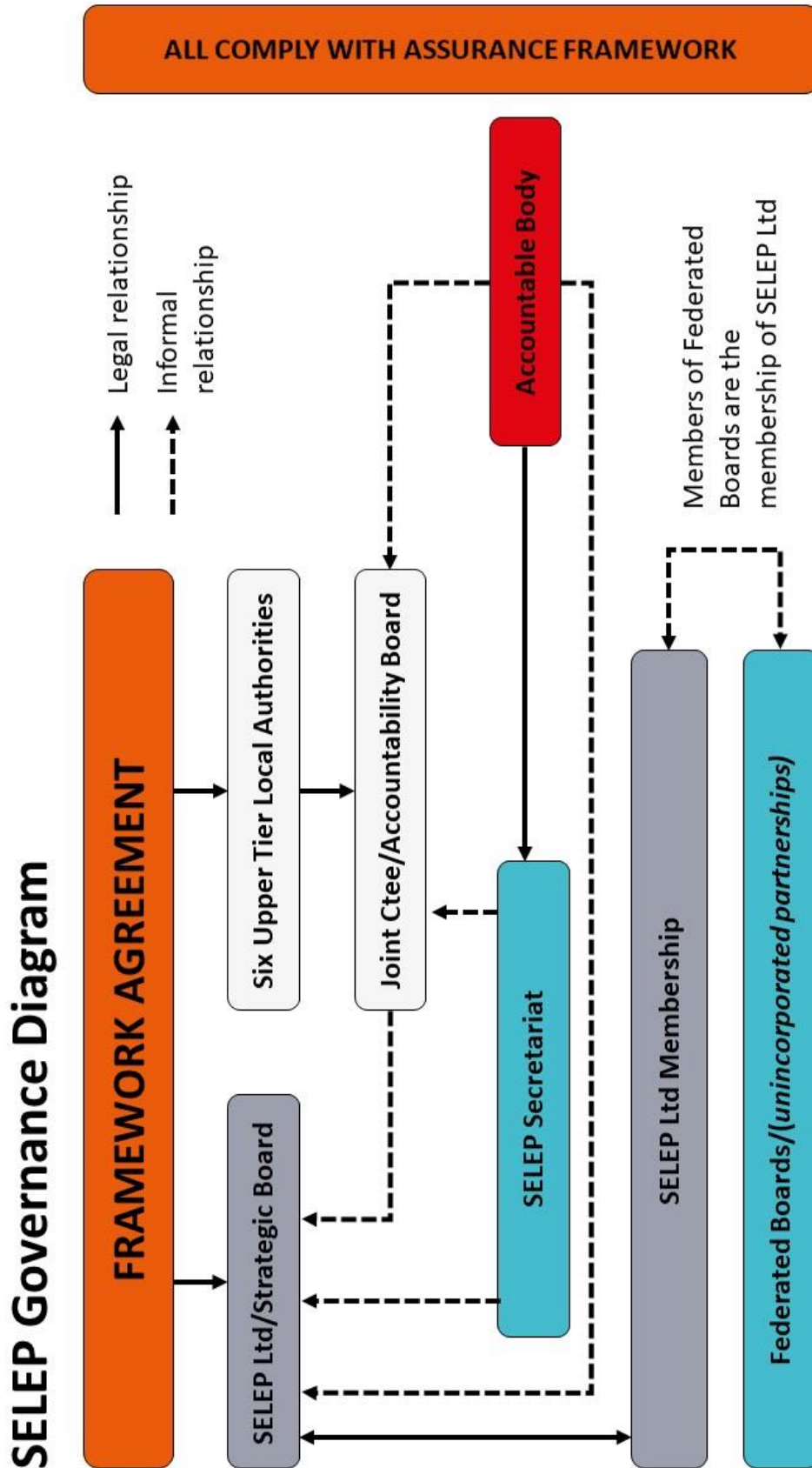
SECTION 1: SUMMARY GUIDE TO GOVERNANCE

A. INTRODUCTION

- A.1. The South East Local Enterprise Partnership (SELEP) is a partnership between public and private sectors who come together to drive sustainable economic growth in our region. Because we have two different sectors with differing legal frameworks working together our governance structures are more complex than those in one sector alone. It's because of the benefits of those sectors working together that Local Enterprise Partnerships (LEPs) were created and our governance structures need to be robust enough to encompass the complexities and allow those benefits to be realised.
- A.2. With this in mind, this first section will give an overview of our governance and provide links to more detail. Everyone who is involved with the LEP, whether a Board member, a member of Secretariat or working in a partner organisation should read and understand this overview and know which policies and procedures apply to their activities.
- A.3. The funding that the LEP directs is taxpayers' money and the stewardship of that money on behalf of those taxpayers, is the most important role that all of those involved in the LEP has. When decisions are made on how those funds are spent, they must be made transparently and openly so that taxpayers can see how their money is being used. This principle is at the heart of our Assurance Framework.

B. WHO IS "THE LEP"?

- B.1. SELEP is used as a colloquial term and applied to different groups of people and organisations. Legally the LEP is registered under the name South East LEP Ltd (SELEP Ltd) at Companies House, as a company limited by guarantee. The Articles of Association for SELEP Ltd can be found [here](#). But the LEP has a broader remit than that. The board of directors of SELEP Ltd (also known as the Strategic Board) come from a cross-sector background and provide a wider representation of views. More detail on the Strategic Board can be found at I.1 below.
- B.2. A simplified diagram of how the component parts of SELEP work together on the agreed objectives of SELEP Ltd can be found below, along with high level responsibilities for the different organisations/boards which can be seen at B.12.





- B.3. The Strategic Board recognises the very important role of democratic accountability, especially with regard to spending public funds. That is why the three County Councils and three Unitary Councils in the SELEP Ltd area have come together to form a board that supports the activities of SELEP Ltd and ensures that due process has taken place before any public funds can be invested. This board is called Accountability Board. Accountability Board only considers decisions that relate to funding associated to SELEP Ltd or other decisions related to SELEP Ltd. Accountability Board is not a sub board of SELEP Ltd but pays very close regard to the wishes and advice of SELEP Ltd and vice versa. More detail on the Accountability Board can be found at I.3 below.
- B.4. Both SELEP Ltd and the Accountability Board are supported by a small team of paid individuals. This group is known as the SELEP Secretariat. The Secretariat supports the administration of the partnership, provides advice and support to all Board members and ensures that policy and procedures are both in place and abided by. More detail on the Secretariat can be found at J below.
- B.5. The majority of funding, both investment and operational, for SELEP Ltd comes from Central Government. Central Government cannot easily make grants to commercial companies and therefore they ask a local authority to take receipt of funding on behalf of a LEP. This local authority then has a responsibility to ensure that the funding is used in the way that Government directs. This local authority is known as the Accountable Body. Government has asked that Accountable Body's take a further role for LEPs and provide some oversight of their governance processes to provide assurances to Government that both the correct governance processes are in place and are being adhered to
- B.6. SELEP's Strategic Board agreed before incorporation that ~~the~~ all ~~the~~ funding would remain within the Accountable Body rather than be transferred to SELEP Ltd. This means that SELEP Ltd has no assets or liabilities. It also means that SELEP Ltd can't employ the Secretariat, so the Accountable Body also undertakes that role.
- B.7. The Accountable Body provides a finance function for SELEP Ltd. This involves holding and managing public funds paid by Government on behalf of SELEP Ltd. It also provides a support function (as agreed with SELEP Ltd) providing technical advice on the relevant law, discussing risks associated with pursuing a particular course of action for the Strategic Board to consider, drafting funding agreements and contracts.
- B.8. The Accountable Body ensures that public funds are handled in line with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money. This includes an oversight function of processes such as LEP governance and transparency arrangements, compliance with the framework and agreement on scrutiny arrangements, to ensure that the checks and reporting requirements of the Section 151 Officer are met, this includes retaining appropriate documentation on decisions around funding.
- B.9. The Accountable Body is also responsible for escalating concerns around non-delivery and/or mis-management. If this can't be resolved at the local level the Accountable Body will report any concerns to the Cities and Local Growth Unit. More detail on the Accountable Body can be found at L below.
- B.10. SELEP is the largest LEP in the country and whilst that size brings scale and opportunities, it is recognised that this means there are many more stakeholders who need a voice if we are to properly understand our economies in the geography. In order to do that the partnership has adopted a federated model, and there are four Federated Boards. More detail on the Federated Boards can be found at I.4 below ~~below~~.



B.11. To ensure that all the organisations that have a direct role in working with SELEP Ltd on joint objectives understand their responsibilities a Framework Agreement ~~will be~~ is in place ~~before the 20/21 financial year and~~ signed by all parties. This ~~will can~~ be found [here](#). All the parties of the Framework Agreement ~~will~~ have agreed that they will abide by this Local Assurance Framework.

B.12. The table below sets out the high-level responsibilities for the different parts of the wider partnership.

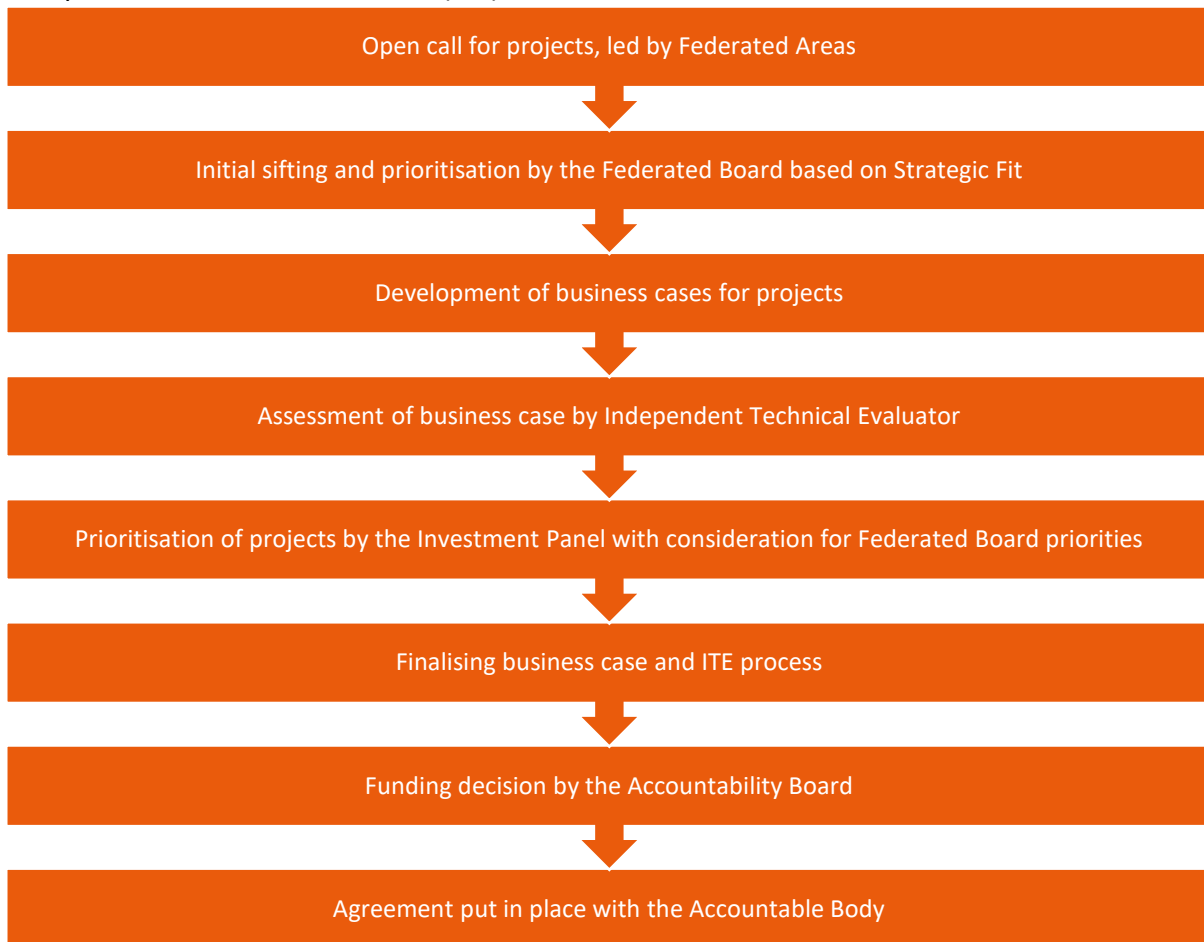
SELEP Responsibilities

SELEP Ltd/Strategic Board	Sets strategy	Secretariat provides support
	Prioritises and selects interventions to deliver strategy (projects)	
	Oversight of outcomes of programme of projects and accountable to Govt	
	Considers effectiveness of interventions/strategy	
Joint Ctee/Accountability Board	Approves investment in projects selected by SELEP Ltd	
	Oversight of the delivery of projects – incl change control	
	Oversight of SELEP Operational spend	
Accountable Body	Oversight of Governance arrangements	
	Provides finance function for SELEP Ltd: holds & manages public funds	
	Employs the Secretariat and enters into operational contracts on their behalf	
	Provides technical advice on legal and financial operations of SELEP Ltd	
Federated Boards	Has oversight of projects in their area	
	Advise SELEP Ltd on challenges and opportunities in their area	
	Recommends prioritised projects/interventions to SELEP Ltd	



C. WHAT IS THIS ASSURANCE FRAMEWORK?

- C.1. The Local Assurance Framework (Assurance Framework) is a document that sets out all of ~~the~~ SELEP's governance and brings together the policies and procedures into one place. The SELEP Ltd Assurance Framework must comply with the National Local Growth Assurance Framework (National Assurance Framework), and the Section 151 Officer of the Accountable Body assesses whether our Local Assurance Framework is compliant and whether it is being adhered to in all the operations and decisions of the partnership.
- C.2. -The National Assurance Framework ~~is~~was written by the Cities and Local Growth Unit ("Government"), which is a joint unit between the Department for Business, Energy and Industrial Strategy (BEIS) and the Ministry of Housing, Communities and Local Government (MHCLG). ~~This~~The Department for Levelling Up, Housing and Communities ~~unit~~ is now responsible for LEPs nationally.
- C.3. The details of how a decision is made will depend on the type of decision and the financial value associated with that decision. Details on how to classify a decision and how each decision flows can be found at Section 6: How We Make Decisions but below is an example of how the LEP's Investment Panel (a sub-committee of the Strategic Board) decides to invest in a project with the assistance of the Independent Technical Evaluator (ITE).



SECTION 2: GUIDE TO SELEP DOCUMENTS AND POLICIES

D. THIS ASSURANCE FRAMEWORK

- D.1. This Assurance Framework is not a legal document, but provides a guide to the structure of the SELEP Partnership together with the processes and systems which are used to manage its activities, including the detailed processes applied to manage the funding awarded from Government. It is intended to provide Government, Partner Authorities and wider stakeholders with the assurance that decisions over funding are proper, transparent and deliver value for money.
- D.2. This Assurance Framework reflects the expectations of Government as set out in the revised [National Assurance Framework](#) published January 2019 which incorporates the [LEP Governance and Transparency Best Practice Guidance](#), published in January 2018.
- D.3. This Assurance Framework will be reviewed and agreed at least annually or as required by the Strategic Board, consulting the Accountability Board and in accordance with the Framework Agreement.
- D.4. SELEP Ltd, Accountability Board, Federated Boards and Partner Authorities are required to adhere to this Assurance Framework in respect of their involvement with the SELEP partnership.
- D.5. This Assurance Framework should be read in conjunction with the SELEP Ltd Articles of Association and the SELEP Ltd Framework Agreement ~~(in place before the 20/21 financial year).~~
- ~~D.6. In light of the COVID-19 pandemic, a list of exceptions to this Assurance Framework has been published by Government, which is accessible here.~~

E. OTHER DOCUMENTS AND POLICIES

Name of the policy/document	Purpose of the policy/document
National Assurance Framework	Provides guidance on how LEPs should build their own Local Assurance Framework. It explains how LEPs should appraise, monitor and evaluate schemes to achieve value for money. It provides Government, stakeholders and the public the necessary assurances that LEPs have the policies and processes in place to ensure the robust stewardship of public funds.
Assurance Framework (this document)	Provides information on the structure of the SELEP together with the processes and systems which are used to manage its activities including the detailed processes applied to manage the funding provided by HM Government. It is intended to provide Government, Partner Authorities and wider stakeholders with the assurance that decisions over funding are proper, transparent and deliver value for money and be a reference point for those involved in the activities of SELEP.

Framework Agreement	This Agreement will be in place by the 20/21 financial year between the SELEP Ltd and the six Partner Authorities who make up the Accountability Board. The agreement sets out how the partnership will function, the relationship between SELEP Ltd and Accountability Board. It also contains the Joint Committee Agreement that lays out the terms of reference for Accountability Board.
Articles of Association	The Articles of Association is a legal document containing the written regulations setting out the way in which the SELEP Ltd will be governed, including the resignation procedure for Directors of the company.
Terms of Reference	Provides the detailed purpose, remit and governance processes for the Strategic Board.
Board Recruitment Policy	Explains the processes for the recruitment of Strategic Board members (Directors), including the Chair and Deputy Chair, and Federated Board members (Members of the Company).
Code of Conduct	A set of rules outlining the norms, rules, and responsibilities of, and/or proper practices for any Member or Director; the Secretariat and any other officers supporting SELEP Ltd must comply with the Code of Conduct in addition to any code applicable to their employing organisation.
Public Questions Policy	Sets out the process for members of the public to submit questions to the Accountability Board and Strategic Board, as well as the rights of District/City/Borough Councils in relation to Strategic Board meetings.
Register of Interests Policy	Explains the requirements for Members, Directors and relevant officers to complete Registers of Interest, declaring interests in relation to meetings and appropriate actions in case of a conflict of interest.
Confidential Reporting of Complaints Policy	Explains the process to report a complaint confidentially.
Expenses Policy	Explains the regulations around expense claims to safeguard the use of public funds.
Hospitality Policy	Explains the regulations around gifts and hospitality to safeguard the use of public funds.
Whistleblowing Policy	Provides a framework for its Board Members, Officers, those working for the SELEP, members of the public and third parties to report concerns or perceived wrongdoings within the SELEP which they believe are in the public interest and may relate to illegal, improper or unethical conduct.

E.1. [All these policies are available on the SELEP website.](#)



SECTION 3: AIMS AND OBJECTIVES

F. CORE OBJECTIVES

- F.1. The South East Local Enterprise Partnership (SELEP Ltd) is one of 38 Local Enterprise Partnerships (LEPs), established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area¹”. It encompasses the Local Authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.
- F.2. Whilst LEPs determine their own specific priorities, in their document [Strengthened Local Enterprise Partnerships](#) Government set out the requirement that LEPs should focus on the following four activities to support the development and delivery of their Local Industrial Strategy:
- F.2.1. Strategy: developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area;
- F.2.2. Allocation of funds: identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy; the funding streams that are awarded by SELEP Ltd are:
- i. the Local Growth Fund (LGF), which is a capital grant for investment in capital infrastructure projects and includes the Skills Capital Fund. This funding aims to support the delivery of jobs, homes, new learners and other economic growth objectives;
 - ii. the Growing Places Fund (GPF), which is a capital loan, awarded as a low or zero percent interest rate. Similarly to the LGF and GBF, this funding aims to tackle barriers to economic growth; ~~and~~
 - iii. the Sector Support Fund (SSF), which ~~is-was~~ a revenue grant aimed at supporting the work of SELEP sector working groups (K.1 below); ~~;~~
 - iv. the Getting Building Fund (GBF), a capital grant in response to the economic difficulties caused by the COVID-19 pandemic; ~~and;~~
 - v. COVID-19 Recovery Funds, capital or revenue funds that are targeted in response to the COVID-19 pandemic:
 - a. COVID-19 Business Support Fund; and
 - b. COVID-19 Skills Support Fund.
- F.2.3. Advocacy: Collaborating with a wide-range of local stakeholders to act as an informed and independent voice for their area.

¹ Local Growth: Realising every place’s potential, HMG, October 2010
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G. DIVERSITY

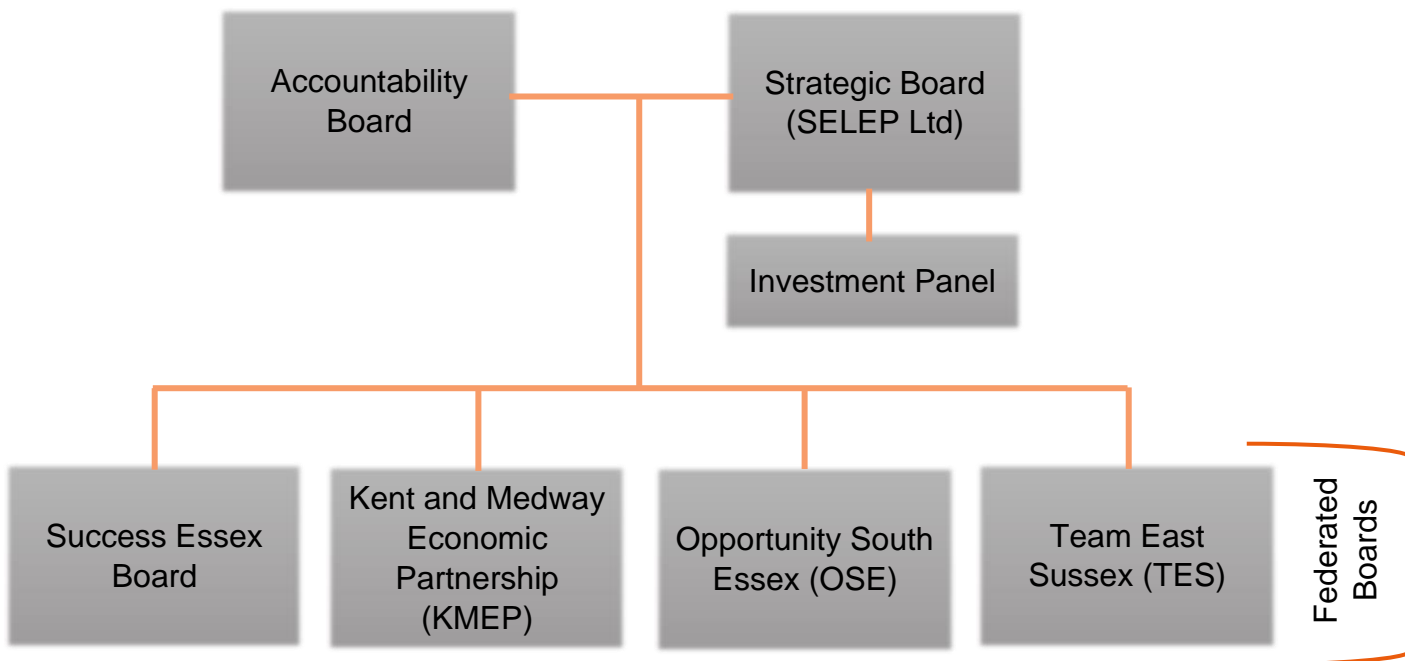
- G.1. SELEP Ltd commits to diversity and representing the local business community, including a gender balance within the Directors of at least one third female directors, with a view to equal representation by the beginning of 2023. To implement this, SELEP Ltd has:
- G.1.1. an objective recruitment processes in place for all board appointments, with applications assessed against the criteria in a board member job specification; ~~and~~
 - G.1.2. regular reporting received by the Accountability Board as part of reporting against the governance KPIs;
 - G.1.3. eliminated unlawful discrimination, harassment and victimisation and other conduct prohibited by the act; and
 - G.1.4. the aim of advancing equality of opportunity between people from different equality groups.
- G.2. SELEP Ltd and local partners will always consider how added economic, social or environmental benefits can be maximised and secured and through its commissioning, procurement and delivery. All partners in the SELEP Ltd support the principles of the Social Value Act 2012. Within each capital- project business case, project promoters are asked to consider any opportunities available to maximise social value.
- G.3. SELEP Ltd will endeavour to ensure a level playing field for small businesses and voluntary, charity and social enterprise (VCSE) organisations in bidding for the SELEP Ltd or local delivery contracts, as appropriate in the delivery of SELEP Ltd objectives.



SECTION 4: WHO WE ARE

H. GOVERNANCE STRUCTURE

H.1. SELEP is a partnership between business and public sector at both SELEP Ltd and local partnership levels. At the heart of this partnership is the devolution of local accountability and funding to ensure decision-making at the most appropriate level. Democratic accountability for funding decisions is ensured through Local Authority representation on the Accountability Board, whilst accountability to the business community is provided by the private sector representation on the Strategic and Federated Boards.



H.2. The partnership operates under a Federated Model (see above diagram). The Strategic and Accountability Boards are supported by four Federated Boards; Success Essex (SE), Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES). [Each Federated Board has their own Terms of Reference](#) (aligned to the overall SELEP Ltd Terms of Reference (D.5 above) and this Assurance Framework).

H.3. The partnership is committed to ensuring fairness in its decision-making and to follow best practice, with due regard to the general equality duty and the principles of public life.

I. OUR BOARDS

I.1. Strategic Board

I.1.1. The Strategic Board (SELEP Ltd) consists of the Directors of the SELEP Ltd and sets the strategic direction of the SELEP Ltd, providing clear strategic leadership and championing shared SELEP Ltd priorities. It is the main interface with Government, bringing together both private and



- public sectors to drive local growth and job creation, and to oversee all activity to deliver these aims.
- I.1.2. Working collectively, SELEP Ltd Directors (Strategic Board members) are responsible for:
- i. setting the vision, strategic direction and priorities of the LEP overall;
 - ~~ii.~~ ensuring the development, maintenance and delivery of evidence-based strategy. ~~These strategies include, but are not limited to:~~
 - ~~a. the Economic Strategy Statement (ESS);~~
 - ~~b. a Skills Strategy;~~
 - ~~c. The Energy Strategy;~~
 - ~~d. the European Structural Investment Funds (ESIF) strategy; and~~
 - ~~iii.~~
 - ~~ii.~~ a Local Industrial Strategy;
 - ~~iv.~~
 - ~~iii.~~ developing a pipeline of projects for investment: a role it has delegated to the Investment Panel in respect of specific funding streams;
 - ~~v.~~
 - ~~iv.~~ considering and agreeing a position on major items of strategic importance;
 - ~~vi.~~
 - ~~v.~~ publishing arrangements for developing, prioritising, appraising and approving projects with a view to ensuring that a wide range of delivery partners can be involved;
 - ~~vii.~~
 - ~~vi.~~ approving the annual Delivery Plan;
 - ~~viii.~~
 - ~~vii.~~ monitoring progress in completing the activities and KPIs set out in the Delivery Plan;
 - ~~ix.~~
 - ~~viii.~~ championing the LEP and the LEP area in all other forums;
 - ~~x.~~
 - ~~ix.~~ supporting pan-LEP activity undertaken by the working groups;
 - ~~xi.~~
 - ~~x.~~ working closely with Federated Boards to oversee Growth Hub, Enterprise Zone and City Deal activities;
 - ~~xii.~~
 - ~~xi.~~ endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP;
 - ~~xiii.~~
 - ~~xii.~~ ensuring that adequate capacity and expertise is maintained to deliver against the above (i-xi).
- I.1.3. Where the Strategic Board puts in place schemes of delegation to the Federated Boards or Investment Panel, the Strategic Board remains responsible for the delegated decision.
- I.1.4. All Board members including the Chair and Deputy Chair are appointed on a term not exceeding 2 years, up to a maximum of 6 years.



- I.1.5. The Strategic Board membership currently is as follows (please see the Terms of Reference for more detail):
- i. Chair (private sector);
 - ii. Deputy Chair (private sector);
 - iii. Leader or Cabinet member from each of the 3 County and 3 Unitary Councils;
 - iv. 12 business representatives from the Federated Boards (one of whom must be designated as the SELEP-wide SME champion), comprising of:
 - a. 2 from Success Essex;
 - b. 5 from the Kent and Medway Economic Partnership;
 - c. 2 from Opportunity South Essex; and
 - d. 3 from Team East Sussex;
 - v. There are also 5 co-opted positions on the Board; these Board members are also Directors of SELEP Ltd, but are appointed on a 1-year rolling term (please see I.1.8.i below for more detail). The co-opted members are as follows:
 - a. 2 representatives from District/Borough/City Councils ~~(Kent and Essex areas for 2020/21, and it is expected that one of the representatives will be from East Sussex in 2021/22);~~
 - b. a further education representative;
 - c. a higher education representative; and
 - d. a social enterprise representative.
- I.1.6. Recruitment to the Strategic Board and Federated Boards will be conducted through an open, transparent, competitive and non-discriminatory process, with extensive private sector engagement.
- I.1.7. The Board Recruitment Policy (above) sets out how Directors are appointed to the Strategic Board. Any updates to this policy will be agreed by the Strategic Board.
- I.1.8. The Succession Plan for Strategic Board members is as follows:

Category of Board Member	Succession Approach	Policy/Governance
Chair of SELEP	Open recruitment – run by Secretariat/Decided by Strategic Board	Board Recruitment Policy
Deputy Chair of SELEP	Open recruitment – run by Secretariat/Decided by Strategic Board	Board Recruitment Policy



Council representatives	Each Council puts forward their representative. Must be a leader or member of Cabinet or equivalent committee	Terms of Reference/Articles of Association/Board Recruitment Policy
Federated Board business representatives	Nominated by Federated Boards. Recruitment to Federated Boards via open recruitment	Federated board recruitment policies which comply with Board Recruitment policy
Higher and Further Education and Social Enterprise representatives	Nominated by relevant working groups.	Board Recruitment Policy

- i. In order to vote on the Board of Directors it will be necessary for the co-opted members to be Directors of SELEP Ltd for the year of their service. This means that there may need to be approvals gained from their employing organisation. The Assurance Framework runs from April to March, as does the financial year and the delivery plan for SELEP Ltd. It is recommended that the year that co-opted members serve would also be April to March (covering June, September, December and March Boards) to align.
- ii. Further Education, Higher Education and Social Enterprise Co-opts will be nominated by their sector groups as set out within the [Board Recruitment Policy](#). This would be the Skills Advisory Group, the U9 Group and the Social Enterprise Group respectively.
- iii. The Strategic Board will consider the future year’s Delivery Plan at its December Board meeting and make any recommendations to the sector groups for particular skills/knowledge from their representatives that would align with the Delivery Plan. The sectors groups will confirm names of representatives at the March Board.
- iv. There are two Council co-opted seats on the Board. These seats are reserved for representatives of District/Borough/City Councils. At the December meeting, the Strategic Board will discuss which two of the three shire areas would be invited to put forward a representative for the forthcoming year, looking for alignment with the Delivery Plan for that year.
- v. The District/Borough/City Councils for the relevant area will then be asked to select a representative who must be confirmed by the March meeting of the Strategic Board.
- vi. Board members will complete an induction process in advance of participating in their first decision-making meeting. This will involve a meeting with a senior member of the Secretariat and the receipt of the Board Member Induction Pack. All board members are required to complete their Register of Interests, which includes agreement to comply with



the [Code of Conduct](#), within 28 days of taking up the post and in advance of participating in any decision making.

- vii. Board members are not entitled to any remuneration for sitting on either the Strategic Board or any other SELEP Ltd Boards or panels, ~~however, the Chair and Deputy Chair of the Strategic Board are entitled to an allowance of up to £20,000 or £10,000 per annum respectively under the terms of their appointment.~~
- viii. Expenses may only be claimed by board members under the terms of the Expenses Policy. All expense claims paid will be published on the website, in line with the Localism Act.

1.2. Investment Panel

- i. The establishment of an Investment Panel was agreed by the Strategic Board on the ~~9th~~^{9th} of June 2017, as a sub-committee of the Strategic Board (1.1.2.iii above).
- ii. The role of the Investment Panel is to act as an advisory committee to the Strategic Board and Accountability Board.
- iii. The Investment Panel's role and responsibilities include:
 - a. Reviewing the initial list of projects for LGF and GPF funding that has been sifted and prioritised by each Federated Board (U.1.7 below);
 - b. Conducting a prioritisation process for those projects requiring capital investment based on the approach agreed by the Strategic Board, with regard for the outcome of the ITE assessment of projects and in accordance with this Assurance Framework;
 - c. Making recommendations for the provisional allocation of funding to projects prioritised by the Investment Panel. The final award of funding will be made by an Accountability Board decision; and
 - d. Considering priorities for future funding from Government in accordance with the priorities identified ~~through the SELEP Ltd.'s Economic Strategy Statement (ESS) and Local Industrial Strategy~~ along with emerging SELEP Ltd and Government priorities.
- iv. The Investment Panel operates under its own Terms of Reference, which are available on the [website](#). The Investment Panel Terms of Reference are agreed by the Strategic Board
- v. All members of the Investment Panel must be members of the Strategic Board. The membership of the Investment Panel consists of:
 - a. the Chair of the Strategic Board;
 - b. 6 County/Unitary Council Representatives;
 - c. 6 Private Sector Business Representatives, including 2 from TES, 2 from KMEP and 2 from across SE and OSE;
 - d. 1 Higher Education Representative; and
 - e. 1 Further Education Representative.



- vi. The Investment Panel is a closed meeting but the dates for the meetings, the meeting agenda, reports and minutes shall be made [available on the website](#).

I.3. Accountability Board

- I.3.1. The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board. No changes to the structure of the Accountability Board are proposed as a result of the LEP Review.
- I.3.2. The Accountability Board operates under a Joint Committee Agreement, signed by each of the six County/Unitary Councils within the SELEP area. A revised Joint Committee Agreement has been created to take into account the establishment of SELEP Ltd. This is part of the Framework Agreement which has been agreed ~~by the partner organisations. in principle by the partner organisations and signed before the beginning of financial year 2020/21.~~
- I.3.3. The Accountability Board is responsible for the sign-off of all funding decisions, having regard to the Independent Technical Evaluator (ITE) recommendations, as detailed in V.1.1 below. This includes any direct awards of funding from the Government, such as for Department for Transport retained schemes.
- I.3.4. The responsibilities of the Accountability Board are summarised below:
 - i. Appraisals and approvals of capital grants and loans with regard to the ITE recommendations;
 - ii. Monitoring project assessment, implementation and delivery;
 - iii. Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible Section 151 Officer);
 - iv. Approving project changes;
 - v. Quarterly performance reporting on an exception's basis to the Strategic Board;
 - vi. Reporting on progress to Government;
 - vii. Any other accountability or assurance function required by Government or recommended by the auditors or the S151 Officer of the Accountable Body;
 - viii. Agreeing all new or revised processes in relation to the spend of grant funding;
 - ix. Agreeing the annual budget of the Secretariat, plus any subsequent variations to that budget. Once agreed, the budget will be managed under the Financial Regulations of the Accountable Body and the associated Scheme of Delegation;
 - x. Providing comment on changes to the Assurance Framework; and
 - xi. Ensuring the implementation of this Assurance Framework.
 - xii. The Accountability Board is advised by the Secretariat and ~~the Accountable~~ Accountable Body's S151 Officer and Monitoring Officer.



- I.3.5. The Accountability Board membership is as follows:
- i. Voting members:
 - a. 1 member appointed from each of the 6 County/Unitary Councils.
 - ii. Non-voting co-opted members:
 - a. the Deputy Chair of the Strategic Board (Chair);
 - b. one member appointed by the Accountability Board on the nomination of the higher education sector;
 - c. one member appointed by the Accountability Board on the nomination of the further education sector.
- I.3.6. Any funding allocated for pan-LEP projects will be managed in accordance with the arrangements agreed at the time of the allocation by the Accountability Board, with updates provided to the Strategic Board as required.

I.4. Responsibilities of the Board Chairs

- I.4.1. The responsibilities of the Chair of the Strategic Board and the Investment Panel are set out in the Terms of Reference (D.5 above); however, in relation to this Assurance Framework, the following specific responsibilities are applicable:
- i. Demonstrating the highest levels of integrity, honesty and transparency;
 - ii. Maximising connections with Small and Medium-sized Enterprises (SMEs) across the SELEP area;
 - iii. Providing an annual statement on the status of governance and transparency in conjunction with the Chief Executive Officer. This statement will be explored in greater detail during the Annual Performance Review process with Government, and published on the website;
 - iv. The Communication Strategy (P.1 below);
 - v. Supporting any resolutions of conflict between the Accountable Body and the Accountability Board (R.7 below);
 - vi. Ensuring that declarations of interest are requested, and acted upon, at the outset of each Strategic Board and Investment Panel meeting (N.5 below).
- B.5.2. The Accountability Board Chair, as a non-voting private sector representative, is responsible for:
- i. Demonstrating the highest levels of integrity and honesty;
 - ii. Ensuring that the decisions made by the Accountability Board are consistent with the strategic direction set by the Strategic Board; and
 - iii. Ensuring that declarations of interest are requested, and acted upon, at the outset of each Accountability Board meeting.



I.5. Federated Boards

- I.5.1. The Federated Boards are the local public/private partnerships which support the SELEP Ltd (H.2 above). The Federated Boards utilise public and private sector knowledge and expertise to identify priorities that will deliver the greatest benefit to the SELEP area.
- i. They have responsibility in their respective areas for:
 - a. leading the opening call for capital funding projects ~~for~~ and ensuring the call is widely publicised;
 - b. the identification and prioritisation of capital projects for investment by SELEP Ltd, prior to projects being prioritised at a pan-LEP level by the Strategic Board/Investment Panel (depending on funding stream);
 - c. overseeing SELEP Ltd capital investment programmes within the agreed local tolerance levels for spending and delivery;
 - d. coordinating reports as required to the Strategic and Accountability Boards;
 - e. identifying local priorities and/or a vision for the federated area which are aligned with SELEP Ltd.'s ~~Economic Strategy Statement, Local Industrial Strategy~~ strategies and the LEP's approach to project prioritisation;
 - f. enabling collective engagement with all Local Authority leaders within the federated area to ensure that there is a clear mandate for decision making on growth priorities and supporting collaboration and joint delivery at executive level;
 - g. championing successes within their communities, including bringing to the attention of Government local growth projects which should be recognised as innovative, or examples of best practice, and ensuring that stakeholders are able to make informed decisions on local growth matters;
 - h. ensuring ongoing local engagement with public and private sector partners to inform key decisions and set out how they will evidence effective engagement;
 - i. supporting SELEP Ltd.'s local engagement with, and feedback to, the general public about future strategy development and progress against delivery of the Growth Deal, including key projects and spend against those projects and that this can be evidenced;
 - j. increasing their overall diversity of protected characteristics, including gender, age, ethnic origin, religion and sexual orientation as defined in the Equality Act 2010; and to commit to having at least one third female membership of appointed members of the Federated Board;
 - k. ensuring that the Chief Executive Officer is informed of all meetings and that the Secretariat is given the opportunity to attend;
 - l. working with the LEP to publish arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved;
 - m. providing the SELEP Ltd Secretariat with clear and updated nominations for membership of the Strategic Board;
 - n. championing the work of the LEP to local communities; and



- o. ensuring the transparency and accountability of decisions and recommendations made at local level.
- ii. Each Federated Board shall determine its own board size and ratio of its private / public sector membership, with the following caveats:
 - a. being business led will mean that a majority of the membership is private sector;
 - b. each Federated Board shall conduct its own competitive, open, transparent and non-discriminatory recruitment process in accordance with the SELEP Ltd Board Recruitment Policy. Opportunities for the private sector to be recruited to the Federated Board ~~must be advertised widely~~, must be advertised widely on a variety of platforms to ensure that people across the business community have an opportunity to apply and consider the diversity requirements outlined in this Assurance Framework;
 - c. each Federated Board’s process for board member recruitment will be set out within their Terms of Reference (H.2 above);
 - d. each Federated Board should ensure that their membership provides representation which is diverse and reflects the local population and business community;
 - e. the total number of SELEP Ltd Members is limited to 50 for each Federated Board, as stated in the [Articles of Association](#).
- iii. Federated Boards are required to publish their Terms of Reference (H.2 above) which meet the minimum requirements of Federated Boards, as set out in section ii above. This must be consistent with the same high level of governance and transparency that is required of the SELEP Ltd, as set out in this Assurance Framework and associated policies.
- iv. Each Federated Board will ensure it complies with the LEP Governance and Transparency Best Practice Guidance (D.2 above). Each Federated Board will be required to ensure it has in place the following policies, through agreeing to adopt the SELEP Ltd policy or publication of their own policy, and that the policies are published on its own and/or the SELEP Ltd website:
 - a. Confidential reporting procedures for third parties and the public;
 - b. Whistleblowing Policy;
 - c. Code of Conduct for Board Members; and
 - d. Register of Interests Policy.
- v. Each Federated Board will comply with the Local Government Act 1972 requirements for the publication of meeting agendas and meeting minutes (Q.3 below).
- vi. Federated Board meeting papers and minutes shall be made available to Strategic Board members on the SELEP website.
- vii. The membership of SELEP Ltd is made up of members of the Federated Boards. Up to 50 members from each Federated Board are eligible for membership of SELEP Ltd. When Federated Board members cease to be members of the Federated Board they are expected to relinquish their SELEP Ltd membership at that time.



J. SECRETARIAT/CHIEF EXECUTIVE OFFICER

- J.1. The Chief Executive Officer is responsible for the following activities pertaining to this Assurance Framework:
- J.1.1. ensuring, on behalf of the Accountability Board, that the Assurance Framework is being fully implemented and embedded within the activities and operations of the SELEP Ltd, and that the Accountability Board is updated on areas of risk of non-compliance at each Board meeting as appropriate;
 - J.1.2. providing, on an annual basis, in conjunction with the Strategic Board chair, a statement on the status of governance and transparency within SELEP Ltd. This statement will be explored in greater detail during the Annual Conversation process with Government. This statement will be published [on the SELEP website](#);
 - J.1.3. Providing a formal joint Annual Governance statement that has been prepared in conjunction with the Section 151 Officer of the Accountable Body and which is [reported to the Strategic Board](#);
 - J.1.4. keeping records which demonstrate that the SELEP Ltd meets all legal obligations and all other compliance requirements placed upon them, ensuring these are accessible if requested;
 - J.1.5. ensuring that SELEP Ltd cooperates with stakeholders and other regeneration organisations;
 - J.1.6. ensuring that the Secretariat acts as an independent secretariat to the SELEP Ltd and Accountability Board. This includes providing impartial advice and support to all Board members;
 - J.1.7. delegated responsibility to approve up to £1m of expenditure/income within the Accountability Board approved operational budget;
 - J.1.8. publishing as a Chief Officer Action on the [website](#), all decisions made under the Chief Executive Officer's delegated responsibilities; these must be in line with:
 - i. the Accountable Body's scheme of delegation and Financial Regulations;
 - ii. respective decisions made by the Accountability Board and the Strategic Board, including decisions related to the approved budget of the Secretariat;
 - iii. this Assurance Framework.
- J.2. Salary information for the Chief Executive Officer will be published on [the SELEP website](#).
- J.3. The Chief Executive Officer is employed by the Accountable Body but works under the direction of the Chair, the Strategic Board and the Accountability Board.
- J.4. The Chief Executive Officer and ~~Chief Operating Officer~~ [the Business Engagement and Communications Manager](#) have been appointed as Attorneys of SELEP Ltd under a Power of Attorney. This is to allow them to jointly:
- J.4.1. execute legal documentation on behalf of the company following a decision of the Board to enter into agreements;
 - J.4.2. sign executive letters of support on behalf of SELEP Ltd following an assessment by the Chief Executive Officer/~~Chief Operating Officer~~ [Business Engagement and Communications Manager](#) that the project aligns with SELEP Ltd's strategies.



- J.5. The Power of Attorney is for a period of 12 months. This will be reviewed to ensure that it is still appropriate and will be renewed on a 12-monthly basis. The Board will be provided with details of where this power has been exercised on their behalf at each general meeting of the Strategic Board.
- J.6. The Secretariat is responsible for:
- J.6.1. overseeing the working groups (K.1 below);
 - J.6.2. making recommendations to the Accountability Board and Strategic Board;
 - J.6.3. providing impartial advice to all Accountability and Strategic Board members;
 - J.6.4. engaging with the Federated Boards;
 - J.6.5. production and day to day implementation of the Delivery Plan, to be agreed by the Strategic Board in advance of each financial year. This will define the activities to be undertaken during the financial year, along with Key Performance Indicators (KPI); progress against which will be reported to the Strategic Board throughout the year;
 - J.6.6. production of the Annual Report within a reasonable timeframe to provide a suitable evaluation of the previous year's activity. This report will review SELEP Ltd.'s performance against the agreed KPIs set out in the Delivery Plan and be presented at each Annual General Meeting (AGM);
 - J.6.7. practical co-ordination and organisation of meetings (including the AGM, a public meeting annually in July, an opportunity to engage with the wider business community), Strategic Board minutes, preparation of papers and maintenance of the website;
 - J.6.8. ensuring appropriate engagement with stakeholder, local partners, neighbouring LEP's, and Government (P.5 below);
 - J.6.9. carry out the day to day business of the LEP in compliance with the requirement of the National Assurance Framework and this Local Assurance Framework, and SELEP's own policies;
 - J.6.10. ensuring the Central Government Growth Deal branding guidance is adhered to;
 - J.6.11. management of financial and operational risk by the Chief Operating Officer;
 - J.6.12. management of project and capital programme risk by the Capital Programme Manager;
 - J.6.13. induction of new Secretariat team members, incorporating ECC training (including GDPR and Diversity and Equality);
 - J.6.14. ensuring that SELEP Ltd is properly administered through the establishment and maintenance of registers of Directors and Members and the correct filing of information with Companies House and properly administered for the purposes of Company law and regulation.

K. WORKING GROUPS

- K.1. The SELEP Ltd may establish, as it considers appropriate, informal non-decision-making working groups to provide expertise and support to the Strategic and Accountability Board, in shaping its strategy or delivering pan-LEP priorities. Each group operates according to their own terms of reference.
- K.2. Currently the SELEP Ltd is supported by the following groups which lead on specific work streams as required:
- K.2.1. Sector Working Groups



- i. Coastal Communities
- ii. Enterprise Zones
- iii. Housing and Development
- iv. Skills Working Group
- v. Skills Advisory Panel
- vi. Digital Skills Partnership
- vii. Rural
- viii. Social Enterprise
- ix. South East Creative Economy Network (SECEN)
- x. Tourism
- xi. Transport Officers (meets on ad hoc basis)
- xii. U9 (Universities)
- xiii. Growth Hubs (Business Support)
- xiv. Clean Growth

K.2.2. Officer Advisory Groups

- i. Senior Officer Group
- ii. Programme Consideration Meeting
- iii. Directors Group

K.3. The Working Groups should provide the following as a minimum:

- K.3.1. a simple Terms of Reference, which will be made available on the SELEP website;
- K.3.2. a designated direct link to the Strategic Board, either through existing representation, or through an existing Board member acting as a champion for the sector;
- K.3.3. notification of future meetings and meeting notes made available on the SELEP website;
- K.3.4. clarifications around how federal areas have been engaged in any process which culminates in recommendations being made to the Strategic Board;
- K.3.5. an action plan which clearly associates milestones, outputs and monitoring arrangements when SELEP funding is being spent;
- K.3.6. an assurance that SELEP funding will not be used until full approval has been sought from SELEP; and



- K.3.7. updates to Strategic Board meetings, and Federated Boards where there is specific local interest in their work. Through the working group activities, representation, and involvement with other organisations across a wider geography, the SELEP Ltd actively engages in cross-LEP working on strategic issues. This includes, but is not limited to, joint working with neighbouring LEPs regarding:
- i. The development and implementation of the Energy Strategy;
 - ii. The Greater South East Energy Hub;
 - iii. Engagement with Transport Bodies; and
 - iv. Southern LEPs' work programme.
- K.4. There are three groups external to, but critical to SELEP's successful discharge of its duties and will therefore continue to be resourced. These are:
- K.4.1. the European Structural and Investment Fund (ESIF) sub-committee, administered by Ministry for Housing Communities and Local Government for the discharge of European funding in the SELEP area;
- K.4.2. the Thames Gateway Strategic Group, which incorporates South Essex, North Kent and East London, continues to meet to progress the delivery of Government policy objectives in the area and continues to benefit from special ministerial attention.
- K.4.3. the Freeport East Board where SELEP has an important advisory role in the operation of the Freeport which aims to be a significant driver of growth, jobs, and innovation in the region. SELEP representation on the Freeport Board will ensure the strategic priorities of the partnership and wider needs of local businesses are represented and considered.
- K.5. Furthermore, SELEP Ltd is committed to working with the LEP Network to discuss issues of shared importance as a sector, engage Government, and share knowledge and good practice.
- K.6. The SELEP Ltd has four enterprise zones:
- K.6.1. Discovery Park, Kent;
 - K.6.2. Harlow, Essex;
 - K.6.3. North Kent;
 - K.6.4. Newhaven, East Sussex.



- K.7. The Strategic Board has overall oversight for the Enterprise Zones, however day to day management and the development of Enterprise Zone strategy sits at the local level.
- K.8. SELEP Ltd secured a City Deal for Southend, which has now evolved into a new area of work with The Hive Enterprise Centre and has also received funding from the Local Growth Fund (LGF). The Strategic Board receives regular updates on the progress of all projects which have received SELEP investment, which includes work from the City Deal.
- K.9. Ultimate leadership of the South East Business Hub (Growth Hubs) sits with the Strategic Board. Any strategic decisions pertaining to the Growth Hubs are raised at the Federated Boards, considered by the working group and taken to the Strategic Board where appropriate.

L. THE ACCOUNTABLE BODY

L.1. Introduction

L.1.1. As the Accountable Body, Essex County Council, retains overall legal accountability for the funding streams, and is responsible for overseeing the proper administration of financial affairs when these affairs relate to public funds.

~~L.1.2. Essex County Council will take a decision to Cabinet in early 2020, to formally agree to be the Accountable Body of SELEP Ltd.~~

~~L.1.3.~~ L.1.2. The complementary roles of both the financial responsibilities of the Accountable Body and the leadership role and responsibilities of the SELEP Ltd are supported by a set of agreed systems and practices which are managed through the Accountability Board. This ensures proper, transparent decision making which delivers value for money and supports timely, informed decision making by the SELEP Ltd.

~~L.1.4.~~ L.1.3. The Accountable Body will receive funds from Government on behalf of the SELEP Ltd.

~~L.1.5.~~ L.1.4. The Framework Agreement in place ~~before the 20/21 financial year~~ between SELEP Ltd, the respective County and Unitary Authorities, including Essex County Council clearly defines the roles and relationships between the SELEP Ltd and the Accountable Body; this ~~will be~~ supported by a service level agreement (SLA) which ~~will be~~ agreed between the Accountable Body and SELEP Ltd and published on the SELEP Ltd website. The SLA ~~will set out~~ sets out how the Accountable Body ~~will collaborate~~ s with the SELEP Ltd to ensure that the terms of the Framework Agreement and the SLA are met.

~~L.1.6.~~ L.1.5. The Accountable Body is responsible for ensuring that the usual Local Authority checks and balances apply to the awards of public funding directed by the Accountability Board. The Accountable Body cannot use funding allocated to the SELEP Ltd for its own purposes, without a clear mandate from SELEP Ltd

L.2. Functions of the Accountable Body

- L.2.1. The Accountable Body, with oversight as appropriate from the Section 151 Officer, the Monitoring Officer and the Senior Information Risk Owner, are responsible for the following:
- i. The managing of grant income received, payments out and any applicable repayments to be accounted for and administered correctly;
 - ii. to publish annual accounts which include the funding they receive from government on behalf of LEPs, to be linked on the SELEP Ltd website;



- iii. the provision of a Treasury Management function in relation to cash balances held by Accountable Body on behalf of the SELEP Ltd. This function will be administered in accordance with the approved Treasury Management Strategy of the Accountable Body;
- iv. to account for all spend and income made or received by the SELEP Ltd;
- v. to ensure there are arrangements for local audit of funding allocated to partners by the SELEP Ltd at least equivalent to those in place for Local Authority spend; and
- vi. the use of resources is managed in accordance with the Accountable Body's established processes including financial regulations and contract regulations.
- vii. An oversight function which will ensure:
 - a. all decisions are made, and funds used, in accordance with the conditions placed on each grant by the respective awarding body;
 - b. all decisions and activities of the SELEP Ltd conform with all relevant law (including State Aid and Public Procurement), and ensuring that records are maintained so that this can be evidenced; the Accountable Body shall be responsible for the management of this if challenged;
 - c. the SELEP Ltd Local Assurance Framework is adhered to;
 - d. all reports placed before the Strategic and Accountability Board^s are reviewed by the Accountable Body, who will include the details of any implications arising as a result of the decision being sought within the report prior to publication;
 - e. all grants are transferred to Partner Authorities under an SLA or grant agreement, as appropriate, which reflects the grant requirements of the awarding body and any additional requirements agreed by the SELEP Ltd Strategic Board and/or Accountability Board;
 - f. all loans are transferred to Partner Authorities under a loan agreement, which reflects the loan requirements of the awarding body and any additional requirements agreed by the SELEP Ltd Strategic Board and/or Accountability Board;
 - g. the official record of the SELEP Ltd proceedings is maintained and copies of all SELEP Ltd documents relating to LGF and other funding sources received from Government are held;
 - h. appropriate responses to Freedom of Information requests, with regard to the responsibilities of the Accountable Body;
 - i. procurement of all contractual services as appropriate and oversight of the contract management arrangements administered by the Secretariat;
 - j. all necessary legal agreements are in place, including:



- SLAs between the Accountable Body and partners;
 - grant agreements and conditions; and
 - an annual assurance statement is provided by the Section 151 Officer on the governance and transparency arrangements implemented by SELEP Ltd, with a specific requirement to identify any issues of concern to localgrowthassurance@communities.gov.uk.
- viii. A support function (as agreed with the SELEP Ltd):
- a. providing technical advice on the relevant law;
 - b. discussing risks associated with pursuing a particular course of action for the LEP Board to consider;
 - c. drafting funding agreements and contracts;
 - d. provision of advice and support with regard to the financial and legal operation of the SELEP Ltd, as appropriate; and
 - e. the SELEP Ltd is supported in accounting to Government on programme delivery and financial management.
- ix. an audit function:
- a. the internal audit function of the Accountable Body will undertake an annual risk-based audit programme with SELEP Ltd; and
 - b. arrangements will be made to provide an external audit of the accounts of the monies held on behalf of SELEP Ltd.
- L.2.2. In providing the support set out above, consideration is given to ensuring that the standards set out in the CIPFA guidance on the role of the Section 151 Officer are met (L.2.7 below).
- L.2.3. The SELEP Ltd and the Accountable Body have agreed timescales and operating practices in place to support decision making, including ensuring that all papers and relevant supporting information are provided to the Accountable Body, to support their review and comments, at least 5 working days in advance of the agreed publishing deadline.
- L.2.4. In addition, where the Accountable Body is required to review or approve reports to Government, or similar by the SELEP Ltd, the report (or equivalent) and all supporting information should be made available to the Accountable Body at least 5 working days in advance of the required completion date.
- L.2.5. The SELEP Ltd and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. These are reflected in the SLAs between the Accountable Body and the partner, and include ensuring that:
- i. arrangements are in place for monitoring delivery;



- ii. there are clear expectations in relation to the information required from scheme partners and delivery agents; and
 - iii. when the SELEP Ltd awards funding for a project, that there are written agreements in place between the Accountable Body and the partner, clearly setting out ownership of responsibilities and makes adequate provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement).
- L.2.6. In acting as the Accountable Body for the SELEP Ltd, the role of the Authority's Section 151 Officer, in overseeing the proper administration of financial affairs, is extended to include those of the SELEP Ltd.
- L.2.7. The standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) document, "[Principles for Section 151 Officers in accountable bodies](#)", form part of the assurance process undertaken by the Accountable Body on behalf of the SELEP Ltd.
- L.2.8. The following five principles set out in the CIPFA guidance are required to be addressed by the SELEP Ltd and the Accountable Body:
 - i. Enshrining a corporate position for the Section 151 Officer in LEP assurance;
 - ii. Creating a formal/structured mandate for the Section 151 Officer;
 - iii. Embedding good governance into decision making;
 - iv. Ensuring effective review of governance; and
 - v. Ensuring appropriate skills and resourcing.
- L.2.9. The Section 151 Officer will exercise their duties in line with the CIPFA guidance and this framework.
- L.2.10. The SELEP Ltd is required to ensure that the Section 151 Officer is given sufficient access to information in order to carry out their role. All SELEP Ltd Board documents should be provided to the Section 151 Officer, and where decisions are being made, the Section 151 Officer should have the opportunity to comment (as per the timescales set out in L.2.3 above).
 - i. Details of the checks that the Section 151 Officer (or deputies) has taken to assure themselves that the SELEP Ltd has in place the processes that ensure proper administration of financial affairs in the SELEP Ltd;
 - ii. A statement outlining whether, having considered all the relevant information, the Section 151 Officer believes the financial affairs of the SELEP Ltd are being properly administered (including consistently with the National Assurance Framework (D.2 above) and this framework); and
 - iii. If not, information about the main concerns and recommendations about the arrangements which need to be implemented to get the SELEP Ltd to be properly administered.



L.3. Accounts and Audit Arrangements

- L.3.1. The Accountable Body will produce accounts of the monies held on behalf of SELEP Ltd, on an annual basis; these will be subject to External Audit. The Accounts will be considered by the Strategic Board and published on the SELEP Ltd website in a timely manner.
- L.3.2. SELEP Ltd and the Accountable Body will agree an internal audit plan each year. This will include a risk-based audit plan of SELEP Ltd activity that will provide assurance to the Section 151 Officer and the Accountability Board at appropriate points through the year.
- L.3.3. The internal auditors of the Accountable Body provide assurances to the Accountability Board, Secretariat and Accountable Body Section 151 Officer. A key role of the internal auditors is to provide independent assurance that internal controls are designed well, are proportionate to risk and are operating effectively in practice. Following a completed audit, where there are recommendations that relate to the SELEP Ltd, these will be reported back to the Accountability Board by internal audit. Accounts are also audited externally and reported to the Strategic Board.
- L.3.4. SELEP Ltd is required to ensure that there are arrangements for funding audit activity.
- L.3.5. As part of the SELEP's incorporation arrangements, SELEP Ltd and the Accountable Body will agree appropriate audit committee arrangements which fit the chosen model of incorporation.
- L.3.6. If the SELEP Ltd decides in future for additional funds to run through its own accounts, they will ensure appropriate external audit arrangements in line with the Companies Act (2006) and consider relevant corporate governance best practice.
- L.3.7. Essex County Council will ~~be~~ adhere in all aspects with respect to the Accountable Body role for SELEP Ltd to:
- i. the [Financial Regulations and Scheme of Delegation for Financial Management](#);
 - ii. the Procurement Regulations;
 - iii. information handling and data policies; and
 - iv. the Treasury Management Strategy.
- L.3.8. Furthermore, the Secretariat, where they are employed by the Accountable Body, are required to comply with [the Code of Conduct](#) of the Accountable Body plus all agreed policies applicable to employees of Essex County Council.



SECTION 5: HOW WE WORK

M. PRINCIPLES OF PUBLIC LIFE

- M.1. All SELEP Ltd Board and Federated Board members, advisors and officers are expected to demonstrate the highest standards of conduct when carrying out their responsibilities, and to adhere to their respective authority and business codes of conduct or equivalent. As a minimum all members and officers must also comply with the [SELEP Code of Conduct](#).
- M.2. The Code requires that all members of all SELEP Boards and respective officers maintain high standards in the way they undertake their duties. As a Board member they are a representative of SELEP Ltd, and therefore their actions impact on the way in which SELEP Ltd is viewed by the public.
- M.3. The Code also reflects the requirement that all members are required to have regard to the principles of public life, known as the Nolan Principles, contained within the provisions of S.29(1) of the Localism Act 2011, and set out below:
- M.3.1. Selflessness_- to serve only the public interest and never improperly confer an advantage or disadvantage on any person.
- M.3.2. Integrity_- Not to place themselves in situations where their integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- M.3.3. Objectivity_- Make decisions on merit, including when making appointments, awarding Contracts or recommending individuals for rewards or benefits.
- M.3.4. Accountability_- To be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their Office.
- M.3.5. Openness_- To be as open as possible about their actions and those of SELEP Ltd and should be prepared to give reasons for those actions.
- M.3.6. Honesty_- Not to place themselves in situations where their honesty may be questioned, should not behave improperly and should, on all occasions, avoid the appearance of such behaviour.
- M.3.7. Leadership_- Should promote and support these principles by leadership and by example and should always act in a way that secures or preserves public confidence.



- M.4. In signing their SELEP Ltd Register of Interest, Board members and officers are required to agree that they will comply with all SELEP Ltd policies, including, but not limited to, the [Code of Conduct and Gifts and Hospitality Policy](#).
- M.5. The Secretariat are also required to sign up [to with](#) the Nolan Principles through their contract of employment through Essex County Council, as the Accountable Body.

N. CODE OF CONDUCT AND REGISTERS OF INTERESTS

- N.1. All members of the Secretariat, Senior Officer Group and Strategic, Accountability and Federated Boards are required to complete a register of Interests form, recording details of any relationship or other financial or personal interest which might conflict with their duties to SELEP Ltd. Declarations must be completed in line with the [Register of Interests Policy](#) and includes individual registers of interest for all Board Members, Federated Board Members, co-opted Members and the Chief Executive (or equivalent). The Register of Interests form should be completed and signed within 28 days of taking up post and before advising or participating in any decision making.
- N.2. Copies of all declarations are retained by the Secretariat and for board members, Federated Board members, co-opted members and the Chief Executive (or equivalent) are published on the website. Excluding the Chief Executive Officer, all other officer registers of interests are held on file but are not published.
- N.3. Each board member must review their individual register of interests before each board meeting and decision-making committee meeting, submitting any necessary revisions at the start of the meeting.
- N.4. All declarations are reviewed every 6 months in accordance with the Register of Interests Policy. However, each member is required to ensure that their declarations are up to date, and therefore must notify the Secretariat of any changes within 28 days of becoming aware of any change in circumstances.
- N.5. All Strategic, Accountability, Investment and Federated Board members (including substitute members) are required to declare interests regarding any items to be discussed at the beginning of meetings, even if the interest is already on the member's Register of Interests form. Such declarations and associated actions taken will be recorded in the minutes of the meeting which are available on [the website](#).
- N.6. Where there is a potential conflict of interest between the commercial enterprise and activities of the Partner Authority and the decision making by the Boards, Board members and officers are required to advise the Chief Executive Officer in advance of the meeting and to declare such interests during the relevant meeting.
- N.7. Conflicts of interest will be managed in accordance with the [Register of Interests Policy](#). This policy sets out the process for managing Disclosable Pecuniary Interests and code interests during the course of meetings.
- N.8. Where a Disclosable Pecuniary Interest declaration has been made, the board member must:
- N.8.1. withdraw from the room where the meeting considering the business is being held, at the time that the item of business is being discussed; and
 - N.8.2. not participate in any debate or vote on the matter.



O. COMPLAINTS AND WHISTLEBLOWING

- O.1. The SELEP Ltd is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this ~~commitment~~[commitment](#), we encourage employees and others with serious concerns about any aspect of SELEP Ltd's work to come forward and voice those concerns without fear of reprisal.
- O.2. -Employees and those working closely with SELEP Ltd should follow the [Whistleblowing Policy](#), third parties and members of the public should follow the [confidential complaints procedure](#), as detailed in the Confidential Reporting of Complaints Policy.
- O.3. These policies are available on the website and provide details of:
 - O.3.1. the relevant contacts for disclosers to contact;
 - O.3.2. the confidential process by which complaints will be considered and responded [ed](#) to; and
 - O.3.3. the timescales for response by the responsible officers.



- O.4. Confidential complaints and whistleblowing are managed by the Secretariat's Governance Officer and Chief Executive Officer, who will maintain a record of all complaints received.
- O.5. If the complainant is not satisfied with the outcome of the complaint or how the complaint procedure has been followed, this should first be escalated to the Accountable Body, Essex County Council. If it is not possible to resolve the complaint at this stage, then it will be referred to the [Department for Levelling Up, Housing and Communities](#). ~~Cities and Local Growth Unit at MHCLG.~~
- O.6. [Department for Levelling Up, Housing and Communities](#) ~~The Cities and Local Growth Unit~~ will be informed of any concerns raised under the whistleblowing procedure by e-mailing LEPPolicy@Communities.gsi.gov.uk or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF.
- O.7. Each County and Unitary Council member of Accountability Board is responsible for handling and responding to Freedom of Information and Environmental Information Regulations requests relating to SELEP funded activities within their authority. All responses are prepared in consultation with the Secretariat.
- O.8. All other requests received by the Secretariat and the Accountable Body shall be handled and responded to by the Accountable Body with the support of the Secretariat. All partners will support the Accountable Body in responding to requests for information in a timely manner to ensure that appropriate responses are provided within the stipulated 20 working days.
- O.9. The SELEP Ltd has data protection arrangements in line with the [General Data Protection Regulations](#) (GDPR) and the [Data Protection Act 2018](#). The SELEP Ltd acts in accordance with the policies of the Accountable Body, Essex County Council.

P. COMMUNICATIONS AND ENGAGEMENT

- P.1. Through the [Chair](#), the Strategic Board shall be responsible for the SELEP Ltd.'s communications strategy. This shall include communications to Strategic Board members, participating organisations and the wider public, and the maintenance of an up-to-date, relevant and accessible website. The Secretariat shall be responsible for implementation of the communications strategy.
- P.2. SELEP Ltd is committed to complying with the Government's branding and communication guidance for all LGF [and GBF](#) projects. The requirement for Local Partners to also comply with this guidance is set out within SLA and the grant agreements under which the funding is transferred from the Accountable Body to Local Partners.
- P.3. A [dedicated website](#) for the partnership is available for local partners and members of the public. The website is updated regularly and provides a source of information about [the](#) partnership and its activities, to ensure transparency. The website provides access to a range of documents and information, including:
 - P.3.1. details of progress made on implementing the [Growth Deal](#);
 - P.3.2. updates on the delivery of individual [LGF, GBF, GPF and SSF projects](#);
 - P.3.3. information about available funding [opportunities](#) and how open calls for projects will operate, including details of the criteria against [which](#) projects will be assessed;
 - P.3.4. [contact details](#) for the Secretariat;



- P.3.5. Access to all [key documents](#) and [policies](#); including the Assurance Framework, Annual Report, Delivery Plan, Local Industrial Strategy, Economic Strategy Statement, Board member and Chief Executive Officer Registers of Interests, and the following policies:
- i. Code of Conduct;
 - ii. Confidential Reporting of Complaints Policy;
 - iii. Whistleblowing Policy;
 - iv. Register of Interests Policy;
 - v. Declaration of Interest - Guidance;
 - vi. Board Recruitment Policy;
 - vii. Expenses Policy;
 - viii. Hospitality Policy;
 - ix. Gifts and Hospitality Capture and Declaration Form; and
 - x. Public Questions Policy.
 - xi. forward plans;
 - xii. agendas;
 - xiii. reports and business cases;
 - xiv. annual Delivery Plan;
 - xv. annual financial statement;
 - xvi. annual assurance statement;
 - xvii. information on the process for applying for funding;
 - xviii. minutes;
 - xix. summary of decisions of the SELEP Ltd Boards.
 - xx. The website can be accessed at <http://www.southeastlep.com/>.



- P.4. [In addition to being published on the SELEP Ltd website, all Accountability Board agendas, decisions and minutes are also published on the Accountable Body website and the websites of the six local authorities who are partners to the Accountability Board, which can be accessed at <http://cmis.essexcc.gov.uk/essexcmis5/Home.aspx>.](#)
- P.5. SELEP Ltd ensures there is appropriate local engagement (with public and private stakeholders, and the general public) to inform key decisions around future strategy development. This includes sub-regional events and regular updates to stakeholders through a range of social media. As part of the Local Industrial Strategy development and wider team activities, measures will be put in place to evidence engagement, including a log of engagement activity.
- P.6. SELEP Ltd actively cooperates and engages constructively with stakeholders and other regeneration organisations. These include:
- P.6.1. Government departments;
 - P.6.2. subnational bodies;
 - P.6.3. Local Authorities;
 - P.6.4. third sector representatives;
 - P.6.5. the general public;
 - P.6.6. the local business community;
 - P.6.7. community interest groups;
 - P.6.8. universities and research institutions;
 - P.6.9. Mayoral Combined Authorities (MCAs); and
 - P.6.10. other LEPS.
- P.7. SELEP Ltd works collaboratively on projects or decisions which are likely to have an effect across MCA or LEP borders or significantly affect the plans of another MCA or LEP.
- P.8. A forward plan of funding decisions is published 28 days in advance of Accountability Board meetings to provide awareness of forthcoming decisions to the Accountability Board, and to enable the opportunity for comments to be raised by stakeholders and members of the public in advance of the meeting reports being published.
- P.9. The Federated Boards are the primary forum for engagement with local businesses, councils and members of the public. The public and private sector knowledge and expertise on the boards enables effective and meaningful engagement of local partners; this informs key decisions, future strategy development, the development of projects, and provides delivery of the greatest benefit to the area.



SECTION 6: HOW WE MAKE DECISIONS

Q. MAKING AND RECORDING DECISIONS

- Q.1. Clear systems, rules, practices and processes are in place to ensure that decisions are made on a transparent basis, by the appropriate person or groups and on merit.
- Q.2. Arrangements are in place to support the effective and meaningful engagement of local stakeholders and the public. The Strategic Board, Accountability Boards and Investment Panel operate with transparency, openness and good communication, with processes in place to ensure that these principles are replicated as part of the decision-making processes.
- Q.3. Meetings of the Strategic and Accountability Boards are open to members of the press and public, except for any items that should be treated confidentially (Q.9 below). [The Public Questions Policy](#) sets out the process under which questions can be made by a member of the public to either board. Filming or recording of proceedings can take place, provided that they are agreed in advance with the Secretariat and at the discretion of the board chair.
- Q.4. The quorum requirements of the Strategic Board and details regarding Electronic Procedures are contained within the Terms of Reference.
- Q.5. All decisions undertaken by the Investment Panel, Strategic or Accountability Boards must be supported by a full written paper. This must provide details of the decision being sought and contain all relevant information to enable an informed decision. All reports will be reviewed by the Accountable Body prior to publication, who will add the details of any implications arising as a result of the decision being sought. If appropriate, the Accountable Body will provide comments on the financial and legal implications of recommendations being made to the Accountability Board.
- Q.6. All papers relating to the Accountability Board are made [available on both the SELEP](#) Ltd and the Accountable Body website. Papers relating to the Strategic Board and Investment Panel are made available on the [SELEP Website](#).
- Q.7. All papers are published at least 5 clear working days before the meeting, except for papers containing confidential information (Q.9 below), or in extreme circumstances where it is not possible to circulate papers in advance.
- Q.8. These timelines for publications of papers are clearly outlined on the SELEP website.
- Q.9. Please see the SELEP Ltd Articles of Association for the definition of confidential information.
- Q.10. Where information that is necessary to support a Board decision is exempt from publication, in line with the requirements above, this is clearly stated on the respective meeting agenda, with the reason for the exemption included. The standard reporting template must be applied when publishing all meeting agendas to ensure that appropriate reference is made to exempt items.
- Q.11. Board members and officers in receipt of confidential information (Q.9 above) from the SELEP Ltd are required to adhere to the Code of Conduct and the [Essex County Council](#) Confidential Information Policy which sets out the expectations of members and officers when handling confidential information.
- Q.12. Any breaches to the handling of confidential information will be dealt with in accordance with the Accountable Body's policies and in compliance with the appropriate Government legislation.



- Q.13. All key decisions, where there is likely to be a significant impact, or the decision involves a saving or spend of over £500k, taken by the Accountability Board, are published on the Forward Plan and [are available on both the SELEP Ltd and Accountable Body websites](#), 28 days before the decision is taken. This ensures transparency around future decisions.
- Q.14. All decisions made by the Chief Executive Officer that are Chief Officer Actions under the Financial Regulations and associated scheme of delegation of the Accountable Body, shall also be [published on the SELEP website including those made under the Power of ~~Attorney~~-Attorney](#).
- Q.15. Draft minutes of all meetings are publicly available on [the SELEP website](#) no more than 10 clear working days after the meeting and will similarly be published in final form no more than 10 clear working days following approval by the respective board. Those minutes relating to exempt items under Schedule 12A are not published but are stored confidentially by the Secretariat.
- Q.16. The Accountability Board summary of decisions shall be [published](#) as soon as practicably possible following the meeting.
- Q.17. Any declarations of interest made at the meeting must be included in the minutes of the meeting and must document:
- Q.17.1. The nature of the interest (pecuniary or code);
- Q.17.2. What the declaring member did during the item to demonstrate the interest was handled appropriately.
- Q.18. When there is a new declaration of interest, this must also be updated on the relevant member's register of interest.
- Q.19. For each quarter of the financial year, a table of decisions taken by the Accountability Board, Federated Boards or under the Chief Executive Officers delegated budget during that quarter, will be made available on the [SELEP website](#).

R. SCRUTINY ARRANGEMENTS

- R.1. There are scrutiny arrangements in place for all funding decisions taken by the Accountability Board.
- R.2. Accountability Board decisions may be called-in by members of any Partner Authority in the same way they call-in decisions of their own executive arrangements, subject to:
- R.2.1. the decision may not be called-in after 5pm on the third working day after the date of publication by the Accountable Body: and
- R.2.2. call-in may only be made if the decision affects that partner area.
- R.3. If a decision is called-in, a two-stage process will be followed:
- R.3.1. a meeting will be held between the chair of the Accountability Board, the member calling it in, and the relevant member of Accountability Board. In addition, the Accountable Body representative, Secretariat and local partner officers may also be in attendance. If the call-in is not withdrawn, it shall be referred to the Local Authority scrutiny committee;
- R.3.2. the Local Authority scrutiny committee will be required to consider the decision and either agree to take no further action, at which point the decision will come into effect, or to refer the decision back to the Accountability Board for re-consideration with a record of the committee's concerns. This second consideration of the decision by the Accountability Board cannot be challenged through the scrutiny arrangements.



- R.4. This process is compliant with the Joint Committee Agreement (JCA) within the [Framework Agreement](#) and ensures that scrutiny is managed in a way that gives equal footing for all partners.
- R.5. Requests to attend County/Unitary Council Scrutiny Committees within the SELEP are welcomed, and attendance prioritised.
- R.6. Challenge sessions will be included within each meeting of the company membership.
- R.7. The Accountable Body would not be required to comply with an Accountability Board decision in the following circumstances:
 - R.7.1. the decision does not comply with the financial regulations of the Accountable Body;
 - R.7.2. the decision would be contrary to any requirements laid out in all agreements, including the SLA and the Joint Committee Agreement, for which the Accountable Body is responsible;
 - R.7.3. the decision is unlawful; or
 - R.7.4. the decision does not comply with the requirements of this Assurance Framework.
- R.8. In circumstances where there is a conflict between ~~the~~ any of the three parties (the Accountable Body, the Accountability Board and/or SELEP Ltd) the following process will be used to resolve the issue:
 - R.8.1. in the first instance, any dispute will be escalated to the chair of the Strategic Board and the Section 151 Officer of the Accountable Body within 10 working days of the dispute arising. The chair of the Strategic Board and the Accountable Body Section 151 Officer will discuss and, in good faith, attempt to agree on the action required to resolve the issue;
 - R.8.2. if the Chair of the Strategic Board and the Section 151 Officer of the Accountable Body are unable to resolve the dispute, the matter will be referred to the Government (or grant awarding body, if not the Government) for consideration.



SECTION 7: HOW WE MANAGE OUR PROGRAMMES

S. VALUE FOR MONEY

- S.1. SELEP Ltd recognises the need to have robust arrangements in place to ensure value for money and effective delivery through strong project management, project options and appraisal, prioritisation and business case development. This section explains how SELEP Ltd ensures that effective processes are in place.

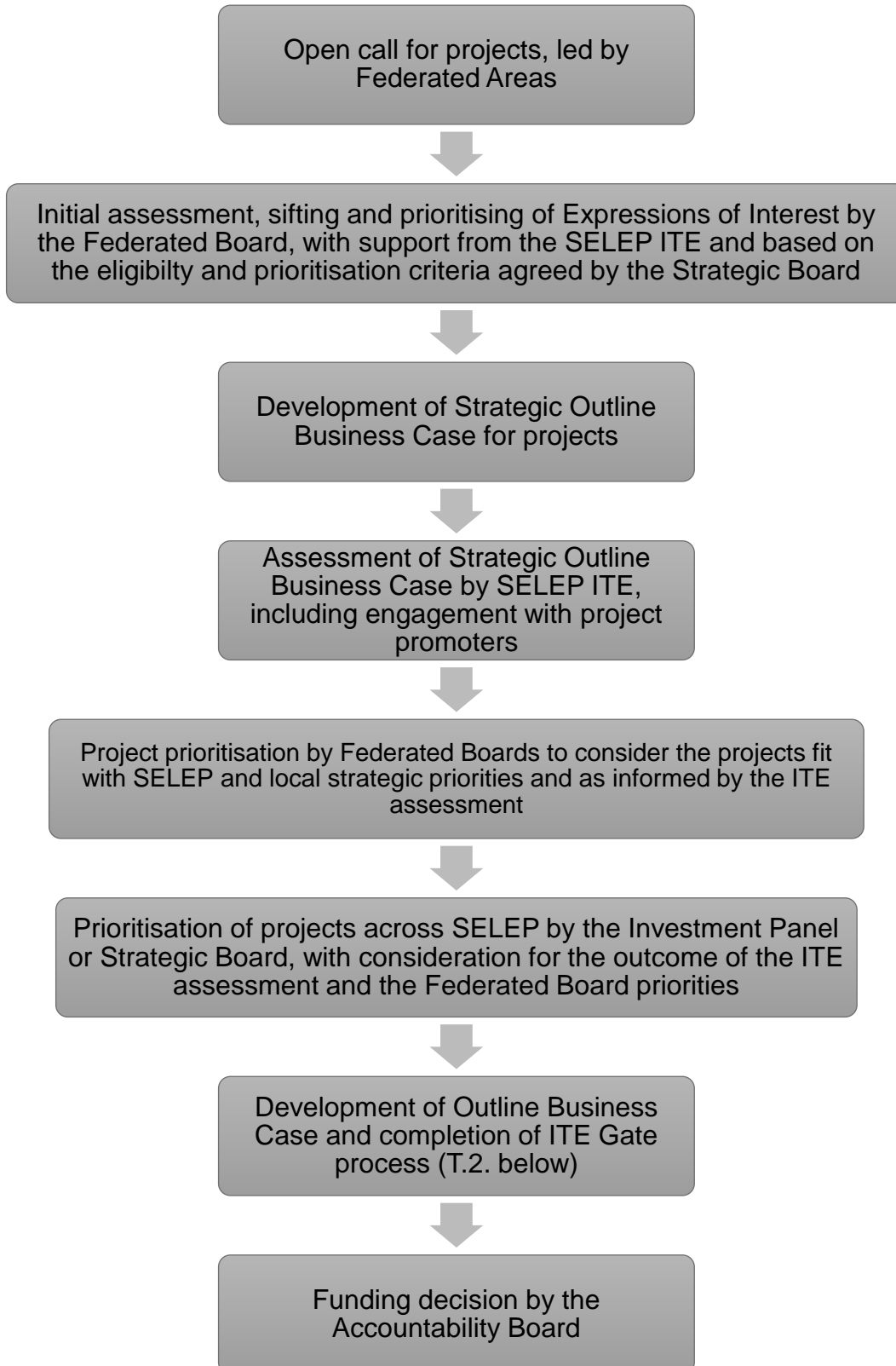
T. EFFECTIVE MANAGEMENT OF RESOURCES

- T.1. The use of resources by SELEP Ltd are subject to the usual Local Authority checks and balances. This includes the financial duties and rules which require councils to act prudently in spending, which are overseen and checked by the Responsible Chief Finance Officer of the Accountable Body, the Section 151 Officer.
- T.2. All SELEP Ltd funding transferred to partners is, by agreement, subject to audit by the Accountable Body and, where required, by external auditors appointed to provide the required assurances regarding appropriate use of the funding.
- T.3. Partners are required to maintain a robust audit trail of the use of Government funding, to demonstrate compliance in fulfilling its obligations regarding use of that funding.
- T.4. The Accountable Body will ensure that there are arrangements for local audit of funding allocated by SELEP Ltd which is equivalent to those in place for Local Authority spend.
- T.5. SELEP Ltd is required to ensure that there are arrangements for the funding of audit activity carried out by the Accountable Body.
- T.6. If the SELEP Ltd has additional funds running through its own accounts, they will ensure appropriate external audit arrangements in line with the Companies Act (2006) and consider relevant corporate governance best practice.
- T.7. Through the nominated Section 151 Officer (or equivalent) of the partner organisation, SELEP Ltd, in conjunction with the Accountable Body may undertake an audit of the partner's project to ensure the correct use of funding and may, if necessary, arrange for the recovery of any funds.



U. PRIORITISATION

U.1. Capital Grants (including LGF and GBF)



U.1.1. Some steps of this process may be combined if there are significant time constraints. This will be communicated to the Strategic Board and partners at the start of the process.



- U.1.2. Through adopting the recommendations of the MHCLG Deep Dive in 2018, the SELEP Ltd is committed to developing and maintaining a single pipeline of ~~projects~~.
- U.1.3. As SELEP Ltd covers such a wide geographical area, encompassing several local authorities facing competing challenges, the initial identification and prioritisation of projects is most effectively managed within local areas through the federated model.
- U.1.4. At the outset of a funding round, the Strategic Board will agree the specific project eligibility and prioritisation criteria to be applied through the process. The Strategic Board may also choose to agree an upper limit on the number of applications submitted and/or the total value of funding that can be sought by a Federated Board for a particular funding round.
- U.1.5. Upon the funding opportunity being launched by SELEP Ltd, scheme promoters will be invited to complete an Expression of Interest, using the SELEP Ltd template, for submission to the respective Federated Board.
- U.1.6. Federated Boards are required to identify and prioritise potential projects with support of the ITE through an open call for projects, publicised widely by SELEP Ltd, Partner Authorities and Federated Boards. As a minimum, funding opportunities are publicised on the website and through the media/social media.
- U.1.7. The initial assessment and sifting of ~~the~~ Expressions of Interest received will be undertaken by the Federated Boards, with support from the ITE, to identify the priority projects of the respective Federated Board to be taken forward to the next stage of assessment. The role of the ITE at this stage of the process will be to support local areas in ensuring the suitability of the projects for the funding call, that the projects meet the eligibility criteria and to help identify any showstopper issues.
- U.1.8. Through the initial Federated Board assessment, consideration will be given ~~to~~for the eligibility and prioritisation criteria, agreed by the Strategic Board for the specific funding opportunity and any upper limits on the number of applications and/or the maximum amount of funding that a Federated Board can seek during a particular funding round.
- U.1.9. At the Federated Board meeting, there must be a fair and equal opportunity for discussion around the relative merits of each of the projects put forward for the funding opportunity.
- U.1.10. For those projects supported by a Federated Board, the project promoter will be invited to develop a Strategic Outline Business Case, using the SELEP Ltd template. The Business Case will be assessed by the ITE, with feedback being provided to the project promoter and the respective Federated Board.
- U.1.11. Project prioritisation will then take place at a Federated Board level to consider each project's fit with the strategic priorities of SELEP Ltd and the Federated Area. This will be informed by the outcome of the ITE assessment and the Federated Board will be asked to focus on their top few priorities relative to the amount of funding available.
- U.1.12. Should the Federated Board choose to prioritise a project which has been assessed by the ITE as having delivery issues or other project constraints, the burden of proof will be on the respective Federated Board representative to demonstrate to the Investment Panel how the project risks or issues can be mitigated.
- U.1.13. The Federated Board will help inform the prioritisation of projects across SELEP and the information presented within the Investment Panel papers. The outcome of the ITE assessment



and the Federated Board prioritisation will be used to support the decision making, by the Investment Panel in agreeing a single SELEP Ltd prioritised list of projects.

- U.1.14. Overall responsibility for the prioritisation of projects at a SELEP Ltd level rests with the Strategic Board, but this role has been delegated by the Strategic Board to the Investment Panel, as a sub-committee of the Strategic Board. Strategic Board retains the right to revoke this delegation at any time.
- U.1.15. The specific eligibility criteria and prioritisation criteria for each funding round will be agreed by the Strategic Board at the outset of the process. As a minimum the prioritisation of projects for funding, will include an assessment of each project based on Her Majesty's Treasury's The Green Book: Appraisal and Evaluation in Central Government ([The Green Book](#)), and related departmental guidance. Prioritisation will give consideration to the five cases listed below:
- i. the strategic case - the project should be aligned with the [Economic Strategy Statement](#) [Recovery and Renewal Strategy](#) and support delivery of the objectives and outcomes contained within the plan;
 - ii. the economic case - the projects are expected to deliver high or very high value for money for investment of public funds;
 - iii. the commercial case - the proposed deal is attractive to the marketplace, can be procured and is commercially viable;
 - iv. the financial case - the project should demonstrate the proposed funding streams to finance the total project costs and the expected phasing of the funding. There is the expectation that opportunities will be sought to leverage private sector investment and other match funding to support delivery of the project;
 - v. the management case - the project should set a proposed plan for project delivery, evaluation, progress reporting and monitoring of benefit realisation. It should also include details of any risks and how these will be managed, including the costs of mitigating these risks.
- U.1.16. In prioritising projects, consideration will also be given to the phasing, suitability and availability of funding. The application of the five cases should be proportionate to the scale of intervention and the value of funding sought.
- U.1.17. Any amendments to the prioritisation methodology set out above to reflect, for example, additional funding criteria from Government, will be agreed by the Strategic Board and will be published on the website.
- U.1.18. Once project prioritisation has been completed, partners will be required to further develop their business case for investment prior to a funding decision by the Accountability Board.
- U.1.19. Before a project can be considered for inclusion in the single prioritised list, it must have been developed in consultation with the Federated Board, received Federated Board approval and S151 officer sign off from a Partner Authority.



U.1.20. For pan-LEP projects to be brought forward, they must also be prioritised by at least one Federated Area and have received Section 151 officer sign off from a Partner Authority.

U.2. GPF

U.2.1. On the 4th October 2019, the Strategic Board agreed the approach to the reinvestment of GPF capital funding and ~~this which~~ is [published on the -website.](#)

U.2.2. The first stage, for scheme identification and prioritisation, ~~is was~~ led by federated areas based on the submission of an expressions of interest form. The initial prioritisation by the Federated Boards considered ~~ed~~ the project's fit with the GPF eligibility criteria and the project's fit with local and SELEP strategic objectives. Each Federated Board ~~is was~~ asked to nominate projects to be submitted for consideration by ~~the~~ SELEP Ltd.

U.2.3. For projects nominated by Federated Boards, scheme promoters ~~are were~~ required to complete a strategic outline business case, which ~~will bewas~~ reviewed independently by the ITE (V.1.1 below).

U.2.4. The independent assessment ~~will bewas~~ conducted based on the following criteria, as agreed by the Strategic Board:

- i. need for Intervention;
- ii. viability;
- iii. deliverability;
- iv. expected Benefits;
- v. pace of benefit realisation; and
- vi. contribution to the establishment of a revolving fund.

U.2.5. Following the prioritisation of projects by the Strategic Board or Investment Panel, those projects which ~~are were~~ successfully allocated GPF ~~are were~~ required to complete Gate 2 of the business case review process (V.2.16 below), and fulfil the value for money requirements (V.3.2 below), prior to a funding decision by the Accountability Board.

U.3. SSF

U.3.1. On the 9th of June 2017, the Strategic Board approved the use of the GPF revenue grant to support the sector-focused activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP Ltd working groups. ~~Further funds were allocated to the SSF on 12 June 2020. This funding stream is now closed. for new projects.~~

U.3.2. The purpose of the Sector Support Fund (SSF) ~~is therefore was~~ to support one-off, discrete pieces of work of a pan-LEP nature, with a sector-focus that brings demonstrable benefits and has support across the SELEP area, including supporting recovery after the COVID-19 pandemic and offsetting ~~and~~ impacts of the UK's withdrawal from the EU. All applications ~~must had to~~ meet the criteria ~~a~~ set out in the SSF guidance published on the [website](#). The funding ~~will bewas~~ deployed on a first-come first-served basis for those projects that ~~meet met~~ the criteria.

U.3.3. Each bid ~~must had to~~ be supported by a completed [SSF application template](#).



- U.3.4. The appraisal of projects ~~will be was~~ conducted by the Secretariat, followed by an independent review by the Accountable Body.
- U.3.5. Projects which ~~are were~~ successful through the appraisal process ~~will be were~~ recommended to the Strategic Board for endorsement, prior to funding being approved by the Chief Executive Officer.
- U.3.6. There ~~will be was~~ an opportunity to submit SSF applications at least every six months, subject to sufficient funding being available within the annual allocation agreed by the Accountability Board. The lead dates for the submission of applications ~~will be were~~ made available on [the website](#).
- U.3.7. If the total amount of SSF sought ~~exceeds exceeded~~ the amount available, then the Strategic Board ~~will be would have been~~ asked to consider and prioritise the applications.

U.4. COVID-19 Recovery Funds

- U.4.1. Applications to deliver the COVID-19 Recovery Funds ~~will be were~~ conducted through an open and competitive procurement process.
- U.4.2. There ~~will be were~~ general principles for all procurements which ~~will include included~~ a LEP-wide approach, evidence of local employer support and collaboration and a good understanding of the local landscape in terms of the labour market, LEP Economic Strategy Statement and also existing programmes. Provision should not ~~have duplicated~~ national mainstream or local funding but should ~~have covered~~ gaps (e.g. industry qualifications). Support to specific cohorts ~~will be was~~ included, for example to address issues such as gender and ethnic diversity in certain sectors and support for particular age cohorts.
- U.4.3. The total £4.4million pot ~~will undergo underwent~~ evaluation for value for money in accordance with [Essex County Council](#)'s procurement processes.
- U.4.4. Programmes ~~will be were originally~~ expected to deliver within one year of being awarded the contract.
- U.4.5. All procurement ~~will be was~~ subject to other Assurance Framework requirements including openness and transparency, value for money and monitoring arrangements.
- U.4.6. The two streams of COVID-19 Funds ~~will be were~~ required to demonstrate programme level value for money before investment ~~is was~~ approved by Accountability Board.

V. BUSINESS CASE AND GATE ASSESSMENTS

V.1. Role of the ITE

- V.1.1. An independent technical evaluator (ITE) has been appointed by the Accountable Body on behalf of the SELEP Ltd, to provide impartial technical advice to the Strategic Board, the Accountability Board, Investment Panel and local project sponsors on value for money and project deliverability. They are required to make recommendations to the Accountability Board on funding decisions, taking into account the agreed criteria for funding, as set out in the value for money section (V.3.1 below).
- V.1.2. The ITE review and external scrutiny of business cases is the process through which ~~the partnership~~ ~~the partnership~~ assures that appropriate checks and balances are completed to ensure that fair and accurate information is presented to decision makers.



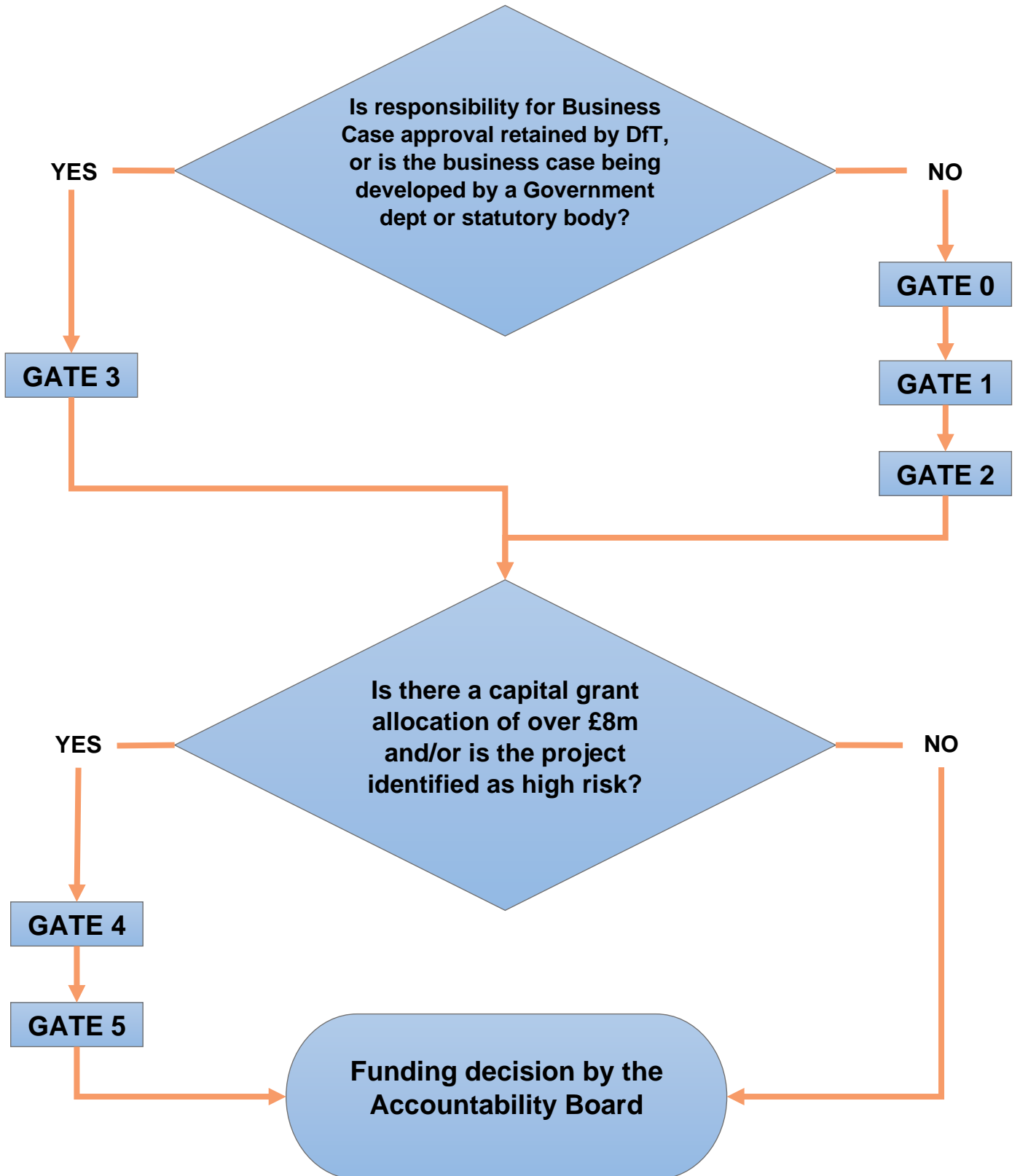
- V.1.3. The ITE assessment is based on adherence of individual -project business cases to the guidance set out in The Green Book (Q.8 above), and related departmental guidance such as the [Department for Transport's WebTAG](#) (Web-based Transport Analysis Guidance) or the [MHCLG Appraisal Guide](#). The Green Book, WebTAG and MHCLG Appraisal Guide provide proportionate methodologies for project business case appraisal. An assessment pro-forma has been developed based on the guidance and is [available on the Website](#).
- V.1.4. The pro-forma supports the assessment of each project on a consistent basis and is based on the five cases listed in U.1.15 above, and which reflects the Green Book approach.
- V.1.5. Each project is assessed and then given a RAG rating as follows:
- i. 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;
 - ii. 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 Gate 2 submission of the Business Case);
 - iii. 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 ITE assessment can be passed and recommendations made to the Accountability Board for the approval of the project.
- V.1.6. [All](#) funding decisions sought by the Accountability Board will be supported by a recommendation from the ITE.

V.2. Process from outline to full business case

- V.2.1. Business cases for all projects must include a value for money assessment and follow the Green Book (U.1.15 above) guidance on appraisal and evaluation.
- V.2.2. Business cases will also follow Government departmental guidance such as the Department for Transport's [Transport Analysis Guidance](#) (WebTAG) or similar non-transport guidance appropriate to their scheme with appropriate proportionality. Transport projects are defined, within MHCLG's National Assurance Framework (D.2 above), as any scheme that significantly changes the transport network infrastructure, whatever its objective.
- V.2.3. For transport schemes, central case assessments shall be based on forecasts consistent with the latest version of the [National Trip End Model \(NTEM\)](#) and the appraisal spreadsheets. Assumptions and outcomes must be included in the business case or supporting appendices to be considered by the SELEP Ltd and its appointed ITE.
- V.2.4. For skills schemes funded by capital grants, the business cases will be evaluated based on Skills Funding Agency good practice, advice and guidance, tailored to reflect local circumstances as appropriate, or other appropriate government guidance.
- V.2.5. Each business case will set out a statement of strategic and viable objectives and the specific outcomes that the scheme is intended to achieve.
- V.2.6. The business cases will include sign-off by the promoting partners Section 151 Officer, or equivalent, before being submitted to the SELEP Ltd for ITE review, as per the processes described (V.2.9 below). Where the business case has been developed by a Government



- department or other statutory body under value for money exemption 2 (V.3.3.ii below), written confirmation is required that an appropriate process has been followed to assure the value for money of this project. The allocation of funding for these business cases is still required to be approved by the Accountability Board.
- V.2.7. The ITE will ensure that the approach taken by partners is robust, consistent with technical guidance and able to withstand scrutiny. In so doing, the ITE will collaborate with partners to minimise the time and cost associated with preparing business cases by adopting practices which are proportionate to the scale of each project.
 - V.2.8. All business cases must provide a risk register, project programme, funding profile and monitoring and evaluation plan.
 - V.2.9. All capital grant projects which have received a provisional funding allocation and seek funding approval will progress through a business case development process, known as Gates 0 – 5.
 - V.2.10. Only certain capital grant projects will go through a Gate 4 and 5 review. This will include projects with an allocation of over £8m and/or ~~the projects is~~ identified as high risk by the ITE and/or SELEP Secretariat. These projects will be identified to the Accountability Board during the early gate submissions.
 - V.2.11. Business cases with a capital grant allocation of over £8m which include a programme of works, where no individual element exceeds a value of £5m, may not be required to go through a Gate 4 and 5 review. These projects will be agreed with Accountability Board on a project by project basis.
 - V.2.12. Projects will be exempt from Gate 4 and 5 reviews, if the decision to award the full funding allocation to the project was made in advance of 24th February 2017, except where necessitated through the Change Request Process (BB.1.1 below).
 - V.2.13. A Gate 4 and 5 review may also be required where a project change necessitates the review of the Project Business Case.





V.2.14. Gate 0:

- i. through the Capital Programme Manager, the ITE will provide early advice to project promoters on applying the assessment process on a project by project basis, including the appropriate approach and the process, procedures and timescales;
- ii. through a Gate 0 meeting or teleconference, the project promoters will agree with the ITE an approach to ~~the~~ project business case development which is considered proportionate to the project cost, capital grant ask and is fit for purpose.

V.2.15. Gate 1:

- i. following Gate 0, project promoters must develop a business case commensurate with an outline business case as guided by The Green Book guidance (V.2.20 below) on appraisal and evaluation or other relevant Government departmental guidance;
- ii. To progress through Gate 1, the ITE will assess the outline business cases using a standard assessment pro-forma, and will, in the first instance, make recommendations to the Capital Programme Manager, project promoter and relevant partners.

V.2.16. Gate 2:

- i. all projects will have an opportunity to make changes to the outline business case, following the receipt of feedback from the ITE Gate 1 assessment. Once resubmitted, the ITE will conduct the Gate 2 assessment, using the same assessment pro-forma as for Gate 1;
- ii. based on the Gate 2 assessment, recommendations will be made by the ITE to the Accountability Board on the value for money assessment and the certainty of that assessment's accuracy. The Accountability Board will then decide whether to approve the funding allocation. This may be subject to completion of Gates 4 and 5.
- iii. For projects which are required to complete Gates 4 and 5, a proportion of the funding can be approved following Gate 2, to support the capital spend on the development of the project, prior to full business case approval following Gate 5. The approval of funding on this basis is at the discretion of the Accountability Board and requires risk acceptance by the partner regarding repayment of the grant award, should the project not proceed to full delivery.

V.2.17. Gate 3:

- i. this is for projects for which the responsibility for business case approval is retained by the Department for Transport (DfT), or when the business case is being developed by another Government department or statutory body (excluding local authorities);
- ii. in these instances, the role of the ITE is to review the business case and provide professional advice to the Accountability Board on any key risks or issues arising that need to be considered by the Accountability Board to support the associated decision for funding.



V.2.18. Gates 4 and 5:

- i. large schemes with a capital grant allocation of over £8 million, and those considered high risk by the Accountability Board, will be required to go through Gates 4 and 5 to develop a full business case (if agreed with the Accountability Board on the completion of Gate 2);
- ii. as the project is further developed, costs could be significantly different from those estimated at outline business case stage, altering the value for money assessment. This change to project cost would also lead to a requirement for a review of a full business case under the change request process (BB.1.1 below);
- iii. Gate 4 is commensurate with Gate 0, outlining the approach, process, procedures and timescales for development of the full business case;
- iv. Gate 5 is an assurance review of the submitted full business case. The Gate 5 review should take place following detailed design and procurement of the construction contract, but in advance of the construction contract award and construction works commencing. It is not anticipated that this process is iterative. Based on the assurance review, recommendations are made by the ITE to the Accountability Board on the value for money assessment and the certainty of that assessment's accuracy. The Accountability Board will then consider approval of the project for funding.

V.2.19. For projects seeking funding to support the development of a specific business case, the role of the ITE will be to review the intention to develop the business case, and to provide professional advice to the Accountability Board on any key risks or issues arising from that assessment. In such instances, it is expected that the advice will include an indication of whether the business case to be developed will be expected to meet the value for money assessment criteria (V.3.2 below).

V.2.20. Where a package of investment projects is being considered for capital grant funding, the partner may bring smaller packages or projects forward through the gate review process as appropriate. Each individual project within the programme should demonstrate benefits which contribute to the strategic and economic objective of the overall programme. The business case should provide evidence that double counting of project benefits has not taken place.

V.2.21. Projects are defined as a package of investment if:

- i. there is a clear strategic case which is consistent for all the packages of investment;
- ii. consistent strategic objectives are defined for the package of investment;
- iii. there is clear evidence that the project directly contributes to the benefits of the package of investment;
- iv. there is clear evidence that the delivery of the project forms an integral part of the programme's strategic objectives and value for money being achieved; and
- v. an ITE review of the package of investment has been completed which confirms that the overall package of investment demonstrates high value for money.



- V.2.22. Where the capital grant allocation to individual projects within a package of investment does not exceed £8m and the package does not present high risk, the package will be exempt from completing Gates 4 and 5.
- V.2.23. The Gate 2 outline business case for the project will be published on the website when it is submitted to the Secretariat and ITE for the Gate 2 review. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision will be taken, subject to the removal of those parts which are commercially sensitive and confidential (Q.9 above).
- V.2.24. For those projects completing a Gate 4 and 5 review, the full business case will also be updated at the point of Gate 5 submission to the Secretariat and ITE. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision will be taken, subject to the removal of those parts which are commercially sensitive and confidential.
- V.2.25. The cost of the ITE completing one review at each gate of the business case review process will be funded through the Secretariat revenue budget for all projects identified within the Growth Deal programme, subject to the County and Unitary Councils maintaining the level of their contribution to the Secretariat budget. Local Authorities may be required to directly fund ITE costs subject to Board agreement.
- V.2.26. The cost of an ITE review of a business case will be funded by the partner where a project change request (BB.1.1 below) has triggered the review of the business case on more than one occasion, and where a gate review process needs to be repeated due to:
- the business case being insufficiently well developed to complete a gate of the ITE review process; or
 - the ITE having not been provided with the necessary information to enable them to complete a gate of the review process and make recommendations to the Accountability Board.
- V.2.27. Projects seeking GPF capital loan funding will be required to complete Gate 2 of the business case review process (V.2.9 above) and fulfil the value for money requirements (V.3.2 below).
- V.2.28. Projects seeking funding from the SSF ~~were~~ will be subject to an independent review by the Accountable Body proportionate to the investment requested, and in line with the process for awarding the funding as agreed by the Strategic Board in June 2017 and published [on the website](#).
- V.2.29. Any other funding awards will follow the terms and conditions of the grant from the respective awarding body.

V.3. Recommendations to the Accountability Board

- V.3.1. The ITE shall ensure that all evidence provided by ~~the~~ partners, including value for money, is robust and relevant. They will report back to partners on any inconsistencies that need to be addressed before the ITE review can be completed and the funding decision taken to the Accountability Board. Value for money is assessed based on the methodology outlined in The Green Book (Q.8 above) published by the Treasury or alternative appropriate Government guidance; this assessment includes the calculation of the benefit to cost ratio, which forms part of the value for money assessment.



- V.3.2. To receive a recommendation for approval, projects should have:
- i. a clear rationale for the interventions linked with the strategic objectives identified in the ~~Economic Strategy Statement or other~~ Strategy approved by Strategic Board;
 - ii. clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;
 - iii. consideration of deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood); and
 - iv. a benefit to cost ratio of at least 2:1 or comply with one of the two exemptions listed (V.3.3 below).
- V.3.3. Certain projects may be eligible for exemption from the condition stated in (d) above, under one of the following exemptions:
- i. Exemption 1 (all criteria ~~ai-ew~~ must be met):
 - a. the project has a benefit to cost ratio greater than 1.5:1, or the project benefits are notoriously difficult to appraise in monetary terms; and
 - b. the funding sought from the SELEP Ltd is less than £2m; and
 - c. to conduct further quantified and monetised economic appraisal would be disproportionate to the capital funding ask; and
 - d. there is an overwhelming strategic case (with minimal risk in the other cases of the business case); and
 - e. there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.
 - ii. Exemption 2 (all criteria ~~ai-ew~~ must be met):
 - a. the project has a benefit to cost ratio of over 1:1; and
 - b. there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the ~~Economic Strategy Statement or other~~ agreed SELEP strategy; and
 - c. there is demonstrable additionality which will be achieved through investment to address a clear market failure; and
 - d. there are no project risks identified as high-risk impact, and with high probability of that risk occurring, after risk mitigation measures have been considered; and
 - e. there are assurances provided from at least one of the organisations identified below that the project business case, including value for money, has been considered and the



organisation have approved the project for funding through their own assurance processes:

- a Government department;
- Highways England;
- Network Rail;
- Environment Agency;
- Skills Funding Agency; or
- Other Government Agency.

- V.3.4. On completion of a business case review, the ITE will make recommendations to the Accountability Board on projects that perform well against the assessment criteria and therefore should be funded. Where projects do not perform well against the assessment criteria, recommendations will be made back to SELEP Ltd and the promoting authority to either further develop the case for the project, or to consider alternative options.
- V.3.5. The Accountable Body will ensure that all projects sent for approval to the Accountability Board include a value for money statement that has been prepared in line with the requirements set out in this Assurance Framework.
- V.3.6. When funding decisions are considered by the Accountability Board, the Accountability Board reports include:
- a. the outcome of the ITE assessment;
 - b. the availability of funding;
 - c. details of any high project risks;
 - d. the alternative project options which have been considered;
 - e. any comments received by SELEP Ltd directly (prior to the publication of the report) from members of the public or other stakeholders, in relation to the project.
 - f. consideration as to whether the funding decision is compliant with the requirements of this Assurance Framework;
 - g. impartial advice and recommendations from the Secretariat on whether to fund the project under consideration; and
 - h. Accountable Body comments on the legal and financial implications of the funding decision.
- V.3.7. The project business case is also made available as a background document to the Accountability Board report.



- V.3.8. Successful projects will progress to delivery. Unsuccessful projects will be considered by the local partner for revision or will be removed from the programme.
- V.3.9. The Accountability Board is required to agree the removal of any project from the capital programme regardless of funding stream. The Strategic Board will be informed of any amendments or removal of any projects to and from the pipeline of projects which have been provisionally allocated or awarded funding.
- V.3.10. The Secretariat's Capital Programme Manager has overall responsibility for ensuring value for money for all projects and programmes and is responsible for overseeing the ITE assessment and recommendations relating to each business case. The Capital Programme Manager is required to act independently from the project promoting the business case, and to sit outside the management unit responsible for developing and promoting the business case.
- V.3.11. SELEP Ltd will seek assurances from the Section 151 Officer or equivalent responsible financial officer of the promoting partner that the value for money assessment is true and accurate.

W.APPROVING FUNDING

- W.1. All funding decisions are taken by the Accountability Board, unless they are decisions made under the Chief Executive Officer's delegated responsibilities, within the SELEP budget approved by the Accountability Board. The Chief Executive Officer delegation (J.1.7 above) operates within the Accountable Body's approved scheme of delegation.
- W.2. All funding decisions made by the Accountability Board or Chief Executive Officer to approve funding for a specific project or programme must be supported with a robust, independently assessed business case. Impartial advice on the merits of project business cases is provided by the independent technical evaluator (ITE).
- W.3. A decision which is made in contravention of the process set out in this Assurance Framework will be invalid due to non-compliance.
- W.4. **Devolution of Capital grants**
 - W.4.1. To devolve capital grants, the Accountable Body ensures that there is a service level agreement (SLA) or grant agreement in place with the respective Partner Authorities which sets out the minimum requirements and expectations relating to the grant allocations. This includes but is not limited to:
 - i. providing grant funding to the relevant Partner Authority for all schemes within its area (approved by the Accountability Board following ITE appraisal);
 - ii. devolving responsibility for all relevant requirements, including clawback provisions if applicable, as specified or intended by the grant awarding body;
 - iii. adhering to all Government grant conditions;
 - iv. any monitoring or reporting requirements; and
 - v. committing the Partner Authority to be responsible for any project overspend.
 - W.4.2. For Capital Skills funding, the Accountable Body ensures that there is a grant agreement in place (on similar terms to the SLA) between the Accountable Body and the respective college



before any funding is released. The Accountable Body will only transfer grant funding for the purpose of delivering the project for which the grant has been awarded, if the following conditions are met:

- i. the grant allocation must have been approved by the Accountability Board, in line with the business case development (V above) and value for money (S above) assurance process;
- ii. a copy of the respective SLA or grant agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and
- iii. the Accountable Body is in receipt of the grant from the Government.

W.4.3. The grant for each Capital Grant Project will be paid in accordance with the SLA.

W.4.4. The amount of capital grant transferred to the partner in relation to a project will not exceed the capital grant spend approved by the Accountability Board.

W.4.5. The partner's Section 151 Officer or equivalent responsible financial officer is required to carry out the normal stewardship role, in terms of monitoring and accounting in respect of any capital grants received by the Partner Authority. The Partner Authority is responsible for providing regular reports to the Accountable Body and the Secretariat's Capital Programme Manager to enable quarterly reporting to the Accountability Board and Government.

W.5. Devolution of GPF

W.5.1. The Accountable Body ensures that there is a loan agreement in place between the Accountable Body and the respective partner for any GPF capital loans before funding is released.

W.5.2. The funding for each allocated GPF project will be paid to the partner in advance, provided that the following conditions are met:

- i. The loan allocation must have been approved by the Accountability Board, in line with the business case development (V above) and value for money (S above) assurance process.
- ii. A copy of the respective loan agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and
- iii. The Accountable Body is in receipt of sufficient funds from the repayment of existing GPF loans.

W.5.3. The Partner Authority's Section 151 Officer or equivalent responsible financial officer is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of the GPF received by the Partner Authority. The Partner Authority is responsible for providing regular reports to the Accountable Body and the Secretariat's Capital Programme Manager to enable quarterly reporting to the Accountability Board.

W.5.4. Following approval of funding for a GPF capital project by the Accountability Board, a capped contribution from the SELEP Ltd via the Accountable Body will be made to the project cost. The Partner Authority will be responsible for all cost increases that may occur through the delivery period.



W.5.5. Where the GPF project is not being delivered by the partner, the partner is required to enter into a loan agreement with the project delivery body. This agreement ensures the delivery of the project in compliance with the conditions of the loan agreement between the Accountable Body and the partner.

W.6. Revenue Grants (including Sector Support Fund)

W.6.1. Regarding revenue grant funding (except COVID-19 Recovery Funds), the Accountable Body ensures that there is a grant agreement in place between the Accountable Body and the respective partner before any funding is released.

W.6.2. The funding for each allocated revenue grant project will be paid to the partner in advance, provided that the following conditions are met:

- i. The established application process must be followed, where required, such as that in place for the Sector Support [Fund F](#)funding process (U.3U.3 above);
- ii. The revenue grant allocation must have been approved either by the Accountability Board or by the Chief Executive Officer, in line with Chief Executive Officer responsibilities [+](#);
- iii. A copy of the respective grant agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and
- iv. The Accountable Body is in receipt of sufficient funding.

W.6.3. The Section 151 Officer or equivalent responsible finance officer within the respective Partner Authority is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of that funding. The Partner Authority is responsible for providing regular reports to the Accountable Body and the Chief Executive Officer to enable biannual reporting to the Strategic Board.

W.6.4. Following approval of funding by the Chief Executive Officer, a capped contribution from the SELEP Ltd via the Accountable Body will be made to the project cost. The Partner Authority will be responsible for all cost increases that may occur through the delivery period.

X. MONITORING AND EVALUATION

X.1. **SELEP is subject to an assurance process managed by the Department of Levelling Up, Housing and Communities (DLUHC), which consists of a Mid-Year Review and an Annual Performance Review.**

X.2. Partner Authorities refers to the six County and Unitary Councils across the SELEP area.

X.3. The County and Unitary Councils are:

- X.3.1. East Sussex County Council;
- X.3.2. Essex County Council;
- X.3.3. Kent County Council;
- X.3.4. Medway Council;
- X.3.5. Southend-on-Sea [CityBorough](#) Council; and
- X.3.6. Thurrock Council.



- X.4. In receiving LGF or other funding, and entering into a service level agreement (SLA), loan agreement or grant agreement, Partner Authorities are responsible for:
- X.4.1. Ensuring the delivery of projects, including the outputs, outcomes and spend of funding received through the SELEP Ltd and local funding contributions, to the scope agreed in the Business Case;
 - X.4.2. Providing regular and accurate reporting to the Secretariat on projects;
 - X.4.3. Reporting on a quarterly basis for all projects receiving funding from the SELEP Ltd, unless the SLA or grant agreement specifies otherwise. This funding must be completed in the format and to the timescales specified by the Secretariat;
 - X.4.4. Ensuring sufficient resource is allocated to support the delivery and the post-scheme monitoring and evaluation of all projects;
 - X.4.5. Complying with the conditions of the respective SLA, loan agreement or grant agreement under which funding has been transferred;
 - X.4.6. Providing briefings to Accountability Board members, which, as a minimum, should include project updates and decisions being presented to the Accountability Board for all areas, not just in relation to the decisions impacting their own area.
- X.5. For all GPF and capital grant projects that are awarded funding by the SELEP Ltd, the partner will be required to provide an initial project programme including:
- X.5.1. An outline/detailed design;
 - X.5.2. statutory requirements;
 - X.5.3. consultations;
 - X.5.4. procurement;
 - X.5.5. construction;
 - X.5.6. a statement of expected outputs and outcomes;
 - X.5.7. a risk assessment.
- X.6. Partner Authorities are required to submit regular detailed project monitoring reports at quarterly intervals for all GPF capital and capital grant projects. This process will be managed by the Secretariat's Capital Programme Manager and will enable ongoing monitoring and evaluation of individual projects and the impact of the overall programme.
- X.7. Through the delivery and completion of projects, SELEP Ltd will ensure that the publicity of projects meets with the Governments branding guidelines where this applies. This includes the use of the appropriate branding and wording for websites, signage, social media, press notices and other marketing materials.
- X.8. A proportionate approach to monitoring and evaluation will be implemented, ensuring that evaluation objectives relate back to the business case and builds on assumptions used in the appraisal process.
- X.9. Monitoring and evaluation will focus on outcomes that are most relevant to the impact of the project's objectives, as defined in the project business case, but will include where appropriate an evaluation of the impact of the intervention on the following outcomes:
- X.9.1. housing unit completion;



- X.9.2. jobs created or safeguarded;
 - X.9.3. commercial/employment floorspace completed;
 - X.9.4. number of new learners assisted;
 - X.9.5. area of new or improved learning/training floor space; and
 - X.9.6. apprenticeships.
- X.10. Partner authorities for capital grant projects must provide monitoring reports on the following measures, and any others identified by Government, to the Secretariat for each project:
- X.10.1. grant spend to date and spend forecast across the agreed profile;
 - X.10.2. spend to date and forecast spend of matched contributions and funding leveraged compared to the agreed profile;
 - X.10.3. project delivery against agreed milestones;
 - X.10.4. identified risks and associated mitigations;
 - X.10.5. outputs and outcomes forecast and delivered to date against the agreed profile; and
 - X.10.6. identified Project Changes, as set out in BB.1.1 below.
- X.11. Each Partner is required to provide reports to the Capital Programme Manager in advance of each Accountability Board meeting, in a format specified by the Secretariat.
- X.12. Each partner has identified a Lead Responsible Officer who is accountable for ensuring that the LGF [and GBF](#) project reporting is completed in full and to the timescales required by the Secretariat
- X.13. To facilitate the gathering and discussion of the reporting, a Programme Consideration Meeting will be held [at least](#) a month in advance of each Accountability Board meeting to bring together the Lead Responsible Officer, or their nominated delegate, for capital grant spend from each federated area.
- X.14. The Programme Consideration Meetings are held to ensure a coordinated approach to the management of the Capital Programme, in accordance with the Assurance Framework, grant agreements and SLAs in place between the Accountable Body and the partners.
- X.15. The responsibilities of the Programme Consideration Meeting group are to:
- X.15.1. report and agree capital grant spend forecast against each specific project included in the Growth Deal to be reported to the Accountability Board;
 - X.15.2. agree the capital grant spend forecast for the next quarter transfer of grant, in line with the conditions of the SLAs and/or grant agreements;
 - X.15.3. agree the risk score for each specific [pP](#)Project in the Capital Programme and the mitigation to be put in place during the next quarter to manage project risk;
 - X.15.4. agree the [pP](#)Project outcomes to be reported to Government;
 - X.15.5. share lessons learnt from the delivery of capital projects;
 - X.15.6. support the Capital Programme Manager in managing the capital programmes in accordance with the Assurance Framework, grant agreements, loan agreements and SLAs in place between the Accountable Body and the partners;
 - X.15.7. report on the GPF capital investment to date and planned GPF capital spend;



- X.15.8. receive updates on the delivery of GPF projects;
- X.15.9. identify risks in relation to GPF capital project delivery and the repayment of GPF loans.



- X.16. The Programme Consideration Meeting group does not have authority to make decisions over the management of the capital programmes. However, all recommendations of the Programme Consideration Meeting group are reported to Accountability Board for consideration and formal approval. Full Terms of Reference for the Programme Consideration Meeting group are available on the [website](#).
- X.17. In addition to the quarterly updates on the delivery of capital grant projects, projects are also required to complete one-year post-scheme evaluation and three/five-year post-scheme evaluation reporting, following the SELEP Ltd.'s standard project evaluation templates for all projects.
- X.18. The one-year post-scheme evaluation focuses on the delivery of the outputs stated within the original business case. This provides a review of the lessons learnt through the development and delivery of the project, as well as considering any project outcomes achieved to date. This one-year post-scheme completion must be completed by the end of the subsequent financial year following project completion.
- X.19. The three/five-year post-scheme evaluation focuses to a greater extent on the delivery of the outcomes of the project. For projects with a total project cost of less than £8 million, the three/five-year post-scheme evaluation must be completed within three years of post-scheme evaluation. For projects with a scheme cost of over £8 million the three/five-year post-scheme evaluation must be completed ~~by~~ within five years of project completion.
- X.20. Projects are exempt from the requirement to complete one year and three/five years post-scheme evaluation if plans are in place for the evaluation of the project through an alternative Government department, Government-owned company or non-departmental public body, and the outcome of which can be shared with the SELEP Ltd.
- X.21. The monitoring and evaluation reports, completed by local partners, will be subject to independent review by the SELEP Ltd.
- X.22. All monitoring and evaluation reports discussed at the Accountability Board, Investment Panel and the Strategic Board will be published on [the website](#) on individual project pages.
- X.23. Federated Boards will manage programmes within the agreed tolerance levels, and report regularly to the Accountability Board regarding delivery and risks. Changes required to projects outside the tolerance levels, or any significant modifications to project scope, outputs or outcomes arising during development or even construction, must be clearly reported for decision prior to implementation.
- X.24. For SSF projects, the Partner Authority is required to provide the Strategic Board with project updates [at least](#) twice a year. The reporting, monitoring and evaluation requirements for SSF projects will be proportionate to SSF award and the overall scale of the project. It is expected that the respective working group for the SSF project will have an active role in overseeing the delivery of the project and considering any project changes, prior to submission to the Secretariat for approval (BB.3.1 below).
- X.25. For COVID-19 Recovery Funds, the Project Manager is required to provide the Strategic Board with project updates twice a year. The reporting, monitoring and evaluation requirements for COVID-19 Recovery Fund projects will be proportionate to the award and overall scale of the project.

Y. MANAGING PROJECT SLIPPAGE

Y.1. LGF



- Y.1.1. Through effective management of the Capital Programme, opportunities are sought to reduce the levels of slippage in grant spend in any given financial year. However, where slippage exists, approval can be sought from the Accountability Board to implement mitigation.
- Y.1.2. The Accountability Board has approved a range of measures to enable slippage in spend of the LGF to be managed; these are embedded within the SLAs. This enables the partner, subject to the approval of the Accountability Board, to manage any slippage of the funding between financial years within one of the following options:
- i. Option 1: increase the amount of LGF spend in ~~2019/20~~the current financial year for projects which were already profiled to spend LGF in the financial year 2019/20.
 - ii. Option 2: bring forward LGF spend in the current financial year 2019/20 for projects which are not due to spend LGF until future financial years 2020/21;
 - iii. Option 3: transfer LGF spend on schemes between Partner Authorities (this will be completed as a direct payment from Accountable Body to the Partner Authority, subject to Accountability Board agreement, under the grant payment process set out in the respective legal agreement for the project).
 - iv. Option 4: re-profile spend between LGF projects and Capital Programme projects. This option should only be applied where there is no opportunity to apply options 1, 2 or 3, and federated areas are encouraged to only apply option 4 mitigation as a last resort.
 - v. Option 5: Any LGF held by the Accountable Body on behalf of -SELEP Ltd at the end of financial year to be carried forward into the subsequent financial year.
- Y.1.3. The Accountability Board can approve the implementation of the five options listed above, where these options are permitted under the grant conditions from Central Government relating to the specific funding stream.

Y.2. GPF

- Y.2.1. Where a project is unable to spend the full amount of GPF which has been allocated and transferred to the Partner Authority within a financial year, the Partner Authority may carry forward the GPF within partner accounts, subject to approval by the Accountability Board.
- Y.2.2. The Partner Authority will be required to declare the amount of GPF spent and GPF carried forward at the end of each financial year.

Y.3. GBF

- Y.3.1. Funding cannot slip beyond the stated end date of 31 March 2022 unless agreed by the Accountability Board. The risk of clawback will be passed by SELEP and the Accountable Body to the upper tier authorities via an SLA Grant Agreement, the risk will not be borne by SELEP or the Accountable Body.
- Y.3.2. Following consideration of the outcome of the review of GBF projects, the Accountability Board agreed that all projects forecasting GBF spend beyond March 2022 must meet the following requirements:
- i. All GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023, with the exception of spend extending into Q1



2023/24 for projects which received funding in Q4 2022/23, and in other exceptional circumstances.-

- ii. All planning requirements must be met by 15 July 2022.
- iii. All other (non-planning) required consents and approvals must be received by 15 July 2022.
- iv. Contractual commitments must be in place with the construction contractor by 30 September 2022.
- v. Any changes to total project cost (prior to construction contract award) and forecast benefits must be reported to the SELEP Secretariat to enable ongoing monitoring of the value for money offered by the project.
- vi. Ongoing reporting to the SELEP Secretariat on progress towards project delivery including provision of updated delivery milestones and notification of any changes to the funding sources identified to support project delivery must be provided.

Y.3.3. It was recommended to the Board in July 2021 that, should any projects not meet the criteria outlined at Y.3.2. seek an extension to GBF spend beyond 31 March 2022, the Accountability Board agree that the funding be reallocated to alternative projects on the GBF pipeline which can meet the conditions and criteria at Y.3.2.

Y.3.3.Y.3.4. Whilst there is a continuing expectation that GBF funding awarded to support delivery of projects should be spent in full by 31 March 2023, the Accountability Board has noted that GBF funding awarded to support project delivery in Q4 2022/23 can be retained against the respective project to the end of Q1 2023/24, subject to consideration of the criteria listed at Y3.2 and receipt of Accountability Board approval. In addition, funding can be retained against other projects within the GBF programme to the end of Q1 2023/24 in exceptional circumstances only, subject to consideration of the criteria listed at Y3.2 and receipt of Accountability Board approval. If Accountability Board approval is not received, GBF funding which remains unspent at the end of any extension previously granted, may be subject to clawback by the Accountable Body and reallocation to alternative projects.

Z. MANAGING CAPITAL GRANT UNDERSPENDS

Z.1. Local Growth Fund

- Z.1.1. Under the terms of the SLAs, the Partner Authority may retain the proceeds of project underspends for use on other LGF schemes or to offset overspend, if this is within the tolerance levels of no more than 10% variance on any individual LGF project. As part of the ongoing reporting process, the Accountability Board will be informed of such amendments to support its assurance function.
- Z.1.2. As stated in BB.1.1 below, a project cannot receive an additional LGF allocation which exceeds the 10% threshold; i.e. an additional LGF allocation which exceeds the projects original LGF allocation by greater than 10%, unless additional funding is allocated by the Investment Panel or Strategic Board through the prioritisation of the project following a competitive call for projects.



- Z.1.3. If any LGF underspend is identified below the 10% threshold, and a suitable LGF project is identified locally which requires the funding, then this funding may be retained locally (if this does not exceed the 10% threshold of the project to which the underspend is being transferred). In the event of underspends being identified on a specific project of below the 10% threshold, but no alternative LGF project being identified locally which can spend the LGF allocation without exceeding its 10% threshold, then the funding must ~~also~~ be returned to the Accountable Body on behalf of SELEP Ltd.
- Z.1.4. In the event of LGF underspend being identified which exceeds the 10% threshold of the project's LGF allocation, this must be returned to the Accountable Body on behalf of SELEP Ltd for reinvestment in projects included in the LGF pipeline.
- Z.1.5. In the event of a project being cancelled from the LGF programme, the expectation is that the LGF allocation would be returned to SELEP Ltd for reinvestment in projects included in the LGF pipeline, unless a project change is approved by the Accountability Board, or the Accountability Board agree a compelling reason not to recover the LGF spend to date (assuming the expenditure remains a capital cost and continues to comply with the requirements of this Assurance Framework).
- Z.1.6. In circumstances where funding received by partners can no longer meet the conditions of the grant, as set out in the relevant grant agreement or SLA, the funding must be returned to the Accountable Body as soon as reasonably possible. The Accountability Board will be responsible for its future allocation in accordance with this Assurance Framework.
- Z.2. Other funding streams
- Z.2.1. Any underspend must be returned to the Accountable Body on behalf of SELEP Ltd, in accordance with the requirements of the respective legal agreement for the funding, for reinvestment in pipeline project(s).



AA. PIPELINE MANAGEMENT

- AA.1. In the case of capital grant underspend being identified and returned to the Accountable Body on behalf of SELEP Ltd, the Accountability Board may award funding to a project included within the pipeline(s) of projects agreed by the Investment Panel or Strategic Board for that funding stream, based on the amount of funding available.
- AA.2. Provided enough funding is available, capital grant should be allocated to the next priority identified within the pipeline(s) of -projects agreed by the Investment Panel or Strategic Board.
- AA.3. As underspend becomes available, the highest ranked project on the appropriate pipeline will be made aware of the opportunity to come forward with an updated outline business case for a Gate 1 and 2 review, prior to a funding decision being sought from the Accountability Board.
- AA.4. If there is insufficient -underspend available to fund the next project included within the pipeline, then the Accountability Board can agree to hold a funding decision for a maximum of six months (from the point of the Accountability Board being aware of the underspend), until enough underspend is made available. If insufficient funding is available after six months, the next project on the appropriate pipeline which can utilise the amount of capital grant available will be brought forward for consideration by the Accountability Board for a funding award.
- AA.5. The funding pipelines will be reviewed by the Investment Panel, at the request of the Strategic Board.

BB. CHANGE CONTROL

BB.1. Capital Grant Programmes

- BB.1.1. 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. The following changes would require approval by the Accountability Board:
- i. cancellation of a project which has received a provisional funding allocation-;
 - ii. inclusion of a new project within the capital programme which has been identified within the SELEP Ltd.'s pipeline;
 - iii. acceleration of a project previously programmed to start in later years;
 - iv. delays to project start or end dates of more than six months;
 - v. all changes to project capital grant allocations above the 10% threshold;
 - vi. any re-profiling of capital grant between financial years;
 - vii. any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;
 - viii. any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the value for money assessment. In such circumstances, it is expected that the business case should be re-evaluated by the ITE; and



ix. any further changes as may be defined by the Government.

- BB.1.2. The partner shall not make any change to projects, as listed in BB.1.1 above, without the Accountability Board's prior approval.
- BB.1.3. Where there is a change to the nature of the project outcomes to be delivered through the intervention, or there is a change to the theme of the project (e.g. transport, housing, business support, flood management, skills, innovation), then this will be treated as the cancellation and introduction of a new project rather than a project change.
- BB.1.4. Where it is less apparent as to whether there is a project change or whether a new project is being developed, then the Accountability Board will be asked to consider these decisions on a case by case basis. -Furthermore, any proposals by Partner Authorities to reallocate ~~ion-of~~ capital grant underspend within a package of investment (as defined in Z.1 above), is also subject to consideration and approval by the Accountability Board on a case by case basis.
- BB.1.5. The partner and Accountable Body will abide by any alternative definition of change, and any approval process for reporting change, as imposed by the Government.
- BB.1.6. A copy of the change request template is available on [the website](#). It is expected that the project change will be agreed by the local delivery partners processes prior to submission to the SELEP Ltd. This includes the review of the change request by finance officers and a Senior Responsible Officer within the Partner Authority.
- BB.1.7. Where a project is found to be non-compliant with the SLA under which the funding was transferred, the project will be brought to the attention of the Accountability Board and a decision sought as to the appropriate action to be taken. There must be compelling justification for any decision to not pursue recovery of capital grant spent against the conditions of the SLA where there are legal grounds to do so.

BB.2. GPF

- BB.2.1. Any variations to a GPF project's costs, scope, outcomes or outputs from the information specified in the business case must be reported to the Accountability Board. The following changes would require approval by the Accountability Board:
- i. cancellation of a project ~~that~~ which has ~~sd~~ received a provisional funding allocation;
 - ii. acceleration of a project previously programmed to start in later years;
 - iii. delays to project start or end dates of more than six months;
 - iv. all changes to a project's GPF allocation;
 - v. any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;
 - vi. any changes to the GPF repayment schedule;
 - vii. any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the value for money assessment. In such circumstances, it is expected that the business case should be re-evaluated by the ITE; and



viii. any further changes as may be defined by the Government.

BB.2.2. The partner shall not make any change to projects, as listed in i-viii without the Accountability Board's prior approval.

BB.3. SSF

BB.3.1. Any variations to an SSF project's costs, scope, outcomes or outputs from the information specified in the application must be reported to the Secretariat prior to implementation.

BB.3.2. Where there are changes to the scope and/or SSF allocation, the project promoter is required to complete [an](#) SSF Change Request Form, using the SELEP Ltd template. For minor changes, which are in keeping with the scope and benefits stated in the original application, the SELEP Ltd Chief Executive Officer will consider the approval of the change request.

BB.3.3. For more substantial changes to the scope of the project and/or expected benefits the project promoter is required to update the SSF application template for an updated independent review by the Accountable Body and endorsement by the Strategic Board, prior to the change being agreed by the SELEP Ltd Chief Executive Officer.

BB.3.4. Change requests must be considered by the lead Partner Authority for the project, prior to submission to the Secretariat.

BB.3.5. If the project change is not agreed and the conditions of the grant cannot be satisfied, the applicant will be required to repay the grant to the Accountable Body on behalf of SELEP Ltd, as per the conditions of the agreement.

BB.4. COVID-19 Recovery Funds

BB.4.1. Any changes to a project's costs, scope, outcomes or outputs must be reconsidered by the Assessment Panel that originally prioritised the funding.

BB.4.2. If a project is unable to proceed or the Assessment Panel decides that it cannot proceed, the processes will follow the Accountable Body procurement processes for ending a contract.

BB.4.3. If underspend results in additional funding becoming available, new projects will be selected in alignment with the Accountable Body procurement processes.



SECTION 8: GLOSSARY

Accountability Board	The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board. The Accountability Board operates under a Joint Committee agreement, agreed by each of the six Partner Authority members including, East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend on Sea CityBorough Council and Thurrock Council.
Accountable Body	Essex County Council, who retains overall legal accountability for the investment programme, supported by Essex’s Section 151 Officer.
Additionality	The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.
Branding Guidelines	The guidelines issued by the Ministry of Housing Communities and Local Government to provide clarity on how LEPs should use Government branding to help promote projects via Local Growth Fund or other UK Government funded projects and collaborate on external communications opportunities.
Call-in	Call-in provides an opportunity to ensure that the SELEP Ltd adheres to the principles of good decision-making. Local Authority Scrutiny Committees have the power to call in and scrutinise the decisions before they are implemented. Under the Accountability Board Joint Committee Agreement, each of the six Partner Authorities has the ability to challenge a decision made by the Accountability Board.
Capital Cost	Capital grant allocations received by SELEP from Central Government may only be used for the purposes that a capital receipt may be used, in accordance with regulations made under section 11 of the Local Government Act 2003.
Co-opted members	Board members appointed by the board.
Deadweight	It is the proportion of total outputs/outcomes that would have been secured without the investment in question.
Devolution	The transfer or delegation of power to the Federated Boards by the Strategic Board.
Displacement	Displacement is the number or proportion of outputs/outcomes that reduce outputs/outcomes and economic activity elsewhere.
Economic Strategy Statement	The South East Local Enterprise Partnership (SELEP Ltd) has agreed its new Economic Strategy Statement (ESS), outlining its priorities and aims to drive a more productive and prosperous economy for the area over the next decade. The ESS replaces the previous SELEP Strategic Economic Plan 2014.
Federated Boards	The Federated Boards are the local public/private partnerships which support SELEP Ltd. There are four Federated Boards: Success Essex



	(SEB)Essex Business Board (EBB) , Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES).
Freedom of Information request	The Freedom of Information Act 2000 provides public access to information held by public authorities. It does this in two ways: public authorities are obliged to publish certain information about their activities; and members of the public are entitled to request information from public authorities.
Gate Process	All- capital grant projects which have received a provisional funding allocation and seek funding approval will progress through a business case development process, known as Gates 0 – 5.
Governance	The structure, roles, responsibilities and system of decision-making and the process by which decisions are implemented (or not implemented).
GBF	Getting Building Fund to deliver jobs, skills and infrastructure, targeted in areas facing the biggest economic challenges as a result of the pandemic. It supports the delivery of shovel-ready infrastructure projects to boost economic growth, and fuel local recovery and jobs.
GPF	Growing Places Fund. A capital loan, awarded at a low or zero percent interest rate. This funding aims to tackle barriers to economic growth.
Growth Deal	Growth Deals provide funds to LEPs for projects that benefit the local area and economy.
Growth Hub	Growth Hubs are local public and private sector partnerships led by the Local Enterprise Partnership (LEP). They provide a mechanism for integrating national and local business support so it is easier for businesses to access the help and advice they need to thrive and grow.
Independent Technical Evaluator	To provide impartial technical advice to the Strategic Board, the Accountability Board, Investment Panel and local project sponsors on value for money and project deliverability.
Investment Panel	A sub-committee of the Strategic Board. The Investment Panel has responsibility for the prioritisation of projects following an approach agreed by the Strategic Board.
LEP Network	A membership organisation for LEPs, whose purpose is to enable LEPs to discuss issues of shared importance as a sector, engage with Government, and share knowledge and good practice.
LEPs	Local Enterprise Partnerships (LEPs) are public private partnerships between local authorities and businesses. LEPs were set up by the government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create jobs.
LGF	Local Growth Fund. A capital grant for investment in capital infrastructure projects. This funding aims to support the delivery of jobs, homes, new learners and other economic growth objectives that were identified as part of the Growth Deal.
LIS	Local Industrial Strategy.



MHCLG	Ministry of Housing, Communities and Local Government.
Local Assurance Framework	This Assurance Framework reflects the expectations of Government as set out in the revised National Assurance Framework published January 2019.
Partner Authority	The six County Council/Unitary Authorities within the SELEP area, including East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend – on – Sea City-Borough Council and Thurrock Council.
Nolan Principles of Public Life	The seven ethical principles expected of public office holders, including people who are elected or appointed to public office, nationally and locally.
RAG Rating	The RAG system is a popular project management method of rating for issues or status reports, based on Red, Amber, and Green colours used in a traffic light rating system.
Registers of Interest	All members of the Secretariat, Senior Officer Group and Strategic, Accountability and Federated Boards are required to complete a Register of Interests form, recording details of any relationship or other financial or personal interest which might conflict with their duties to the SELEP.
Retained schemes	Projects which are included in the Growth Deal and have been identified for LGF investment, but where the Department for Transport (DfT) requires additional project progress reporting and/or business case approval by the DfT. The funding for these projects is received by the Accountable Body from the DfT directly, rather than via MHCLG.
Section 151 Officer	An officer appointed under section 151 of the Local Government Act 1972 which requires every Local Authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.
Sector Support Fund	A revenue grant, funded through Growing Places Fund revenue, aimed at supporting the work of the SELEP sector working groups.
SELEP	The South East Local Enterprise Partnership (SELEP Ltd) is one of 38 LEPs, established to provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area.
SLA	A service-level agreement (SLA) is the agreement under which funding is transferred between the Accountable Body, Essex County Council and the Partner Authorities.
Slippage	Slippage refers to the amount of grant funding which is not spent within the financial year in which it was received.
SME	Small and medium sized enterprises or subject matter expert.
Social Value	Added economic, social or environmental benefits.
Strategic Board	The primary private/public partnership board within the SELEP structure. It is responsible for providing clear strategic direction and leadership.
Terms of Reference	The scope and limitations of an activity or area of knowledge.
VCSE	Voluntary Community and Social Enterprise.
WebTAG	WebTAG is the Department for Transport web-based transport analysis guidance (TAG) which provides information on the role of transport modelling and appraisal.



Working Groups Informal non-decision-making groups intended to provide expertise and support to the Strategic and Accountability Boards.



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SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING

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

CAPITAL PROJECTS

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

POLICIES AND PROCEDURES

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

ACCOUNTABLE BODY

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

PUBLISHING INFORMATION

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

Appendix C - 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)?
27/05/22	Y
15/07/22	Y
23/09/22	Y
25/11/22	Y
27/01/23	Y
13/04/23	Y

Publication of Papers

Are all papers published 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	15/07/22	Y	23/09/22	Y	25/11/22	Y	27/01/23	Y
Strategic Board	24/06/22	Y	21/10/22	Y	09/12/22	Y	10/02/23	Y
SE	06/06/22	Y						
KMEP	14/06/22	Y	20/09/22	Y	22/11/22	Y		
OSE								
TES	20/06/22	Y	17/10/22	Y	05/12/22	Y	06/02/23	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	27/05/22	Y	15/07/22	Y	23/09/22	Y	25/11/22	Y
Strategic Board			24/06/22	Y	21/10/22	Y	09/12/22	Y
SE			06/06/22	Y				
KMEP			14/06/22	N	20/09/22	Y	22/11/22	Y
OSE								
TES	03/05/22	Y	20/06/22	Y	17/10/22	Y	05/12/22	Y

Final Minutes

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

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	11/02/22	Y	27/05/22	Y	15/07/22	Y	23/09/22	Y
Strategic Board	18/03/22	Y			24/06/22	Y	21/10/22	Y
SE					06/06/22	Y		
KMEP	28/03/22	N			14/06/22	N	20/09/22	N
OSE	09/03/22	N						
TES	14/03/22	Y	03/05/22	Y	20/06/22	Y	17/10/22	Y

Registers of Interest- Board Members

Are registers of interests in place for all board members?

Board	Comments
Accountability Board	All complete, ongoing updates where appropriate
Strategic Board	All complete, ongoing updates where appropriate
SE	All complete, ongoing updates where appropriate
KMEP	All complete, ongoing updates where appropriate
OSE	All complete, ongoing updates where appropriate
TES	All complete, ongoing updates where appropriate

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	Some now out of date, in process of updating.

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)?
15/07/22	Y
23/09/22	Y
25/11/22	Y
27/01/23	Y

Date	Percentage of female board members (excluding co-opted)
24/05/19	18%
05/08/19	21%
28/01/20	25%
16/04/20	35%
01/02/21	35%
10/06/21	35%
22/10/21	35%
18/05/22	35%
04/11/22	32% (vacancy)
22/02/23	35% (2 vacancies)

South East LEP

Risk Register - All Risks

Ref	Risk Title and overview	Risk Type	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
9	Changes in Policy Direction	Team/Service Delivery	5	5	25	High	The confirmation that LEPs will not receive any further Government funding from April 2024 has decreased morale within the team, and staff retention may be challenging over the next year. The implications of a reduced team have been communicated to the Board and workload planning for next year is on the basis of available resource.	Planning for 2023/24 is being made on the basis of the resource available and known. SELEP remains involved in devolution discussions where applicable.	All Man Team	Ongoing
10	Recruitment and Retention of Board Members Risk	Team/Service Delivery	5	5	25	High	The Chair has been appointed for a two-year term and the Deputy Chair appointment is due to be confirmed during 2023/24. The risk around retaining Board members is high as it has been confirmed that LEP funding will end from April 2024.	Clear communication and engagement with public and private stakeholders to improve retention.	CEO	Ongoing
12	GPF Project Repayments	Funding/Financial	4	4	16	Med	Any risks to repayment of the existing GPF loans have been flagged to the Board and there are ongoing discussions between the Capital Programme Team and the loan recipients'. Whilst these risks have been taken into account when planning, there is an increasing risk with regards to repayment due to one project having defaulted on their agreed loan repayment, with an extended alternative repayment schedule provided for Board consideration.	The Capital Programme Team are working with project leads to understand where GPF repayments are at risk. A new round of the GPF is planned for 2023/24 and assumptions about future repayments will be downgraded to take into account additional risks to avoid over-profiling of the GPF.	H Dyer	Ongoing
15	Misadministration of grants	Funding/Financial	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. The number and value of grants is decreasing so the likelihood of this risk occurring has reduced.	Back to back agreements are in place and the Accountable Body provides advice on the correct application of grants by SELEP. A full review of the capital programme and assessment of the application of grant funding, including site visits to completed projects, is planned for 2023/24. 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

South East LEP

Risk Register - All Risks

Ref	Risk Title and overview	Risk Type	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
19	Non achievement of Outcomes/Outputs of the Capital Programme	Outcomes/Outputs of programmes	4	5	20	High	Given the ongoing impacts of the COVID-19 pandemic and Brexit on the economy, there is a risk that the outputs, outcomes and impacts stated in the approved Business Cases for the LGF, GBF and GPF projects may not be fully realised. Economic recovery will not be uniform across all sectors and therefore some projects may be more significantly impacted than others and this will be managed within the normal risk management of the relevant funding streams. The delivery of outputs from projects which are still in the delivery phase are most likely to be impacted due to increasing materials and labour costs and high inflation levels. This risk is further exacerbated by a lack of robust post-scheme completion monitoring and evaluation, which may mean that non-delivery of expected outcomes and impacts is occurring without being identified.	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. Award of available GBF funding to existing GBF projects will help to mitigate the risk to realisation of expected project outputs. All known changes to GBF outcomes and outputs have been approved by CLGU. An exercise to rebase the outcomes of the programme needs to be undertaken. Further work on the robustness of monitoring and evaluation data, particularly in relation to the LGF, is required. Quality of information provided from delivery organisations will need to improve.	H Dyer	Ongoing
22	Growth Hub Evolution	Service Design/Reputation	5	4	20	High	The Growth Hub was modified in 2022/23 to accommodate the 50% core funding cut, resulting in reduced proactive reach and limited improvements to digital self-serve. Continuity of service is now at risk, due to lack of confirmation of funding (and amount) in Quarter 4 2022/23 for 2023/24 delivery. There is a known need to modify the service further to accommodate national changes to the business support ecosystem, which can only be developed once funding is confirmed and a funding envelope known. Such changes cannot realistically be implemented for April 2023 and will take place reactively in-year and will be subject to level of funding.	The Secretariat and Chair are working with the LEP Network and Growth Hub Cluster Network to seek clarity from BEIS. SELEP is also writing directly to SoS and Chancellor. Scenario planning and local stakeholder engagement is also underway to manage expectations and scope out service options, should funding be forthcoming at current level or less. Support landscape mapping is being undertaken to inform Growth Hub key priorities.	J Simmons	Ongoing
24	Level of reserves held is insufficient to cover any potential severance costs as a result of the increasing size of the SELEP Secretariat.	Funding/Financial	2	3	6	Low	The level of reserves will be held under review by the Accountable Body in light of recent and proposed future changes to the Secretariat; where required a revised position will be presented to the Accountability Board for approval.		CEO/Accountable Body	Ongoing
29	Uncertainty in application of LGF grant awarded to Hadlow College	Outcomes/Outputs of programmes	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 then 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.	CEO	Ongoing

South East LEP

Risk Register - All Risks

Ref	Risk Title and overview	Risk Type	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
34	COVID-19 - Secretariat Risk	Team/Service Delivery	2	4	8	Low	Risk that the operations and activities of the Secretariat are impacted by members of the team being unwell and unable to work. It seems likely that further waves of variants could impact on staffing levels in the future.	Remote working for the Secretariat is continuing for the foreseeable future. Team members have been encouraged to get vaccinated. Management Team to consider business continuity issues on a regular basis and ensure that safeguards on priority activities are put into place as far as possible.	All Man Team	Ongoing
35	COVID-19- Board Risk	Team/Service Delivery	3	4	12	Med	Risk that business cannot be conducted at Board meetings because insufficient Board Members are available to meet quorate requirements. Whilst Strategic Board can meet virtually and virtual meetings are now well established, Accountability Board must meet in person to be able 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.	CEO	Ongoing
38	Future viability of the operational budget	Funding/Financial	5	5	25	High	The SELEP secretariat is aware of the financial circumstances and budget pressure and will continue to be appraised formally. At the appropriate point in the 2023/24 financial year, steps will be taken to ensure that SELEP can operate within budget from 1st April 2024. Conversations with partners in respect of new arrangements will continue and will be reflected to staff as appropriate.	A further consultation with staff will be required early in the new financial year. It is hoped that by this time there will be greater clarity on the future of the LEPs, both nationally and regionally. This will then allow for a longer term resolution to the ongoing financial risks associated with the Secretariat. The risk of not receiving specific funding notifications until late is being underwritten through deferred redundancies funded via the general budget and carried forward grant funding.	CEO	Ongoing
40	Getting Building Fund Risk - programme delivery	Outcomes/Outputs of programmes	4	3	12	Med	At the outset of the GBF programme, Government indicated that all funding had to be spent by 31 March 2022 and that all projects had to be substantially delivered by that date. In reality, this couldn't be achieved and a process was agreed by the Board to allow projects to retain their GBF funding beyond March 2022 for a limited period of time. This still required projects to work to tight timescales for both project delivery and spend of funding. A number of projects have now sought approval for retention of their GBF funding for a longer time period. Whilst noting that there is a significant reputational risk for both SELEP and local partners if full GBF spend is not achieved in a timely manner, following cancellation of approved projects and receipt of updated advice from Government, the Board agreed that in exceptional circumstances GBF spend could extend into Q1 2023/24.	Programme slippage is being managed by both Accountability and Strategic Board. An agreed process has been introduced to manage delays to GBF projects, similar to that used on the LGF. The programme is being actively managed with funding being reallocated to other projects if existing projects are unable to deliver in accordance with the required timescales. Retention of GBF funding beyond March 2022 has been agreed in relation to a number of projects and there is a mechanism in place for ensuring that all GBF funding is spent by 30 June 2023 at the latest.	H Dyer	30/06/2023
43	Insufficient future funding to support operations and/or interventions	Funding/Financial	5	5	25	High	HMG has made clear that 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 existing capital programmes.		CEO	31/03/2023

South East LEP

Risk Register - All Risks

Ref	Risk Title and overview	Risk Type	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
45	Covid19 Recovery Fund Programme Delivery Risk	Team/Service Delivery	2	4	8	Low	The CV19 Recovery Fund Programme is large and complex, with five different providers and many different elements to each contract. This is a new area of activity for the team, including the management of contracts. There is a risk that contracts won't be managed well and the programme not delivered. The support environment for both SMEs and Skills has become more complex as a result of the pandemic which may impact the take up of support	Additional resource from within the current team has been diverted to support on the management of the contracts. Two management team members have oversight and are managing with support from Procurement where appropriate	JS/LA	31/03/2023
46	Risk of damage to SELEP reputation from delays or non-delivery of projects or perception thereof	Service Design/Reputation	3	4	12	Med	There has been an increasing number of requests for information and assurances concerning a number of projects which are being or have been delivered in East Sussex. Whilst responses to these requests are being provided in accordance with statutory requirements or internal policy (as applicable), there is a risk that the reputation of the LEP will be impacted if continued requests are received against a background of perceived lack of transparency.	Responses to requests for information and public questions will continue to be answered fully and in compliance with statutory and internal policy. Linking to risk 19, improvements to the quality of output and outcome data reporting are required and will be worked on. An internal review is underway to ensure that SELEP policies and procedures have been fully complied with, and opportunities to improve the management of the Capital Programme and the presentation of the information to the Board and the public are being sought. Most importantly, compliance with the National Assurance Framework, Local Assurance Framework, local policy and other applicable regulations must continue, not just by SELEP but by all delivery partners. All delivery partners and third party recipients of funding will be referred to their contractual obligations in responding to requests for information in a timely, open and transparent manner. SELEP and the Accountable Body will take action where it can be evidenced that requirements of the SLA are not being met.	CEO	Ongoing
47	Risk to service delivery from lack of engagement by stakeholders	Team/Service Delivery	5	4	20	High	As a result of changes to policy, there has been an appreciable move away from the LEP by some key stakeholders.	Through its convening role, SELEP continues to have strategic engagement with stakeholders through its Strategy Network, inc its 10 working groups, where engagement remains strong.	CEO	Ongoing

Public Questions Policy

1. General

- 1.1. Meetings of the Strategic and Accountability Boards are open to the public, unless confidential business is being discussed. The agenda pack and appendices are published on the SELEP website, (and the Accountable Body's (Essex County Council) website for the Accountability Board).
- 1.2. During every meeting of the Strategic and Accountability Board there shall be a period of up to 15 minutes to accommodate any questions submitted in accordance with the below. This period shall be at the beginning of the meeting except if the Chair deems it appropriate, then a question may be asked during a relevant agenda item.
- 1.3. If there is not sufficient time to ask the submitted question during a meeting, the question shall be answered in writing following the meeting, within 10 working days where possible.

2. Notice of questions

- 2.1. A question may be asked under this procedure only if it has been submitted in advance of the meeting in accordance with 2.2. below via the Public Submission Form, which can be accessed at <https://forms.gle/wWGSAVgtHBZCnYVM8>. If you are unable to access this form, please email hello@southeastlep.com for assistance.
- 2.2. Questions must be received by no later than 10:30am on the Monday before the meeting. If the question is received after this time, the question will be asked at the following meeting of the same Board.
- 2.3. The Secretariat shall circulate prior to the meeting a copy of the question(s) submitted by members of the public to Board members and supporting officers.
- 2.4. Any question may be withdrawn (but not amended) by the person who submitted it up to 1 hour before the meeting via email to hello@southeastlep.com.

3. Addressing the Board

- 3.1. Only one person will be permitted to speak in relation to a submitted question, and no more than one person from an organisation may speak during a meeting.
- 3.2. The name of the member of the public provided when submitting their question will be included, read out and published publicly alongside the question and response. If the member of the public would like to request to submit their question anonymously, they will need to email hello@southeastlep.com for assistance, and this will be decided at the Chair's discretion.
- 3.3. No person may ask more than the pre-submitted question at any meeting and there will be no opportunity for asking a supplementary question during the meeting.
- 3.4. If there is documentation that is pertinent to answering the question that cannot be contained with the submission form please contact hello@southeastlep.com for assistance. Written or photographic materials may not be circulated at the meeting in relation to a question without prior permission.
- 3.5. Questions will normally be dealt with in the order in which notice of them is received, except if the Chair decides to group together similar questions or address questions alongside a relevant agenda item.
- 3.6. If the member of the public wishes to ask the question themselves:

- 3.6.1. For meetings in person, on arrival and before the start of the meeting speakers should make themselves known to the Secretariat who will explain what will happen and show speakers to the public seating area.
 - 3.6.2. For virtual meetings, the Zoom registration information may be found on the SELEP meeting page. When appropriate the speaker will be given the ability to join as a panellist and use their camera and microphone.
- 3.7. If the member of the public does not wish to ask the question themselves or is not present when the question is to be read out, the question and response will both be read out by the SELEP CEO or their delegate.

4. Scope of questions

- 4.1. The Chair may reject a question if it:
- 4.1.1. is not about a matter for which the respective Board has powers or duties;
 - 4.1.2. is defamatory, frivolous, vexatious or offensive;
 - 4.1.3. is substantially the same as a question put to a meeting in the previous six months;
 - 4.1.4. will require the disclosure of confidential or exempt information; or
 - 4.1.5. is already subject to separate appeal, adjudication, litigation, mediation or dispute resolution.
- 4.2. Notification of rejected questions will be sent to the email address provided in the submission at the earliest opportunity and include reasons for rejection in accordance with 4.1 above.
- 4.3. Any Public Question submission must be less than 1800 characters (with spaces) in total, comprising of a maximum of 1500 characters (approx. 230-300 words) for contextual information and 300 characters (approx. 45-60 words) for the question itself. This is to ensure clarity and conciseness, and to enable the main meeting agenda items sufficient time.
- 4.4. The contextual information provided as part of the Public Question Submission must be necessary for the understanding of the question. If the contextual information includes extraneous information this will not be read out or included as part of the submission. The member of public should assume that the Board is aware of previous SELEP decisions and will not need to restate those in the Public Question Submission.
- 4.5. Any Public Question submissions may only contain one question, or one simple “yes/no” question followed by a closely-related follow-up question (for example, “Can the Board do XYZ? If not, why not?”).

5. Public Misconduct

- 5.1. The Chair may disallow or terminate any meeting participation of a member of the public which discloses confidential or exempt information or is inappropriate, abusive, indecent, discriminatory, frivolous, irrelevant or otherwise unacceptable.
- 5.2. If a member of the public interrupts a meeting or otherwise behaves inappropriately, improperly or offensively, the Chair may request that they leave the room or order that they are removed. In the event of a general disturbance, the Chair may suspend the meeting or direct that the public be excluded from it. No one so removed or excluded will be permitted to return to the meeting or to submit any future questions.

6. District/City/Borough Council Representatives at Strategic Board meetings

- 6.1. Leaders or cabinet members of a district/city/borough council in the SELEP area may join the Strategic Board table and take part in the discussion of an item, but not vote, under the following circumstances:
- 6.1.1. the Chair of the Strategic Board agrees that it is appropriate; and
 - 6.1.2. there is an item on the agenda that significantly affects their area.

Report title: Update on SELEP Revenue Budget 2022/23	
Report to Accountability Board	
Report author: Lorna Norris, Senior Finance Business Partner	
Date of Meeting: 13 April 2023	For: Decision
Enquiries to: lorna.norris@essex.gov.uk	
SELEP Partner Authority affected: Pan SELEP	

1. Purpose of Report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the updated forecast to the 2022/23 budget including specific grants. In addition, an update on the funding position for 2023/24 is provided.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the updated 2022/23 SELEP revenue forecast budget set out in Table 1, including the specific funds summarised in Table 3;
- 2.1.2 **Approve** the appropriation of £33,993 of the Sector Support Fund to the Operational Reserve to support the on-going operations of SELEP.
- 2.1.3 **Approve** the appropriation of £927 of the Energy Strategy grant to the Operational Reserve to support the on-going operations of SELEP, specifically, towards Net Zero activities.
- 2.1.4 **Note** the update on the 2023/24 funding position.

3 SELEP Revenue Budget 2022/23

- 3.1 The latest forecast position for the SELEP revenue budget has been reviewed and is summarised in Table 1. This reflects a positive net movement compared to the forecast presented in November 2022 of £195,000; this is primarily due to lower than forecast staffing costs due to vacancies not being filled and employee costs being recharged against alternative funding sources where this has been allowable, plus return of funding in respect of the Sector Support Fund, as endorsed by the SELEP Strategic Board in February 2023. As the Sector Support fund is now closed to further applications of funding, £33,993 of returned funding is requested to be appropriated to the Operational Reserve to support the operations of the SELEP into 2023/24 (see section 3.6.1).

- 3.2 Other movements in the forecast relate to changes or delays in planned activities or programmes in the SELEP, such as the audit of the capital programme being undertaken by the Accountable Body, which is now expected to complete in 2023/24. Other programmes, such as the Skills Covid-19 support programmes, are now expected to complete in quarter 1 of 2023/24.
- 3.3 The overall net movement compared to the budgeted position is £487,000; this is summarised in Table 2.
- 3.4 The forecast position set out in the tables in this report do not represent the final position for 2022/23; the SELEP Accountable Body is currently finalising the year end accounts position and this will be reported to the Board at the June 2023 meeting. A number of potential movements that may impact the forecast are subject to review as part of the year end closure process; this includes confirmation of any accruals and other adjustments such as the final position for the external interest received on the capital balances held; there may be an improved position in this respect as overall higher funding balances have been held during the year than anticipated following the return of GBF funding, plus improved interest rates than had been expected when the budget was set. An improved position will increase the overall balance in reserves that will be available to support the future operations of the SELEP.

Table 1: 2022/23 Updated Revenue Forecast

	Updated Forecast	Latest Budget	Variance	Variance	Previous Forecast	Forecast Movement
	£000	£000	£000	%	£000	£000
Staff salaries and associated costs	692	771	(79)	-10%	751	(59)
Staff non salaries	7	6	2	27%	7	0
Recharges (incl. Accountable Body)	277	269	9	3%	284	(6)
Redundancy & associated support costs	1	1	-	-	1	-
Total staffing	978	1,047	(69)	-7%	1,044	(66)
Meetings and admin	49	148	(99)	-67%	150	(101)
Chair and Deputy Chair Allowance including oncosts	37	40	(3)	-7%	37	-
Consultancy and project work	123	130	(7)	-5%	122	1
COVID-19 Support Programmes	1,782	1,826	(44)	-2%	1,760	22
Grants and contributions to third parties	424	585	(161)	-27%	394	30
Total other expenditure	2,416	2,729	(314)	-11%	2,464	(48)
Total expenditure	3,394	3,776	(382)	-10%	3,507	(114)
Grant income	(1,042)	(1,208)	167	-14%	(1,016)	(25)
Contributions from partners	(138)	(138)	-	-	(138)	-
COVID-19 Support Fund	(1,782)	(1,826)	44	-2%	(1,760)	(22)
External interest received	(110)	(21)	(89)	-	(110)	-
Total income	(3,071)	(3,193)	122	-4%	(3,024)	(47)
Net cost of services	323	583	(260)	-45%	483	(160)
Funds transferred (to)/from the Operational Reserve (not charged to services)						
Other re-purposed funds transferred to Reserves	(262)	(35)	(227)	-	(227)	(35)
Contribution from Redundancy Reserve	(52)	(52)	-	-	(52)	-
						-
Net Deficit (Surplus) on provision of services	9	496	(487)	-98%	204	(195)
Net Contributions to/(from) Operational reserves	(9)	(496)	487	-98%	(204)	195
Final net position	-	-	-	0%	-	-

Note: Table may not sum due to rounding

Table 2: Summary of Movements in the Forecast Outturn compared to Budget

	£'000
Latest Budgeted Contribution from the Operational Reserve	496
Movements in Net Cost of Services	
Staff Salaries and Accountable Body Recharges	(69)
Other net movements	(109)
Reduction in Grants and Contributions to third parties	(161)
Reduction in SSF Grant Allocations	167
Increase in external interest received	(89)
Total Movement in Net Cost of Services	(260)
Movement in Contributions to the Operational Reserve	(227)
Total Net Movements	(487)
Proposed Updated Net Contribution (to) / from the Operational Reserve	9

- 3.5 Of the total revenue grant income expected to be received by SELEP in 2022/23, only £375,000 relates to general grants to support the operations of SELEP; the remainder is applied as specific grants, with associated conditions for use. The forecast specific grants position is set out in Table 3 below.

Table 3: 2022/23 Forecast Specific Revenue Funds Summary

Fund	Funding Brought Forward £000	Forecast Funding Received £000	Forecast Funding Applied £000	Funding Repurposed to Reserves £000	Funding Carried Forward £000
Sector Support Fund (SSF)	(303)	-	78	226	-
Growth Hub - Core Funding Grant	-	(445)	445	-	-
Skills Analysis Panels (SAP) Grant	-	(55)	55	-	-
Local Digital Skills Partnership Catalyst Grant	(29)	(60)	89	-	-
Energy Strategy Grant	(1)	-	-	1	-
Total Grant Income Applied	(333)	(560)	667	227	-
SELEP Core and GBF Capacity Grants	-	(375)	375	-	-
Covid-19 Skills Fund	(672)	-	593	35	(44)
Covid-19 Business Support Fund	(1,189)	-	1,189	-	-
Total Revenue Funding Applied	(2,195)	(935)	2,824	262	(44)

Note: Table may not sum due to rounding

- 3.6 A summary of each grant is set out in Appendix 1; the following new movements are proposed to be applied:
- 3.6.1 An increase of £33,993 of Sector Support Fund to be transferred to the Operational Reserve following the return of funding as noted in 3.1 above; this increases the total to be transferred to the Operational Reserve in respect of this fund to £226,000;
- 3.6.2 To transfer the remaining balance on the Energy Strategy grant of £927 to the Operational Reserve following approval from Government that the use of the funding can be applied towards the Net Zero activities of the SELEP.
- 3.7 Covid-19 Recovery Funds

- 3.7.1 All of the contracted programmes are in delivery and are due to complete through 2022/23, with the evaluation phase for the Skills support fund due to be completed in 2023/24; the Skills support programme, therefore anticipates the final £44,000 of the contract costs to fall in 2023/24.
- 3.7.2 In respect of the Business Support Programme, this is now anticipated to have completed in 2022/23, subject to confirmation of the final payments in this respect.

3.8 Capital Funds Update

- 3.8.1 In addition to the revenue funds set out in Table 3, the Accountable Body administers the capital funds in Table 4 on behalf of SELEP; the investments through grants or loans to third parties are to support delivery of the SELEP priorities, including the COVID-19 recovery. The notes below the table set out the position for each Fund and further information is included in the separate update reports included in the agenda.
- 3.8.2 The Funds held by the Accountable Body on behalf of SELEP, are invested by the Council's Treasury Management team in accordance with the agreed policies; the associated external interest received is used to support the revenue Budget of SELEP. As referenced in section 3.4, this position continues to be kept under review and may be further improved from the forecast position as funding balances held have been higher than anticipated through the year.

Table 4: Capital Funds Administered by SELEP in 2022/23

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) (DLUHC)	-	-	-	-
Local Growth Fund (LGF) (DfT)	-	-	-	-
Growing Places Fund (GPF) (on-going Loan Fund)	(13,040)	(1,220)	1,900	(12,360)
Getting Building Fund (GBF)	-	(15,431)	11,640	(3,791)
Total Funds	(13,040)	(16,651)	13,540	(16,151)

Notes to Table 4:

- 3.8.3 **Local Growth Fund (LGF)** – all remaining LGF was transferred to delivery partners by the end of 2021/22. However, circa £47m of the total LGF allocation is planned to be spent by partners from 2022/23 onwards, with on-going commitments of delivery, monitoring and evaluation to SELEP and the Accountable Body (see agenda item 8).
- 3.8.4 **Local Growth Fund (LGF) (DFT)** – all remaining LGF was transferred to delivery partners by the end of 2021/22. However, circa £13.8m of the total DFT LGF allocation is planned to be spent by partners from 2022/23 onwards, with on-going commitments of delivery, monitoring and evaluation to SELEP and the Accountable

Body. This includes an allocation that remains to be received in relation to the A127 Fairglen project of £13.5m, but is subject to final approval by the Secretary of State – see agenda item 8 for further details.

- 3.8.5 **Growing Places Fund (GPF)** – GPF is a recyclable loan scheme with a balance to be carried forward into 2023/24 of £12.36m, of which, £2.75m is committed to approved projects; this leaves £9.61m for reinvestment into new Projects across the SELEP region. This balance will increase provided that existing Projects meet their commitments to repay their loans in line with their funding agreements – a further £5.315m is due by the end of 2023/24, leaving a balance of £14.925m.

These balances assume that the Board approve the delay in repayments to the two projects set out in Agenda Item 13. Any delay in repayment reduces the funding available for reinvestment and increases the risk to the balance of the fund.

The current pipeline for investment has been fully funded and SELEP have advised that they intend to bring a proposal for reinvestment to Strategic Board in the next 6 months. Further information on the GPF position can be found in Agenda item 13. Current commitments in the management and oversight of this fund by the Accountable Body extend beyond 2026/27, when the final repayment is currently due.

- 3.8.6 **Getting Building Fund (GBF)** - The Ministry of Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities or DLUHC) 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 was transferred in full to Partners by 31/03/22.

During 2022/23, the cancellation of a number of Projects has seen the return of £11.348m of GBF, of which £3.071m is to be raised as a debtor in respect of funding due back to SELEP from Essex County Council in respect of the Swan Modular Housing Project – further details are set out in Agenda item 7.

Of the funding to be carried forward into 2023/24, £6.25m is allocated to Projects (subject to approval of spend into 2023/24 in agenda item 7), and £2.049m remains unallocated and is planned to be allocated to new projects, alongside the award of GPF, through a combined process to be established in 2023/24. Details on this process are due to be considered by the SELEP Strategic Board in July 2023.

3.9 Funding Risks

- 3.9.1 The Government only confirms funding for SELEP on an annual basis; this increases the risk to delivery partners and the overall sustainability of SELEP. This risk was exacerbated for 2022/23 as the Core funding contribution from Government wasn't confirmed and received until August 2022 and the value had reduced to £375,000 from £500,000 in prior years. This late confirmation of funding has impacted the Delivery planning for 2022/23 and whilst receipt of this funding has enabled less reliance on reserves in the current year, the uncertainty with respect to the on-going funding position remains.
- 3.9.2 The Government have advised that £250,000 of funding may be made available to SELEP in 2023/24, however, they have yet to advise of any conditions with respect to this funding nor whether any match funding will be required to be eligible to receive it. Due to the lack of certainty, the budget for 2023/24 was planned on the basis that no core funding would be received to ensure a baseline position could be confirmed for planning purposes; this budget was agreed by the Board in November 2022 and may be subject to review to reflect additional funding, if received (see table 6).
- 3.9.3 In the March announcement of the Government's budget, it was confirmed that no further Core Funding would be made available for LEPs after 2023/24; the Government are currently engaging with LEPs and Local Authorities to understand the impact of no future funding, with an expectation that LEP functions are transitioned across to Local Authorities. The implications of this announcement for SELEP are still to be fully assessed and planned for; senior officers across the partnership have initiated early conversations in this respect. See agenda item 5 that considers this risk further.
- 3.9.4 Due to the on-going uncertainties with respect to the future role and funding for SELEP, the Accountable Body continues to work with the SELEP CEO to consider the overall funding position to ensure sufficient is available to meet the existing commitments and risks that the Accountable Body is managing on-behalf of SELEP. These include:
- Financial oversight, management and reporting on the grant and loan agreements Essex County Council has put in place on behalf of SELEP; the longest agreement currently expires 2026/27;
 - Costs associated with employing the Secretariat, including potential redundancy costs;
 - Operational costs of SELEP and any costs specifically associated with the operation of South East LEP Ltd.
 - Other risks being managed by the Accountable Body on behalf of SELEP.
- 3.9.5 A key mitigation to the identified risks is the agreed approach to managing the SELEP reserves. The level of the reserves is based on

the latest estimate of known commitments and risks; this continues to be subject to review as part of the on-going financial monitoring and forms part of the reporting to the Board on a quarterly basis. The latest assessment of the reserves is set out in 3.10 below; any changes to the level of reserves is subject to a decision by the Board.

3.10 Reserves

3.10.1 Table 1 includes a budgeted net contribution from reserves of £496,000 to ensure there is sufficient funding for the planned expenditure in 2022/23. This position assumes receipt of the grants set out in Table 3, received from the respective Government department. The latest forecast reduces this budgeted contribution from reserves to a net contribution of £9,000, as set out in Table 1 above. The impact of this reduced contribution is to increase the reserves available to support SELEP into 2023/24.

3.10.2 Table 5 summarises the level of Operational Reserves that will be available to support SELEP based on the latest forecast position. This anticipates that £1.293m will remain at the end of March 2023 to support delivery into 2023/24.

3.10.3 The reserves position will continue to be actively monitored, to provide assurance that, as far as possible, funding remains available to support the core activities of SELEP, taking into account the on-going commitments and risks arising, both in respect of SELEP and Essex County Council in its role as the Accountable Body for SELEP.

Table 5: 2022/23 Forecast Reserves Summary

	Opening Balance Apr '22	Contributions	Withdrawals	Closing Balance Mar '23	Net Movement in Reserves
	£'000	£'000	£'000	£'000	£'000
Operational Reserve	1,302	314	(323)	1,293	(9)
Reserves Earmarked for future use					
Covid-19 Skills Support Fund	672		(628)	44	(628)
Covid-19 Business Support Fund	1,189		(1,189)	-	(1,189)
Redundancy Reserve	163	45	(52)	156	(6)
Future Commitments Reserve	423			423	-
Risk Reserve	975		-	975	-
Total Reserves	4,723	359	(2,192)	2,891	(1,833)

Note: Table may not sum due to rounding

4 2023/24 Revenue Budget

4.1 The delivery priorities of SELEP within a single financial year are constrained by the budget available to support those activities. In light of the continuing financial uncertainties anticipated into 2023/24, the budget made no assumptions with respect to new external funding to support operations into 2023/24.

- 4.2 The agreed budget set out in Table 6 below was planned on the basis of the forecast available reserve funding as at September 2022. The budget assumes continuation of the existing team (which is a reduction over that from 2021/22) and that the current fixed term vacancies will be filled.
- 4.3 The majority of other costs are assumed at the current value, plus an allowance for inflation at 5%; this is lower than the current inflation levels, but the amount is considered to be manageable across the respective budgets.
- 4.4 Other assumptions included in the budget are as follows:
- 4.4.1 Grant Income – No grant income is forecast to be carried forward into 2023/24 from the current year and no new grants were confirmed to SELEP at the time the budget was agreed. It has recently been advised to SELEP that Core Funding may be available at the reduced amount of £250,000 and additionally Growth Hub funding may be received to support the service in 2023/24 at £475,000; both of these grants remain subject to application and agreement by Government and the Accountable Body.
- 4.4.2 Contributions from Partners - In previous years, a funding contribution (totalling £137,500 in 2022/23) from the six upper tier local authority partner authorities in SELEP has been made as a match for the Core Funding received from Government. It is not yet known whether or not any match funding will be required to secure the Core Funding in 2023/24.
- 4.4.3 External Interest – the capital balances (see table 4) held by the Accountable Body on behalf of SELEP accrue external interest; it is assumed that income will be received in this respect in line with the current 2022/23 forecast of £110,000. This budget will be impacted by varying interest rates and any new payments or repayments made into the fund; as such it will be regularly reviewed as part of the on-going monitoring of the budget. Should the Capital balances held for GPF and GBF be distributed during 2023/24, this will reduce the external interest to be received commensurably.
- 4.4.4 Covid Support Programme – When the budget for 2023/24 was agreed in November 2022, the latest forecast assumed that the Covid 19 business support programme would continue into 2023/24, and £66,000 was included in the budget on that basis. The latest forecast now anticipates that this funding will be spent in 2022/23, with some funding from the Skills programme now anticipated into 2023/24. Overall this will have a net nil impact on this budget as the spend is anticipated to match the funding carried into 2023/24.
- 4.5 Once the final outturn position for 2022/23 is known and the funding position clear, the budget set out in Table 6 will be reviewed and subject to reapproval by the Board to agree any changes that may be required.

Table 6: Approved 2023/24 Budget

	2022/23	2022/23	2023/24		
	Updated Forecast	Latest Budget	Proposed Budget	Budget Movement	Budget Movement
	£000	£000	£000	£000	%
Staff salaries and associated costs	751	771	843	72	9%
Staff non salaries	7	6	7	1	18%
Recharges (incl. Accountable Body)	284	269	113	(156)	-58%
Provision For Redundancies	1	1	1	0	-
Total staffing	1,044	1,047	965	(82)	-8%
Meetings and admin	150	148	98	(51)	-34%
Chair and Deputy Chair Allowance including oncosts	37	40	3	(37)	-94%
Consultancy and project work	122	130	24	(106)	-82%
COVID-19 Support Programmes	1,760	1,760	66	(1,694)	-96%
Grants and contributions to third parties	394	585	-	(585)	-100%
Total other expenditure	2,464	2,663	190	(2,474)	-93%
Total expenditure	3,507	3,711	1,155	(2,556)	-69%
Grant income	(1,016)	(1,208)	-	1,208	-100%
Contributions from partners	(138)	(138)	-	138	-
COVID-19 Support Fund	(1,760)	(1,760)	-	1,760	-100%
External interest received	(110)	(21)	(110)	(89)	-
Total income	(3,024)	(3,127)	(110)	3,017	-96%
Net cost of services	483	583	1,045	462	79%
Funds transferred (to)/from the Operational Reserve (not charged to services)					
Re-purposed funds transferred to Reserves	(227)	(35)	-	35	-
Funds transferred from Earmarked Reserves	(52)	(52)	(179)	(127)	-
Net Deficit (Surplus) on provision of services	204	496	866	369	74%
Net Contributions to/(from) Operational reserves	(204)	(496)	(866)	(369)	74%
Final net position	-	-	-	-	0%

Note: Table may not sum due to rounding

5 2023/24 Reserves Summary

- 5.1 Table 7 sets out the forecast Operational Reserve held as at April 2023 of £1.293m; this represents an improved position of £196,000 over that assumed when the budget was agreed in November 2022. This position could be further improved should SELEP receive the £250,000 of Core Funding in 2023/24 as referenced in section 4.4.1.
- 5.2 The agreed budget position for 2023/24 anticipates the requirement of £1.045m from the Operational Reserve to fund the costs in that year. This position includes those costs for which funding has been set aside in the Earmarked Reserves, namely, the anticipated costs in relation to the Accountable Body (£113,000) and the residual spend on the Covid-19 Business Support Fund (£66,000). The budget includes the appropriation of this funding to the Operational Reserve to support the expenditure in 2023/24. This position is summarised in Table 7.
- 5.3 It is currently assumed that £361,000 of the Operational Reserve could be available to support activities into 2024/25, plus a proportion of the future commitments reserve. This position remains subject to any additional funding

received and agreement by the SELEP with respect to any proposals to transfer some or all services to the Upper Tier Local Authority partners in the SELEP as part of any agreed transition arrangements towards local devolution (see agenda item 5 for further information).

- 5.4 The value of the risk and the redundancy reserves will be reviewed as part of any budget update in 2023/24 to reflect the changing circumstances of the SELEP Secretariat and the operational arrangements of the SELEP.

Table 7: Forecast Reserves 2023/24

	Forecast Opening Balance Apr '23	Forecast Contributions	Forecast Withdrawals	Forecast Closing Balance Mar '24	Forecast Net Movement in Reserves
	£'000	£'000	£'000	£'000	£'000
Operational Reserve	1,293	113	(1,045)	361	(932)
Reserves Earmarked for future use					
Covid-19 Skills Support Fund	44	-	(44)	-	(44)
Covid-19 Business Support Fund	-	-	-	-	-
Redundancy Reserve	156	-	-	156	-
Future Commitments Reserve	423	-	(113)	310	(113)
Risk Reserve	975	-	-	975	-
Total Reserves	2,891	113	(1,202)	1,802	(1,089)

6 Financial Implications (Accountable Body comments)

- 6.1 This report has been authored by the Accountable Body and the recommendations are considered appropriate.
- 6.2 The forecast 2022/23 revenue outturn is considered to be robust and the level of reserves held is appropriate. However, due to the on-going uncertainties with respect to funding, there remain budget risks and opportunities into 2023/24.
- 6.3 A number of the SELEP Secretariat staff are currently funded through specific grants which are only confirmed on an annual basis; this builds in additional risk to assuring employment and delivery; this risk is mitigated through the proposed budget and reserves.
- 6.4 Given the uncertain future position for the SELEP, it will be necessary to consider carefully the impact of future decisions with respect to the available funding, including new funding streams, to ensure that sufficient resources remain available to support existing, and any new, commitments arising.
- 6.5 The Accountable Body will continue to support the Secretariat in reviewing the budget options for future years and in understanding the impact of any changes required as a result of the potential transition of services to the upper tier Local Authority partners in the SELEP geography.
- 6.6 Any future arrangements will need to ensure that the Accountable Body is not exposed to new or additional costs without agreed funding in place; this

includes consideration of the future arrangements for the SELEP Secretariat employees that are currently employed by the Accountable Body.

7 Legal Implications (Accountable Body comments)

7.1 There are no significant legal implications arising from the recommendations set out within this report.

8 Equality and Diversity implication

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

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

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

8.3 In the course of the development of the 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.

9 List of Appendices

9.1 Appendix 1 – Specific Grant Summary

10 List of Background Papers

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 Michael Neumann (On behalf of Nicole Wood, S151 Officer Essex County Council)	 03/04/2023

Specific Revenue Grant Summary

The following sets out further detail of the planned application in 2022/23 of the specific grants summarised in Table 3 of the main report.

Table A: Total Specific Grant Expenditure Summary

Specific Grant Summary - Revenue	Updated Forecast £000	Latest Budget £000	Variance £000	Variance %
Recharges (incl. Accountable Body)	139	146	(7)	-5%
Office expenses	-	-	-	0%
Consultancy and projects	104	102	1	0%
Grants to third parties	350	576	(226)	-39%
Match Fund to 3rd Party	74	9	65	0%
Contribution to Reserves	227	-	227	0%
Total Expenditure	893	833	60	7%
Grant Income	(893)	(833)	(60.0)	7%
Total income	(893)	(833)	(60.0)	7%
Net position	-	-	0.00	0%

Sector Support Fund (SSF)

It was agreed by Strategic Board in June 2017, the £1.5m of the GPF revenue grant would be used to establish a fund to support Pan-LEP projects. In July 2020, the Board agreed to re-purpose £1m of the GPF loan fund to extend the SSF scheme to support COVID recovery projects and projects to support Brexit activities. At the end of 2020/21, £0.126m remained unallocated and in November 2021, the Board agreed to reallocate this amount to the Operational Reserve and to close the scheme. A balance of £303,500 was held at the beginning of April that is allocated to Projects but had not yet transferred to Local Partners; £62,500 of this amount has since been transferred to East Sussex County Council to support the Coastal Communities project (£40,000) and the Accelerating Nature Based Climate Solutions project (£22,500). £192,000 in relation to the Building Back Better Project is requested to be appropriated to the Operational Reserve following cancellation of the Project. The Accelerating Nature-Based Climate Solutions Project has requested an extension in its delivery timeline to end of December 2022, although this still means that the funding is due to be spent in full in 2022/23. This project has confirmed that it no longer requires all of its allocated funding and consequently a further £33,993 is requested to be transferred to the Operational Reserves, increasing the total in this respect to £225,993.

Table B: SSF Expenditure Summary

Sector Support Fund	Updated Forecast	Latest Budget	Variance	Variance
	£000	£000	£000	%
Recharges (incl. Accountable Body)	-		-	
Office expenses	-	-	-	
Consultancy and projects	-	-	-	
Grants to third parties	78	303	(226)	
Contribution to Reserves	226	-	226	
Total Expenditure	303	303	-	
Grant Income	(303)	(303)	-	
Total income	(303)	(303)	-	
Net position	-	-	-	0.0%

Growth Hub Revenue Grant

The Department of Business, Energy and the Industrial Strategy (BEIS) confirmed in March 2022 that the SELEP Growth Hub would be able to apply for £445,000 of funding for 2022/23; this is 50% of the value of funding available in prior years.

The grant conditions and principles of funding for 2022/23 remain very stringent and the Growth Hub programme will need to continue to ensure that it fits with the requirements.

Part of the Growth Hub funding continues to support the resources within the Secretariat that support the Growth Hub programme. The Strategic Board agreed in June 2022 the proposed use of the funding for 2022/23.

Table C: Growth Hub Grant Expenditure Summary

Growth Hub	Updated Forecast	Latest Budget	Variance	Variance
	£000	£000	£000	%
Recharges (incl. Accountable Body)	84	84	-	
Office expenses			-	
Consultancy and projects	89	89	-	
Grants to third parties	272	272	-	
Total Expenditure	445	445	-	
Grant Income	(445)	(445)	-	
Total income	(445)	(445)	-	
Net position	-	-	-	

Skills Analysis Panels (SAP) Grant

The Skills Analysis Panels (SAP) Grant has been allocated to SELEP for a further year for the purpose of building capacity, growing local capability sustainably and for producing high quality analysis to underpin the work of the SAP; the aim of the SAP is to help colleges, universities and other providers deliver the skills required by employers, now and in the future.

The SAP is a local partnership comprising of local employers, skills providers and local government to pool knowledge on skills and labour market needs, and to work

together to understand and address key local challenges.

A total of £55,000 is available to support the SAP primarily to fund a role in the Secretariat to support the implementation and delivery of the aims of the SAP.

Table D: Skills Analysis Panel Expenditure Summary

Skills Analysis Panels (SAP) Grant	Updated Forecast	Latest Budget	Variance	Variance
	£000	£000	£000	%
Recharges (incl. Accountable Body)	40	42	(2)	
Office expenses	-	-	-	
Consultancy and projects	15	13	2	
Grants to third parties	-	-	-	
Total Expenditure	55	55	-	
Grant Income	(55)	(55)	-	
Total income	(55)	(55)	-	
Net position	-	-	-	0.0%

Local Digital Skills Partnership Catalyst Grant

Local Digital Skills Partnership Catalyst Grant was awarded to SELEP in 2021/22 to fund a member of the Secretariat to project manage and coordinate the local digital skills partnership. £20,000 of this funding was planned to enable continuation of the role to July 2022, with the remaining £9,000 planned to be used as a match funding contribution to support Year 4 of Digital Skills Partnership for Catalyst South. The partnership is a cross-sector collaboration, initiated by SELEP, to tackle local digital skills gaps. The updated forecast reflects a slight change to this forecast to reflect that the role is no longer filled within the SELEP team following a resignation, enabling £10,000 to be available to support continuation of the service by Catalyst South.

Also, further funding of £60,000 was received in 2022/23; This funding has also been transferred to support the continuation of the service by Catalyst South.

Table E: Local Digital Skills Partnership Catalyst Grant Expenditure Summary

Local Digital Skills Partnership Catalyst Grant	Updated Forecast	Latest Budget	Variance	Variance
	£000	£000	£000	%
Recharges (incl. Accountable Body)	15	20	(5)	
Office expenses	-	-	-	
Consultancy and projects	-	-	-	
Grants to third parties	-	-	-	
Match fund to 3rd party	74	9.0	65	
Total Expenditure	89	29	60	
Grant Income	(89)	(29)	(60)	
Total income	(89)	(29)	(60)	
Net position	-	-	-	0.0%

Additional Grants

In addition to those grants set out above, SELEP is also holding a residual £927 in respect of the Energy Strategy Grant; Government have agreed that SELEP may use this residual balance to support their Net Zero activities, rather than specifically for the purposes that it was originally intended, and as such, this amount is requested to be transferred to the SELEP Operational Reserve.

Forward plan reference numbers: FP/AB/612, FP/AB/613, FP/AB/614, FP/AB/635, FP/AB/636, FP/AB/637, FP/AB/638, FP/AB/639, FP/AB/640 and FP/AB/641

Report title: Getting Building Fund Capital Programme update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 13 April 2023	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 for the Accountability Board (the Board) to consider the overall position of the Getting Building Fund (GBF) capital programme. The report includes an update on those projects which have received approval for retention of GBF funding beyond March 2022 and provides an update on GBF spend to date.
- 1.2. In addition, this report sets out requests from eight projects to retain their GBF funding allocations beyond March 2023, with all projects forecasting full GBF spend by 30 June 2023.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the current forecast spend across the GBF programme for the 2022/23 financial year of £17.238m, as set out in Table 1.
 - 2.1.2. **Agree** the reported GBF spend on project delivery in Q1, Q2 and Q3 2022/23 of £7.373m, as set out in Table 1 and Appendix A.
 - 2.1.3. **Agree** that Essex County Council (as responsible Upper Tier Local Authority) can have an extension until 12 April 2023 to repay the outstanding balance of £3.071m GBF following the removal of the Swan Modular Housing Factory project from the GBF programme. Noting that an extension request would have been brought forward prior to the 31 March 2023 (original repayment date) if the Board meeting had gone ahead as scheduled on 10 March 2023.
 - 2.1.4. **Note** the update on the Better Queensway project.

Getting Building Fund Capital Programme Update

- 2.1.5. **Agree** that the GBF funding allocation can be retained against the following projects for a further maximum period of 3 months (to 30 June 2023):
- 2.1.5.1. No Use Empty South Essex
 - 2.1.5.2. ASELA LFFN – Phase 3
 - 2.1.5.3. Better Queensway
 - 2.1.5.4. Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises
 - 2.1.5.5. Tindal Square, Chelmsford
 - 2.1.5.6. Jaywick Market and Commercial Space
 - 2.1.5.7. Tendring Bikes and Cycle Infrastructure
 - 2.1.5.8. Enterprise Centre for Horizon 120 Business and Innovation Park
- 2.1.6. **Note** the deliverability and risk assessment, as set out in Appendix C.

3. Summary Position

- 3.1. Since the commencement of the GBF programme, the Board has agreed the removal of the following four projects from the GBF programme:
- 3.1.1. Fast Track Business Solutions for the Hastings Manufacturing Sector project – GBF allocation £3.5m
 - 3.1.2. Riding Sunbeams Solar Railways project – GBF allocation £2.5275m
 - 3.1.3. Laindon Place project – GBF allocation £0.79m
 - 3.1.4. Swan Modular Housing Factory project – GBF allocation £4.53m
- 3.2. A project pipeline was developed at the outset of the GBF programme and this pipeline was used to facilitate the reallocation of the £3.5m funding originally allocated to the Fast Track Business Solutions for the Hastings Manufacturing Sector project. The reallocation of this funding exhausted the agreed GBF pipeline, prompting the need for the creation of a new pipeline to enable the reallocation of any further funding returned to SELEP.
- 3.3. In August 2022, the Strategic Board agreed that the available GBF funding should be used to support existing GBF projects which have experienced cost increases due to high levels of inflation and the impacts of the COVID-19 pandemic and Brexit. In addition, applications for GBF funding were invited from existing GBF projects which were seeking to deliver further phases of the project.

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- 3.4. The new GBF prioritised project pipeline, with the exception of the Success Essex projects, was agreed by the Strategic Board on 21 October 2022. The inclusion of the Success Essex projects was agreed via Electronic Procedure on 10 November 2022.
- 3.5. The new project pipeline has been used to facilitate the reallocation of the majority of the funding returned to SELEP as a result of the project cancellations referenced above. However, the pipeline has now been exhausted and there continues to be an unallocated GBF balance of £2.049m.
- 3.6. It should be noted that applications for GBF funding from two projects – Restoring the Glory of the Winter Garden Phase 2 and Accessing Charleston: Removing the Barrier to Growth (project extension) – were received but were not included in the pipeline agreed by the Strategic Board in October 2022.
- 3.7. The projects were not included in the pipeline as they either did not meet the agreed criteria for award of additional GBF funding or it was not possible for compliance with the SELEP Assurance Framework to be confirmed at that time. It was noted that it would not be possible for these projects to be included in the pipeline until the identified issues had been satisfactorily addressed. However, there was a commitment to reconsider the inclusion of the projects in the pipeline should any further GBF funding be returned to SELEP for reallocation.
- 3.8. Following the cancellation of the Swan Modular Housing Factory project, the Restoring the Glory of the Winter Garden Phase 2 and Accessing Charleston: Removing the Barrier to Growth (project extension) projects were re-presented to the Strategic Board in February 2023. It was recommended that neither project should be added to the GBF project pipeline for the following reasons:
 - 3.8.1. the Restoring the Glory of the Winter Garden Phase 2 project did not meet the criteria agreed by the Strategic Board in August 2022.
 - 3.8.2. there remained significant uncertainty with regards to deliverability, affordability and the scale of benefits that would be realised as a result of the Accessing Charleston: Removing the Barrier to Growth (project extension) project and therefore compliance with the SELEP Assurance Framework could not be confirmed.
- 3.9. The Strategic Board agreed the recommendations set out in the report and therefore an alternative approach to awarding the remaining unallocated balance of £2.049m needs to be established.
- 3.10. The original purpose of the GBF funding was to support shovel ready projects which could be delivered by 31 March 2022 and therefore it is not considered appropriate to repeat the process used in late 2022 to create the new pipeline as this essentially penalises those projects which have delivered in accordance with the expectations of the fund. In addition, there are significant resource implications for all involved parties should a similar prioritisation process be run again. The impact on available resources will be further intensified as a result of the need to progress a further round of the Growing Places Fund

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(GPF) in 2023/24. There is currently insufficient capacity within the SELEP team to manage two separate funding processes running in parallel.

- 3.11. As a result of these factors, advice was sought from Government as to whether the remaining unallocated GBF funding could be combined with the available GPF funding, therefore allowing the award of all available funding to be managed through one process.
- 3.12. The advice received from Government indicated that as the GBF funding is un-ringfenced, technically the funding can be used by LEPs in any way they choose, as long as the conditions of the Grant Determination Letter are met, which, in effect, requires that the funding is used for Capital Investment. Government officials indicated that it would appear sensible, given that a new round of GPF is planned anyway, to combine the available GBF and GPF funding to increase the level of funding available through the funding round. There would be a requirement for the GBF element of the funding to be ringfenced for capital projects which are GBF compatible (shovel ready projects with short delivery programmes) and for Government to be fully informed as to the decisions being taken.
- 3.13. In light of this advice and following engagement with the Section 151 Officer of the Accountable Body, it was recommended to the Strategic Board that the award of the available GBF funding is managed alongside the award of the available GPF funding, allowing one combined process to be undertaken. This approach was agreed by the Strategic Board subject to consideration being given to all comments made during the meeting (as outlined in the [draft Strategic Board minutes](#)).
- 3.14. In light of this decision, work will be undertaken over the coming months to develop a process for allocating the available GPF and GBF funding and a proposed approach will be brought forward for Strategic Board consideration in July 2023.

4. Getting Building Fund spend position

- 4.1. At the outset of the programme there was a clear expectation from Government that the GBF funding should be spent in full by 31 March 2022. However, the construction industry has been significantly impacted by the COVID-19 pandemic and projects have experienced a range of issues including:
 - 4.1.1. Labour and materials shortages
 - 4.1.2. Increasing costs
 - 4.1.3. Extended lead in times for materials and extended response times from utility providers.
- 4.2. Due to these issues, it was not possible to achieve full GBF spend by 31 March 2022. Consequently, Government revised their expectations and required full GBF spend by 31 March 2023. To this end, in July 2021, the Board agreed that GBF funding could be retained against projects beyond March 2022 for a maximum period of 6 months and a number of projects sought permission to retain their GBF funding to September 2022. Subsequently, the Board agreed that in exceptional circumstances projects could be granted a further extension on GBF spend. In accordance with the expectations of Central

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Government, the maximum extension available to any project in the GBF programme was to 31 March 2023.

- 4.3. At the November 2022 Board meeting, all projects appeared to be on track to complete their GBF spend by 31 March 2023 as required. However, since that meeting, the situation has changed as outlined at the January 2023 Board meeting.
- 4.4. In December 2022, Swan Housing advised Essex County Council of their intention to close their modular housing arm therefore negating the need for their new modular housing factory that was being supported with GBF funding. As a result of this decision, in January 2023, the Board approved the removal of the project from the GBF programme and required the return of the full £4.53m funding award for reallocation to alternative projects.
- 4.5. At the January 2023 Board meeting, it was agreed that Essex County Council would repay the initial £2.481m awarded to the project within 4 weeks of the Board meeting, with the remaining £2.049m due for return by 31 March 2023. At the time of the Board meeting, Essex County Council were still holding approximately £1.5m of the GBF funding awarded to support delivery of the project. This funding has now been repaid to Essex County Council, as Accountable Body for SELEP. The remainder of the GBF funding allocation had already been transferred to Swan Housing to support delivery of the project.
- 4.6. Since the January 2023 Board meeting, the planned merger between Swan Housing and Sanctuary Housing Association has completed (as detailed in Section 5 of this report), which has added an additional layer of approvals which need to be secured before Swan Housing are able to make the repayment of the GBF funding to Essex County Council. Consequently, discussions have been ongoing between Essex County Council, Swan Housing and Sanctuary Housing Association in relation to the required repayment. Swan Housing have now indicated that they will be in a position to make the full required repayment to Essex County Council (as responsible Upper Tier Local Authority for the project) by no later than 7 April 2023. Immediately following receipt, the funding will be arranged to be transferred to the SELEP accounts managed by Essex County Council in its role as the Accountable Body.
- 4.7. As set out in Section 6 of this report, the timeline for repayment provided by Swan Housing has been revised on a number of occasions since the last Board meeting, with assurances initially provided of full repayment in late February 2023. Due to the receipt of these assurances, steps have only recently been taken by Essex County Council to investigate the potential to repay the funding (or part of the funding as required to support those projects which received additional GBF funding awards in January 2023) from their own funds as an interim measure as required under the terms of the Service Level Agreement. This approach has been investigated to avoid adversely impacting on any projects within the GBF programme, whilst repayment from Swan Housing remains outstanding. However, given the proximity to the end of the financial year, it has not been possible for the required governance to be completed to allow repayment in accordance with the timeline previously agreed by the Board.
- 4.8. As referenced above, £1.459m of the £4.53m GBF allocation has now been repaid to SELEP by Essex County Council, whilst the balance (£3.071m) remains outstanding. As set

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out above, Essex County Council were unable to repay the remaining £1.022m which was due for repayment within 4 weeks of the Board meeting and it will not be possible for Essex County Council (as responsible Upper Tier Local Authority for the project) to make the remaining repayment (£2.049m) by 31 March 2023. Therefore, and in line with the latest update provided by Swan Housing, the Board is asked to agree an extension to the timeline for repayment of the remaining balance (£3.071m) to 12 April 2023. This revised repayment date has been based on the assumption that Swan Housing will make the required repayment to Essex County Council (as responsible Upper Tier Local Authority) by no later than 7 April 2023, and allows time for the repayment to be processed by Essex County Council and returned to the SELEP accounts managed by Essex County Council as the Accountable Body, by 12 April 2023.

- 4.9. The Board is asked to note that a request for an extension to the repayment date would have been brought forward prior to 31 March 2023, if it had not been necessary for the 10 March 2023 Board meeting to be rescheduled. A verbal update on the status of this repayment will be provided during the Board meeting.
- 4.10. It should be noted that, despite the delay in repaying the funding originally awarded to the Swan Modular Housing Factory project, sufficient GBF funding is held by SELEP to allow the release of the additional GBF funding awarded to support projects in East Sussex, Kent, Medway and Southend-on-Sea. In addition, it is possible to release the funding which was awarded to Essex County Council projects at the November 2022 Board meeting. The only projects impacted by the delay in repayment are the five Essex County Council projects which were awarded additional GBF funding in January 2023.
- 4.11. Each of the impacted projects is seeking approval for retention of their GBF funding allocation to 30 June 2023, as set out in Section 6 of this report, which will allow sufficient time for all required governance and spend of the funding to be completed following return of the funding by Swan Housing.
- 4.12. As detailed in Section 3 of this report, the funding removed from the Swan Modular Housing Factory project has been reallocated to support all remaining projects on the new GBF prioritised project pipeline. This pipeline has now been exhausted but £2.049m GBF remains unallocated. A new process to support the reallocation of this funding will need to be established and agreed by the Strategic Board before it can be implemented and therefore it will not be possible for the remaining £2.049m GBF to be spent by 31 March 2023.
- 4.13. In light of this development, advice was sought from Government as to their position with regard to any GBF spend which extended beyond 31 March 2023. The advice received from Government was as follows: *'LEPs do have the ability to move GBF funding into 23/24. Ultimately the decision lies with the Accountable Body's Section 151 Officer. If they are content to move funding into 23/24, then we would go with that decision.'*
- 4.14. In light of this advice, and following engagement with the Section 151 Officer for the Accountable Body, it was agreed to allow GBF spend to extend into Q1 2023/24 in exceptional circumstances but that spend should be complete by 30 June 2023 at the latest. This applies to all existing projects within the GBF programme. An alternative

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timeline for spend of the currently unallocated funding will be agreed as part of the reallocation process.

- 4.15. At the last meeting, the Board agreed that GBF funding could be retained against the Techfort – Phase 2 project to 30 June 2023. At this meeting, the Board are asked to consider the retention of GBF funding against eight other projects to 30 June 2023. All other projects in the GBF programme have either completed their GBF spend or have committed to doing so by 31 March 2023.
- 4.16. Table 1 below sets out the updated GBF spend forecast for 2022/23 and 2023/24. This table takes into account the extended GBF spend profiles for all projects forecasting spend beyond March 2022 and reflects the funding decisions which were taken at the last two Board meetings. The currently unallocated GBF funding is shown in the table but the timeline for spend of this funding is yet to be confirmed.

Table 1: Summary GBF spend forecast - all years (£m)

GBF (£m)							
Local Authority	Actual GBF spend - 2020/21	Actual GBF spend - 2021/22	Actual GBF spend - Q1 to Q3 2022/23	Forecast GBF spend - Q4 2022/23	Forecast GBF spend - 2023/24	GBF Total Allocation	% of GBF funding forecast to be spent by 31 March 2023
East Sussex	1.656	2.437	0.855	1.144	0.000	6.092	100.0%
Essex	3.497	13.256	2.446	4.555	1.297	25.051	94.8%
Kent	6.201	27.179	3.220	2.954	0.085	39.639	99.8%
Medway	0.205	2.563	0.000	0.400	0.000	3.168	100.0%
Southend-on-Sea	0.000	0.000	0.220	0.812	4.868	5.900	17.5%
Thurrock	0.946	1.523	0.631	0.000	0.000	3.100	100.0%
Unallocated	0.000	0.000	0.000	0.000	0.000	2.049	0.0%
Total	12.505	46.958	7.373	9.865	6.250	85.000	90.2%

- 4.17. Reported GBF spend in Q1 to Q3 2022/23 (April to December 2022) has been significantly lower than forecast. At the outset of the financial year, spend of £18.238m was forecast but spend reported during Q1 to Q3 2022/23 only totals £7.373m. This reduction in spend compared to the forecast is reflective of the number of projects which have sought approval for retention of their GBF funding allocation to 31 March 2023. Delivery of these projects has continued to be delayed due to the impacts of the COVID-19 pandemic and Brexit.
- 4.18. Whilst assurances have been received from all but nine projects (Techfort – Phase 2 and the eight projects seeking approval for retention of GBF funding to 30 June 2023 at this meeting) that GBF spend will be completed prior to the end of the 2022/23 financial year, there is a concern that forecast spend in Q4 2022/23 exceeds the level of actual spend reported during Q1, Q2 and Q3 2022/23. There remains a significant risk that not all GBF spend will be achieved within the timelines agreed by the Board. The scale of the reputational risk that this presents has reduced, however, failure to complete GBF spend by 31 March 2023 (for all projects other than those set out above) would mean that the affected projects would be operating outside the scope of the decisions taken by the Board resulting in their GBF funding being at risk. There would be a requirement for the Board to agree retention of the funding against the affected projects at the next Board meeting and if

the extensions were not agreed, the funding spent other than in accordance with the decisions of the Board would need to be returned to Essex County Council, as Accountable Body for SELEP, for reallocation to alternative projects.

- 4.19. To date, 22 of the 40 projects included in the GBF programme have fully spent their GBF funding allocation. The number of projects which have completed their GBF spend has reduced since September 2022 as a consequence of the award of additional funding to existing projects which had previously reported full spend of their GBF funding allocation.
 - 4.20. 17 projects within the GBF programme have been reported as complete. A number of projects which have spent their full GBF allocation are ongoing due to spend of match funding contributions. This information is set out within Appendix C – Project deliverability and risk update.
- 5. Update on projects which have received approval for retention of GBF funding beyond March 2022**
- 5.1. Updates on all projects which have received approval for retention of GBF funding beyond March 2022 will be provided at each Board meeting to ensure that the projects remain on track to complete GBF spend by 30 June 2023 at the latest.
 - 5.2. To date, the Board have approved the retention of GBF funding beyond March 2022 against 21 projects and updates on all of these projects are provided in Appendix D. A more comprehensive update on the Better Queensway project is set out from Section 5.4 of this report and requests to retain GBF funding against the No Use Empty South Essex, ASELA LFFN – Phase 3, Better Queensway, Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises, Tindal Square Chelmsford, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure and Enterprise Centre for Horizon 120 Business and Innovation Park projects are set out in Section 6 of this report.
 - 5.3. The projects which are reporting GBF spend beyond March 2022 are all progressing. It is understood that all projects are still expected to be able to deliver in accordance with their agreed Business Case, but that additional time has been required and value engineering may need to be employed to enable this.
 - 5.4. As the Board will recall, the Better Queensway project has been identified as High Risk since late 2021. This risk primarily stems from the involvement of Swan Housing as Joint Venture Partner with Southend-on-Sea City Council.
 - 5.5. As has been previously reported, the Regulator for Social Housing took the decision in late 2021 to downgrade Swan Housing's viability and governance grades. As a result of this decision, Swan Housing no longer met the Regulator's governance and viability standards and steps needed to be taken to improve work in these areas. The decision by the Regulator for Social Housing ultimately led to Swan Housing seeking to enter into a merger with another housing association. Initially discussions were held with Orbit but, following completion of required due diligence, this merger did not proceed.

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- 5.6. At the November 2022 meeting the Board were advised that, following the collapse of the merger with Orbit, Swan Housing were seeking to enter into a merger with Sanctuary Housing Association. At the time of the meeting, it was expected that this merger would complete on 30 November 2022 and that Sanctuary Housing Association would have had the opportunity to review and agree the business plan for the project by Spring 2023.
- 5.7. In light of this report, the Board agreed that a further update on the project should be provided at this meeting. It was agreed that the update should provide confirmation as to the status of the merger, provide an update on project delivery and provide assurances regarding the ongoing delivery of the wider project.
- 5.8. The merger between Sanctuary Housing Association and Swan Housing has now completed, with Swan Housing becoming a subsidiary of Sanctuary in early February 2023. Since the completion of the acquisition, Sanctuary have commenced a review of the business plan for the wider Better Queensway project and have advised Southend-on-Sea City Council that a new business plan will be provided by the end of March 2023. This business plan will provide clarity on, amongst other things, phasing, key milestones, cashflow and housing delivery. Once submitted to Southend-on-Sea City Council, the business plan will be subject to the council's internal governance processes with a final delivery programme expected to be confirmed by June 2023.
- 5.9. Delivery of the GBF funded enabling works has continued and evidence of full spend of the GBF funding allocation has been provided to Southend-on-Sea City Council. It should be noted, however, that Southend-on-Sea City Council continue to hold the full GBF funding allocation whilst Sanctuary complete their required due diligence in relation to the merger with Swan Housing. Further details are provided in Section 6 of this report.
- 5.10. It has previously been reported that the GBF funding would be used to support the removal of a footbridge and diversion of utilities. However, as a result of the delay in completing the merger between Swan Housing and Sanctuary, it has not been possible to get contractors onsite to deliver these works. To mitigate this delay and eliminate the risk of GBF spend extending beyond March 2023, the GBF funding has instead been used to support delivery of highways enabling works which were originally expected to be funded through the Housing Infrastructure Fund (HIF) funding secured by Southend-on-Sea City Council to support delivery of the required highways works.
- 5.11. Given the delays in progressing the project, as a result of the extended Swan Housing merger conversations, there has been regular engagement between Southend-on-Sea City Council and Homes England with regard to the HIF funding award. Southend-on-Sea City Council have indicated that Homes England are viewing the recent developments with Swan Housing and Sanctuary Housing Association as positive. There is a need for Southend-on-Sea City Council to renegotiate the terms of their HIF funding agreement, however, indications are that Homes England are positive about the project and are looking to extend the funding availability period allowing the council to retain the funding award.
- 5.12. Whilst this update is positive, Southend-on-Sea City Council are unable to provide assurances regarding delivery of the wider project until the business plan has been reviewed by Sanctuary and has been through the council's internal governance processes.

It is therefore recommended that the Board receive a further update on the project at the next meeting (June 2023) which seeks to provide the required assurances regarding delivery of the wider project. It should be noted that, should the wider project not be delivered in accordance with the approved GBF Business Case, the Board will be asked to consider seeking clawback of the GBF funding from Southend-on-Sea City Council.

- 5.13. As the Board are aware there was a clear expectation from Central Government that the full GBF funding allocation should be spent supporting project delivery by 31 March 2023. As set out in Section 4 of this report, due to the late cancellation of the Swan Modular Housing Factory project and the exhaustion of the new GBF project pipeline, this expectation can no longer be met. However, efforts continue to maximise the amount of GBF spend achieved by 31 March 2023. Assurances have been received from all but nine projects (Techfort – Phase 2 and the eight projects seeking approval for retention of GBF funding to 30 June 2023 at this meeting) that GBF spend will be completed prior to the end of the 2022/23 financial year. As it stands, a total of £8.299m of the total £85m GBF allocation will remain unspent at 31 March 2023 – including £2.049m which is currently unallocated.

6. Projects seeking approval for retention of GBF funding beyond March 2023

- 6.1. 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 criteria and conditions were applied to requests for retention of GBF funding beyond March 2022 received between July 2021 and May 2022.
- 6.2. Subsequently in May 2022, following a review of all projects which had received approval for retention of their GBF funding beyond March 2022, the Board agreed that all projects forecasting GBF spend beyond March 2022 must meet the following requirements:
- 6.2.1. All GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023.
 - 6.2.2. All planning requirements must be met by 15 July 2022.
 - 6.2.3. All other (non-planning) required consents and approvals must be received by 15 July 2022.
 - 6.2.4. Contractual commitments must be in place with the construction contractor by 30 September 2022.
 - 6.2.5. Any changes to total project cost (prior to construction contract award) and forecast benefits must be reported to the SELEP Secretariat to enable ongoing monitoring of the value for money offered by the project.
 - 6.2.6. Ongoing reporting to the SELEP Secretariat on progress towards project delivery including provision of updated delivery milestones and notification of any changes to the funding sources identified to support project delivery must be provided.

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- 6.3. These requirements were initially introduced as a mechanism for ensuring timely completion of the GBF programme and were not, at the time, intended to represent a new approach to determining whether funding could be retained beyond 31 March 2022. However, given the number of late changes to the GBF programme, it was considered prudent to assess the projects against the updated requirements agreed in May 2022 when determining whether projects should be allowed to retain their GBF funding allocations beyond March 2022.
- 6.4. As the Board will recall, in light of advice received from Government and input from the Section 151 Officer for the Accountable Body, the decision was taken at the last meeting to allow GBF spend on existing projects to extend into Q1 2023/24 in exceptional circumstances. However, it was noted that all GBF spend on these projects should be complete by 30 June 2023. Whilst this principle was agreed, it is important that each project seeking an extension is considered individually prior to a project specific retention decision being taken by the Board.
- 6.5. At this meeting, the Board are asked to consider requests from eight projects to retain their GBF funding allocations beyond March 2023 for the maximum 3 month period allowed to 30 June 2023.

ASELA LFFN – Phase 3

- 6.6. The first project under consideration is the ASELA LFFN – Phase 3 project. This project was added to the GBF programme in November 2022 through the recently developed GBF prioritised project pipeline and was awarded £500,000 GBF funding.
- 6.7. Delivery of the project will allow the extension of fibre infrastructure across the South Essex region allowing work in some key 'Not Spot' areas which have not yet benefited from investment. In addition, the GBF funding will enable the fibre infrastructure to be linked with the Southend region fibre network, which will have significant benefits for the whole ASELA region in terms of sharing of services, cost savings and supporting the rollout of a pan ASELA Internet of Things (IoT) network to include the Southend area.
- 6.8. The original funding decision specified that the GBF would be awarded (and released) to Thurrock Council, as was the case for the ASELA LFFN – Phase 2 project. However, subsequently on 19 December 2022, Thurrock Council issued a Section 114 notice as they were not in a position to deliver a balanced budget. Following the announcement of the Section 114 notice, alternative options for release of the funding were considered and presented to the Board at the last meeting.
- 6.9. The Board agreed that the GBF funding awarded to support the ASELA LFFN – Phase 3 project can be released to Southend-on-Sea City Council, rather than Thurrock Council as originally agreed, subject to provision of all outstanding Local Growth Fund (LGF) and GBF year end declarations by Southend-on-Sea City Council.
- 6.10. Since the last Board meeting, the required year end declarations have been provided by Southend-on-Sea City Council and the required Variation Agreement formalising the award of the GBF funding to the project has been completed.

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- 6.11. Due to the need for further consideration as to who should be the recipient of the funding and the associated delay in progressing the required Variation Agreement, ASELA were not able to contractually commit to delivering the additional works and therefore it is no longer possible for the GBF funding to be spent in full by 31 March 2023 as originally agreed by the Board. For this reason, a request has been submitted to allow retention of the funding against the project beyond March 2023 for a maximum period of 3 months to 30 June 2023.
- 6.12. Information has previously been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all project retaining their respective GBF allocations beyond 31 March 2022 (as set out in Section 6.2 of this report). This information is set out in Appendix E.
- 6.13. It was noted that, whilst the project met the majority of the requirements agreed by the Board, contractual commitments for delivery of the project were not yet in place. It was indicated that the contractual commitments could not be put in place until the outcome of the application for additional GBF funding had been confirmed but that a benchmarking procurement process would be used to ensure that contractual commitments were put in place at the earliest opportunity with a view to completing project delivery in March 2023.
- 6.14. As the award of funding to the project has only recently been formalised through a Variation Agreement, the position with regard to the required contractual commitments remains the same. However, as the Variation Agreement has now been completed, it is expected that the project will complete by June 2023 as required.

No Use Empty South Essex

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

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- 6.19. The No Use Empty South Essex scheme was officially launched in April 2022 and applications for funding have been received, however, the required loan assessment and approval process has taken longer than anticipated which has resulted in a delay in issuing the GBF funding to property owners. These factors have resulted in the Board previously agreeing that GBF funding can be retained against the project until 31 March 2023.
- 6.20. It has now been confirmed that the full £1.2m GBF funding award has been allocated to No Use Empty loans, and it is expected that £977,000 of the GBF will be issued to loan recipients prior to 31 March 2023. However, Southend-on-Sea City Council have indicated that it is unlikely that all the required due diligence checks and legal paperwork in relation to the final loan (£223,000) will be completed by the end of March 2023. As a result, a request to retain the GBF funding against the project beyond March 2023 for a maximum period of 3 months to 30 June 2023 has been submitted.
- 6.21. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their GBF funding allocations beyond 31 March 2022. This information is set out in Appendix E.
- 6.22. Due to the nature of the No Use Empty South Essex project, not all requirements specified by the Board are applicable. Responsibility for securing any required planning consents and for appointing suitable contractors to deliver the works sits with the property owners, rather than Southend-on-Sea City Council. For applicants to be eligible for the No Use Empty initiative all planning permissions must be in place and 2 quotes for the required works must be provided with loan applications.
- 6.23. Taking this into account, the information provided demonstrates that the project meets the majority of the remaining requirements agreed by the Board. However, there are outstanding approvals relating to the issue of the loan which have not yet been secured. These approvals are tied up with the ongoing due diligence checks and will be confirmed over the next 2 to 3 months as these checks are completed.
- 6.24. The updated programme indicates that all required due diligence checks and legal paperwork will be completed by the end of May 2023, allowing the funding to be released to the property owner in June 2023. There is limited scope in the programme should there be any delays in completing the required checks and paperwork and therefore there is a risk that spend of the GBF funding may extend beyond June 2023. This risk will be closely monitored and an update on GBF spend will be provided to the Board at the next meeting.

Better Queensway

- 6.25. 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

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a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.

- 6.26. The Board approved the award of £4.2m of GBF funding to support delivery of the project in November 2020 and full spend of the GBF funding allocation has been evidenced to Southend-on-Sea City Council.
- 6.27. The Board have received regular updates on delivery of the project and have previously agreed that the GBF funding can be retained against the project to 31 March 2023. Previous extensions have been granted for a number of reasons including receipt of planning consent taking longer than anticipated, extended lead-in times when dealing with utility companies and complications arising from the uncertainty around the future of Swan Housing (as joint venture partner).
- 6.28. As set out in Section 5 of this report, the merger between Swan Housing and Sanctuary Housing Association completed in early February 2023 and Sanctuary are currently reviewing the Business Plan for the wider Better Queensway project. Once this review and associated required governance has been completed, a further update on project delivery will be provided to the Board.
- 6.29. In the interim, work has continued to progress the required enabling works and full spend of the GBF funding allocation has been evidenced to Southend-on-Sea City Council. Due to the extended period of uncertainty regarding the future status of Swan Housing, Southend-on-Sea City Council took the decision to not transfer the funding to the LLP responsible for delivering the project until the merger discussions involving Swan Housing were satisfactorily concluded.
- 6.30. As referenced above, the merger between Swan Housing and Sanctuary completed in early February 2023 meaning that Southend-on-Sea City Council were in a position where they were comfortable to release the funding. However, since completion of the merger, there has been a requirement for Sanctuary to complete a lot of due diligence in terms of understanding what they have inherited from Swan Housing. This work is ongoing and therefore, at the current time, Sanctuary are not in a position to accept the GBF funding.
- 6.31. The required due diligence will be completed at Sanctuary's next Board meeting which is scheduled to take place on 24 April. Following that meeting, it is expected that Southend-on-Sea City Council will be able to transfer the funding. A request to retain the GBF funding against the project beyond March 2023 for a maximum period of 3 months to 30 June 2023 has been submitted to allow time for the due diligence to complete.
- 6.32. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their GBF funding allocations beyond 31 March 2022. This information is set out in Appendix E.
- 6.33. It is indicated within Appendix E that the project costs have increased since the submission of the Business Case and the consideration of award of funding to the project by the Board. At this stage, the scale of the cost increase is unknown, and it is unclear whether this increase in cost will be met through public or private sector funding.

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- 6.34. At the time of GBF funding award, the BCR for the project was reported to be 3:1 based on consideration of all public sector funding secured to support project delivery. It should be noted that an increase in project benefits of an additional 93 new homes has been reported, which will partially offset the impact of any cost increase on the BCR.
- 6.35. Given the lack of information currently available with regard to the scale of the cost increase, to which element of the wider project it applies and as to how this cost increase will be funded, it is not currently possible to confirm that the project still offers High value for money. However, it should be noted that the Better Queensway project is also in receipt of £15m from Central Government through the Housing Infrastructure Fund and is therefore subject to value for money obligations outlined by Government.
- 6.36. In addition, Sanctuary are currently undertaking a review of the Business Plan for the wider Better Queensway project, with a view to providing clarity on, amongst other things, phasing, key milestones, cashflow and housing delivery. A further update on the project will be provided to the Board in June 2023 which will seek to provide more certainty regarding total project cost and the value for money offered by the project.

Essex County Council GBF projects

- 6.37. Additional GBF funding was awarded to the five projects set out below in January 2023, following the removal of the Swan Modular Housing Factory project from the GBF programme. As set out in Section 4 of this report, the return of the GBF funding from the project has been delayed – in part due to the delay in the completion of the planned merger between Swan Housing and Sanctuary Housing Association and the additional layer of approvals which are now required.
- 6.38. Since the decision was taken by the Board to remove the Swan Modular Housing Factory project from the GBF programme, Essex County Council have engaged with Swan Housing on a regular basis with a view to securing timely repayment of the GBF funding. A commitment was given by Swan Housing to repay the GBF funding owed in late February 2023, however, prior to the payment being made, a query was raised by Sanctuary Housing Association which meant that Swan Housing were unable to progress the repayment as planned. Whilst discussions continue between Swan Housing, Sanctuary Housing Association and Essex County Council, steps have been taken by Essex County Council to investigate the potential to repay the funding (or part of the funding as required to support those projects which received additional GBF funding awards in January 2023) from their own funds as an interim measure as required under the terms of the Service Level Agreement. This measure has been investigated to mitigate the impact on the GBF programme, whilst awaiting repayment from Swan Housing. However, to date, only the £1.5m GBF which was still held by Essex County Council at the point of project cancellation has been repaid to the Accountable Body.
- 6.39. There is a requirement for Essex County Council to complete internal governance to formalise the award of additional GBF funding to the 5 projects set out below. Due to the changing messages received from Swan Housing with regard to the required repayment, and the uncertainty regarding the availability of the funding, there has been a delay in progressing the required governance. To ensure that there is time for the governance to be

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completed, and for the projects to spend the GBF funding in the most effective way to support project delivery, approval for retention of the GBF funding against each of the following 5 projects to 30 June 2023 is sought.

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

- 6.40. Superfast Essex is a broadband improvement programme which is run by Essex County Council. The programme aims to make superfast and ultrafast broadband available to as many homes and businesses across Essex as possible.
- 6.41. The GBF funding was awarded to extend the Superfast Essex rollout programme to reach additional rural areas, with a focus on upgrading business premises.
- 6.42. The Board approved the award of £1.82m GBF to support delivery of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project in October 2020. An additional £477,256 was awarded in November 2022 and January 2023 to support delivery of the approved Business Case.
- 6.43. The most recent quarterly reporting from Essex County Council indicates that £92,020 of this funding allocation has been drawn down to date, although it has been confirmed that further expenditure has been incurred.
- 6.44. In November 2021, the Board agreed that, as an exception, the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 12 months, to 31 March 2023. This exception was granted on the basis that the delay to project delivery was entirely as a result of the actions of a Government department (Broadband Delivery UK), rather than due to a delivery issue.
- 6.45. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix E and demonstrates that the project meets all the requirements agreed by the Board.

Tindal Square, Chelmsford

- 6.46. The Tindal Square project will create a new civic square of over 3,000 sqm that provides a destination space for arts, events and celebrations outside Shire Hall in Chelmsford city centre.
- 6.47. The project will create a public space where pedestrians will have priority and cyclists will be able to move through the space between identified gateway points giving care to more vulnerable users.
- 6.48. All existing surfacing will be replaced with quality/robust new paving, including a radial design pattern extending from Shire Hall. Existing street clutter will be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. The scheme will also provide a new accessible entrance to Shire Hall, which is a Grade 2* Listed Building.

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- 6.49. The project will remove motorised traffic from this part of the City Centre, reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.
- 6.50. The Board approved the award of £750,000 GBF in November 2020 to support delivery of the Tindal Square project. This funding was spent in full by 31 March 2022 in accordance with the GBF timeline originally specified by Government.
- 6.51. An additional £450,000 GBF funding was awarded in November 2022 and January 2023 to support delivery of the approved Business Case. Due to the timing of the funding award, the Board agreed that the GBF funding could be retained against the project until 31 March 2023.
- 6.52. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix E and demonstrates that the project meets all the requirements agreed by the Board.

Jaywick Market and Commercial Space

- 6.53. The project involves the build of a commercial facility and vibrant local market on a gateway site in Jaywick Sands in response to a known undersupply of commercial space and a high level of credible demand for affordable light industrial, studio and basic office facilities within the area.
- 6.54. The intention was to construct 13 low-cost units offering 9,500sq ft lettable area and a covered local market of 20 affordable pitches. Following a redesign after the original GBF Business Case was submitted, a further 11 flexible units and a meeting/training room have been added. 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.
- 6.55. This project forms part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community - including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.
- 6.56. The Board approved the award of £1.972m GBF in November 2020 to support delivery of the Jaywick Market and Commercial Space project. An additional £419,060 was awarded in November 2022 and January 2023 to support delivery of the approved Business Case.
- 6.57. The most recent quarterly reporting from Essex County Council indicates that £1.918m of this funding allocation has been drawn down to date.
- 6.58. In November 2021, the Board agreed that the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This extension was required due to concerns over the rising costs of

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materials and increasing volatility in the materials market prompting the need for a review of the design of the project.

- 6.59. Furthermore, in September 2022, the Board agreed that the GBF funding allocation could be retained against the project for a further period of 6 months, to 31 March 2023. This extension was requested due to delays in the construction process caused by the discovery of unexpected ground obstructions and contamination following the commencement of works onsite.
- 6.60. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix E. This demonstrates that the project meets all the requirements agreed by the Board.

Tendring Bikes and Cycle Infrastructure

- 6.61. The Tendring Bikes and Cycle Infrastructure project aims to deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton. The project aims to tackle deprivation and inequality within one of the most deprived areas of the country.
- 6.62. The project will provide access to wider employment, training and up-skilling opportunities, support economic growth in Jaywick and address health inequalities by enabling and supporting active travel.
- 6.63. The Board approved the award of £2.3m GBF to support delivery of the Tendring Bikes and Cycle Infrastructure project in November 2020. An additional £300,200 was awarded in January 2023 to support delivery of the approved Business Case.
- 6.64. The most recent quarterly reporting from Essex County Council indicates that £518,887 of this funding allocation has been drawn down to date, although it has been confirmed that further expenditure has been incurred.
- 6.65. In February 2022, the Board agreed that the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This extension was required to allow time to make changes to the proposed cycle route in order to address local concerns.
- 6.66. Furthermore, in September 2022, the Board agreed that the GBF funding allocation could be retained against the project for a further period of 6 months, to 31 March 2023. This extension was requested due to the required redesign work taking significantly longer than expected to complete.
- 6.67. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix E. This demonstrates that the project meets all the requirements agreed by the Board.

Enterprise Centre for Horizon 120 Business and Innovation Park

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- 6.68. The project has delivered an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth, as well as businesses aiming to stabilise and consolidate their activities. The Enterprise Centre offers a variety of office spaces and a flexible conference space which can be transformed into smaller units.
- 6.69. The Enterprise Centre forms the focal point for the Horizon 120 Business and Innovation Park and is designed to drive collaboration, encourage idea generation and underpin problem solving.
- 6.70. The Board approved the award of £7m GBF in November 2020 to support delivery of the Enterprise Centre for Horizon 120 Business and Innovation Park project. This funding was spent in full by 31 March 2022 in accordance with the GBF timeline originally specified by Government.
- 6.71. An additional £641,924 GBF funding was awarded in January 2023 to support delivery of the approved Business Case. Due to the timing of the funding award, the Board agreed that the GBF funding could be retained against the project until 31 March 2023.
- 6.72. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix E and demonstrates that the project meets all the requirements agreed by the Board.

7. Deliverability and Risk

- 7.1. Appendix C sets out a delivery update and risk assessment for all projects included in the GBF programme. This provides a detailed breakdown of the delivery progress for each project, relative to the expected completion dates, as set out in the original Business Cases.
- 7.2. The summary project risk assessment position is set out in Table 2 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).
- 7.3. The risk assessment has been conducted for GBF projects based on:
- 7.3.1. **Delivery** – considers project delays and any delays to the delivery of the project outputs/outcomes. SELEP has considered the delay between the original expected project completion date (as stated in the project Business Case) and the updated forecast project completion date.
- 7.3.2. To ensure consistency with Government guidance on the assessment of GBF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of greater than 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.
- 7.3.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and the amount of GBF funding which remains unspent at the end of Q3 2022/23.

7.3.4. **Reputation** – considers the reputational risk for the delivery partner, relevant Upper Tier Local Authority and SELEP Ltd.

Table 2: Summary of GBF project risk

Risk Score	Number of projects	GBF allocation to projects (£m)	GBF spend forecast in 2022/23 (Q4 onwards)
Low Risk - 1	16	25.712	0.000
Low/Medium Risk - 2	6	9.012	0.315
Medium Risk - 3	6	21.895	2.316
Medium/High Risk - 4	4	4.302	1.952
High Risk - 5	8	22.030	11.531
Total	40	82.951	16.114

7.4. In total £22.030m GBF is allocated to High risk projects, with £11.531m of this funding unspent at the end of Q3 2022/23. The currently unallocated GBF funding (£2.049m) has been included within Appendix C but a risk assessment has not been applied to this funding and as a result the GBF funding allocation in Table 2 does not add up to £85m.

7.5. A number of projects are considered to present a High financial risk due to the profiling of the GBF funding. Projects which are forecasting a high proportion of GBF spend in Q4 2022/23 or Q1 2023/24 have been assessed as Medium/High Risk or High Risk. If delivery is progressing to programme, these projects are not automatically assumed to be High Risk in all areas and are therefore not all reflected within the 8 High Risk projects identified in Table 2. These projects will be monitored closely, and the Board will be updated if, due to deliverability concerns, the overall project RAG rating increases.

7.6. The 8 High Risk projects identified in Table 2 are:

7.6.1. Better Queensway

7.6.2. No Use Empty South Essex

7.6.3. ASELA LFFN – Phase 3

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

7.6.5. Tindal Square, Chelmsford

7.6.6. Jaywick Market and Commercial Space

7.6.7. Tendring Bikes and Cycle Infrastructure

7.6.8. Enterprise Centre for Horizon 120 Business and Innovation Park

- 7.7. The No Use Empty South Essex, ASELA LFFN – Phase 3, Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises, Tindal Square Chelmsford, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure and Enterprise Centre for Horizon 120 Business and Innovation Park projects are all considered to be High Risk as requests to retain their GBF funding allocation beyond March 2023 have been received but have not yet been considered by the Board. Further details on these requests are provided in Section 6 of this report.
- 7.8. An update on the Better Queensway project is set out in Section 5 of this report. The Project continues to be identified as High Risk as there is an outstanding requirement for Southend-on-Sea City Council to provide assurances regarding the ongoing delivery of the wider project following the completion of the merger between Swan Housing and Sanctuary Housing Association. It was agreed that these assurances would be provided at this meeting, however, completion of the merger was delayed and therefore additional time is required for Sanctuary Housing Association to complete all required due diligence in relation to the project. Once this work has completed, a more comprehensive update on the project will be provided to the Board. In addition, a request to retain the GBF funding allocation against the project beyond March 2023 has been received but has not yet been considered by the Board. Further details on this request are provided in Section 6 of this report.

8. GBF Programme Risks

- 8.1. In addition to project specific risks, Appendix B sets out the overall programme risks. A key risk relates to the affordability of the GBF projects following widespread reports of increased materials and labour costs following the COVID-19 pandemic. This has been further exacerbated by extended lead in times for some materials, rising inflation and extended response times from utility providers and other statutory bodies. These factors have led to a delay in delivery for a number of the GBF projects and have resulted in a number of projects having to seek additional funding to bridge a funding gap which wasn't expected at the outset of the programme. The recent award of the additional GBF funding to existing GBF projects has helped to partially mitigate this risk. Other mitigation measures currently being employed include:
- 8.1.1. value engineering in an attempt to reduce the total project cost but this approach risks adversely impacting on the outputs or outcomes offered by the project;
 - 8.1.2. purchase of all materials at the outset of the construction programme in order to offset the risk of further cost increases; and
 - 8.1.3. identifying alternative suppliers or alternative solutions so as to mitigate both cost increases and extended lead in periods.
- 8.2. In addition, the economic impacts of the COVID-19 pandemic present a significant risk to the delivery of the benefits expected through the GBF investment. It is anticipated that the benefits realised through the GBF funding will be realised at a slower rate than expected, with some projects potentially reporting reduced benefits. This risk will be closely monitored as the programme reaches a conclusion.

- 8.3. There has been a clear expectation from Government that the GBF funding should be spent in full by 31 March 2023, and failure to do so would represent a significant reputational risk for both SELEP and the responsible Upper Tier Local Authority(ies). As a result of the late cancellation of the Swan Modular Housing Factory project, and the exhaustion of the new GBF project pipeline, this risk has materialised. Government have been kept fully apprised of the situation and have acknowledged that the late withdrawal of the project and the significant value of the GBF funding awarded to the project, makes it very difficult for SELEP to meet their GBF spend expectations.
- 8.4. Whilst this risk has materialised, steps continue to be taken to maximise the amount of GBF spend achieved by 31 March 2023. This requirement was a key consideration in the development of the recently exhausted GBF project pipeline and there has continued to be regular engagement with local partners in relation to ongoing GBF projects. Assurances have been received that all but nine ongoing GBF projects will complete their GBF spend by 31 March 2023.
- 8.5. There is also a risk that once the GBF funding has been fully defrayed to local partners that completion of the required quarterly reporting will not be prioritised, which is likely to result in the reporting either not being submitted to SELEP or being submitted late. If the reporting is not provided in a timely manner, there will be insufficient time for the contents to be fully reviewed and to allow challenge where required to ensure that the Board are provided with a complete and robust update on delivery of the GBF programme.

9. Financial Implications (Accountable Body comments)

- 9.1. Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. GBF is a capital grant awarded by Government and is subject to the following condition:

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

- 9.2. This condition requires that the grant is used to fund Capital expenditure; no end date for use of the grant is included within the conditions, however, it was the expectation of Government that it was used to fund the GBF projects and that it would be defrayed in full by the end of March 2022.
- 9.3. With the GBF allocated to each project having been transferred in advance to the Local Authorities, there is a requirement for the Board to continue to effectively monitor the progress of the GBF projects in order to provide assurance of delivery in line with the agreed business cases.
- 9.4. Further, this gives the Board oversight of potential risks which may impact delivery of GBF projects along with proposed mitigations; this is of particular importance due to the current uncertain economic climate and increasing inflation, together with ongoing impacts experienced following the Covid-19 pandemic and Brexit.

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- 9.5. To support this monitoring, the SLAs set out the requirement for Partner Authorities to provide regular update reports to SELEP and the Accountable Body in the timescales and format specified by the SELEP Secretariat, to inform the updates to the Board and Government. Should the funding not be utilised in accordance with the conditions, Government may request return of the funding.
- 9.6. The cancellation of some projects during the 2022/23 financial year has required the return of GBF funding to the Accountable Body to be reallocated to other Projects on the pipeline in accordance with the decisions of the Board.
- 9.7. The representative of the Section 151 officer of the Accountable Body gave support to the decision made at the January 2023 Board meeting, to allow spend on GBF projects into quarter one of 2023/24, where this is approved by the Accountability Board. Spend beyond this period by GBF projects would not be supported at this point without further consideration of the resource implications to continue to monitor delayed schemes for an additional period; this is of particular note given the well reported financial uncertainties for the SELEP beyond 2023/24.
- 9.8. The latest forecast (table 1) indicates that £25.537m of the total £85m GBF allocation will be spent after 31 March 2022, of which £8.299m will be spent after 31 March 2023, of which £2.049m is now unallocated. As the conditions of the grant from Government do not include an end date, there is no risk of clawback by Government due to spend beyond 31 March 2022; however, there is reputational risk to SELEP and potential risk to future funding streams where defrayal of funding and delivery cannot be demonstrated – Government review this as part of the Annual Performance Review of LEPs.
- 9.9. The impact of the delay in repayment of the GBF allocated to the Swan Modular Housing Factory project has increased the amount of GBF that will now need to be spent in 2023/24, however, all projects remain due to complete spend of the GBF by 30th June 2023.
- 9.10. The proposal to combine the GBF and GPF funds into one scheme is supported to reduce the overhead of managing two schemes; as both these funds are required to be used to support Capital Investment, there is no restriction in this respect, to manage as a single scheme. GPF was allocated to SELEP in order that it can be operated as a recyclable loan scheme to support capital investment; in reviewing options for use of the unallocated GBF, this could be applied as a loan or as a grant, providing that the condition for use for capital purposes is met, alongside the other requirements of the SELEP Assurance Framework, including assuring value for money. In reviewing options available, the Accountable Body will continue to support the SELEP Secretariat to ensure that those requirements are adhered to, as well as consideration given to the affordability of operating any options proposed.

10. Legal Implications (Accountable Body comments)

- 10.1. The funding is administered in accordance with the Service Level Agreements in place between Essex County Council, as Accountable Body of SELEP, SELEP Ltd and the Partner Authority. The SLA contains provisions that permit the Accountability Board to take a decision to require funding is repaid (either in all or in part) if the Partner Authority fails to

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deliver the project in accordance with the business case, a project is changed and the Accountability Board decline to agree the change, or if the project can no longer meet the grant conditions.

- 10.2. Under the agreement with Swan Housing, Essex County Council has been actively pursuing the repayment, at the earliest opportunity, of the GBF funding for the Swan Modular Housing Factory project. If Swan Housing fails to adhere to the agreed repayment terms, Essex County Council will need to consider pursuing additional remedies available under the agreement.

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.

12. List of Appendices

- 12.1. Appendix A – GBF Spend Position
- 12.2. Appendix B – Programme Risk Register
- 12.3. Appendix C - Project deliverability and risk update
- 12.4. Appendix D – Update on projects which have received approval for retention of GBF funding beyond March 2022
- 12.5. Appendix E – Compliance with conditions for GBF spend beyond March 2023

(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)

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Role	Date
Accountable Body sign off Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	31/3/2023

Appendix A - GBF Spend Position											
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	2021/22 Actual	Q1 2022/23 Actual	Q2 2022/23 Actual	Q3 2022/23 Actual	Q4 2022/23 Forecast	2022/23 Forecast	2023/24 Q1 Forecast	Total Actual + Forecast
East Sussex											
GBF003	Restoring the Glory of the Winter Garden	1,600,000	577,764	1,022,236							1,600,000
GBF004	The Observer Building, Hastings (Phase 2) Option A	2,028,000	934,678	778,322				315,000	315,000		2,028,000
GBF009	Charleston's access road: removing the barrier to growth	329,835		329,835							329,835
GBF010	Creative Hub, 4 Fisher Street, Lewes	250,000	143,116	106,884							250,000
GBF012	Sussex Innovation Falmer - Covid Secure adaptations-	200,000		200,000							200,000
GBF013	UTC Maritime & Sustainable Technology Hub	1,300,000					554,900	745,100	1,300,000		1,300,000
GBF039	Food Street, Eastbourne	100,000					100,000		100,000		100,000
GBF040	Seven Sisters Country Park Visitor Infrastructure Uplift	284,100				200,000		84,100	284,100		284,100
		6,091,935	1,655,558	2,437,277		200,000	654,900	1,144,200	1,999,100		6,091,935
Essex											
GBF005	Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	680,000				680,000			680,000		680,000
GBF006	Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	2,297,256				92,020		2,087,054	2,179,074	118,182	2,297,256
GBF014	Enterprise Centre for Horizon 120 Business Park	7,641,924	967,422	6,032,578						641,924	7,641,924
GBF015	Harlow Library	977,000		977,000							977,000
GBF016	Jaywick Market & Commercial Space	2,391,060		243,636		503,860	1,170,603	354,780	2,029,243	118,181	2,391,060
GBF017	Labworth Car Park, Canvey Island modernisation	700,000	326,888	373,112							700,000
GBF018	Modus	1,960,000	1,960,000								1,960,000
GBF019	Nexus	1,600,000		1,600,000							1,600,000
GBF020	Remodelling of buildings at Harlow College to provide new 'T'-levels	1,500,000	24,328	1,475,672							1,500,000
GBF021	Rocheway	713,000	218,498	494,502							713,000
GBF023	Tendring Bikes & Cycle Infrastructure	2,600,200		518,887				1,781,113	1,781,113	300,200	2,600,200
GBF024	Tindal Square, Chelmsford	1,200,000		750,000				331,819	331,819	118,181	1,200,000
GBF041	Princess Alexandra Hospital Training and Education Facility	500,000		500,000							500,000
GBF042	Braintree Active Travel	291,000		291,000							291,000
		25,051,440	3,497,136	13,256,387		1,275,880	1,170,603	4,554,766	7,001,249	1,296,668	25,051,440
Kent											
GBF001	Digitally Connecting Rural Kent and Medway	2,290,152		2,290,152							2,290,152
GBF025	Javelin Way Development	814,452	578,724					235,728	235,728		814,452
GBF026	Romney Marsh Employment Hub	3,536,466		2,785,770	133,580		360,248	256,868	750,696		3,536,466
GBF027	Thanet Parkway Railway Station	12,874,000	3,162,699	8,836,301				875,000	875,000		12,874,000
GBF028	First and Second Floors, Building 500, Discovery Park, Sandwich	2,750,000		211,398	380,799	1,907,803		250,000	2,538,602		2,750,000
GBF029	New Performing & Production Digital Arts Facility @ North Kent College	12,301,796	2,459,825	9,841,971							12,301,796

Appendix A - GBF Spend Position											
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	2021/22 Actual	Q1 2022/23 Actual	Q2 2022/23 Actual	Q3 2022/23 Actual	Q4 2022/23 Forecast	2022/23 Forecast	2023/24 Q1 Forecast	Total Actual + Forecast
GBF030	The Meeting Place Swanley	1,490,000		1,490,000							1,490,000
GBF036	St George's Creative Hub	323,204		323,204							323,204
GBF038	The Amelia Scott	1,400,000		1,400,000							1,400,000
GBF043	Techfort	1,009,000					437,851	571,149	1,009,000		1,009,000
GBF045	Techfort Phase 2	850,000						765,000	765,000	85,000	850,000
		39,639,070	6,201,248	27,178,796	514,379	1,907,803	798,099	2,953,745	6,174,026	85,000	39,639,070
	Medway										
GBF007	Britton Farm Redevelopment Learning, Skills & Employment Hub	1,990,000	205,157	1,784,843							1,990,000
GBF037	Innovation Park Medway - Sustainable City of Business	1,178,323		778,323				400,000	400,000		1,178,323
		3,168,323	205,157	2,563,166				400,000	400,000		3,168,323
	Southend										
GBF031	Better Queensway	4,200,000								4,200,000	4,200,000
GBF032	South Essex No Use Empty	1,200,000					219,954	757,046	977,000	223,000	1,200,000
GBF044	LFFN - Phase 3	500,000						55,000	55,000	445,000	500,000
		5,900,000					219,954	812,046	1,032,000	4,868,000	5,900,000
	Thurrock										
GBF008	LFFN - Phase 2	2,500,000	946,218	922,857	498,509	132,416			630,925		2,500,000
GBF034	Transport and Logistics Institute	600,000		600,000							600,000
		3,100,000	946,218	1,522,857	498,509	132,416			630,925		3,100,000
	Unallocated	2,049,232									2,049,232
	Total	85,000,000	12,505,317	46,958,483	1,012,888	3,516,099	2,843,556	9,864,757	17,237,300	6,249,668	85,000,000

Appendix B - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Affordability of GBF projects	There have been widely reported increases in materials costs as a result of COVID-19 and Brexit. These increases alongside rising inflation have resulted in significant cost increases across the programme. This may impact on the deliverability of the projects as set out in the Business Cases.	5	5	25	<p>Whilst the majority of the GBF funding returned to SELEP as a result of project cancellations has been awarded to support delivery of existing projects, 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.</p> <p>Early engagement with contractors and the supply chain is advised.</p>
Inability to complete GBF spend by 31 March 2023 in accordance with Government expectations	At the outset of the GBF programme, Government expectations were that the GBF funding would be spent in full by 31 March 2022. Due to challenges faced by a number of the projects, this wasn't achievable and Government revised their expectations to require full GBF spend by 31 March 2023. Inability to meet this expectation represents a reputational risk for both SELEP and the responsible Upper Tier Local Authorities.	5	5	25	<p>As a result of the late cancellation of the Swan Modular Housing Factory project, this risk has materialised and Government have been advised that this expectation will no longer be met.</p> <p>Steps have been taken to maximise the level of GBF spend achieved by 31 March 2023 - with this forming a key part of the criteria applied to the creation of the recent GBF project pipeline. Ongoing GBF projects continue to be closely monitored and assurances have been provided that all but 9 ongoing GBF projects will complete their GBF spend by 31 March 2023.</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
Extended delivery programmes	<p>As a result of the COVID-19 pandemic, there are longer than expected lead-in times for certain materials which could adversely impact on delivery programmes.</p> <p>In addition, extended response times from utility providers and other statutory organisations have been reported which are impacting on project delivery.</p> <p>Labour supply issues have also been reported due to the number of projects which were delayed due to the COVID-19 pandemic.</p>	4	5	20	<p>Early engagement with contractors and the supply chain is advised to ensure that materials are ordered as early as possible in the programme to minimise delay in delivery.</p> <p>Utility providers and other statutory organisations should be engaged at the outset of the project and time built into the programme for this engagement to minimise delays to delivery.</p>
Failure of third-party organisations to deliver GBF projects	<p>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.</p>	5	3	15	<p>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.</p>
Delivery of GBF project benefits	<p>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.</p>	3	5	15	<p>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.</p>
Resource to deliver GBF projects	<p>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.</p>	4	2	8	<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 2023 deadline as long as the GBF allocation to the project has been spent.</p>
Supply Chain Risk	<p>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.</p>	4	3	12	<p>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.</p>

Appendix C - Getting Building Fund Delivery and Risk																		
Project	Deliverability								Financial							Deliverability risk RAG rating	Reputational risk RAG rating	Overall
	Accountability Board approval	Project Delivery Status	GBF Spend Status	Expected completion date (per Business Case)	Expected completion date (Oct-2022)	Expected completion date (Feb-2023)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 to Q3 (£)	Forecast spend Q4 2022/23 (£)	Spend Q1 2023/24	Financials RAG rating				
East Sussex																		
Restoring the Glory of the Winter Garden	Oct-20	In Construction	Complete	May-22	Mar-23	Mar-25	35	24	1,600,000	1,600,000				1	5	3	3	
The Observer Building, Hastings (Phase 2) Option A	Oct-20 and Nov-22	In Construction	Ongoing	Dec-22	Dec-22	Mar-23	3	3	2,028,000	1,713,000		315,000		3	2	2	2	
Charleston's access road: removing the barrier to growth	Nov-20 and Jul-21	Completed	Complete	Mar-21	May-22	May-22	14		329,835	329,835				1	1	1	1	
Creative Hub, 4 Fisher Street, Lewes	Nov-20	Completed	Complete	Apr-21	Sep-21	Sep-21	5		250,000	250,000				1	1	1	1	
Sussex Innovation Falmer - Covid Secure adaptations	Nov-20	Completed	Complete	Mar-21	Jul-22	Jul-22	16		200,000	200,000				1	1	1	1	
UTC Maritime & Sustainable Technology Hub	Nov-20	In Construction	Ongoing	Mar-22	Mar-23	Mar-23	12		1,300,000		554,900	745,100		5	5	2	4	
Food Street, Eastbourne	Feb-22	Completed	Complete	Mar-22	Sep-22	Sep-22	6		100,000		100,000			1	1	1	1	
Seven Sisters Country Park Visitor Infrastructure Uplift	Feb-22 and Jan-23	In Construction	Ongoing	Sep-22	Jan-23	Mar-23	5	1	284,100		200,000	84,100		4	4	2	3	
Essex																		
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	Oct-20	Completed	Complete	Jun-21	Mar-23	Dec-22	18	3	680,000		680,000			1	1	1	1	
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Oct-20, Nov-22 and Jan-23	In progress	Ongoing	Dec-21	Mar-23	Jun-23	17	2	2,297,256		92,020	2,087,054	118,182	5	5	4	5	
Enterprise Centre for Horizon 120 Business Park	Nov-20 and Jan-23	Completed	Ongoing	Jun-22	Jul-22	Jul-22	1		7,641,924	7,000,000			641,924	5	5	4	5	
Harlow Library	Nov-20	Completed	Complete	Oct-21	Jun-22	Jun-22	8		977,000	977,000				1	1	1	1	
Jaywick Market & Commercial Space	Nov-20, Nov-22 and Jan-23	In Construction	Ongoing	Mar-22	Mar-23	Jun-23	15	3	2,391,060	243,636	1,674,463	354,780	118,181	5	5	4	5	
Labworth Car Park, Canvey Island modernisation	Nov-20	Completed	Complete	Jun-21	Aug-21	Aug-21	2		700,000	700,000				1	1	1	1	
Modus	Nov-20	Completed	Complete	Mar-21	Mar-21	Mar-21			1,960,000	1,960,000				1	1	1	1	
Nexus	Nov-20	Completed	Complete	Jun-21	May-22	May-22	11		1,600,000	1,600,000				1	1	1	1	
Remodelling of buildings at Harlow College to provide new 'T'-levels	Nov-20	Completed	Complete	Mar-21	Mar-22	Mar-22	12		1,500,000	1,500,000				1	1	1	1	
Rocheway Independent Living	Nov-20	In Construction	Complete	Dec-22	Dec-22	Jun-23	5	5	713,000	713,000				1	4	2	2	
Tendring Bikes & Cycle Infrastructure	Nov-20 and Jan-23	In Construction	Ongoing	Mar-22	Dec-22	Jun-23	15	6	2,600,200	518,887		1,781,113	300,200	5	5	4	5	
Tindal Square, Chelmsford	Nov-20, Nov-22 and Jan-23	In Construction	Ongoing	Mar-22	Jan-23	Jun-23	15	5	1,200,000	750,000		331,819	118,181	5	5	4	5	
Princess Alexandra Hospital Training and Education Facility	Feb-22	Completed	Complete	Feb-22	May-22	May-22	3		500,000	500,000				1	1	1	1	
Braintree Active Travel	Feb-22	In Construction	Complete	Sep-22	Dec-22	Jun-23	9	6	291,000	291,000				1	4	2	2	
Kent																		
Digitally Connecting Rural Kent and Medway	Sep-20	Completed	Complete	Mar-22	Mar-22	Mar-22			2,290,152	2,290,152				1	1	1	1	
Javelin Way Development	Nov-20 and Nov-22	In Construction	Ongoing	Mar-22	Dec-22	Mar-23	11	2	814,452	578,724		235,728		4	4	3	4	
Romney Marsh Employment Hub	Nov-20	In Construction	Ongoing	Feb-22	Mar-23	Mar-23	13		3,536,466	2,785,770	493,828	256,868		2	5	3	3	
Thanet Parkway Railway Station	Nov-20 and Nov-22	In Construction	Ongoing	Dec-22	May-23	May-23	5		12,874,000	11,999,000		875,000		2	4	4	3	
First and Second Floors, Building 500, Discovery Park, Sandwich	Nov-20 and Jan-23	In Construction	Ongoing	Jul-21	Nov-22	Jul-23	24	8	2,750,000	211,398	2,288,602	250,000		2	5	2	3	
New Performing & Production Digital Arts Facility @ North Kent College	Nov-20	Completed	Complete	Feb-22	Apr-22	Apr-22	2		12,301,796	12,301,796				1	1	1	1	
The Meeting Place Swanley	Nov-20	In Construction	Complete	May-22	Nov-22	Feb-23	9	3	1,490,000	1,490,000				1	4	2	2	
St George's Creative Hub	Mar-21	Completed	Complete	Jun-21	Dec-21	Dec-21	6		323,204	323,204				1	1	1	1	
The Amelia Scott	Nov-21	Completed	Complete	Mar-22	Mar-22	Mar-22			1,400,000	1,400,000				1	1	1	1	
Techfort	Feb-22	In Construction	Ongoing	Sep-22	Dec-22	Mar-23	6	3	1,009,000		437,851	571,149		5	4	2	4	

Project	Deliverability								Financial					Deliverability risk RAG rating	Reputational risk RAG rating	Overall	
	Accountability Board approval	Project Delivery Status	GBF Spend Status	Expected completion date (per Business Case)	Expected completion date (Oct-2022)	Expected completion date (Feb-2023)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 to Q3 (£)	Forecast spend Q4 2022/23 (£)	Spend Q1 2023/24				Financials RAG rating
Techfort 2	Jan-23	In Construction	Ongoing	Jun-23	N/A	Jun-23			850,000			765,000	85,000	5	1	2	3
Medway																	
Britton Farm Redevelopment Learning, Skills & Employment Hub	Sep-20	In Construction	Complete	Feb-23	Feb-23	Jun-23	4	4	1,990,000	1,990,000				1	4	2	2
Innovation Park Medway - Sustainable City of Business	Jul-21 and Nov-22	In Construction	Ongoing	Mar-22	Mar-23	Mar-23	12		1,178,323	778,323		400,000		5	5	3	4
Southend																	
Better Queensway	Nov-20	In Construction	Ongoing	Mar-34	Mar-34	Mar-34			4,200,000				4,200,000	5	5	5	5
South Essex No Use Empty	Nov-20	In progress	Ongoing	Mar-22	Mar-23	Jun-23	15	3	1,200,000		219,954	757,046	223,000	5	5	4	5
LFFN - Phase 3	Nov-22	In progress	Ongoing	Mar-23	Mar-23	Jun-23	3	3	500,000			55,000	445,000	5	5	4	5
Thurrock																	
LFFN - Phase 2	Oct-20	In progress	Complete	Feb-22	Nov-22	Mar-23	13	4	2,500,000	1,869,075	630,925			1	5	1	2
Transport and Logistics Institute	Nov-20	Completed	Complete	Aug-21	Dec-21	Dec-21	4		600,000	600,000				1	1	1	1
Unallocated									2,049,232		2,049,232						
TOTAL									85,000,000	59,463,800	7,372,543	9,864,757	8,298,900				

Appendix D – Updates on projects which have received approval for GBF spend beyond 31 March 2022

The Observer Building, Hastings
Extension granted: 12 months
GBF allocation: £2,028,000
% of GBF funding spent to end of Q3 2022/23: 84.5%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
<p>The project will support the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.</p> <p>The Observer Building will include leisure and retail uses on the lower three floors, a wide range of workspaces including studios, offices and open space, 15 capped-rent flats and a public roof terrace and bar with fantastic sea, castle and town views.</p> <p>The GBF investment will enable full renovation of the lower four floors, along with universal access (lift and entrance ramp), renovation works to the roof and external facades, installation of the new electricity substation and Air Source Heat Pumps, and key internal structural works that would otherwise be disruptive to tenants in the future.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
<p>The majority of the SELEP funded works were completed by 28 July 2022, however, work has subsequently been completed on the lift installation and installation of new windows. Tenants have started to move into the alley level and first floor office spaces.</p> <p>The remaining works predominantly focus on improving the façade of the building.</p>

UTC Maritime and Sustainable Technology Hub
Extension granted: 12 months
GBF allocation: £1,300,000
% of GBF funding spent to end of Q3 2022/23: 42.7%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
The project seeks to convert the former UTC@harbourside building into a multi-purpose facility including public services, education and training, and commercial workspace for SME's. The focus of the facility will be on the marine and sustainable technology sector.
Reasons why extension was sought
Delivery of the project has been delayed due to complex land ownership matters which have taken significantly longer than anticipated to resolve.
Update on project delivery
Works to recommission the building and to ensure that the building is statutory compliant are ongoing. One tenant has been confirmed for the building and negotiations with other potential tenants are ongoing. It is expected that use of the building will commence in April 2023.

Seven Sisters Country Park Visitor Infrastructure Uplift
Extension granted: 12 months
GBF allocation: £284,100
% of GBF funding spent to end of Q3 2022/23: 70.4%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
Delivery of improved visitor infrastructure at Seven Sisters Country Park. The GBF funding will enable the refurbishment and kit out of the pump barn creating a multi-use retail, exhibition and event space.
Reasons why extension was sought
GBF funding was not awarded to support delivery of the project until February 2022. The funding is being used to support the delivery of elements of the project which were previously removed due to cost restraints. Additional time was required to design and deliver these elements and therefore a 6 month extension to 30 September 2022 was granted. An additional £84,100 GBF was awarded to support delivery of the project in January 2023 and therefore a further 6 month extension to 31 March 2023 was agreed to allow spend of the additional GBF funding awarded.
Update on project delivery
A contractor has been appointed to deliver the initial GBF funded works, and work commenced onsite on 4 July 2022. A contractor has also been appointed to deliver the additional works and it is expected that the project will be completed by March 2023.

Food Street, Eastbourne
Extension granted: 12 months
GBF allocation: £100,000
% of GBF funding spent to end of Q3 2022/23: 100%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
Food Street is an aspiration to develop a vibrant, independent food and drink-based economy at the seafront end of Terminus Road, Eastbourne. The project will bring 5 commercial units back into use as part of an enhanced commercial offer in Eastbourne Town Centre.
Reasons why extension was sought
GBF funding was not awarded to support delivery of the project until February 2022. At that time, it was expected that the GBF funding would be spent in full by 31 March 2022, however, due to a delay in completing the required back-to-back agreement between East Sussex County Council and Eastbourne Borough Council, GBF spend extended into 2022/23.
Update on project delivery
The works to bring the commercial units back into use were completed in July 2022. The GBF funding was transferred to Eastbourne Borough Council by East Sussex County Council during Q3 2022/23.

Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas
Extension granted: 12 months
GBF allocation: £680,000
% of GBF funding spent to end of Q3 2022/23: 100%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>Superfast Essex is a broadband improvement programme which is run by Essex County Council. The programme aims to make superfast and ultrafast broadband available to as many homes and businesses across Essex as possible.</p> <p>Within the current Superfast Essex broadband rollout across Essex, it has become clear that in a significant number of cases the cost of deployment in rural areas has been underestimated by suppliers, and the cost of connecting up to 10% of the premises in the current rollout scope will exceed the contractual cost cap. In these cases, suppliers will provide evidence of the increased cost to Superfast Essex and will request further funding to fill the newly identified cost gap. If no such funding is available, it is envisaged that the impacted premises would be removed from the rollout programme. The GBF funding was requested to ensure that as many as possible of the identified higher-cost premises can be retained within the current rollout programme.</p>
Reasons why extension was sought
<p>In order to invest the funding awarded to support delivery of the Superfast Essex programme, it was necessary for Essex County Council to implement a change to the existing delivery contract. This change had to be approved by Broadband Delivery UK (BDUK), the agency within the Department for Digital, Culture, Media and Sport (DCMS) which is overseeing the national rollout of broadband upgrades. BDUK have the responsibility of ensuring that all contracts remain in compliance with State Aid legislation and they also take a view on Value for Money offered by the contracts.</p> <p>The required change request was prepared and submitted to BDUK for consideration in early December 2020, which would have allowed sufficient time for the project to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.</p> <p>Following the rejection of the change request, work was undertaken to seek agreement from BDUK that re-submission of the change request would be accepted. After a further 6 months of re-work and a series of high-level escalations with BDUK, involving Essex County Council Councillors and local MP's, the re-presented change request was approved by BDUK in October 2021.</p>
Update on project delivery
Delivery of the project completed in December 2022.

Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £2,297,256
% of GBF funding spent to end of Q3 2022/23: 4.0%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>Superfast Essex is a broadband improvement programme which is run by Essex County Council. The programme aims to make superfast and ultrafast broadband available to as many homes and businesses across Essex as possible.</p> <p>The GBF funding was awarded to extend the Superfast Essex rollout programme to reach additional rural areas, with a focus on upgrading business premises.</p>
Reasons why extension was sought
<p>In order to invest the funding awarded to support delivery of the Superfast Essex programme, it was necessary for Essex County Council to implement a change to the existing delivery contract. This change had to be approved by Broadband Delivery UK (BDUK), the agency within the Department for Digital, Culture, Media and Sport (DCMS) which is overseeing the national rollout of broadband upgrades. BDUK have the responsibility of ensuring that all contracts remain in compliance with State Aid legislation and they also take a view on Value for Money offered by the contracts.</p> <p>The required change request was prepared and submitted to BDUK for consideration in early December 2020, which would have allowed sufficient time for the project to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.</p> <p>Following the rejection of the change request, work was undertaken to seek agreement from BDUK that re-submission of the change request would be accepted. After a further 6 months of re-work and a series of high-level escalations with BDUK, involving Essex County Council Councillors and local MP's, the re-presented change request was approved by BDUK in October 2021.</p>
Update on project delivery
Delivery of the project is ongoing with completion expected in June 2023.

Enterprise Centre for Horizon 120 Business and Innovation Park
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £7,641,924
% of GBF funding spent to end of Q3 2022/23: 91.6%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project has delivered an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth, as well as businesses aiming to stabilise and consolidate their activities. The Enterprise Centre offers a variety of office spaces and a flexible conference space which can be transformed into smaller units.</p> <p>The Enterprise Centre forms the focal point for the Horizon 120 Business Park and is designed to drive collaboration, encourage idea generation and underpin problem solving.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in January 2023 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
<p>Delivery of the Enterprise Centre completed in September 2022 and the building is now fully operational.</p> <p>The additional GBF funding will be used to mitigate cost increases encountered during the construction programme and therefore this funding will be drawn down immediately following completion of the required legal processes and will be spent in full prior to 30 June 2023</p>

Jaywick Market and Commercial Space
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £2,391,060
% of GBF funding spent to end of Q3 2022/23: 80.2%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project involves the build of a commercial facility and vibrant local market on a gateway site in Jaywick Sands in response to a known undersupply of commercial space and a high level of credible demand for affordable light industrial, studio and basic office facilities within the area.</p> <p>The intention is to construct 13 low-cost units offering 9,500sq ft lettable area and a covered local market of 20 affordable pitches. This will form part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community - including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.</p>
Reasons why extension was sought
<p>Due to concerns regarding the rising cost of materials and increasing volatility within the materials market, a full review of the design for the project was undertaken. This review took longer than anticipated and therefore an additional 6 months (to 30 September 2022) was required to spend the GBF funding awarded to support delivery of the project.</p> <p>Following commencement of construction, the discovery of unexpected ground obstructions and asbestos further delayed delivery of the project, resulting in a further 6 month extension to 31 March 2023 being granted.</p>
Update on project delivery
<p>A contractor has been appointed and work commenced onsite in May 2022. Delivery of the project has been delayed as a result of the discovery of unexpected ground obstructions and contamination. However, this issue has now been resolved and project completion is expected by June 2023.</p>

Tendring Bikes and Cycle Infrastructure
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £2,600,200
% of GBF funding spent to end of Q3 2022/23: 20.0%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project will deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton which is aimed at tackling inequality within one of the most deprived communities in Essex.</p> <p>The bike scheme will be a community-based project to help overcome the barriers to sustainable travel as a result of inequalities, will help tackle rising unemployment and align with the government agenda of active travel and physical activity post COVID-19. Lack of transport options is recognised as a factor in joblessness and insufficient transport provision is a reason for declining employment and access to skills suggesting that wider availability of cycling for transport has the potential to reduce transport inequality and promote access to jobs and education. The scheme directly links to the wider Clacton Town Centre Future High Streets Fund and sustainable infrastructure proposed as a result of this programme.</p>
Reasons why extension was sought
<p>Delivery of the project was delayed due to the need for changes to be made to the design for some elements of the proposed cycle routes in order to address concerns raised during the public consultation exercise. As a result, approval for retention of the GBF funding beyond March 2022 for a maximum period of 6 months was sought.</p> <p>A further 6 month extension to 31 March 2023 was granted due to the required redesign work taking significantly longer than expected to complete.</p>
Update on project delivery
<p>The bespoke bike scheme is operational and has started to issue bikes to local residents. The additional bikes funded through the award of further GBF funding can be purchased immediately following completion of the required legal processes.</p> <p>Work has commenced onsite to deliver the cycle network infrastructure and it is expected that the project will be completed by June 2023.</p>

Tindal Square, Chelmsford
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £1,200,000
% of GBF funding spent to end of Q3 2022/23: 62.5%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project will create a new civic public square of over 3,000sqm that provides a destination space for arts, events and celebrations outside Shire Hall.</p> <p>Replacement of all existing surfacing with quality/robust new paving, including a radial design pattern extending from Shire Hall. Existing street clutter to be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. DDA compliant and improved pedestrian access for all to Shire Hall.</p> <p>Provision of comfortable public seating and co-ordinated and well managed seating area for tables and chairs potential to enable food and beverage businesses to expand their offer on the High Street.</p> <p>The scheme removes motorised traffic from this part of the City Centre (except for High Street service vehicles), reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 (and January 2023) and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
Delivery of the project continues onsite, with completion expected in June 2023.

Javelin Way Development
Extension granted: 12 months
GBF allocation: £814,452
% of GBF funding spent to end of Q3 2022/23: 71.1%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>Javelin Way is an employment site on the Henwood Industrial Estate in Ashford. The project will support the development of the site for employment use, with a focus on the development of Ashford's creative economy.</p> <p>The scheme consists of two elements:</p> <ul style="list-style-type: none"> • The construction of a 'Creative Laboratory' production space (with a ground floor internal area of 1,293 sqm). This will be leased from Kent County Council by Jasmin Vardimon Company, a world-renowned dance company and creative organisation. • The development of 29 light industrial units (with a gross internal area of 3,046 sqm), for sale and/or lease, suitable for additional creative businesses as well as the general market. Mezzanine floors will be available for the 29 industrial units, with full flexibility on the sizes of mezzanines to meet market demand.
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
<p>Delivery of the project is complete, other than some small snagging issues and the discharge of 3 planning conditions.</p> <p>The Jasmin Vardimon Company is now operating from the 'Creative Laboratory' production space and the majority of the light industrial units have either been sold or leased to businesses.</p>

Romney Marsh Employment Hub
Extension granted: 12 months
GBF allocation: £3,536,466
% of GBF funding spent to end of Q3 2022/23: 92.7%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
The project will further develop the Mountfield Road Industrial Estate, including the development of a business hub of 751 sqm (GEA) divided into 14 rooms of varying sizes. The offices will be 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. There is land within the hub site for the building to be further extended by 427 sqm to provide either more business space or a more bespoke skills facility depending on demand. The GBF funding will be used to support the delivery of enabling service and access infrastructure.
Reasons why extension was sought
A 6 month extension was sought due to delays in the delivery of the utility infrastructure works due to the statutory utility companies working to longer than expected timescales when considering requests for information or approvals for proposed works. A further extension was sought due to the significantly extended lead-in times for electrical substation switch gear which was required to enable electricity to be switched on at the site.
Update on project delivery
Delivery of the project is nearing completion following further delays caused by extended response times from utility companies. The primary remaining elements of the project are the completion of the utility installation works (water and gas installation are 95% complete) and the installation of the electrical substation switch gear. The switch gear has been subject to an extended lead in time but is due to be installed in Q4 2022/23. Project completion is expected in March 2023.

Thanet Parkway Railway Station
Extension granted: 12 months
GBF allocation: £12,874,000
% of GBF funding spent to end of Q3 2022/23: 93.2%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>The project will deliver a new train station which will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line.</p> <p>The proposed station will provide two platforms suitable for use by 12-car trains. Each platform will be fitted with lighting columns that host CCTV cameras and public address speakers; two customer information displays and one passenger help point; and shelters to provide weather protection. Lifts, stairs and an underpass will provide access to the platforms.</p> <p>The station forecourt will include two ticket vending machines, two bus shelters and bus passenger information points. A set down area will be provided for buses, taxis and passenger drop off, together with staff parking. Parking will be provided for 297 cars plus 20 short stay bays for passenger drop off and taxis (including 16 disabled bays and 60 spaces with provision for electric vehicle charging), motorcycles spaces, 40 pedal cycle parking spaces.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
Construction of the station is predominantly complete. The remaining works relate to the required level crossing and signalling works which must be completed before the new station can enter service. Kent County Council continue to engage with Network Rail in relation to these works with a view to them commencing onsite in early 2023.

Discovery Park Incubator (First and Second Floors, Building 500, Discovery Park, Sandwich)
Extension granted: 12 months
GBF allocation: £2,750,000
% of GBF funding spent to end of Q3 2022/23: 90.9%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
Refurbishment of circa 50,000 sqft of space across two floors to create high quality incubator laboratories for early stage and scale-up biotechnology and life science businesses.
Reasons why extension was sought
Delivery of the project was delayed due to additional work which needed to be undertaken after initial costs showed that project costs were significantly higher than anticipated. An additional 6 month extension to 31 March 2023 was agreed in January 2023 following the award of additional GBF funding to support project delivery.
Update on project delivery
Fit out of the building is continuing as planned, with full completion expected in July 2023. The first tenants moved into the building in February 2023.

Techfort
Extension granted: 12 months
GBF allocation: £1,009,000
% of GBF funding spent to end of Q3 2022/23: 43.4%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>The Dover Citadel site is a significant heritage asset which is currently closed to the public and subject to intrusion, graffiti, deterioration and ivy invasion. The site is an attractive proposition to potential private sector tenants, however, the need to establish an anchor activity is essential to kickstart the redevelopment of the entire site.</p> <p>The project will maintain and upgrade Casemates 51 and 52 comprising 1,012 sqm to accommodate a mix of cultural uses.</p>
Reasons why extension was sought
<p>GBF funding was not awarded to support delivery of the project until February 2022. Additional time was required to secure the required consents and to facilitate delivery of the project.</p> <p>A further 3 month extension to 31 March 2023 was agreed as the delivery programme had to be extended due to the need for more extensive roof and revetment wall work to ensure the quality of the project was maintained. In addition, the process to discharge the conditions attached to the planning and Scheduled Monument consents took longer than anticipated.</p>
Update on project delivery
<p>Planning Consent and Scheduled Monument Consent were both granted in advance of the 20 May 2022 deadline set by the Board.</p> <p>Construction has commenced onsite and it is expected that the project will complete in March 2023.</p>

Techfort – Phase 2
Extension granted: 15 months
GBF allocation: £850,000
% of GBF funding spent to end of Q3 2022/23: 0%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>The project seeks to bring the Casemates at The Citadel into beneficial economic use, helping to stabilise the ancient monument and creating jobs in Dover. The Casemates were previously used by the Ministry of Justice but are currently redundant and need refurbishment before they can be re-occupied.</p> <p>Phase 2 of the project specifically seeks to refurbish Casemates 53 and 54, creating 757 sqm of space for small businesses, craft workshops, retail, food and entertainment uses.</p> <p>The GBF funding is sought to kick-start the development process at The Citadel, with these works representing the initial phases of a long-term vision for the site</p>
Reasons why extension was sought
GBF funding was awarded to support delivery of the project in January 2023 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
<p>Completion of the required legal processes to formalise the award of funding to the project is ongoing.</p> <p>Phase 2 of the project will be delivered by the same contractor as Phase 1 and therefore work can commence immediately, with completion expected in June 2023.</p>

Innovation Park Medway – Sustainable City of Business
Extension granted: 12 months
GBF allocation: £1,178,323
% of GBF funding spent to end of Q3 2022/23: 66.1%
Responsible Upper Tier Local Authority: Medway Council
Brief project description
<p>The vision for the IPM site includes Runway Park, which is intended to become the signature open space for the site, offering distinctive character areas which will provide a series of flexible spaces designed to accommodate a range of activities.</p> <p>GBF funding is being sought to enable delivery of one section of the Runway Park. The GBF funding will be used to deliver pavements and footpaths, planting, street furniture and preparatory ground works.</p> <p>The Runway Park will establish itself as the forum for collaboration, bringing businesses and individuals together in the public realm to foster an innovative spirit. The high-quality open space will be key to attracting investors and retaining skilled staff. Early delivery of Runway Park will enable businesses to interact with the wider community and will add to the marketability of the site.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
Delivery of the GBF funded works is continuing onsite with completion expected in March 2023.

Better Queensway
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £4,200,000
% of GBF funding spent to end of Q3 2022/23: 100%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
<p>Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sq m of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.</p> <p>Better Queensway is being delivered as a joint venture between Southend-on-Sea City Council and Swan Housing.</p>
Reasons why extension was sought
<p>A hybrid planning application for the full Better Queensway scheme was submitted to Southend-on-Sea City Council in September 2020. This application was subsequently considered by Planning Committee on 31 March 2021 and it was resolved that the Interim Director of Planning at Southend-on-Sea City Council be delegated to grant planning permission subject to the completion of a S106 agreement in relation to the development. The S106 agreement took longer to complete than anticipated, which delayed the formal award of hybrid planning consent until September 2021.</p> <p>In addition, the Project has experienced delays to the procurement of the enabling works due to utility companies requiring longer than usual lead-in times. This is in part due to the impacts of the COVID-19 pandemic but is also related to other supply chain issues which are being experienced more generally across the construction industry.</p>
Update on project delivery
<p>The GBF funding is being spent on the early enabling works to support the delivery of the major wider regeneration project, which is expected to complete in 2034. The GBF funding has been used to support the early acquisition of properties on the estate and the development of the detailed design for the highway improvement works.</p> <p>As outlined at previous Board meetings, the Regulator of Social Housing took the decision to downgrade Swan Housing Association's viability and governance grades. As a result of this decision, Swan Housing did not meet the Regulator's governance and viability standards and steps needed to be taken to improve work in these areas.</p>

Since the last Board meeting, it has been confirmed that the planned merger between Swan Housing and Sanctuary Housing Association has completed, with Swan Housing becoming a subsidiary of Sanctuary.

Sanctuary Housing Association are currently reviewing the business plan for the wider project, with a view to returning an updated business plan to Southend-on-Sea City Council in March 2023. This business plan will provide clarity on, amongst other things, phasing, key milestones, cashflow and housing delivery.

Following completion of internal Southend-on-Sea City Council governance processes, further assurances will be sought regarding the delivery of the wider project and a further update will be provided to the Board.

No Use Empty South Essex
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £1,200,000
% of GBF funding spent to end of Q3 2022/23: 18.3%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
The project will provide short-term secured loans to property owners to enable the return of long-term empty commercial properties back into effective use for residential, alternative commercial or mixed-use purposes. The project will focus on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the pandemic and which may have been impacted by larger regeneration schemes.
Reasons why extension was sought
<p>The launch of the No Use Empty South Essex scheme was initially delayed as a consequence of the COVID-19 restrictions, including lockdowns, which were implemented by Central Government. These restrictions meant that it wasn't possible to meet with property owners and developers or to conduct site visits to see potential properties.</p> <p>These issues were further compounded by resourcing issues which arose due to staff being seconded to support operational activities associated with the response to the COVID-19 pandemic.</p> <p>As Kent County Council are experienced in delivering the No Use Empty initiative and have a complete package of established processes in place, the intention was that a Service Level Agreement would be put in place between Southend-on-Sea City Council and Kent County Council for provision of back-office services to support the project. The resourcing issues identified above led to delays in negotiating the terms of the Service Level Agreement.</p> <p>As a result of the factors outlined above the launch of the No Use Empty South Essex initiative was significantly delayed.</p> <p>Whilst the No Use Empty initiative has now been launched in South Essex, the time required to complete the necessary due diligence and legal checks has been significantly longer than anticipated, and therefore a further extension to 30 June 2023 has been sought.</p>
Update on project delivery
<p>The No Use Empty South Essex initiative was launched on 19 April 2022. However, the timeline for processing and approving the applications has been longer than anticipated, with an approximate 18 week turnaround.</p> <p>The full GBF funding award has now been allocated to No Use Empty loans, however, due to the extended timeline for approving applications, it is expected that it will not be possible for one of the loans to be completed prior to the end of March 2023. The remaining funding will be issued prior to 31 March 2023.</p>

ASELA LFFN – Phase 3
Extension granted: 12 months (additional 3 month extension sought at this meeting)
GBF allocation: £500,000
% of GBF funding spent to end of Q3 2022/23: 0%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
<p>The project seeks to further 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 to realise benefits for local businesses and communities, enabling them to grow and flourish post COVID-19.</p> <p>The funding will enable ASELA to address some key ‘Not Spot’ areas that have not yet benefited from investment. In addition, the funding will enable ASELA to link the fibre infrastructure into the Southend region fibre network which will bring significant additional benefits to the ASELA region, in terms of sharing of services, cost savings and supporting the rollout of a pan ASELA Internet of Things (IOT) network.</p> <p>Phase 1 of the project was supported by DCMS and Phase 2 was supported by an initial GBF allocation of £2.5m.</p>
Reasons why extension was sought
GBF funding was awarded to support delivery of the project in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
It was originally intended that the GBF funding would be released to Thurrock Council, as was the case for Phase 2 of the project. However, following the issue of a Section 114 notice by Thurrock Council, the Board agreed that the funding should be released to Southend-on-Sea City Council instead. This was subject to Southend-on-Sea City Council completing their required GBF and LGF year end declarations. These declarations are now in place and a Variation Agreement has been completed formalising the award of the funding to Southend-on-Sea City Council. This will allow delivery of the project to commence.

ASELA LFFN – Phase 2
Extension granted: 6 months
GBF allocation: £2,500,000
% of GBF funding spent to end of Q3 2022/23: 100%
Responsible Upper Tier Local Authority: Thurrock Council
Brief project description
The GBF investment will build upon the DCMS funded LFFN ASELA Project by extending through this additional funding the delivery and access to fibre connectivity across the South Essex Region.
Reasons why extension was sought
Delivery of the project was delayed due to the discovery of unexpected duct blockages. Approval for retention of GBF funding beyond March 2022 was sought to allow time for the blocked ducts to be resolved.
Update on project delivery
Delivery of Phase 2 of the project has now been completed.

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

No Use Empty South Essex			
Additional Extension requested: 3 months to 30 June 2023			
Responsible Upper Tier Local Authority: Southend-on-Sea City Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
The programme for the last remaining loan due to be issued through the project is as follows:			
Milestone		Expected date	
Submission of loan application and confirmation of planning permission		Completed	
Eligibility checks undertaken		Completed	
Technical assessment including RICS valuation		February 2023	
Financial due diligence		March 2023	
Establish legitimacy of planned legal charges		April 2023	
Legal checks and completion of loan agreement		May 2023	
Release loan funds		June 2023	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile			
Private sector investment has been agreed on a case-by-case basis as loans have been agreed with property owners. All other funding sources identified to enable delivery of the project are in place.			
The spend profile for the GBF funding allocated to the project is as follows:			
Q3 2022/23	Q4 2022/23	Q1 2023/24	Total
£219,954	£757,046	£223,000	£1,200,000
Written confirmation that all planning requirements were met by 15 July 2022			
The GBF funding has been made available for developers/landlords as 0% interest loans to bring empty commercial properties back into use as either alternative commercial or mixed-use premises. To be eligible for a loan all applicants must demonstrate that they have any required permissions, including planning.			
Planning permission for the property which is the subject of the final loan has been secured.			
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022			
The only outstanding approvals relate to the final loan and are subject to completion of the milestones set out above.			

Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022
Southend-on-Sea City Council will not be entering into any contractual commitments with construction contractors with regard to this project. Procurement responsibilities sit with the loan recipient. All applicants are required to provide two quotes for the required works with their loan application.
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
The total project cost and the forecast project benefits remain as set out in the Business Case, which demonstrates that the project continues to offer High value for money.

ASELA LFFN – Phase 3									
Additional Extension requested: 3 months to 30 June 2023									
Responsible Upper Tier Local Authority: Southend-on-Sea City Council									
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board									
The programme for the Project is as follows:									
<table border="1"> <thead> <tr> <th>Milestone</th> <th>Expected date</th> </tr> </thead> <tbody> <tr> <td>Planning and contract detail agreement</td> <td>March 2023</td> </tr> <tr> <td>Rollout plan commences</td> <td>April 2023</td> </tr> <tr> <td>Rollout completes</td> <td>June 2023</td> </tr> </tbody> </table>		Milestone	Expected date	Planning and contract detail agreement	March 2023	Rollout plan commences	April 2023	Rollout completes	June 2023
Milestone	Expected date								
Planning and contract detail agreement	March 2023								
Rollout plan commences	April 2023								
Rollout completes	June 2023								
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile									
The project is being fully funded through the GBF.									
It is expected that the GBF funding will be spent in full during Q1 2023/24.									
Written confirmation that all planning requirements were met by 15 July 2022									
No planning consents are required.									
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022									
No other consents and approvals are required.									
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022									
Contractual commitments cannot be made until the award of the GBF funding is confirmed. However, ASELA have a benchmarking procurement process in place which will ensure that contractual commitments are in place by March 2023, allowing delivery of the project to complete in June 2023.									
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money									
Total project cost and project benefits remain in line with the Business Case. The project was considered under Value for Money exemption 2.									

Better Queensway	
Additional Extension requested: 3 months to 30 June 2023	
Responsible Upper Tier Local Authority: Southend-on-Sea City Council	
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	
The programme for the project is as follows:	
Milestone	Expected date
Hybrid Planning Application considered by Southend-on-Sea City Council Planning Committee	March 2021
Completion of required S106 agreement for the wider Better Queensway scheme	September 2021
Formal award of Hybrid Planning Consent	September 2021
Delivery of highways infrastructure investment	2023 to 2025
Demolition of four existing residential blocks	2025 onwards
Construction of housing, commercial space and public realm	2024 to 2033
Completion of the wider Better Queensway project	2033
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile	
Junior Loan, HIF funding and the GBF is in place, alongside a funding strategy which will enable project delivery.	
Full spend of the GBF funding has been evidenced but the funding will continue to be held by Southend-on-Sea City Council until all required due diligence in relation to the merger between Swan Housing and Sanctuary Housing Association has been completed.	
Written confirmation that all planning requirements were met by 15 July 2022	
All planning requirements for the GBF funded elements of the project have been met with consent granted in September 2021.	
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022	
All other non-planning required consents and approvals are in place.	
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022	
Swan Commercial Services have been procured by Southend-on-Sea City Council as delivery partner and a Construction Management Agreement is in place.	
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money	
It has been indicated that project costs have increased since the submission of the Business Case, however, it is also noted that the benefits have also	

increased with the Project now expected to deliver 1,760 new homes (an increase of 93 homes).

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

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

Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises			
Additional Extension requested: 3 months to 30 June 2023			
Responsible Upper Tier Local Authority: Essex County Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
Delivery of the project is ongoing, with completion expected in June 2023.			
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 spend profile for the GBF funding allocated to the project is as follows:			
Q2 2022/23	Q4 2022/23	Q1 2023/24	Total
£92,020	£2,087,054	£118,182	£2,297,256
Written confirmation that all planning requirements were met by 15 July 2022			
No planning consents are required.			
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022			
All required non-planning consents and approvals are in place.			
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022			
Contractual commitments are in place and contract delivery is in progress.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
Confirmation has been provided that the total project cost and the expected project costs remain unchanged.			

Tindal Square, Chelmsford			
Additional Extension requested: 3 months to 30 June 2023			
Responsible Upper Tier Local Authority: Essex County Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
Delivery of the project is well advanced and will be substantively complete by December 2022. The remaining elements of the project will be delivered before the end of June 2023.			
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 spend profile for the additional GBF funding allocated to the project is as follows:			
Funding Source	Q4 2022/23 (£)	Q1 2023/24 (£)	Total
GBF	331,819	118,181	450,000
Written confirmation that all planning requirements were met by 15 July 2022			
The only element of the project which required planning consent was the new access to the Shire Hall. This planning consent was granted on 1 March 2021.			
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022			
All required consents and approvals are in place.			
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022			
Contractual commitments with the construction contractor were put in place on 21 December 2021.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
The total project cost and the project benefits remain as detailed in the application for additional GBF funding. The ITE has confirmed that the project continues to meet the requirements of Value for Money exemption 1 as set out in the SELEP Assurance Framework.			

Jaywick Market and Commercial Space						
Additional Extension requested: 3 months to 30 June 2023						
Responsible Upper Tier Local Authority: Essex County Council						
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board						
The updated programme for the Project is as follows:						
Milestone				Expected date		
Commencement of construction onsite				May 2022		
Construction complete				April 2023		
Opening of building				June 2023		
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile						
As previously reported to the Board, the total project cost has increased from £2.13m to £4.826m. Additional funding has been committed by Tendring District Council and Essex County Council to ensure that a full funding package is available to support project delivery.						
The updated GBF spend profile is as follows (£):						
2021/22	2022/23				2023/24	Total
	Q2	Q3	Q4	Total	Q1	
243,636	503,860	1,170,603	354,780	2,029,243	118,181	2,391,060
Written confirmation that all planning requirements were met by 15 July 2022						
All planning requirements have been met.						
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022						
All other (non-planning) required consents and approvals were received by 15 July 2022.						
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022						
A construction contractor has been appointed and work has commenced onsite.						
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money						
The total project cost has increased from £2.13m to £4.826m since submission of the Business Case due to tenders received during the construction contract procurement process being significantly higher than anticipated.						
The project continues to offer High value for money.						

Tendring Bikes and Cycle Infrastructure			
Additional Extension requested: 3 months to 30 June 2023			
Responsible Upper Tier Local Authority: Essex County Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
Project design and contractor procurement have been completed. The updated programme for the remainder of the project is as follows:			
Milestone		Expected date	
Commencement of construction		August 2022	
Project completion		June 2023	
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 (£):			
2021/22	2022/23	2023/24	Total
	Q4	Q1	
518,887	1,781,113	300,200	2,600,200
Written confirmation that all planning requirements were met by 15 July 2022			
There are no planning requirements for the project.			
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022			
There are no outstanding consents			
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022			
Contractual commitments are in place and contract delivery is in progress.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
Confirmation has been provided that the total project cost remains unchanged. The forecast project benefits remain either unchanged or have been enhanced as a result of changes to the design for the scheme following public consultation.			

Enterprise Centre for Horizon 120 Business and Innovation Park
Additional Extension requested: 3 months to 30 June 2023
Responsible Upper Tier Local Authority: Essex County Council
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board
Delivery of the Enterprise Centre was completed in 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 additional GBF funding will be spent in full during Q1 2023/24.
Written confirmation that all planning requirements were met by 15 July 2022
All planning requirements have been met.
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022
All required consents and approvals are in place.
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022
Contractual commitments with the construction contractor were put in place before 30 September 2022.
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
The total project cost and the project benefits remain as detailed in the application for additional GBF funding (with the exclusion of additional costs and benefits related to the expansion of the car park).

Forward Plan reference numbers: FP/AB/615 and FP/AB/622

Report title: Local Growth Fund Capital Programme Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 13 April 2023	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex, Kent, Medway, Thurrock and Southend	

1. Purpose of Report

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

2. Recommendations

- 2.1. The Board is asked to:

2.1.1. **Agree** the updated total planned LGF spend on project delivery in 2022/23 of £13.5m excluding DfT retained schemes and increasing to £13.824m including DfT retained schemes, as set out in Table 2 and Appendix A of the report.

2.1.2. **Agree** the reported LGF spend on project delivery in Q1, Q2 and Q3 2022/23 of £8.784m, as set out in Table 1 and Appendix A.

2.1.3. **Agree** the updated completion dates for the following projects which have experienced a delay of more than 6 months:

2.1.3.1. University of Essex Parkside - Phase 3 - project completion delayed from December 2022 to September 2023.

2.1.3.2. Hailsham/Polegate/Eastbourne Movement and Access Package – project completion delayed from March 2023 to March 2025.

2.1.4. **Note** the deliverability and risk assessment, as set out in Appendix D.

2.1.5. **Note** the list of outstanding post scheme completion Monitoring and Evaluation reports, as set out in Appendix G.

3. Summary position

- 3.1. The £578.9m SELEP LGF allocation received from the Ministry of Housing Communities and Local Government (MHCLG) (now named the Department

for Levelling Up, Housing and Communities (DLUHC)) 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 in accordance with the official end of the Growth Deal period. The remaining funding was transferred to Local Partners before the end of March 2022.
- 3.3 Delivery of the ongoing LGF projects and spend of the funding transferred to local partners at the end of 2020/21 and during 2021/22 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.
- 4.3. The Board approved the award of £6.662m to the ten prioritised projects at the February and March 2021 Board meetings. In addition, a further £0.901m was awarded to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub project, as the first project on the agreed pipeline, following the cancellation of the Basildon Innovation Warehouse project in February 2021.
- 4.4. Following the decision by the Board in September 2021 to reduce the LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package by £623,389, additional LGF funding was awarded to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub, Mercury Rising and Southend Airport Business Park projects.
- 4.5. In May 2022, £0.207m was removed from the A127 Essential Maintenance project following confirmation of project completion. This funding was awarded to the Southend Airport Business Park project in accordance with the prioritised project pipeline.
- 4.6. The remaining prioritised project pipeline is set out in Appendix B. As delivery of the majority of the ongoing LGF projects nears completion, work is being

undertaken by the SELEP Capital Programme Team, in conjunction with relevant local partners, to confirm the ongoing need for additional LGF funding to support delivery of the projects remaining on the pipeline. In addition, confirmation of the additionality (additional benefit) that will be realised should further LGF funding be awarded to any of the projects on the pipeline needs to be provided by the relevant local partner authorities.

5. Local Growth Fund spend position

- 5.1. LGF spend in 2022/23 to the end of Q3 (April to December 2022) is reported to total £8.754m excluding DfT retained schemes, increasing to £8.784m including DfT retained schemes.
- 5.2. The reported 2022/23 spend has been taken from the latest round of LGF quarterly reporting and demonstrates that reported spend in Q1, Q2 and Q3 2022/23 is £13.019m (excluding DfT retained schemes) or £13.312m (including DfT retained schemes) below the level forecast at the start of the financial year. This change is shown in Table 1 below.
- 5.3. It should be noted that Thurrock Council failed to submit their quarterly reporting in time for inclusion in this report and therefore the figures shown in Table 1 are based on their previous reporting submission. For the purposes of this reporting, it has been assumed that spend forecast for Q3 2022/23 on the Grays South project in the last quarterly reporting submission was realised.

Table 1: Current spend position – 2022/23

LGF (£m)				
	Planned LGF spend to date 2022/23	Reported spend to date 2022/23	Variance (between planned and reported spend)	% Variance
East Sussex	7.392	1.665	-5.727	-77.5%
Essex	6.296	3.916	-2.380	-37.8%
Kent	5.113	1.101	-4.011	-78.5%
Medway	0.000	0.000	0.000	0.0%
Southend	1.496	1.496	0.000	0.0%
Thurrock	1.476	0.575	-0.901	-61.0%
LGF Sub-Total	21.773	8.754	-13.019	-59.8%
Retained	0.324	0.031	-0.293	-90.4%
Total Spend	22.097	8.784	-13.312	-60.2%

- 5.4. There are a number of factors which are impacting on the level of LGF spend, including ongoing COVID-19 and Brexit impacts on project delivery. There has been a widespread increase in materials costs which has adversely affected the majority of the ongoing projects and has in some cases resulted in the

need for works to be reprocurd. This issue has been further compounded by delays in key material supply chains which have been affected by both the COVID-19 pandemic and Brexit, and labour shortages due to COVID-19 enforced absences.

5.5. In addition, East Sussex County Council have advised that their current Highways Contract expires in April 2023, with a new contractor taking over from 1 May 2023. As a result, the current contractor is only undertaking works that they are confident can be completed prior to the end of the contract. This is impacting on a number of the ongoing transport schemes within East Sussex County Council's LGF programme. A full review of delivery programmes will be undertaken in conjunction with the new contractor, and if required, the Board will be asked to agree revised project completion dates at a future meeting.

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

Table 2: Summary LGF spend forecast – all years

LGF (£m)						
	Actual LGF spend to end of 2020/21	Actual LGF spend 2021/22	LGF forecast spend 2022/23	LGF forecast spend 2023/24 onwards	Total	% LGF allocation spent by 31 March 2021
East Sussex	64.172	7.702	3.499	6.647	82.020	78.2%
Essex	90.199	2.930	5.926	14.935	113.991	79.1%
Kent	100.574	19.227	1.809	7.045	128.656	78.2%
Medway	25.460	6.980	0.000	0.000	32.440	78.5%
Southend	27.126	5.092	1.496	0.000	33.715	80.5%
Thurrock	29.491	0.651	0.770	4.929	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	378.697	42.582	13.500	33.556	468.335	80.9%
DfT retained	93.887	2.889	0.324	13.500	110.600	84.9%
Total spend forecast	472.584	45.472	13.824	47.056	578.935	81.6%

5.7. As outlined above, Thurrock Council failed to submit their quarterly reporting in time for inclusion within this report, and therefore previous LGF spend forecasts for the Grays South project (the only Thurrock Council project which still has an unspent LGF funding allocation) have been used to inform Table 2. These forecasts may no longer be accurate and may not reflect the position reported in the London Gateway/Stanford le Hope and Grays South Update Report (Agenda Item 12).

5.8. Table 2 shows that 81.6% of the total LGF allocation (including DfT retained schemes) had been reported as spent by the end of March 2021. A further 7.85% of the LGF allocation was reported as spent in 2021/22, leaving 10.55% unspent as at 1 April 2022 with the majority of this funding forecast for spend in 2023/24 or beyond.

- 5.9. As agreed by the Board, and in line with the commitment made to Government, the majority of the remaining LGF funding received from MHCLG was transferred to relevant local partners at the end of 2020/21 to support delivery of approved projects beyond 31 March 2021, which represented the official end of the Growth Deal period. The only Government funding still held by Essex County Council, as the Accountable Body for SELEP, totalled £5.146m. This was made up of the remaining balance held against the A28 Sturry Link Road project (£4.656m) and a historic error in Essex County Council's grant claims (£0.490m) which was resolved in 2021/22.
- 5.10. At the November 2021 meeting, the Board agreed that the £4.656m LGF funding allocated to the A28 Sturry Link Road project could be transferred to Kent County Council to support delivery of the project on condition that all the required land acquisition was completed by 31 August 2023. Kent County Council have now advised that this deadline for completion of the land acquisition will not be met, and therefore an extension to this deadline is sought under Agenda Item 11.
- 5.11. Delivery of the ongoing LGF projects and spend of the funding transferred to local partners at the end of 2020/21 and during 2021/22 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. Changes to the structure of Appendix D have previously been made to ensure that it is possible to differentiate between those projects which have completed their LGF spend but which are continuing to deliver against their agreed Business Case and those projects which have completed both LGF spend and delivery in accordance with their agreed Business Case. This change in approach has meant that a small number of projects which were previously reported as complete, due to their LGF allocation having been spent in full, are now being shown as ongoing including North Bexhill Access Road, East Sussex Strategic Growth Package and Bexhill Enterprise Park North.
- 6.3. The North Bexhill Access Road project has achieved practical completion, with construction works complete and the full length of the road opened for use by the public in March 2019. At the November 2022 meeting, the Board were advised that the remaining works, principally landscaping works, were delayed by the lengthy time it took to receive a Dormouse Licence for works from Natural England and this precluded the commencement of the landscaping last winter/autumn. It was noted that Sea Change Sussex had used the time productively to secure the most appropriate contractor for the

works and it was confirmed a contract had been signed by the contractor who was undertaking pre-start offsite work.

- 6.4. Sea Change Sussex have now confirmed that the landscaping works are progressing well, with tree and hedge planting now substantially complete across most of the route. Seeding and cultivation is also taking place along much of the route and the works are expected to be completed prior to the end of the planting season, with the exception of works which will be impacted by future utilities works. These utility works are required to enable delivery of the originally forecast project benefits, including the new housing that the project has unlocked.
- 6.5. The East Sussex Strategic Growth project was intended to develop strategic business space and utilise its generated income as flexible recyclable investment funding to ensure the continued growth of quality employment space throughout East Sussex. The LGF funding awarded to the project was designed to be seed funding for multi-phase development. Therefore, only a portion of the development outlined within the Business Case was due to be funded through the LGF, with the remaining works being funded by income generated through letting or selling the assets delivered through the initial phase of the project.
- 6.6. The initial works delivered through the LGF funding have been delivered, however, a completion date for the remaining works outlined within the East Sussex Strategic Growth Business Case is not yet known as the timeline for delivery of the later phases of development has been adversely affected by the economic impacts of the COVID-19 pandemic and Brexit which have reduced the income achieved to date through the delivery of the initial phases of development.
- 6.7. Delivery of the remaining works required as per the agreed project Business Case will continue to be monitored.
- 6.8. LGF funding was awarded to the Bexhill Enterprise Park North project to bring forward enabling site and servicing infrastructure which will release the site for development. As outlined in the Business Case, it is expected that private sector investment will be forthcoming to fund the delivery of the planned commercial workspace on the site. Whilst the LGF funded enabling works have now been delivered, commercial workspace is yet to come forward on the site. As the Value for Money offered by the project was calculated based on the existence of the commercial workspace, the project will continue to be marked as being in progress until the commercial workspace has been delivered as set out in the approved Business Case.
- 6.9. 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).
- 6.10. The risk assessment has been conducted for LGF projects based on:

- 6.10.1. **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.
- 6.10.2. To ensure consistency with Government guidance on the assessment of LGF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of greater than 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.
- 6.10.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of LGF spend forecast beyond 31 December 2022.
- 6.10.4. **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 December 2022 (£m)
Low risk - 1	64	241.083	0.000
Low/Medium risk - 2	5	15.095	0.002
Medium risk - 3	9	65.969	0.649
Medium/High risk - 4	17	100.471	12.070
High risk - 5	11	156.318	39.374
Total	106	578.935	52.095

- 6.11. In total, £39.374m LGF is forecast for spend on high-risk projects beyond the end of Q3 2022/23. A summary of the 11 high risk projects is set out in Appendix E.
- 6.12. Updates on 5 of the high-risk projects are provided under Agenda Items 9, 10, 11 and 12. In summary, the position regarding the other 6 high-risk projects is as follows:
- 6.12.1. Hastings and Bexhill Movement and Access Package (total LGF allocation £9m) – The project is seeking to deliver an integrated package of cycling, walking and bus infrastructure, traffic management and public realm improvements, which are aimed at supporting economic growth and planned growth across Bexhill and Hastings. One element of the proposed scheme was a cycle route through Alexandra Park in Hastings. Alexandra Park is a grade 2 listed park as designated by Historic England and the introduction of a cycle route had received some opposition.

- 6.12.2. The proposed cycle route was considered by Hastings Borough Council at a Full Council meeting on 15 December 2022 and the decision was taken to refuse the introduction of a cycle route in the park. As a result, East Sussex County Council are currently reviewing their options with regard to how the LGF funding originally awarded to the Alexandra Park cycle route should be used. Any proposals brought forward will be subject to the completion of the agreed Change Request process and a review by the ITE will be required. Following completion of this work, a decision will be brought forward for Board consideration. It is currently anticipated that the required work will be completed in advance of the next Board meeting.
- 6.12.3. A127 Fairglen 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. DfT have now indicated a requirement for additional obligations with regard to land acquisition to have been met by Essex County Council before the funding decision will be taken. Essex County Council are working to meet these obligations as soon as possible.
- 6.12.4. Essex County Council have confirmed that the Compulsory Purchase Order (CPO) objection process concluded in April 2022. Whilst there were no objections from landowners, 3 objections were received from UK Power Networks (UKPN), Network Rail and National Grid. All 3 objections have now been resolved and therefore it is expected that the CPO will be confirmed shortly. Essex County Council will then revert to the contractors who tendered for the works to ask them to re-confirm their prices, compared to their August 2020 tender submissions. Upon completion of this process, the Full Business Case will be updated to reflect the updated total cost and a final version of the Business Case will be submitted to DfT for sign off. Essex County Council are now targeting a start onsite to deliver the A127 Fairglen Junction Improvements project in November 2023.
- 6.12.5. 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 2024/25. There remains a risk that LGF spend to date totalling £2.756m may become an abortive revenue cost if the S106 contributions are not forthcoming and the project cannot be delivered in accordance with the agreed LGF Business Case. In this

situation, the LGF funding would need to be returned to SELEP for reallocation to alternative projects.

- 6.12.6. A289 Four Elms Roundabout to Medway Tunnel (total LGF allocation £1.821m) – the LGF funding allocated to the project has been spent in full progressing the design for the scheme, however, the improvements to the road will be delivered as part of Medway Council’s New Routes to Good Growth (Future Hoo) Housing Infrastructure Fund (HIF) project. A report on the HIF project was taken to Medway Council Cabinet in July 2022, this provided an update on the two major consultations, alongside the impact of design freeze on highways and rail. This step enabled the work on the various planning applications to move into the assessment of impacts phase. In addition, the Hoo Development Framework, which sets the context of the HIF work, has recently been subject to a 9-week public consultation exercise. The key next steps in the programme are the submission of planning applications for the highways scheme and for the rail scheme. Medway Council is in regular discussion with Homes England in relation to programme and budget and have confirmed that there are no changes in these areas to report at this stage.
- 6.12.7. In light of the current status of the HIF project, there remains a risk that LGF spend to date totalling £1.821m may become an abortive revenue cost if the HIF funded works are not forthcoming and the Project cannot be delivered in accordance with the agreed LGF Business Case. In this situation, the LGF funding would need to be returned to SELEP for reallocation to alternative projects.
- 6.12.8. Purfleet Centre (total LGF allocation £5m) - The Purfleet Centre project is seeking to secure the comprehensive redevelopment of a 140 acre site to provide a new town centre for Purfleet featuring: c.2,500 new homes, a 600,000 sqft film and television studio complex, and supporting infrastructure including a new primary school, health centre, supermarket and community spaces within a high quality public realm. The LGF funding was awarded to support the acquisition of the required land, and this element of the project has been completed and the LGF funding has been spent in full.
- 6.12.9. Thurrock Council have recently provided an update on the project to their Planning, Transport, Regeneration Overview and Scrutiny Committee which highlighted concerns regarding progress towards achieving the forecast project benefits. The update provided was as follows:
- 6.12.10. ‘In order for Purfleet Centre Regeneration Limited (PCRL) to fulfil its role as lead developer and deliver the planned programme set out in the Development Agreement they need access to sufficient levels of funding (equity, debt and grant) to bring the project forward and a well-resourced team able to effectively manage all workstreams. To

date, progress to deliver the scheme through the current Development Agreement arrangement has been disappointing and only a small percentage of the homes have even been started on site.

- 6.12.11. PCRL has struggled to obtain funding (debt and additional equity) for the project and this has been its main obstacle to unlocking delivery. In 2020 the Council restructured the delivery route for Phase 1 by entering into the Phase 1 Agreement for Leases to accommodate the Housing Infrastructure Fund funding and make it easier for PCRL to secure the funding it needed but it has still not managed to obtain funding. It is important to note that a major shareholder in PCRL, Swan Housing, has faced significant financial challenges in recent years which have impacted on their ability to continue to engage effectively.
- 6.12.12. PCRL appointed Knight Frank Capital Advisory in August 2021 to source an equity investment partner for the Purfleet regeneration project. The search for equity funding is ongoing. The current Development Agreement is not delivering the required outcomes and PCRL have failed to provide the equity needed to take the development programme forward in a reasonable timescale. Therefore, we (Thurrock Council) are examining a full range of alternative delivery options. Planning, Transport, Regeneration Overview and Scrutiny Committee Members will be updated when options have been considered.'
- 6.12.13. Progress towards realising the forecast project benefits will be closely monitored and the Board will receive regular updates. If the options analysis results in a reduction in forecast project benefits, this will need to be considered through the agreed Change Request process as this will have an impact on the Value for Money offered by the project.
- 6.12.14. A13 Widening (total LGF allocation £81.5m) - the Board have received regular updates on the delivery of the A13 Widening project since November 2019. As has been reported at recent meetings, the project is now nearing completion and the road has been fully opened to traffic.
- 6.12.15. The latest update on the project confirms that works to complete the commissioning of the street lighting have been completed, and this will allow the reduced speed limit to be removed once the contractor has left the site. The remaining landscaping has also been completed, with the remaining construction works (reviewing and closing out defects) due to be completed by 24 March 2023. In addition, negotiations with the contractor on the value of the remaining Compensation Events is continuing and it is anticipated that a final cost will be agreed by the end of March 2023.

- 6.12.16. A more comprehensive update on the project will be provided at the next Board meeting, including confirmation as to the total project cost and the Value for Money offered by the project.

7. Local Growth Fund project delivery beyond September 2021

- 7.1. In April 2020, the Strategic Board agreed to extend the delivery of the Growth Deal period by six months to 30 September 2021. Any further extensions beyond this date must be considered by both the Strategic Board and Accountability Board on a case-by-case basis.
- 7.2. Based on the latest LGF reporting provided by local partners, 30 projects are currently forecasting LGF spend beyond 30 September 2021 totalling £76.77m, as set out in Appendix C. This includes the three Kent County Council projects identified at the September 2022 Board meeting where full LGF spend was achieved prior to 30 September 2021 but could not be reported due to a delay in processing internal Kent County Council charges.
- 7.3. 27 of these projects have been considered and approved for spend beyond 30 September 2021 by both the Board and Strategic Board. The three Kent County Council projects have not sought approval for spend of the LGF funding beyond 30 September 2021 as the forecast of spend in 2022/23 is a reflection of a delay in completing required accounting processes, rather than a delay in spending the funding.
- 7.4. If any of the approved projects report a project completion date which is delayed by more than 6 months, a further decision is required from the Board to grant this extension. This requirement is in line with the change management process set out in the Assurance Framework and Service Level Agreements between SELEP Ltd, Essex County Council, as Accountable Body, and the local authorities.
- 7.5. At this meeting the Board are asked to consider two projects which are reporting a delay to their completion dates of more than 6 months. The projects have previously received Board approval for LGF spend beyond September 2021, and the delays outlined below reflect the difference between the completion date previously agreed by the Board and the completion date provided in the LGF reporting submitted in the lead up to this meeting.
- 7.6. The University of Essex Parkside – Phase 3 project has received a total LGF investment of £5m, with £4.501m of this funding forecast for spend beyond 2021/22. When the Board considered the request for LGF spend beyond September 2021, a completion date of December 2022 was reported. This completion date has now been revised to September 2023 for the reasons outlined below.
- 7.7. The project is seeking to deliver an extension to the Parkside Office Village, which is already home to 19 commercial units. Phase 3 of the project, as defined in the Business Case, is designed to deliver a four-storey building with

a total area of 4,772sqm providing space for a single tenant or up to 14 office units.

- 7.8. Delivery of the project commenced onsite in mid-2022 following a delay whilst waiting for Anglian Water to complete a water main diversion. Efforts were made by the construction contractor to mitigate the delay caused by this work through pre-ordering the required steel frame for the building, however, the delivery programme faced other delays, including challenges around the formation of the retaining walls. In addition, it is understood that the original programme did not take into account the fit out of the new building.
- 7.9. Whilst work is now progressing well onsite, the project was not able to complete in December 2022 as originally hoped.
- 7.10. A revised schedule of works has now been provided by the construction contractor, showing completion of works in September 2023. It should be noted that, despite this delay, it is still expected that the LGF funding will be spent in full by 31 March 2023.
- 7.11. The second project under consideration is the Hailsham/Polegate/Eastbourne Movement and Access Package. The project has received a total LGF investment of £2.1m, with £0.485m of this funding forecast for spend beyond 2021/22. When the Board considered the request for LGF spend beyond September 2021, a completion date of March 2022 was reported. Subsequently in November 2021, the Board agreed a revised project completion date of March 2023. This completion date has now been revised to March 2025 for the reasons outlined below.
- 7.12. Stakeholder and public consultation was initially carried out on the project in Autumn 2017. The resultant high level of responses necessitated a thorough review and analysis of the proposals. This analysis formed part of a report which was presented to the East Sussex County Council Lead Member for Transport and Environment at their decision-making meeting in June 2018, with a recommendation to proceed to detailed design and construction on the following two schemes:
 - 7.12.1. A2270 Wannock Road/Polegate High Street junction improvement
 - 7.12.2. Eastbourne Road bus lane (between Broad Road and Huggetts Lane)
- 7.13. Approval was given to progress and instructions were given to East Sussex County Council's current Highways Contractor to commence detailed design and to prepare contract documentation for construction.
- 7.14. Good progress has been made, however, there have been a number of complexities which have resulted in a delay in finalising the detailed design and progressing to construction. As a result, delivery of the project will now extend beyond March 2023. The issues encountered were as follows:

- 7.14.1. Surveys – from the initial detailed design work, it was identified as necessary to undertake detailed ground investigation and drainage surveys to understand the construction of the road, the location/depth of statutory undertakers equipment and the adequacy of the surface water drainage to inform the overall design and reduce/mitigate risks during construction. The procurement of suitably qualified survey companies has been affected by their availability as well as being able to book road space to undertake the surveys.
- 7.14.2. Construction of other schemes - to the north of and in close proximity to both Hailsham/Polegate/Eastbourne Movement and Access Package schemes, National Highways have been undertaking the construction of improvements to the A27/A2270 junction alongside capacity improvements on the A27 north towards Cophall roundabout. These works, which form part of the wider package of smaller scale interventions on the A27 delivered through the Roads Investment Strategy, were on site from Spring 2020 through to mid-2022. Consequently, there was no opportunity to book road space to undertake construction of any schemes near to these National Highways delivered improvements during that time.
- 7.14.3. Potential development sites in the vicinity of the project – two development sites with new accesses off Eastbourne Road have recently been granted planning permission on appeal. The progress on design work for the Eastbourne Road bus lane has been affected in order to ensure that the scheme design and the potential new accesses to serve these development sites are compatible.

7.15. Work is continuing to mitigate these issues, allowing delivery of the project to continue but the programme for delivery has been severely impacted. The updated programme for the project is as follows:

Table 4: Updated delivery programme for the Hailsham/Polegate/Eastbourne Movement and Access Package

Milestone	Expected Date
Detailed design for both schemes completed	Early 2023/24
Advertisement of required Traffic Regulation Orders (speed limit changes, bus lane and parking restrictions)	Summer 2023
Commencement of construction	Late 2023/24
Completion of construction	End 2024/25

7.16. As referenced in Section 5.5 of this report, East Sussex County Council's existing Highways Contract expires at the end of April 2023, with a new contractor taking over from 1 May 2023. East Sussex County Council have confirmed that the new highways contractor is committed to completing the project in accordance with the programme set out in Table 4. Regular updates on the project will be sought to ensure that it remains on track to meet the revised completion date of March 2025.

8. Projects remaining on LGF pipeline

- 8.1. As set out in Section 4 of this report, the first 10 projects identified on the LGF pipeline have now received their additional LGF funding following approval by the Board in February and March 2021. Subsequently, the next two projects on the pipeline – the Kent and Medway EDGE Hub and the Mercury Rising projects – received the additional funding requested following the cancellation of the Basildon Innovation Warehouse project and the reduction in LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package. In addition, the Southend Airport Business Park project has received a small proportion of the additional LGF funding requested.
- 8.2. For the remaining projects on the pipeline (listed in appendix B), additional LGF can only be awarded if further LGF funding becomes available through the cancellation of existing projects within the LGF programme.
- 8.3. It should be noted that clearly none of the projects remaining on the LGF pipeline will be able to spend any additional LGF funding awarded prior to the end of September 2021 and therefore the Board will be asked to consider whether the projects meet the conditions for LGF spend beyond September 2021 before awarding any available funding to support project delivery.
- 8.4. In advance of additional funding becoming available it is expected that these projects will proceed, as per the agreed scope in the project business cases, and that any increases in project cost will be met by local partners, as per the conditions of the grant.
- 8.5. No concerns have been raised regarding the deliverability of the projects remaining on the pipeline, as local partners or the relevant third-party delivery partners plan to meet the increase in project costs if required. These projects will remain under review and any significant risks to project delivery 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. A key risk which has been identified across the majority of the ongoing projects is the scale of the cost increases experienced as a combined result of the COVID-19 and Brexit impacts on the labour and materials supply chain and the current high inflation levels. For projects which are still in the process of procuring a contractor, or which are required to re-tender due to delays in progressing the planned works, contractors are returning significantly higher costs than originally anticipated – resulting in either the need for additional funding to be secured or for value engineering to be undertaken. Cost increases are also impacting on projects which are already in delivery, with contractor claims for additional costs being received. There are limited mitigation measures available but purchasing of all materials at the outset of the construction programme has been identified as a mechanism for mitigating the risk of further cost increases as the project progresses onsite.

- 9.2. The other main risks include the impact of the COVID-19 pandemic on the delivery (and pace of delivery) of project 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.
- 9.3. Alongside the risk of not realising the expected project outcomes, there is a risk that the benefits will be realised but not measured or reported to SELEP and the Board. There are a large number of post scheme evaluation reports outstanding, mainly due to resourcing issues experienced by local partners, which mean it is not possible to give the Board and Central Government an accurate indication as to what has been achieved as a result of the LGF investment. A commitment to provide the resources needed to complete the required post scheme completion monitoring and evaluation reports is set out in each Business Case considered by the Board. A list of the outstanding post scheme evaluation reports is provided at Appendix G. Appendix G also includes those post scheme evaluation reports which are due for submission by the end of the 2022/23 financial year.
- 9.4. Furthermore, there is a risk that now the LGF funding has been fully defrayed to local partners that completion of the required quarterly reporting will not be prioritised, despite it being a requirement of the Service Level Agreement, which is likely to result in the reporting either not being submitted to SELEP or being submitted late. If the reporting is not provided in a timely manner, there will be insufficient time for the contents to be fully reviewed and to allow challenge where required to ensure that the Board are provided with a complete and robust update on delivery of the LGF programme. As set out in Section 5.3 of this report, this risk has materialised with Thurrock Council failing to submit their quarterly reporting in advance of this meeting.

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 expected to be received from HM Government is in respect of the funding for the A127 Fairglens junction improvements project, which remains subject to final approval from the Secretary of State for Transport.
- 10.2. The Accountable Body held a £0 balance of LGF as at the end of 2021/22 as the remaining balance of LGF for each project was transferred to each Local Authority under the terms of the Service Level Agreement (SLA) that is in place with each Partner Authority. Any LGF transfers of Capital in advance of need could be applied as a 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 (referenced in previous reports as an 'option 4' capital swap) or to be held as a ringfenced grant by the respective Local Authorities.

- 10.3. As the remaining balance of LGF for each project has been transferred in advance to the Local Authorities, 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. The SLAs in place set out the Grant responsibilities for the Partner Authorities, which include providing regular reports to the Accountable Body and the SELEP Secretariat in the timescales and format specified by the SELEP Secretariat, to enable quarterly reporting to the Accountability Board and Government. Updates to the Board should include ongoing monitoring of possible risks which may impact delivery of LGF projects along with proposed mitigations; this is essential, due to the current uncertain economic climate and increasing inflation, together with ongoing impacts experienced following the Covid-19 pandemic and Brexit. It is disappointing to note that Thurrock Council have not met their obligations to provide the respective reporting for this meeting, however, SELEP have sought assurances from Thurrock Council that this information will be forthcoming to support the update to be provided at the June 2023 meeting of the Board.
- 10.4 Reporting is also required to include the monitoring and evaluation reports post completion of the respective Projects; these reports should provide assurance to the Board that the anticipated outputs and outcomes set out in the business cases are being delivered; or, provide an update where there are risks to realisation of the outputs and outcomes. This requirement is included in the SLAs in place with each Partner Authority.
- 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. This is managed through the SLAs which set out the conditions for use of the grant.
- 10.5. Should the funding not be utilised in accordance with the conditions of the SLAs, Partners may be required by the Board to return the funding to the Accountable Body.
- 10.6. The proposed amended delivery timeline of the Hailsham/Polegate/Eastbourne Movement and Access Package to March 25, delays the realisation of the anticipated benefits associated with this scheme further and has a resourcing impact for the SELEP team and the Accountable Body with respect to extended timelines for monitoring and evaluation; however, this revised end date is in line with extensions that were agreed on an exception basis for other Projects within the Programme.

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 a requirement that the Partner Authorities mirror the terms of the SLA within its funding agreements with the delivery partners.
- 11.3. Where there are delays to a project end date of more than six months, under the terms of the SLA, Accountability Board approval is required. If a project fails to proceed, in line with the conditions of the SLA or grant conditions from Central Government, or the change is not approved by Accountability Board, the Accountable Body may clawback the funding for reallocation by SELEP Ltd.

12. Equality and Diversity implication

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

13. List of Appendices

- 13.1. Appendix A – LGF spend forecast update
- 13.2. Appendix B – LGF prioritised project pipeline
- 13.3. Appendix C – Projects spending LGF beyond 30 September 2021
- 13.4. Appendix D – Project deliverability and risk update
- 13.5. Appendix E – High Risk Projects

13.6. Appendix F – LGF Programme Risks

13.7. Appendix G – Outstanding and due Post Scheme Completion Monitoring and Evaluation reports

(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	
Michael Neumann	31/03/2023
(On behalf of Nicole Wood, S151 Officer, Essex County Council)	

Appendix A LGF spend forecast update

SELEP number	Project Name	Promoter	Spend to 2021/22	2022/23 Q1	2022/23 Q2	2022/23 Q3	2022/23 Q4	2022/23 Total	2023/24 and beyond	All Years
East Sussex										
LGF00002	Newhaven Flood Defences	East Sussex	1.500							1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	1.615	0.021	0.022	0.151	0.187	0.381	0.105	2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	4.610	0.071	0.001	0.054	0.406	0.532	1.458	6.600
LGF00036	Queensway Gateway Road	East Sussex	10.000							10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	1.400							1.400
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	1.700							1.700
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	18.600							18.600
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	4.428	0.092	0.175	0.111	0.761	1.139	3.433	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	5.817	0.014	0.024	0.014	0.480	0.532	1.651	8.000
LGF00073	A22/A27 junction improvement package	East Sussex								
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.667							0.667
LGF00097	East Sussex Strategic Growth Project	East Sussex	8.200							8.200
LGF00099	Devonshire Park	East Sussex	5.000							5.000
LGF00108	Bexhill Enterprise Park North	East Sussex	1.940							1.940
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	3.498	0.915				0.915		4.413
LGF00110	Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	East Sussex	0.500							0.500
LGF00116	Bexhill Creative Workspace	East Sussex	0.960							0.960
LGF00117	Exceat Bridge Replacement	East Sussex								
LGF00124	Eastbourne Fisherman	East Sussex	1.440							1.440
Essex										
LGF00004	Colchester Broadband Infrastructure	Essex	0.200							0.200
LGF00025	Colchester LSTF	Essex	2.400							2.400
LGF00026	Colchester Integrated Transport Package	Essex	5.000							5.000
LGF00027	Colchester Town Centre	Essex	4.600							4.600
LGF00028	TGSE LSTF - Essex	Essex	3.000							3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	10.487							10.487
LGF00032	A414 Maldon to Chelmsford RBS	Essex	2.000							2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	3.000							3.000
LGF00034	Basildon Integrated Transport Package	Essex	6.586							6.586
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	5.800							5.800
LGF00048	A131 Chelmsford to Braintree	Essex	3.660							3.660
LGF00049	A414 Harlow to Chelmsford (removed from programme)	Essex								
LGF00050	A133 Colchester to Clacton	Essex	2.740							2.740
LGF00051	A131 Braintree to Sudbury (removed from programme)	Essex								
LGF00063	Chelmsford City Growth Area Scheme	Essex	10.000							10.000
LGF00064	Chelmsford Flood Alleviation Scheme (removed from programme)	Essex								
LGF00070	Beaulieu Park Railway Station	Essex							12.000	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.667							0.667
LGF00095	Gilden Way Upgrading, Harlow	Essex	5.000							5.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	3.500							3.500
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	2.000							2.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	5.000							5.000
LGF00102	A127/A130 Fairglen Interchange new link road	Essex	6.235							6.235
LGF00103	M11 Junction 8 Improvements	Essex	2.734	1.000				1.000		3.734

Appendix A LGF spend forecast update

SELEP number	Project Name	Promoter	Spend to 2021/22	2022/23 Q1	2022/23 Q2	2022/23 Q3	2022/23 Q4	2022/23 Total	2023/24 and beyond	All Years
LGF00105	Mercury Rising Theatre	Essex	1.228							1.228
LGF00111	Basildon Digital Technologies Campus	Essex	2.150							2.150
LGF00112	Colchester Institute training centre (Groundworks and scaffolding)	Essex	0.050							0.050
LGF00113	USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Essex	0.900							0.900
LGF00114	Flightpath Phase 2	Essex	1.982							1.982
LGF00118	Basildon Innovation Warehouse (removed from programme)	Essex								
LGF00119	University of Essex Parkside (Phase 3)	Essex	0.499	0.190		2.583	1.728	4.501		5.000
LGF00125	New Construction Centre, Chelmsford	Essex	1.295							1.295
LGF00127	Colchester Grow on Space	Essex	0.417			0.144	0.281	0.425	2.935	3.777
Kent										
LGF00003	I3 Innovation Investment Loan Scheme	Kent	5.644						0.356	6.000
LGF00006	Tonbridge Town Centre Regeneration	Kent	2.631							2.631
LGF00007	Sittingbourne Town Centre Regeneration	Kent	2.500							2.500
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	2.200							2.200
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	Kent	1.177							1.177
LGF00010	Kent Thameside LSTF	Kent	4.500							4.500
LGF00011	Maidstone Gyrotory Bypass	Kent	4.600							4.600
LGF00012	Kent Strategic Congestion Management Programme	Kent	4.800							4.800
LGF00013	Middle Deal transport improvements	Kent	0.800							0.800
LGF00014	Kent Rights of Way improvement plan	Kent	1.000							1.000
LGF00015	Kent Sustainable Interventions Programme	Kent	2.728							2.728
LGF00016	West Kent LSTF	Kent	4.900							4.900
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.541							0.541
LGF00038	A28 Chart Road - on hold	Kent	2.756							2.756
LGF00039	Maidstone Integrated Transport	Kent	5.494	0.040	0.086	0.441	0.191	0.758	2.648	8.900
LGF00040	A28 Sturry Link Road	Kent	1.228	0.017	0.023	0.076	0.515	0.632	4.041	5.900
LGF00053	Rathmore Road	Kent	4.200							4.200
LGF00054	A28 Sturry Rd Integrated Transport Package (removed from programme)	Kent								
LGF00055	Maidstone Sustainable Access to Employment	Kent	2.000							2.000
LGF00059	Ashford Spurs	Kent	7.885				0.002	0.002		7.887
LGF00041	Thanet Parkway	Kent	14.000							14.000
LGF00058	Dover Western Dock Revival	Kent	5.000							5.000
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent								
LGF00062	Folkestone Seafront (non-transport)	Kent	5.000							5.000
LGF00072	A226 London Road/B255 St Clements Way	Kent	4.200							4.200
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.667							0.667
LGF00086	Dartford Town Centre Transformation	Kent	4.300							4.300
LGF00088	Fort Halsted (removed from programme)	Kent								
LGF00092	A2500 Lower Road	Kent	1.265							1.265
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	Kent	6.978		0.043	0.323	0.000	0.366		7.344
LGF00096	A2 off-slip at Wincheap, Canterbury (removed from programme)	Kent								
LGF00094	Leigh Flood Storage Area	Kent	2.299			0.051		0.051		2.349
LGF00106	Sandwich Rail Infrastructure	Kent	1.913							1.913
LGF00120	M2 J5 improvements	Kent	1.600							1.600
LGF00121	Kent and Medway Medical School	Kent	9.000							9.000

Appendix A LGF spend forecast update

SELEP number	Project Name	Promoter	Spend to 2021/22	2022/23 Q1	2022/23 Q2	2022/23 Q3	2022/23 Q4	2022/23 Total	2023/24 and beyond	All Years
LGF00126	East Malling Advanced Technology Horticultural Zone	Kent	1.998		0.001			0.001		1.999
Medway										
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	1.821							1.821
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	8.600							8.600
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	4.200							4.200
LGF00021	Medway Cycling Action Plan	Medway	2.500							2.500
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.200							2.200
LGF00061	Rochester Airport - phase 1	Medway	4.400							4.400
LGF00089	IPM (Rochester Airport - phase 2)	Medway	3.700							3.700
LGF00091	Strood Civic Centre - flood mitigation	Medway	3.500							3.500
LGF00115	IPM 2 (Rochester Airport - phase 3)	Medway	1.519							1.519
Southend										
LGF00005	Southend Growth Hub	Southend	0.720							0.720
LGF00107	Southend Forum 2	Southend								
LGF00029	TGSE LSTF - Southend	Southend	1.000							1.000
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	7.000							7.000
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including Southend and Rochford Joint Area Action Plan)	Southend	23.163		0.207			0.207		23.370
LGF00115	Southend Town Centre	Southend	0.336	0.347	0.749	0.193		1.289		1.625
Thurrock										
LGF00030	TGSE LSTF - Thurrock	Thurrock	1.000							1.000
LGF00046	Thurrock Cycle Network	Thurrock	5.000							5.000
LGF00047	London Gateway/Stanford le Hope	Thurrock	7.500							7.500
LGF00052	A13 Widening - development	Thurrock	5.000							5.000
LGF00056	Purfleet Centre	Thurrock	5.000							5.000
LGF00104	Grays South	Thurrock	5.142	0.100		0.475	0.195	0.770	4.929	10.840
LGF00123	Tilbury Riverside (removed from programme)	Thurrock								
	A13 widening - additional funding	Thurrock	1.500							1.500
Managed Centrally										
LGF00001	Skills		21.975							21.975
LGF00071	M20 Junction 10a		19.700							19.700
Sub-total			421.279	2.806	1.332	4.615	4.746	13.500	33.556	468.335

DfT retained schemes

LGF00079	A127 Fairglen Junction Improvements	Essex	1.500						13.500	15.000
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex	4.000							4.000
LGF00081	A127 Kent Elms Corner	Southend	4.300							4.300
LGF00082	A127 The Bell	Southend	3.976	-0.092	0.109	0.013	0.293	0.324		4.300
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	8.000							8.000
LGF00084	A13 Widening	Thurrock	75.000							75.000
Sub-total retained schemes			96.776	-0.092	0.109	0.013	0.293	0.324	13.500	110.600

Appendix B – LGF pipeline, as at 13 April 2023

Project Name	Current LGF Allocation (£m)	Additional LGF Requested (£m)
Southend Airport Business Park Part A	23.370	0.320
Southend Airport Business Park Part B		0.500
Southend Airport Business Park Part C		0.500
University of Essex - Parkside Phase 3	5.000	1.650
A13 Widening Part B	81.500	1.000
Dartford Town Centre Improvements**	4.300	1.000
Total	114.170	4.970

** subject to submission of a Business Case and completion of a review by the ITE

Appendix C - Projects spending LGF beyond 30 September 2021

SELEP number	Project Name	Promoter	LGF allocation (£m)	LGF spend beyond 30 September 2021 (£m)	% LGF spend beyond 30 September 2021	Expected project completion date
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	2.1000	0.5165	24.6%	Mar-25
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	6.6000	2.2823	34.6%	Dec-24
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	9.0000	5.0699	56.3%	Sep-25
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	8.0000	2.2600	28.2%	May-24
LGF00108	Bexhill Enterprise Park North	East Sussex	1.9400	1.1163	57.5%	TBC
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	4.4130	2.7822	63.0%	Mar-23
LGF00116	Bexhill Creative Workspace	East Sussex	0.9600	0.1301	13.6%	Apr-22
LGF00124	Eastbourne Fisherman Quayside and Infrastructure Development	East Sussex	1.4400	0.9245	64.2%	Mar-22
LGF00070	Beaulieu Park Railway Station	Essex	12.0000	12.0000	100.0%	Jun-25
LGF00103	M11 Junction 8 Improvements	Essex	3.7339	1.1113	29.8%	Jun-24
LGF00105	Mercury Rising	Essex	1.2280	0.2280	18.6%	Mar-22
LGF00119	University of Essex Parkside (Phase 3)	Essex	5.0000	5.0000	100.0%	Sep-23
LGF00125	New Construction Centre, Chelmsford College	Essex	1.2952	1.1601	89.6%	Mar-23
LGF00127	Colchester Grow on Space	Essex	3.7775	3.5721	94.6%	Jun-25
LGF00003	i3 Innovation Investment Loan Scheme (Kent & Medway Growth Hub)	Kent	6.0000	0.3565	5.9%	Mar-23
LGF00039	Maidstone Integrated Transport Package	Kent	8.9000	3.9897	44.8%	Jun-24
LGF00040	A28 Sturry Link Road	Kent	5.9000	4.7049	79.7%	Dec-26
LGF00041	Thanet Parkway	Kent	14.0000	14.0000	100.0%	May-23
LGF00059	Ashford Spurs (project complete but internal KCC charges remain outstanding)	Kent	7.8868	0.0017	0.0%	Apr-20
LGF00093	Kent and Medway EDGE Hub	Kent	7.3440	0.5980	8.1%	Dec-22
LGF00094	Leigh Flood Storage Area (internal KCC charges remain outstanding)	Kent	2.3490	0.0505	2.1%	Mar-26
LGF00126	East Malling Advanced Technology Horticultural Zone (project complete but internal KCC charges remain outstanding)	Kent	1.9986	0.0006	0.0%	May-22
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	8.6000	0.2440	2.8%	Mar-22
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.2000	1.3576	61.7%	Apr-22
LGF00089	IPM (Rochester Airport - Phase 2)	Medway	3.7000	2.1906	59.2%	Mar-23
LGF00115	IPM2 (Rochester Airport - Phase 3)	Medway	1.5185	0.9165	60.4%	Mar-23
LGF00045	Southend Central Area Action Plan (SCAAP)	Southend	7.0000	1.5112	21.6%	Jun-22
LGF00057	London Southend Airport Business Park	Southend	23.3695	1.1621	5.0%	Mar-23
LGF00115	Southend Town Centre	Southend	1.6250	1.4264	87.8%	Jan-24
LGF00104	Grays South	Thurrock	10.8403	6.1093	56.4%	TBC

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial			Reputational risk RAG	Overall RAG rating	
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (Oct-22)	Expected completion date (Mar-23)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q2 2022/23 (£)	Forecast LGF spend from Q4 2022/23 onwards			Financials RAG rating
East Sussex															
Newhaven Flood Defences	Jun-15	LGF project delivered	Complete	Feb-20	Mar-22	Mar-22	26		1	1,500,000	1,500,000		1	1	1
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	Ongoing	Mar-20	Mar-23	Mar-25	60	24	5	2,100,000	1,808,822	291,178	4	4	4
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	Ongoing	Mar-21	Dec-24	Dec-24	46		5	6,600,000	4,735,251	1,864,749	4	4	4
Queensway Gateway Road	Mar-15	Construction in progress	Complete	Mar-16	TBC	TBC			5	10,000,000	10,000,000		5	5	5
Swallow Business Park, Hailsham	Feb-16	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			1	1,400,000	1,400,000		1	2	1
Sovereign Harbour	Feb-16	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			1	1,700,000	1,700,000		1	2	1
North Bexhill Access Road and Bexhill Enterprise Park	Nov-15	Construction in progress	Complete	Mar-18	TBC	TBC			5	18,600,000	18,600,000		4	4	4
Hastings and Bexhill Movement and Access Package	Feb-18	Construction in progress	Ongoing	Mar-21	Sep-25	Sep-25	55		5	9,000,000	4,805,684	4,194,316	5	4	5
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	Ongoing	Mar-21	May-24	May-24	39		5	8,000,000	5,869,262	2,130,738	4	4	4
Coastal Communities Housing Intervention Hastings	Feb-17	LGF project delivered	Complete	Apr-20	Mar-20	Mar-20			1	666,667	666,667		1	1	1
East Sussex Strategic Growth Project	Jan-17	Project in progress	Complete	Mar-21	TBC	TBC			5	8,200,000	8,200,000		4	4	4
Devonshire Park	Mar-17	LGF project delivered	Complete	Mar-20	Nov-19	Nov-19			1	5,000,000	5,000,000		1	1	1
Bexhill Enterprise Park North	Jun-19	Project in progress	Complete	Mar-20	TBC	TBC			5	1,940,000	1,940,000		4	4	4
Skills for Rural Businesses Post-Brexit (Plumpton College)	Jun-19 and Feb-21	Construction in progress	Complete	Mar-21	Jan-23	Mar-23	24	2	5	4,413,000	4,413,000		1	1	2
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	Jun-19	Construction in progress	Complete	Mar-21	Jan-23	Mar-23	24	2	5	500,000	500,000		1	1	2
Bexhill Creative Workspace	Sep-19	LGF project delivered	Complete	May-20	Mar-22	Apr-22	23	1	1	960,000	960,000		1	1	1
Eastbourne Fisherman's Quayside and Infrastructure Development project	Jul-20 and Feb-21	LGF project delivered	Complete	Jul-21	Mar-22	Mar-22	9		3	1,440,000	1,440,000		3	4	3
Essex															
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	Complete	Mar-16	Mar-16	Mar-16			1	200,000	200,000		1	1	1
Colchester LSTF	Mar-15	LGF project delivered	Complete	Mar-16	Dec-16	Dec-16	9		1	2,400,000	2,400,000		1	1	1
Colchester Integrated Transport Package	Mar-15	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			1	5,000,000	5,000,000		1	1	1
Colchester Town Centre	Mar-15	LGF project delivered	Complete	Mar-16	Jan-18	Jan-18	22		1	4,600,000	4,600,000		1	1	1
TGSE LSTF - Essex	Mar-15	LGF project delivered	Complete	Aug-16	Mar-17	Mar-17	7		1	3,000,000	3,000,000		1	1	1
A414 Pinch Point Package	Jun-15	LGF project delivered	Complete	Mar-17	Mar-19	Mar-19	24		1	10,487,000	10,487,000		1	1	1
A414 Maldon to Chelmsford RBS	Jun-15	LGF project delivered	Complete	Mar-17	Dec-16	Dec-16			1	2,000,000	2,000,000		1	1	1
Chelmsford Station/Station Square/Mill Yard	Jun-15	LGF project delivered	Complete	Dec-17	May-19	May-19	17		1	3,000,000	3,000,000		1	1	1
Basildon Integrated Transport Package	Mar-15, May-17 and Feb-19	LGF project delivered	Complete	Mar-21	May-21	May-21	2		1	6,586,000	6,586,000		1	1	1
Colchester Park and Ride and Bus Priority measures	Mar-15	LGF project delivered	Complete	Apr-15	Apr-15	Apr-15			1	5,800,000	5,800,000		1	1	1
A127 Fairglens junction improvements	Pending	Approval pending	Ongoing	Sep-22	TBC	TBC			5	15,000,000	1,500,000	13,500,000	5	5	5
A127 capacity enhancements	Jun-15	LGF project delivered	Complete	Dec-20	Nov-18	Nov-18			1	4,000,000	4,000,000		1	1	1
A131 Chelmsford to Braintree	Feb-17	LGF project delivered	Complete	Mar-20	Apr-20	Apr-20	1		1	3,660,000	3,660,000		1	1	1
A133 Colchester to Clacton	Nov-17	LGF project delivered	Complete	Mar-20	Jun-20	Jun-20	4		1	2,740,000	2,740,000		1	1	1
Chelmsford City Growth Area Scheme	Dec-17	LGF project delivered	Complete	Mar-21	Sep-21	Sep-21	7		1	10,000,000	10,000,000		1	1	1
Beaulieu Park Railway Station	Feb-19	Construction in progress	Ongoing	Mar-24	Dec-25	Jun-25	15		5	12,000,000		12,000,000	5	4	5

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial			Reputational risk RAG	Overall RAG rating	
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (Oct-22)	Expected completion date (Mar-23)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q2 2022/23 (£)	Forecast LGF spend from Q4 2022/23 onwards			Financials RAG rating
Coastal Communities Housing Intervention Jaywick	Feb-17	LGF project delivered	Complete	Jun-19	Jun-19	Jun-19			1	666,667	666,667		1	1	1
Gilden Way upgrading	Dec-17	LGF project delivered	Complete	Mar-21	Sep-21	Sep-21	7		1	5,000,000	5,000,000		1	1	1
Technical and Professional Skills Centre at Stansted Airport	May-17	LGF project delivered	Complete	Sep-18	Sep-18	Sep-18			1	3,500,000	3,500,000		1	1	1
Innovation Centre - University of Essex Knowledge Gateway	Sep-17	LGF project delivered	Complete	Jan-19	Apr-19	Apr-19	4		1	2,000,000	2,000,000		1	1	1
STEM Innovation Centre - Colchester Institute	Dec-17	LGF project delivered	Complete	Jan-19	Apr-20	Apr-20	15		1	5,000,000	5,000,000		1	1	1
A127/A130 Fairglen Interchange new link road	Feb-19	Design in progress	Complete	Apr-22	TBC	TBC			5	6,235,000	6,235,000		3	5	4
M11 junction 8 improvements	Nov-17 and Mar-21	Construction in progress	Complete	Mar-21	Mar-23	Jun-24	40	15	5	3,733,896	3,733,896		2	3	3
Mercury Rising Theatre	Nov-17 and Sep-21	LGF project delivered	Complete	Mar-20	Mar-22	Mar-22	25		1	1,228,000	1,228,000		1	1	1
Basildon Digital Technologies Campus	Jun-19	LGF project delivered	Complete	Sep-20	Sep-21	Sep-21	12		1	2,150,000	2,150,000		1	1	1
Colchester Institute training centre (Groundworks and scaffolding)	Jun-19	LGF project delivered	Complete	Jan-20	Mar-21	Mar-21	15		1	50,000	50,000		1	1	1
USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Jun-19	LGF project delivered	Complete	Sep-20	Sep-21	Sep-21	13		1	900,000	900,000		1	1	1
Flightpath Phase 2	Jun-19 and Feb-21	LGF project delivered	Complete	Sep-20	Sep-21	Sep-21	12		1	1,981,500	1,981,500		1	1	1
University of Essex Parkside (Phase 3)	Feb-20	Construction in progress	Ongoing	Mar-21	May-23	May-23	26		5	5,000,000	3,271,553	1,728,447	5	3	4
New Construction Centre, Chelmsford College	Jul-20	Construction in progress	Complete	Sep-21	Nov-22	Mar-23	18	4	5	1,295,200	1,295,200		1	1	2
Colchester Grow on Space, Queen Street	Feb-21	Construction in progress	Ongoing	Jul-22	Jun-24	Jun-25	35	12	5	3,777,451	561,155	3,216,296	5	3	4
Kent															
I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)	Nov-15	Project ongoing	Ongoing	Mar-21	Mar-23	Mar-23	24		5	6,000,000	5,643,546	356,454	2	3	3
Tonbridge Town Centre Regeneration	Mar-15	LGF project delivered	Complete	Mar-17	Apr-17	Apr-17	1		1	2,631,269	2,631,269		1	1	1
Sittingbourne Town Centre Regeneration	Nov-15	LGF project delivered	Complete	Sep-16	Mar-21	Mar-21	56		4	2,500,000	2,500,000		3	4	4
M20 junction 4 Eastern Overbridge	Mar-15	LGF project delivered	Complete	Feb-17	Feb-17	Feb-17			1	2,200,000	2,200,000		1	1	1
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	Project ongoing	Complete	Sep-19	TBC	TBC			5	1,176,611	1,176,611		3	2	3
Kent Thameside LSTF	Mar-15	LGF project delivered	Complete	Mar-21	Sep-22	Sep-22	17		1	4,500,000	4,500,000		1	1	1
Maidstone Gyratory Bypass	Mar-15	LGF project delivered	Complete	Feb-17	Dec-16	Dec-16			1	4,600,000	4,600,000		1	1	1
Kent Strategic Congestion Management programme	Mar-15, Apr-16, Feb-17 and Feb-18, and Feb-21	LGF project delivered	Complete	Mar-21	May-22	May-22	13		1	4,800,000	4,800,000		1	1	1
Middle Deal transport improvements	Feb-16	LGF project delivered	Complete	Dec-16	Sep-21	Sep-21	59		1	800,000	800,000		1	1	1
Kent Rights of Way improvement plan	Mar-15	Construction in progress	Complete	Mar-21	Mar-21	Mar-23	23	23	5	1,000,000	1,000,000		1	1	2
Kent Sustainable Interventions Programme	Mar-15, Apr-16, Feb-17 and Feb-18	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			1	2,727,586	2,727,586		1	1	1
West Kent LSTF	Apr-16	LGF project delivered	Complete	Mar-21	Sep-21	Sep-21	6		1	4,900,000	4,900,000		1	1	1

Appendix D - Local Growth Fund Delivery and Risk

Project	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Deliverability					Financial				Reputational risk RAG	Overall RAG rating	
				Expected completion date (as stated in Business Case)	Expected completion date (Oct-22)	Expected completion date (Mar-23)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q2 2022/23 (£)	Forecast LGF spend from Q4 2022/23 onwards			Financials RAG rating
Folkestone Seafront: onsite infrastructure	Mar-15	LGF project delivered	Complete	Sep-15	Mar-16	Mar-16	6		1	541,145	541,145		1	1	1
A28 Chart Road	Nov-15	Project on hold	Complete	Mar-20	TBC	TBC			5	2,756,283	2,756,283		5	4	5
Maidstone Integrated Transport Package	Nov-15 and Jun-18	Design in progress	Ongoing	Feb-20	Jun-24	Jun-24	54		5	8,900,000	6,061,160	2,838,840	4	4	4
A28 Sturry Link Road	Jun-16	Design in progress	Ongoing	Oct-21	Dec-25	Dec-25	51		5	5,900,000	1,344,143	4,555,857	5	5	5
Rathmore Road	Nov-15	LGF project delivered	Complete	Nov-17	Feb-18	Feb-18	3		1	4,200,000	4,200,000		1	1	1
Maidstone Sustainable Access to Employment	Nov-15	LGF project delivered	Complete	Mar-16	Jun-17	Jun-17	15		1	2,000,000	2,000,000		1	1	1
Ashford Spurs	Sep-16 and May-17	LGF project delivered	Ongoing	Apr-18	Apr-20	Apr-20	24		1	7,886,830	7,885,143	1,687	2	2	2
Thanet Parkway	Apr-19	Construction in progress	Complete	Dec-21	May-23	May-23	17		5	14,000,000	14,000,000		3	3	4
Dover Western Docks revival	Feb-17	LGF project delivered	Complete	Feb-17	Apr-17	Apr-17	2		1	5,000,000	5,000,000		1	1	1
Folkestone Seafront (non-transport)	Feb-16	LGF project delivered	Complete	Dec-17	Mar-18	Mar-18	3		1	5,000,000	5,000,000		1	1	1
A226 London Road/B255 St Clements Way	Nov-16	LGF project delivered	Complete	Mar-20	May-19	May-19			1	4,200,000	4,200,000		1	1	1
Coastal Communities Housing Intervention (Thanet)	Feb-16	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			1	666,666	666,666		1	1	1
Dartford Town Centre Transformation	Apr-18	Construction in progress	Complete	Mar-21	Dec-24	Dec-24	46		5	4,300,000	4,300,000		3	3	4
A2500 Lower Road	Sep-17	LGF project delivered	Complete	Dec-19	Mar-19	Mar-19			1	1,264,930	1,264,930		1	1	1
Kent and Medway EDGE hub	Sep-17, Mar-21 and Sep 21	LGF project delivered	Ongoing	Aug-20	Dec-22	Dec-22	27		1	7,344,000	7,343,872	128	2	1	1
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Construction in progress	Complete	Jul-23	Mar-26	Mar-26	32		5	2,349,000	2,349,000		2	2	3
Sandwich Rail Infrastructure	Nov-17	LGF project delivered	Complete	Mar-20	Feb-20	Feb-20			1	1,913,170	1,913,170		1	1	1
M2 Junction 5	Feb-20	Construction in progress	Complete	Jan-23	Dec-24	Dec-24	24		5	1,600,000	1,600,000		1	5	4
Kent and Medway Medical School	Nov-19, Jul-20 and Feb-21	LGF project delivered	Complete	Sep-20	Jun-21	Jun-21	10		1	9,000,000	9,000,000		1	1	1
East Malling Advanced Technology Horticultural Zone	Jun-20 and Feb-21	LGF project delivered	Complete	Jul-21	May-22	May-22	10		1	1,998,600	1,998,600		1	1	1
Medway															
A289 Four Elms roundabout to Medway Tunnel	Mar-15	Design in progress	Complete	Dec-20	Mar-25	Mar-25	51		5	1,821,046	1,821,046		5	5	5
Strood Town Centre	Mar-15	LGF project delivered	Complete	Jun-18	Mar-22	Mar-22	46		1	8,600,000	8,600,000		1	1	1
Chatham Town Centre	Mar-15	LGF project delivered	Complete	Jul-17	Dec-19	Dec-19	28		1	4,200,000	4,200,000		1	1	1
Medway Cycling Action Plan	Mar-15	LGF project delivered	Complete	Mar-18	Mar-19	Mar-19	12		1	2,500,000	2,500,000		1	1	1
Medway City Estate	Mar-15	LGF project delivered	Complete	Mar-21	Apr-22	Apr-22	12		1	2,200,000	2,200,000		1	1	1
Rochester Airport - phase 1	Jun-16	LGF project delivered	Complete	Mar-18	Nov-21	Nov-21	45		1	4,400,000	4,400,000		1	1	1
Innovation Park Medway (phase 2)	Feb-19	Construction in progress	Complete	Dec-20	Feb-23	Mar-23	27	1	5	3,700,000	3,700,000		4	4	4
Strood Civic Centre - flood mitigation	Feb-18	LGF project delivered	Complete	Apr-19	Jun-19	Jun-19	1		4	3,500,000	3,500,000		3	4	4
Innovation Park Medway (phase 3)	Jul-20	Construction in progress	Complete	Dec-21	Feb-23	Mar-23	15	1	5	1,518,500	1,518,500		3	4	4
Southend															
Southend Growth Hub	2015	LGF project delivered	Complete	Dec-16	Mar-17	Mar-17	2		1	720,000	720,000		1	1	1
TGSE LSTF - Southend	Mar-15	LGF project delivered	Complete	Aug-16	Mar-17	Mar-17	7		1	1,000,000	1,000,000		1	1	1
A127 Kent Elms Corner	Jun-16	LGF project delivered	Complete	May-17	May-19	May-19	25		1	4,300,000	4,300,000		1	1	1
A127 The Bell	Nov-18 and Feb-19	Construction in progress	Ongoing	Mar-21	Mar-23	Mar-23	24		5	4,300,000	4,007,017	292,983	2	2	3
A127 Essential Bridge and Highway Maintenance	Sep-16, Nov-18 and Feb-19 and Feb 2021	LGF project delivered	Complete	Mar-21	Aug-21	Aug-21	5		1	8,000,000	8,000,000		1	1	1
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	LGF project delivered	Complete	Mar-21	Jun-22	Jun-22	14		1	7,000,000	7,000,000		1	1	1

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial			Reputational risk RAG	Overall RAG rating	
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (Oct-22)	Expected completion date (Mar-23)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q2 2022/23 (£)	Forecast LGF spend from Q4 2022/23 onwards			Financials RAG rating
London Southend Airport Business Park	Feb-16, Sep-17, Sep-18 and Sep-21	Construction in progress	Complete	Mar-21	Nov-22	Mar-23	23	4	5	23,369,517	23,369,517		2	2	3
Southend Town Centre Interventions	Jul-20 and Feb-21	Construction in progress	Complete	Mar-21	Jan-24	Jan-24	36		5	1,625,000	1,625,000		2	3	3
Thurrock															
TGSE LSTF - Thurrock	Mar-15	LGF project delivered	Complete	Mar-16	Mar-20	Mar-20	49		1	1,000,000	1,000,000		1	1	1
Thurrock Cycle Network	Apr-16	LGF project delivered	Complete	Mar-19	Mar-19	Mar-19			1	5,000,000	5,000,000		1	1	1
London Gateway/Stanford le Hope	Feb-17	On hold	Complete	Dec-18	TBC	TBC			5	7,500,000	7,500,000		5	5	5
A13 - widening development	Feb-17	LGF project delivered	Complete	Dec-19	Dec-20	Dec-20	12		1	5,000,000	5,000,000		1	1	1
Purfleet Centre	Jun-16	Construction in progress	Complete	Sep-27	Dec-30	Dec-30	41		5	5,000,000	5,000,000		5	5	5
Grays South	Feb-19	On hold	Ongoing	Jul-22	Jul-25	TBC			5	10,840,274	5,716,603	5,123,671	5	5	5
A13 widening	Apr-17, Jul-20 and Mar-21	Construction in progress	Complete	Dec-19	Jan-23	Mar-23	39	2	5	76,500,000	76,500,000		5	4	5
Managed Centrally															
Capital Skills	Mar-15	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			1	21,974,561	21,974,561		4	4	3
M20 Junction 10a	Feb-17	LGF project delivered	Complete	Sep-20	Dec-19	Dec-19			1	19,700,000	19,700,000		1	1	1
TOTAL										578,935,369	526,840,025	52,095,344			

Appendix E - High Risk LGF projects

Project	RAG Rating	LGF allocation (£m)	Percentage of LGF allocation spent by 30 September 2021	Main project risk	Funding conditions attached/Updates required by the Board
Queensway Gateway Road, East Sussex		10.00	100%	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 10.
Hastings and Bexhill Movement and Access Package		9.00	44%	One element of the project scope is no longer able to come forward following decision by Hastings Borough Council to refuse the proposal.	Options are currently being considered for use of the funding originally allocated to the element of the project which will no longer be coming forward. It is anticipated that a project change request will be brought forward for Board consideration in June 2023.
A127 Fairglen Junction Improvements, Essex		15.00	10%	Business Case requires DfT approval. Decision still outstanding.	Board will be notified once DfT funding decision has been made.
Beaulieu Park Railway Station		12.00	0%	Further work is required before it is possible to confirm the track possessions required to ensure project delivery remains on programme. Essex County Council have 2 HIF projects which are covered under the same agreement. The other HIF project is struggling with cost increases which may mean the project is not delivered. The joint agreement may mean that the Beaulieu Park Station funding is lost if the other project cannot progress.	An update on the project is provided under Agenda Item 9.
A28 Chart Road, Kent		2.76	100%	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.
A28 Sturry Link Road, Kent		5.90	20.3%	Acquisition of land from a number of land owners required to enable delivery of the project.	Following award of planning permission in September 2021, negotiations have recommenced with land owners but a delay has been reported. An update on the project is provided under Agenda Item 11.
A289 Four Elms roundabout to Medway Tunnel		1.82	100%	LGF funding spent in full progressing design for the scheme. Delivery of the works to be funded through the HIF funding secured by Medway Council. HIF funded works are still at design stage and therefore there remains a risk that the LGF spend may become an abortive revenue cost and will need to be repaid to SELEP.	Board will be advised on progress towards delivery of the HIF works.
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. Furthermore, there is not currently an agreed LGF Business Case in place for the project.	An update on the project is provided under Agenda Item 12.
Purfleet Centre		5.00	100%	Whilst LGF funding has been spent in full, there is a risk to the realisation of the forecast project benefits.	Following unsuccessful delivery of the project to date, a full range of alternative delivery options are currently being considered. The Board will be updated once this review has been completed.
Grays South		10.84	43.6%	Acquisition of land from a number of land owners required to enable delivery of the project. Project delivery is subject to progression through Network Rail GRIP process. In addition, a full review of the project is being undertaken to determine how/if the project should move forward.	Negotiations are ongoing with landowners and a CPO is being prepared to run alongside these negotiations should it be required. Steps being taken to complete contract with Network Rail for completion of next GRIP stages. However, primary workstreams are on hold whilst awaiting the outcome of the project review. An update on the Project is provided under Agenda Item 12.
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.
Total		156.32			

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

Appendix F - LGF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
LGF spend beyond the Growth Deal period	Based on the LGF spend figures reported at the end of 2020/21, LGF totalling £106.351m 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 used Option 4 Capital Swaps to demonstrate the spend of all but £4.656m of the LGF at the end of 2020/21. The remaining funding was reported as spent in 2021/22. Whilst this approach 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 - Outstanding or due post scheme completion Monitoring and Evaluation reports

Project	Area	1 Year Post Completion	3/5 Year Post Completion
Newhaven Flood Defences	East Sussex	Expected 2022/23	Not due
Sovereign Harbour	East Sussex	Outstanding	Outstanding
Swallow Business Park	East Sussex	Received	Outstanding
Coastal Communities Housing Intervention	East Sussex	Outstanding	Expected 2022/23
Devonshire Park	East Sussex	Outstanding	Expected 2022/23
Bexhill Creative Workspace	East Sussex	Expected 2022/23	Not due
Eastbourne Fisherman's Quayside and Infrastructure Development project	East Sussex	Expected 2022/23	Not due
Colchester Broadband Infrastructure	Essex	Outstanding	Outstanding
Colchester Integrated Transport Package	Essex	Outstanding	Not due
Chelmsford Station / Station Square / Mill Yard	Essex	Received	Expected 2022/23
Chelmsford City Growth Area	Essex	Expected 2022/23	Not due
Coastal Communities Housing Intervention	Essex	Outstanding	Expected 2022/23
Gilden Way Upgrading, Harlow	Essex	Expected 2022/23	Not due
Technical and Professional Skills Centre at Stansted	Essex	Outstanding	Expected 2022/23
STEM Innovation Centre, Braintree	Essex	Outstanding	Expected 2022/23
STEM Innovation Centre, Colchester	Essex	Outstanding	Not due
Mercury Rising	Essex	Expected 2022/23	Not due
Basildon Digital Technologies Campus	Essex	Expected 2022/23	Not due
Colchester Institute - Groundworks training centre	Essex	Expected 2022/23	Not due
USP College Centre of Excellence for Digital Technologies and Immersive Learning	Essex	Expected 2022/23	Not due
Flightpath Phase 2	Essex	Expected 2022/23	Not due
Tonbridge Town Centre	Kent	Received	Outstanding

Project	Area	1 Year Post Completion	3/5 Year Post Completion
Sittingbourne Town Centre Regeneration	Kent	Outstanding	Not due
M20 Junction 4	Kent	Received	Outstanding
Maidstone Gyratory Bypass	Kent	Received	Outstanding
Middle Deal Transport Improvements	Kent	Expected 2022/23	Not due
Kent Rights of Way Improvement Plan	Kent	Outstanding	Not due
Kent Sustainable Interventions Programme	Kent	Outstanding	Not due
West Kent LSTF	Kent	Expected 2022/23	Not due
Maidstone Sustainable Access to Employment	Kent	Received	Outstanding
Folkestone Seafront: onsite infrastructure and Engineering Works	Kent	Outstanding	Outstanding
Rathmore Road	Kent	Received	Outstanding
Dover Western Dock Revival	Kent	Received	Outstanding
Folkestone Seafront (non-transport)	Kent	Received	Outstanding
A226 London Road/B255 St Clements Way	Kent	Received	Expected 2022/23
A2500 Lower Road	Kent	Outstanding	Outstanding
Kent and Medway Medical School	Kent	Expected 2022/23	Not due
Strood Town Centre journey time and accessibility improvements	Medway	Expected 2022/23	Not due
Chatham Town Centre Placemaking	Medway	Outstanding	Expected 2022/23
Medway Cycling Action Plan	Medway	Received	Outstanding
Rochester Airport - Phase 1	Medway	Expected 2022/23	Not due
Strood Civic Centre – flood mitigation	Medway	Outstanding	Expected 2022/23
Southend Growth Hub	Southend	Outstanding	Outstanding
A127 Kent Elms Corner	Southend	Received	Expected 2022/23
A127 Essential Bridge and Highway Maintenance	Southend	Expected 2022/23	Not due
Thurrock Cycle Network	Thurrock	Received	Outstanding

Report title: Beaulieu Park Station LGF Project Update Report	
Report to: Accountability Board	
Report author: Gary Macdonnell, Network Coordinator, Essex County Council and Howard Davies, SELEP Capital Programme Officer	
Meeting date: 13 April 2023	For: Information
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Essex	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to receive an update on the Beaulieu Park Station Local Growth Fund (LGF) project (the Project) which has been identified as High risk.
- 1.2. At the meeting in November 2022, the Board were advised that the Housing Infrastructure Fund (HIF) Grant Development Agreement between Essex County Council and Homes England covered both the Beaulieu Park Station and Chelmsford North East Bypass projects. This means that if one of the projects is unable to proceed the total HIF allocation will be lost. Options were being considered and this report will give the Board an update on this situation.
- 1.3. The Board were also advised that there was a risk around securing required track possessions, particularly covering the important Christmas 2023/New Year 2024 period.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the update on the Project and the risks to project delivery which have been identified.
 - 2.1.2. **Note** a further update on the Project will be brought to the June 2023 Board meeting which will include confirmation of a complete funding package for both elements of the HIF project and Government approval for the change in funding approach and an update on the required track possessions.

3. Background

- 3.1. The Project seeks to bring forward a new railway station in Chelmsford. The new station will be sited on the existing Great Eastern Main Line (GEML), on the eastern side of Beaulieu, 3 miles north east of Chelmsford, located adjacent to the A12/A138/B1137 junction 19 to serve the growth in North Chelmsford as well as wider growth in parts of Maldon, Braintree and Uttlesford districts which are not currently well served by rail.

- 3.2. The award of £12m LGF funding to support delivery of the Project was agreed by the Board in February 2019. To date, none of the LGF funding has been spent.
- 3.3. A substantial amount of the funding for project delivery has been secured through the HIF, administered by the Department for Levelling Up, Housing and Communities. Essex County Council has entered into a comprehensive Grant Determination Agreement with Homes England in relation to the HIF funding. The Grant Determination Agreement sets out the terms of the funding and the deliverables for the Project including various warranties, conditions precedent and milestone dates that must be achieved by Essex County Council in order for the funding to be released. There are defined processes within the agreement that allow the contract conditions to be varied, subject to the agreement of Homes England.
- 3.4. The Grant Determination Agreement covers the total amount of HIF funding secured by Essex County Council for delivery of Beaulieu Park Station and for the Chelmsford North East Bypass project. The total HIF allocation awarded is £218m, which is split between the two projects as follows: Beaulieu Park Station - £123.5m and Chelmsford North East Bypass - £94.5m.
- 3.5. The Grant Determination Agreement joins the Beaulieu Park Station and Chelmsford North East Bypass projects together, which means that if one of the projects fails, the total HIF allocation will be lost and any expenditure incurred to date could be clawed back by Homes England under the terms of the agreement.
- 3.6. Further information on the project is provided in Appendix A.

4. Project Update

- 4.1. Work to deliver Beaulieu Park Station started on site on 4 January 2023. Work has progressed in line with the programme since that start on site date. The project is currently progressing within the agreed programme and budget.
- 4.2. The Board will recall that the contract for the construction work has been split into two parts. This was to mitigate the financial exposure of Essex County Council to the potential of challenge to the Network Change process. This risk was removed when Great British Rail Freight removed their objection, but the project had already progressed on the basis that there would be two Implementation Agreements signed by Essex County Council with Network Rail to allow J Murphy & Sons Ltd as contractor to progress the work. The first Implementation Agreement was signed on 14 December 2022 and work is progressing under this agreement.
- 4.3. It had been hoped that a second agreement would be in place by 31 March 2023, however discussions between Essex County Council and Network Rail are ongoing. There is agreement around the format of the contract and Essex County Council has started to draft its decision paper on the matter. There remain some outstanding discussions detailing matters around use of the rail industry risk fee fund. Essex County Council will confirm the latest position at the meeting.
- 4.4. There would appear to be no major issues that will prevent the full construction contract for the build out of the station and associated facilities, to be let to J Murphy & Sons.
- 4.5. The main risk to delivery of the station in 2025 or 2027 with the agreed programme and within budget remains the agreement of required track possessions. A number of track

possessions required in early 2023 have been agreed but a number of possessions required later in the programme have yet to be formally adopted. In particular the contractor requires track access throughout the Christmas 2023 and New Year 2024 period. It is expected that these track possessions will be confirmed during Q4 2022/23. Whilst there could be alternative options that would need to be fully investigated, failure to secure this access could affect the Project's ability to deliver to the agreed programme and cost. It is noted that other track possessions are also being considered nationwide and in addition to Greater Anglia's concern on the effects of multiple shutdowns on passenger behaviour, there is a growing concern on the availability of rail replacement buses and drivers to serve travel requirements. Essex County Council has offered to help in this regard with its passenger transport resources.

- 4.6. As noted above, the success of the Project is linked to the successful delivery of the Chelmsford North East Bypass project. Tender submissions from construction contractors have been sought for the Bypass project and there is a significant budget gap. Essex County Council has been working with Chelmsford City Council and the developer's consortium building out housing and other facilities in the location of Beaulieu and other sites that are linked to the HIF grant to develop an approach to tackling the budget gap allowing delivery of the Bypass project to progress.
- 4.7. The plan to tackle this budget deficit is for Essex County Council to initially borrow funds to bridge the budget gap. The borrowing would then be repaid using future development contributions, also known as S.106 contributions. This plan has been accepted in principle by all parties including Homes England, who will need to formally approve the plan through a contract change of the 'Recovery and Recycling' statement, a key contract document that outlines how future housing receipts will be used to ensure that this government grant does not constitute subsidy.
- 4.8. As noted in 4.7 all parties are sighted on this work. Essex County Council are waiting for the tender documentation for the Chelmsford North East Bypass to be fully analysed, allowing confirmation of the exact budget gap. This will inform the revised 'Recovery and Recycling' statement, which will allow all parties to provide their formal and final approval for this strategy ensuring the Chelmsford North East Bypass project is fully built out. Essex County Council are seeking to conclude these discussions and secure all required approvals in April 2023.
- 4.9. There is currently a high level of confidence that all parties will approve this strategy.
- 4.10. The Chelmsford North East Bypass project has been progressed, with the main current activity related to the acquisition of the required land. It is hoped that the land can be acquired through negotiated settlement but there may end up being a need for a Compulsory Purchase Order to be used. The intention is to start work on site later in 2023 and full approvals will need to be in place by late spring/summer 2023.

5. Update on Project Costs


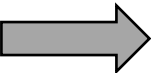
- 5.1. The Project is being delivered by Network Rail under a New Engineering Contract (NEC) Option E contract which means that Network Rail and the contractor are setting the programme and financial profiling with minimal interference.


5.2. An Option E NEC contract is a cost reimbursable contract with Essex County Council liable to pay all reasonable costs incurred by the contractor. The project cost plan is carrying significant contingency and amounts for inflation.

6. Project Risks

6.1. The key project risks and milestones have been identified in Table 1 below.

Table 1: Summary of key project risks and milestones

Risk	RAG rating (November 2022)	Change since last Board meeting	Current RAG rating (March 2023)	Progress & Actions
<p>Programme - Requires confirmation of track possessions. If these possessions are not confirmed there will inevitably be delays to delivery that may put the project outside of the timelines for HIF drawdown and will add cost to the project, even if it is just inflationary with extended time being required.</p>	<p>Amber</p>		<p>Amber</p>	<p>Track possessions for early in the delivery programme have been confirmed.</p> <p>Essex County Council continues to discuss track possessions required later in the programme. The required track possessions have been requested and have support from Network Rail and Greater Anglia. These are due to be confirmed in Q4 2022/23.</p>
<p>The HIF Grant Determination Agreement jointly covers the Chelmsford North East Bypass and Beaulieu Park Station projects and requires delivery of both elements to secure drawdown of the funding. The Chelmsford North East Bypass project is currently facing a budget gap which presents a risk to the security of the HIF funding and therefore also to delivery of the Project.</p>	<p>Red</p>		<p>Red</p>	<p>As set out in section 4 of this report good progress has been made regarding this matter. Although the return of tenders has confirmed a budget gap, solutions to overcoming this are moving forward. Constructive solutions to funding the gap have been accepted by all parties. Although not formally approved by Homes England, it has been accepted in principle. Essex County Council are seeking to conclude these discussions and secure all required approvals in April 2023.</p>

<p>Rail Track Possessions – Ensuring sufficient Buses/coaches and Drivers available during rail replacement periods for works</p>	<p>Amber</p>		<p>Amber</p>	<p>Rail possessions are required to enable delivery of the Project. Network Rail have requested the required track possessions, with the most important period of track possessions falling over Christmas 2023. This clashes with a similar closure in Cambridge meaning the whole of the Eastern and Western Mainlines in the Anglia region would be affected. Originally declared to be a ‘no go’, the stance has softened and is now supported by Greater Anglia, Network Rail and DfT but there remains a need to secure a significant number of buses and drivers to mitigate the impact on rail users during this period. It is not certain that there will be enough buses or drivers available to satisfy the full need and therefore track possessions cannot be confirmed at this time. To help mitigate this risk, Essex County Council has offered use of its’ fleet and driver resources.</p> <p>Essex County Council are still awaiting confirmation on both the position with booking track access and the plans that will be put in place, and whether Essex County Council is required to support this in any way. This will be confirmed over the coming weeks (by end Q4 2022/23). The requirement for buses and bus drivers will need to be assessed in more detail from that point noting the exact arrangements and scheduling in conjunction with all other potential shutdowns taking place across the country. In theory every single carriage operating on the rail network should be covered by one bus and driver. This may be relaxed but there will need to be an assessment on what drivers for travel there will be. The economic situation will in part drive this as</p>
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				will any major sporting or cultural events. Network Rail and Greater Anglia do have a fallback option, which they would be reluctant to use, but a 'Do Not Travel Notice,' where the line is shut and there are no replacement services put on, remains an option of last resort.
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	Milestone Completion Date (November 2022)	Milestone Completion Date (March 2023)	Change in milestone date (RAG rating)	Commentary (To include: % of milestone achieved to date)
Decoupling of HIF projects or securing additional funding to support delivery of the Chelmsford North East Bypass project	January – March 2023	March 2023	Green	<p>To mitigate the risk to the HIF funding which has arisen due to the challenges faced by the Chelmsford North East Bypass project, there is a need to either decouple the HIF projects to remove the interdependence between the projects or to secure additional funding to bridge the budget gap which currently exists on the Chelmsford North East Bypass project.</p> <p>Construction tender submissions for the Chelmsford North East Bypass project are currently being analysed to identify the scale of the budget gap. Discussions continue between Essex County Council, Chelmsford City Council and Homes England as to how this budget gap should be filled. A formal request to decouple the projects was submitted to Homes England in late 2022 but was subsequently withdrawn as conversations around bridging the gap gathered pace.</p> <p>As outlined above good progress has been made. The milestone is 75% complete.</p>
Commencement of construction	March 2023	4 January 2023	Green	<p>The interim Implementation Agreement has been signed allowing commencement of construction on site.</p> <p>Milestone is 100% achieved.</p>

Beaulieu Park Station LGF Project Update report

Securing approval for track possessions	Q4 2022/23	Q4 2022/23	Green	Track Possessions have been requested and have support from Network Rail and Greater Anglia. However, these are yet to be confirmed for possessions in Q3/4 2022/23, discussions are ongoing.
Project Completion Date	December 2024	June 2025	Red	At the last meeting, the completion date was reported as December 2024, this was due to the project sitting within Project SPEED, This is still an attainable date, but it has been decided to show a more conservative date of June 2025. This is an extension of 6 months on that date reported at the November 2022 meeting, hence it being shown as Red in this report, to conform with Government guidance.

7. Next Steps

- 7.1. J. Murphy & Son to continue construction work including the first weekend rail shutdown associated with Beaulieu Park Station.
- 7.2. As set out at 4.3, it had been hoped that a second agreement would be in place by 31 March 2023. This is ongoing and an update will be given at the meeting.
- 7.3. It is anticipated that the position in regards of track possessions will be clear and known by 31 March 2023, and a verbal update will be provided at the meeting.
- 7.4. The work to agree on the steps needed to secure the required approvals for the Chelmsford North East Bypass project should be agreed by all parties, although unlikely to be before this meeting. A verbal update will be provided at the meeting.
- 7.5. Chelmsford North East Bypass detailed design and actions for Essex County Council to take control of the land to be significantly progressed, but final agreement will be ongoing into Q1 2023/24.
- 7.6. A further update report will be presented to the Board in June 2023, outlining progress on addressing the key risks around track possessions and bridging the funding gap.

8. SELEP Comments

- 8.1. As reported previously, the primary risk facing the Project is the current contractual arrangement in relation to the HIF funding which has been secured by Essex County Council. Under the current Grant Determination Agreement with Homes England, both the Project and the Chelmsford North East Bypass project must be delivered in order to secure drawdown of the funding. As outlined in the report, the Chelmsford North East Bypass project is currently facing some challenges, including a funding gap, which presents a risk to the full HIF allocation.
- 8.2. At the last meeting, it was reported that Essex County Council were progressing two workstreams with a view to mitigating the risk to the HIF funding. The first workstream was an application to Homes England to decouple the projects, allowing the Project to progress whilst further work is undertaken to address the challenges facing the Chelmsford North East Bypass. This application was submitted to Homes England in early November 2022 but was subsequently withdrawn as the decision was taken to focus on the second workstream.
- 8.3. The second workstream involved discussions with Chelmsford City Council to identify potential additional funding streams to bridge the current funding gap on the Chelmsford North East Bypass project. As set out in this report, good progress has been made and a potential solution to the funding gap has been identified. Homes England have been sighted on the proposal and have agreed the approach in principle, although formal approval processes still need to be completed and therefore the risk to the HIF funding remains.
- 8.4. As reported to the Board in November 2022, if it is not possible for Essex County Council to mitigate the risk to the HIF funding, under the terms of the Grant Determination Agreement, Homes England could seek to claw back any funding issued to date. If the HIF funding were to be removed, Essex County Council would be required to seek alternative funding to support delivery of the Project in accordance with the agreed LGF Business Case. If

alternative funding could not be secured, the Board would be asked to consider removing the Project from the LGF programme and seeking return of the LGF funding as the Project could no longer be delivered as agreed. Removal of the Project from the LGF programme would detrimentally impact on the benefits which are forecast to be achieved through the SELEP Growth Deal and would mean that a key part of the sustainable transport measures for north-east Chelmsford would not be forthcoming.

- 8.5. As with all rail projects, there is a requirement to secure rail possessions to allow delivery of the Project to progress. If the Project is to be delivered in accordance with the programme outlined in this report, there is a need for rail possessions to be secured over the Christmas period in 2023. Whilst initial objections due to conflicting closures on other parts of the local network have been managed, there remains a risk that there will be insufficient buses and drivers available to provide a reliable rail replacement operation during this period. If a solution cannot be reached, it is likely that the delivery programme will be adversely impacted as the rail possessions will need to be rescheduled. Any significant changes to the delivery programme are also likely to result in increased total project costs.
- 8.6. As set out in the report, Essex County Council has offered use of its' fleet and driver resource with a view to mitigating this risk. However, a formal decision on whether the track possessions will be allowed has not yet been made. It is expected that the position will be clearer by the end of March 2023.
- 8.7. The status of the rail possessions and the risk attached to the HIF funding will be closely monitored in advance of the next Board meeting, with a view to providing a further update on delivery of the Project at that meeting.

9. Financial Implications (Accountable Body comments)

- 9.1. There are a number of challenges set out in the report in respect of completion of the Project. In addition, there remain risks with this, as with all projects, due to the impact of Brexit, COVID-19, the on-going economic uncertainty and inflation. The Board are therefore advised to continue to monitor delivery progress and ensure that appropriate mitigations are in place with respect to risk management.
- 9.2. 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.
- 9.3. All LGF in respect of this Project was transferred to Essex County Council, as the Project Lead Authority, under the terms of a Service Level Agreement (SLA) which makes clear that funding can only be used for Project delivery, in line with the agreed terms.
- 9.4. The Agreement 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. The funding is administered in accordance with the Service Level Agreements in place between Essex County Council, as Accountable Body of SELEP, SELEP Ltd and the Project Lead Authority. The SLA contains provisions that permit the Accountability Board to take a decision to require funding is repaid (either in all or in part) if the Project Lead

Authority fails to deliver the project in accordance with the business case, a project is changed and the Accountability Board decline to agree the change or if the project can no longer meet the grant conditions.

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.

12. List of Appendices

12.1. Appendix A – Beaulieu Park Station 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 Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	30/03/2023

Appendix A – LGF Project Background Information

Name of Project	Beaulieu Park Station, Chelmsford Essex County Council
Local Growth Fund (LGF) allocation	£12m – Awarded in February 2019
Description of what Project delivers	<p>The new station is being proposed on the existing Great Eastern Main Line (GEML) on the eastern side of Beaulieu, 3 miles north east of Chelmsford, located adjacent to the A12/A138/B1137 junction 19 to serve the growth in North Chelmsford as well as wider growth in parts of Maldon, Braintree and Uttlesford districts not well served by rail.</p> <p>Full detailed planning permission was granted by Chelmsford City Council in June 2022. The station will include:</p> <ul style="list-style-type: none"> • Three platforms with a central loop line and new tracks to enable stopping services to call at the station while allowing fast trains to pass through unimpeded. • A footbridge between platforms with lifts. • Single storey station building with retail units, staff and welfare facilities, public toilets and concourse area. • Surface level ‘premium’ car parking for 243 cars and secondary surface level car park for 460 cars. • 35 designated Blue Badge bays and 2 extended spaces. • 500 spaces for cycle parking and storage. • Parking for 50 motorcycles. • A bus interchange for 8 buses with provision for 8 parking spaces for rail replacement buses. • Dedicated taxi set down and pick up area with waiting shelter <p>The turnback / passing loop provides operational resilience and flexibility in a network that is heavily used and operating at near capacity. This scheme option gives Network Rail full operational ability to turn back trains in both directions and also allows trains to pass each other in both directions The station is proposed to be a rail head and would be used to start / terminate some of the services that today start / terminate at Chelmsford, to distribute demand effectively and to allow for services to be timetabled effectively.</p> <p>The station will provide train services for residents and workers, support future business development and existing business activity, and will relieve pressure on Chelmsford station.</p>

<p>Project benefits</p>	<ul style="list-style-type: none"> • Acceleration of planned new homes and jobs and their associated economic benefits • Facilitation of dependent development - new homes and jobs and their associated economic benefits which otherwise could not happen • Increase in fare box revenue for the railway • Reduced congestion at Chelmsford station • Reduced congestion in Chelmsford city centre at peak times (weekday and weekends) • Improved access to the rail network for residents and businesses in the Heart of Essex not well served by rail • Improved network resilience and reliability for train services using the Great Eastern Main Line. 																																
<p>Project Programme</p>	<table border="1"> <thead> <tr> <th data-bbox="539 719 935 792">Project Milestone</th> <th data-bbox="935 719 1299 792">Current Programme as at March 2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 792 935 831">GRIP 3 Option Selection</td> <td data-bbox="935 792 1299 831">Q4 2018/19</td> </tr> <tr> <td data-bbox="539 831 935 943">Submission of Housing Infrastructure Fund (HIF) Bid</td> <td data-bbox="935 831 1299 943">March 2019</td> </tr> <tr> <td data-bbox="539 943 935 1016">Government decision on HIF funding</td> <td data-bbox="935 943 1299 1016">Sept 2019</td> </tr> <tr> <td data-bbox="539 1016 935 1090">GRIP 3 Approval in Principle</td> <td data-bbox="935 1016 1299 1090">Q3 2019/20</td> </tr> <tr> <td data-bbox="539 1090 935 1128">GRIP 3 Stage Gate</td> <td data-bbox="935 1090 1299 1128">Q4 2019/20</td> </tr> <tr> <td data-bbox="539 1128 935 1240">GRIP 4 Award and Funding Statement Secured</td> <td data-bbox="935 1128 1299 1240">Q1 2020/21</td> </tr> <tr> <td data-bbox="539 1240 935 1279">GRIP 4 Design Complete</td> <td data-bbox="935 1240 1299 1279">Q4 2020/21</td> </tr> <tr> <td data-bbox="539 1279 935 1317">TWA0 Application</td> <td data-bbox="935 1279 1299 1317">Not Required</td> </tr> <tr> <td data-bbox="539 1317 935 1355">TWA0 Approval</td> <td data-bbox="935 1317 1299 1355">Not Required</td> </tr> <tr> <td data-bbox="539 1355 935 1393">Award D&B Contract</td> <td data-bbox="935 1355 1299 1393">Q4 2021/22</td> </tr> <tr> <td data-bbox="539 1393 935 1431">GRIP 5 Design Complete</td> <td data-bbox="935 1393 1299 1431">Q2 2022/23</td> </tr> <tr> <td data-bbox="539 1431 935 1543">Beaulieu Park Station Mobilisation and Construction Start Date</td> <td data-bbox="935 1431 1299 1543">Q3 2022/23</td> </tr> <tr> <td data-bbox="539 1543 935 1617">Decoupling of HIF agreement</td> <td data-bbox="935 1543 1299 1617">Q4 2022/23-Q1 2023/24</td> </tr> <tr> <td data-bbox="539 1617 935 1655">Track Possessions</td> <td data-bbox="935 1617 1299 1655">Q3/4 2023/24</td> </tr> <tr> <td data-bbox="539 1655 935 1729">Handover of station into service</td> <td data-bbox="935 1655 1299 1729">June 2025</td> </tr> </tbody> </table>	Project Milestone	Current Programme as at March 2023	GRIP 3 Option Selection	Q4 2018/19	Submission of Housing Infrastructure Fund (HIF) Bid	March 2019	Government decision on HIF funding	Sept 2019	GRIP 3 Approval in Principle	Q3 2019/20	GRIP 3 Stage Gate	Q4 2019/20	GRIP 4 Award and Funding Statement Secured	Q1 2020/21	GRIP 4 Design Complete	Q4 2020/21	TWA0 Application	Not Required	TWA0 Approval	Not Required	Award D&B Contract	Q4 2021/22	GRIP 5 Design Complete	Q2 2022/23	Beaulieu Park Station Mobilisation and Construction Start Date	Q3 2022/23	Decoupling of HIF agreement	Q4 2022/23-Q1 2023/24	Track Possessions	Q3/4 2023/24	Handover of station into service	June 2025
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<p>Project constraints</p>	<ul style="list-style-type: none"> • Rail possessions (booking track access) requirements • Current contractual interface between Chelmsford North East Bypass and Beaulieu Park Station, which requires both projects to progress if HIF funding is to be drawn down. It was previously reported that discussions were underway to decouple, however the preferred option now is to forward fund the funding gap in the Chelmsford North East Bypass project 																																

	and recoup this through future developer contributions (S.106 contributions).
Link to Project webpage	https://www.southeastlep.com/project/beaulieu-park-railway-station/

Report title: Queensway Gateway Road LGF 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: 13 April 2023	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 progress update on the delivery of the Queensway Gateway Road Local Growth Fund (LGF) project (the Project).
- 1.2 The Board has been provided with regular updates on the Project and this update sets out the current position and any known risks to delivery.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the latest update position on the delivery of the Project.
 - 2.1.2 **Agree** that the Board will be provided with a further update on the Project at its meeting in June 2023.

3. Background

- 3.1 The Project will deliver a single carriageway road link between A21 Sedlescombe Road North and Queensway in Hastings. Construction of this road link provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward.
- 3.2 The £10m LGF funding allocation has been spent in full supporting project delivery to the end of 2020/21 with Sea Change Sussex (as delivery partner) allocating a further £2m temporary contingency funding to enable the completion of the scheme.

Queensway Gateway Road LGF Project Update

- 3.3 The original Business Case was submitted at the value of £15m in February 2015 and was approved by the SELEP Strategic Board on 20 March 2015 and at the time indicated that the Project would complete in November 2016 based on when the funding would be received. As the Board are aware from previous updates, delivery of the Project has been slower than anticipated due to initial delays:
- 3.3.1 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
 - 3.3.2 in progressing the embankment works and completing the associated highways works with delays in the receipt of a Section 278 agreement connecting one end of the new Queensway Gateway Road (the Project) to Queensway.
- 3.4 The remainder of the main carriageway works were completed by July 2019 with the only remaining works being the junction improvements with the A21 to allow the connection to open the road to traffic. The first part of the connection on the existing carriageway to the junction of Whitworth Road was completed in January 2021.
- 3.5 Completion of the final section of the Project, which involved the construction of a roundabout with the A21, was impacted by delays that Sea Change Sussex have experienced in securing the land to construct the scheme with extant planning permission approved by Hastings Borough Council. As a consequence, Sea Change Sussex developed an alternative connection arrangement that utilises, improves and signalises the existing Junction Road junction with the A21 which will allow the road to be completed and opened to traffic. Following discussions with both National Highways and East Sussex County Council as the local highway authorities, the principle of the signalised connection has been accepted.
- 4. Progress on the outcome of the Stage 2 Road Safety Audit Addendum since the last update to the Board**
- 4.1 As stated in the last update report to the Board, the Stage 1 Road Safety Audit highlighted the need for a Traffic Regulation Order (TRO) for the prohibition of parking in areas of Whitworth Road where it will cause a road safety issue. The subsequent Road Safety Audit Stage 2 was undertaken in June 2022. The Audit included a recommendation regarding a cycleway for which details were provided by Sea Change Sussex Engineers. On 10 August 2022, National Highways issued an addendum to the Road Safety Audit with the Auditor asking that they review the cycleway detail. This is an additional process that is required to satisfy the requirements of the Audit process.
- 4.2 Since preparation of the update report provided to the Board in November 2022, where it was reported that a Stage 2 Road Safety Audit Addendum had been commissioned by National Highways, a meeting has taken place between National Highways and Sea Change Sussex where agreed design changes to cycle routes were discussed in line with Road Safety Audit recommendations. It is understood that Sea Change Sussex's designers

Queensway Gateway Road LGF Project Update

will have submitted the amended drawing package for review by East Sussex County Council and National Highways in advance of the Board meeting.

- 4.3 As amendments to previous designs are minor, Sea Change Sussex have been able to engage with contractors, and have previously procured the traffic lights to mitigate the risk of long lead in times. Sea Change Sussex continue to engage with the main contractor to put in place arrangements ready to mobilise on site once all required approvals have been received.

5. Project Budget

- 5.1 Both parties are working to confirm the overall funding package and contractual position, before the final connection to the A21 can commence onsite.




6. Steps taken to bring forward the commercial development

- 6.1 As stated within the previous update report the employment sites unlocked by the Project are already accessible from the Queensway end of the Gateway Road, the delivery of the final connection with the A21 will maximise the employment benefits already realised through the 90% of the completed road as well as resolving existing traffic congestion, particularly along The Ridge.
- 6.2 East Sussex County Council have instructed its Property Team to look at options available to market the employment site which sits within its ownership.
- 6.3 To date there have been 36 construction jobs reported by Sea Change Sussex in connection with the delivery of the scheme. This compares to 12 FTE construction jobs related to the construction of the road and 30 construction jobs related to the construction of the new employment floorspace as set out in the Business Case.





7 Risk Assessment Reporting

- 7.1 Since November 2022, East Sussex County Council have reviewed the key risks impacting on project delivery and the mitigation measures which are being employed to manage these risks:

Queensway Gateway Road LGF Project Update

Risk	RAG rating (November 2022)	Change since last Board meeting	Current RAG rating (April 2023)	Progress & Actions
<p>Programme</p> <ul style="list-style-type: none"> ▪ Delays in technical approvals by National Highways ▪ Objections received as part of formal TRO advertisement ▪ Procurement for final stage of construction not progressing 	Amber		Amber	<ul style="list-style-type: none"> ▪ East Sussex County Council to monitor in line with SELEP reporting requirements and evaluate any impacts and delays to the programme. ▪ Ongoing communication with National Highways and Sea Change Sussex regarding technical approvals. ▪ TRO objections to be considered at Planning Committee as required. ▪ Procurement route and tendering to be agreed between East Sussex County Council and Sea Change Sussex.
<p>Benefits Realisation</p> <ul style="list-style-type: none"> ▪ Inability to attract third party private sector investment for follow-on development due to market uncertainty because of impact of external factors such as: Brexit; Covid-19 pandemic; Supply chain/labour shortages and cost price inflation; Ukraine war and energy price inflation; Cost of living crisis 	Amber		Amber	<ul style="list-style-type: none"> ▪ East Sussex County Council to monitor in line with SELEP reporting requirements and evaluate any impacts and delays to the timeline for benefits realisation. ▪ East Sussex County Council Property team to look at options for marketing the employment site which sits within their ownership.
<p>Design Updates</p> <ul style="list-style-type: none"> ▪ Delays to Road Safety Audit Stage 2 Addendum Report approvals due to extent of auditor's comments ▪ Procurement cannot be finalised and is subject to variations until National Highways' additional 	Amber		Amber	<ul style="list-style-type: none"> ▪ Continue to monitor outstanding actions and communicate with National Highways and Sea Change Sussex for updates.

Queensway Gateway Road LGF Project Update

<p>approval process has been completed</p>				
<p>Project Budget/Cost</p> <ul style="list-style-type: none"> ▪ Potential for long lead-in times and material delays/cost increases ▪ Overall budget to be confirmed 	<p style="text-align: center;">Red</p>		<p style="text-align: center;">Red</p>	<ul style="list-style-type: none"> ▪ Undertake final procurement stage at earliest opportunity to mitigate potential for further tender cost rises. ▪ Required traffic signals already procured to reduce risk of extended lead in times impacting on delivery programme. ▪ Ongoing budget to deliver scheme to be agreed between East Sussex County Council and Sea Change Sussex.

8. Next steps

- 8.1 The next steps in terms of delivery of the Project are for Sea Change Sussex to provide the remaining designs to National Highways and East Sussex County Council as set out in section 4.2 of this report, to continue discussions around project budget and to progress marketing of the employment site with the East Sussex County Council property team.
- 8.2 The Board will continue to receive 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 the Board will recall, a written update on project delivery was provided at the last meeting but the report did not provide the comprehensive update requested at the July 2022 Board meeting. The report provided raised concerns regarding the availability of funding to deliver the remaining elements of the Project, highlighted uncertainty regarding the total project cost and was unable to provide a comprehensive delivery programme. The Board agreed that a further update on project delivery should be provided at this meeting, with a view to receiving a more comprehensive update on these issues.
- 9.2 The report seeks to set out progress towards project delivery which has been made since the last Board meeting. This progress has been limited as the Stage 2 Road Safety Audit Addendum process has moved forward more slowly than originally hoped. Since the last update to the Board, progress has been made in determining the changes needed to the scheme drawings to address the findings of the Road Safety Audit and it is expected that these drawings will have been submitted to East Sussex County Council and National Highways in advance of this Board meeting. Submission of these drawings will allow work to commence on the Section 278 agreement, which is required before work can commence onsite. Confirmation of procurement of a contractor to deliver the signalised connection cannot be progressed until all required technical approvals have been received for the final design.
- 9.3 It has been widely reported across the LGF and Getting Building Fund (GBF) programmes that construction costs have increased significantly in recent months. This is due to a range of factors including availability and cost of materials, high inflation levels and issues with labour supply. Therefore, the fact that confirmation of procurement of a contractor has been further delayed means that concerns remain regarding the affordability of the Project.
- 9.4 The report does not provide a detailed update on the confirmed funding package and, as a result, does not provide any additional information in relation to the status of the Sea Change Sussex funding contribution which has been labelled as 'temporary contingency funding'. There remains uncertainty as to whether a full funding package is in place to deliver the remaining elements of the Project. Construction of the final connection with the A21 is unable to commence onsite until the funding package is confirmed.
- 9.5 It is imperative that future update reports to the Board provide greater assurance regarding the availability and commitment of this funding by Sea Change Sussex. If Sea Change Sussex are unable to commit this funding to the Project, an alternative approach to bridging

Queensway Gateway Road LGF Project Update

any funding gap will need to be identified. If there is a funding gap which cannot be bridged meaning that the Project cannot be delivered in accordance with the Business Case, the Board will be asked to consider whether the £10m LGF should remain allocated to the Project.

- 9.6 As referenced above, there are still a number of outstanding approvals, TRO's and a Section 278 agreement which need to be secured or completed before the signalised connection can be constructed and/or before the new road can be fully opened to traffic. Any delays in completing any of these workstreams will have an impact on either the delivery programme or the opening date of the new connection. Progress towards realisation of these approvals will be monitored and updates will be provided at future meetings.
- 9.7 Finally, as indicated in the Business Case, the completed project will provide access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward. Specifically, the Project opens up the development potential of key sites south of The Ridge, with capacity for up to 12,000sqm of employment floorspace.
- 9.8 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. These jobs will not be created directly through the LGF investment (the LGF investment will not deliver the commercial workspace) and are therefore considered to be indirect benefits of the Project.
- 9.9 The direct benefits of the Project include reduced congestion on The Ridge, improved traffic flows on the A21 and the creation of new construction jobs. To date, reporting provided by East Sussex County Council indicates that 36 of the potential 42 construction jobs have been created as a result of the Project.
- 9.10 The delay in completing the final section of the Project presents a risk to the realisation of some of these benefits. The connection with the A21 is critical to ensure that the levels of congestion are reduced. It is expected that the completion of the signalised connection and the opening of the full length of the new road, will allow the immediate realisation of the anticipated traffic benefits and it is expected that these benefits will continue to be felt over a 15 year period.
- 9.11 It is noted that, due to the delays in completing the connection with the A21, the employment benefits will not be realised in accordance with the profile set out in the Project Business Case which indicated initial job creation in 2018/19.
- 9.12 Access to the employment land was unlocked in 2019, when the roundabout in the middle of the new road was completed. However, the realisation of the stated indirect employment benefits is entirely dependent upon this land being brought forward for commercial development, which is outside the scope of the works funded through the LGF, and therefore it is not currently possible to give an indication as to when the expected new jobs will be created. Although it is noted that the East Sussex County Council Property Team

Queensway Gateway Road LGF Project Update

have now been engaged to look at options available to market the employment site which sits within the council's ownership.

- 9.13 Whilst the Project was assessed as a transport scheme in the Economic Case within the original Business Case, the stated employment benefits remain important and therefore, it is required that further updates on the steps being taken to bring forward the commercial development on these sites and the expected timeline for realisation of the employment benefits be provided at future Board meetings. The completion of the signalised connection and the opening of the full length of the new road may increase the attractiveness of the available land.
- 9.14 Whilst it is acknowledged that the implementation of a signalised connection does not necessarily equate to a change in project scope compared to that set out in the approved Business Case, it is important that, given the time that has passed since the submission of the original Business Case (February 2015), that the benefits offered by the scheme are revisited and assurances provided that the Project continues to offer High value for money.
- 9.15 It should be noted that if it is not possible to deliver the final connection with the A21 as set out within this report, that steps may be taken by the Board and Essex County Council (as the Accountable Body for SELEP) to recover the £10m LGF allocation to the Project from East Sussex County Council under the terms of the SLA which is in place.

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 delay in completion experienced to date.
- 10.2 There remains uncertainty with respect to the timeline and the costs for completing the Project, which increases the overall risk to delivery. The dependency on the outcome of the respective approvals is noted for both of these issues.
- 10.3 Further risk remains with respect to the funding required to complete the Project as the remaining identified funding of £2m continues to be categorised as temporary contingency funding by Sea Change Sussex. It remains unclear as to the implication of this categorisation for the completion of the Project and what the options may be if this is found to be insufficient. It is noted that the issue of funding is subject to ongoing discussions between Sea Change Sussex and East Sussex County Council.
- 10.4 All LGF was transferred to East Sussex County Council, as the Project's Lead Authority, under the terms of a Service Level Agreement (SLA) which makes clear that funding can only be used in line with the agreed terms. It is also clear that ensuring sufficient funding is secured to support delivery of the Project is the responsibility of East Sussex County Council. 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.

Queensway Gateway Road LGF Project Update

- 10.5 It is of concern to SELEP and the Board to ensure that the final section of the road is delivered to enable the realisation of the benefits set out within the Project Business Case; if completion of the road continues to be delayed or the completion cannot be assured then there is a risk that the Project may no longer meet the conditions of the Funding Agreement (SLA). In these circumstances, the Board may consider recovering some, or all, of the £10m LGF allocated to the Project.
- 10.6 To monitor the on-going risks associated with this Project, the Board is advised to keep delivery progress under review and to take this into account with regard to any further decisions made in this respect. Further, ongoing effective monitoring of delivery and understanding of the risks along with proposed mitigations is essential for the Board, due to the current uncertain economic climate and increasing inflation, together with ongoing impacts experienced following the Covid-19 pandemic and Brexit.

11 Legal Implications (Accountable Body Comments)

- 11.1 If the Project is not completed, the provisions set out within the SLA will be activated, and Essex County Council, as the Accountable Body, will expect East Sussex County Council to repay funding as required due to the conditions of the SLA no longer being met.

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 LGF Project Update

Role	Date
Accountable Body sign off Michael Neumann (On behalf of Nicole Wood, S151 Officer, Essex County Council)	31/03/2023

Appendix A – LGF Project Background Information

Name of Project	Queensway Gateway Road, Hastings East Sussex County Council
Local Growth Fund (LGF) allocation	£10,000,000 – initial award March 2015
Description of what Project delivers	<p>The Queensway Gateway Road scheme compromises 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</p>

	<p>the Ridge and Queensway. By relieving congestion, the Queensway Gateway Road will improve strategic connectivity in the Bexhill Hastings 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.
<p>Project benefits</p>	<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>
<p>Project constraints</p>	<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 as originally planned, to connect the already completed sections with the A21 via a roundabout, requires the purchase of remaining properties on the route. There is currently no clear timeline as to when the acquisitions could 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. This connection may replace the originally planned roundabout on a permanent basis but is subject to further review to determine whether it achieves the forecast project benefits as per the approved Business Case.</p>
<p>Link to Project page on the website with full Business Case and links to any previous decisions by Accountability Board and/or Strategic Board</p>	<p>https://www.southeastlep.com/project/queensway-gateway-road/</p> <p>Funding decision (note: original LGF allocation to the project was £15m): https://www.southeastlep.com/app/uploads/2018/06/Minutes-SELEP-Board-20th-March-2015-V3.pdf</p> <p>Project changes: https://www.southeastlep.com/app/uploads/2020/08/Accountability-Board-Summary-of-Decisions-23.02.18.pdf</p>

Report title: A28 Sturry Link Road LGF Project Update Report	
Report to: Accountability Board	
Report author: Kerry Clarke, Senior Project Manager - Major Capital Programme Team, Kent County Council and Howard Davies, SELEP Capital Programme Officer	
Meeting date: 13 April 2023	For: Decision
Enquiries to: howard.davies@southeastlep.com	
SELEP Partner Authority affected: Kent	
Confidential Appendix - This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to receive an update on the A28 Sturry Link Road (LGF) project (the Project), which has been identified as High Risk.
- 1.2. The Board has previously agreed that updates on project delivery should be presented at alternate meetings but that should there be any significant developments or new risks identified that the Project will revert to providing update reports at each Board meeting. The next update on the Project was scheduled for June 2023, however, a risk has arisen which impacts on the programme for completing the required land acquisition and therefore the Project has reverted to provision of updates at each Board meeting.

2. Recommendations

- 2.1. The Board is asked to agree **one** of the following two options in respect of the Project:

Option 1

- 2.1.1. **Agree** to extend the deadline for the completion of the required land acquisition to 7 April 2025, noting that it was agreed at the November 2021 Board meeting that the remaining LGF funding would be transferred to Kent County Council on condition that the land acquisition be completed by 31 August 2023.
- 2.1.2. **Agree** to extend the completion date of the Project from 31 December 2025 to 31 December 2026, which will align delivery of the Project with the housing developments.
- 2.1.3. **Note** that a further update on the Project will be provided at the June 2023 Board meeting which will include:

- 2.1.3.1. an update on progress towards the completion of the land acquisition process; and
- 2.1.3.2. an update on land negotiations on the Sturry development; **OR**

Option 2

- 2.1.4. **Agree** that the £4.519m LGF currently held by Kent County Council in respect of the Project should be returned to Essex County Council, as the Accountable Body for SELEP, within 4 weeks of this Board meeting;
- 2.1.5. **Agree** that there is compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £0.272m LGF spend for years 2021/22 and 2022/23 to date on the Project, provided that the spend continues to meet the requirements of the Service Level Agreement, with the exception of the obligation of completing the land acquisition by 31 August 2023, subject to an update being provided to the Board in June 2023 which outlines how the Project will continue.
- 2.1.6. **Note** that it was agreed at the November 2021 Board meeting that there was compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £1.109m LGF spent to date on the Project, for the years up to end 2019/20, provided that the spend continues to meet the requirements of the funding agreement which is in place, with the exception of the obligation to complete the land acquisition by 31 August 2023.
- 2.1.7. **Note** a further update on the Project will be provided at the June 2023 meeting which will outline how the project will proceed without the LGF investment.

3. Summary Position

- 3.1. The Project involves the delivery of a new link road between the A291 and A28, to the southwest 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 B.
- 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. At the September 2021 meeting, the Board were advised that planning consent for the Project had been granted by the Kent County Council Planning Committee on 2 September 2021. The Board agreed to transfer the remaining LGF to Kent County Council on condition that the land acquisition required to enable delivery of the Project was completed by 31 March 2023. It was also noted that a further update on the Project would be provided at the November 2021 Board meeting which set out progress towards mitigating the remaining delivery risk (land acquisition) and towards delivering the Project.
- 3.4. In November 2021, the Board were advised that, following receipt of planning permission, a detailed review of the Project had been undertaken. This review identified that the land acquisition programme provided at the September 2021 Board meeting was potentially too

optimistic, should a Compulsory Purchase Order (CPO) be required. To address this, a more robust programme was provided which factored in the risk of a CPO and the need for a Public Inquiry. Whilst at that time there remained a possibility that the land acquisition could be completed by 31 March 2023, the updated programme set out a position whereby the land acquisition would be completed by 31 August 2023.

- 3.5. The Board agreed that the deadline for the completion of the required land acquisition could be extended to 31 August 2023, from 31 March 2023, and that the remaining £4.656m LGF could be transferred to Kent County Council on the condition that this updated land acquisition deadline was met.
- 3.6. At the July 2022 meeting the Board were advised that the current workstreams, including land acquisition and procurement of a Design and Build contractor, were subject to extended programmes and therefore there was a high likelihood of there being no significant progress to report if update reports continued to be tabled at each Board meeting. The Board agreed that updates should be provided at alternate meetings, as long as no significant new risks were identified.
- 3.7. It was reported at the November 2022 meeting that a further update would be presented at the June 2023 Board meeting. However, Kent County Council have advised that issues have arisen around the closing of planning conditions attached to the Sturry development, which have an impact on the timeline for enacting the CPO therefore an additional update is being presented to the Board, as agreed at the July 2022 meeting.

4. Project Update

- 4.1. The procurement of the design and build contract is well advanced. Tenders have been received, the negotiation phase completed, and the preferred contractor has been identified. The design and build contract will be awarded in April 2023 once all the necessary governance processes have been completed.
- 4.2. The contract has a break clause between the design and construction phases that could be implemented if necessary. An example of this could be if the funding package wasn't in place to allow construction to continue in line with the delivery programme, this might be the case if the Board were to remove the LGF allocation as per Option 2. If this were to be the case, the funding gap would need to be met through developer contributions (S.106). As these contributions are expected at a later date, the Project would remain "an asset under construction", or on hold, until the developer contributions are in place to allow construction to commence and bring the Project to a conclusion.
- 4.3. Additional Environmental surveys have been undertaken in support of the Project which will be used to discharge the relevant planning conditions. Environmental mitigation will be planned and implemented ahead of the main works. The presence of beavers (recently identified as a European protected species) has been identified along the section of the river Stour through Sturry and additional surveys are planned to better understand their activity around the area of Sturry Link Road. Other surveys underway include Desmoulin's snails, otters and badgers. A mitigation strategy will then be put in place which will monitor this position throughout the lifetime of the Project, including construction.

Dependent developments

4.4. There are three main dependent development sites which are unlocked as a result of the delivery of the full length of the Sturry Link Road (including the proportion being delivered by the developer of the Sturry site and the section being delivered by Kent County Council); and each development has a commitment in place to financially contribute to the delivery of the Project. The developments are set out below:

4.4.1. Broad Oak

4.4.1.1. The Broad Oak development which has come forward because of the commitment to deliver the Sturry Link Road has commenced and houses are currently being built out.

4.4.1.2. The first instalment of the S106 developer contribution has been paid to Kent County Council.

4.4.2. Sturry

4.4.2.1. The Sturry development has outline planning consent granted for housing and a detailed consent for the provision of the part of the Sturry Link Road being delivered by the developer. A Section 106 agreement is in place to provide the developer contributions and to deliver the part of the Sturry Link Road that runs through the site.

4.4.2.2. Heads of Terms have been agreed between the promoter of the Sturry site and the house builder. This includes the commitment to deliver the part of the Sturry link Road which runs through the development, as required by the signed Section 106 agreement. However, Kent County Council have recently been made aware that a significant delay has occurred in closing the planning conditions due to ongoing discussions between the landowner and the developer. Further detail on the issue is set out in Confidential Appendix A.

4.4.2.3. It is expected that discussions will conclude by the end of June 2023, allowing the landowner and developer to reach an agreement on how the planning conditions will be addressed. The delay in reaching an agreement between the landowner and the developer has severely impacted on the timeline associated with the enacting of the CPO which may be required to secure the land needed to deliver the Project. The CPO cannot be enacted until agreements are in place between each landowner and the respective developer as this demonstrates the need for the land in question.

4.4.2.4. The current expectation is that the developer will be completing their section of the Sturry Link Road by Summer 2026, in line with the commitments in the Section 106 agreement. This ties in with the updated programme for the Kent County Council section of the Project and would prevent creating a “road to nowhere.”

4.4.3. North Hersden

4.4.3.1. A planning application has been submitted and is with Canterbury City Council for determination and a decision is expected in June 2023. A

Section 106 agreement will be required in line with the agreed Heads of Terms between the developer Persimmon Homes and Kent County Council. This will obligate the developer to contribute financially to the Project.

- 4.4.3.2. Should the planning application be refused, the requirement for Kent County Council borrowing to forward fund the Project will be increased, whilst alternative funding sources are identified.

Land acquisition – CPO and Voluntary Negotiation

- 4.5. The publication of the CPO has been held up due to delays to the programme for the Sturry development (as outlined above and in Confidential Appendix A). It would have been difficult to confirm the need for the land to deliver the Kent County Council portion of the Project without certainty that the Sturry development is coming forward. Publication of the CPO prior to having this clarity would have been unwise as it would open the process to the potential for challenge.
- 4.6. It is currently proposed to publish the CPO in September 2023 once the house builder of the Sturry site is in contract, expected to be by 30 June 2023, and the detailed planning application has been submitted. Due to the timing of the agreement being so close to the school summer period it is seen as good practice to hold the publication until September 2023, this will avoid the risk of challenge for not giving sufficient time to access the information and submit formal responses within the assigned consultation period. This will allow sufficient time to conclude land acquisition and allow the main works to commence in April 2025.
- 4.7. In the meantime, discussion on the voluntary acquisition of the land required for the Project is ongoing. The nature of the conversations to date suggest that the majority of land could be acquired voluntarily; however, it is still necessary to progress the CPO in parallel.

5. Delivery Programme

- 5.1. The pressures on the programme are around;
- 5.1.1. Delays in the planning process, in particular the determination of the North Hersden development which has been delayed to June 2023. The main cause of this delay is down to additional constraints added by Natural England during the preparation of the application.
- 5.1.2. Timing of the receipt of developer contributions which is linked to the delays referenced at 5.1.1 above.
- 5.1.3. Delays in the Sturry Site development coming forward.
- 5.2. The key dates from the current programme are listed in Table 1. All opportunities to bring the programme forward will continue to be explored including the identification of any funding opportunities available to reduce the level of forward funding required by Kent County Council and progressing with the voluntary negotiations for the land acquisition.

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- 5.3. The revised construction start date has been timed to align with the Sturry development coming forward and the delivery of the link road through the development site. This will prevent delivering a “road to nowhere” as all the infrastructure will be delivered together.
- 5.4. The programme identifies a 12 month period between the approval of design and price and the commencement of works. The developer contributions will provide a buffer against inflation costs during this period, material prices have been rising faster than inflation but it is understood that the pressures on material costs are now falling back in line with inflation. There is a contingency within the revised budget to cover increased costs and Kent County Council will continue to look at value engineering through the detailed design phase to reduce the Project costs. Additional S.106 funding could be used to cover any funding shortfall should prices rise prior to construction commencing, from adjacent developer contributions.

Table 1: Revised Programme

A28 Sturry Link Road Key Dates		
Task	As reported in Nov-22	Mar-23
Tender period	Mar - Aug 2022	Mar 2022 – Aug 2022
Assess and Award Design and Build Contract	Aug - Dec 2022	Aug 2022 - April 2023
North Hersden Planning Decision	-	Jun 2023
Advance site clearance and Environmental Mitigation	July 2022 - Dec 2023	July 2022 – Dec 2024
Design Phase	Jan - Dec 2023	Apr 2023 – Mar 2024
Approval of Design and confirm price	Dec 2023 - Jan 2024	Mar 2024 – Apr 2024
CPO process and Secretary of State decision	Aug 2023	Apr 2025
Main Works Commence	Apr 2024	Apr 2025
Open A28 Sturry Link Road	Dec 2025	Dec 2026

6. Finances

- 6.1. The tender returns have come in higher than the budget allowance for the Project, however this is offset by the indexation on the developer contributions that will mirror any further inflationary pressures.
- 6.2. Value engineering will be undertaken during the Detailed Design phase of the Project to ensure the scheme cost is in line with the budget. Further funding opportunities will be explored to reduce the forward funding required by Kent County Council in light of the recent financial pressures being experienced by Local Authorities.
- 6.3. Sufficient developer contributions and the LGF funding are banked to enable the design phase of the design and build contract to proceed.
- 6.4. An updated spend profile is shown at Table 2. This shows that LGF spend has moved out to 2024/25 alongside the proposed extended programme.

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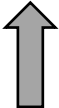
- 6.5. The £1.6m spend in 2023/24 includes approximately £0.9m for land acquisition, it is possible that some of this could slip into 2024/25 if the land acquisition is not concluded ahead of a revised programme, although this is considered unlikely at this stage.

Table 2: Financial Breakdown

Funding Source	Application in Year (£M)									
	Prior to 2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Local Growth Fund	1.11	0.12	0.22	1.60	2.85	0.00	0.00	0.00	0.00	5.90
Kent County Council Forward Funding					3.00	4.00	-6.20	-0.80		0.00
Herne Bay S.106	0.25									0.25
Hopland S.106	1.20							-1.20		0.00
Colliery Site S.106					1.20	1.20	1.20	-1.00	-2.60	0.00
Sturry S.106					0.83	2.06	2.06	2.06	1.79	8.80
Broad oak S.106			0.55	2.06	2.06	2.06	2.06			8.80
North Hersden S.106					1.85	1.50	0.90	0.90	0.68	5.83
Annual Total	2.56	0.12	0.77	3.67	11.78	10.83	0.03	-0.04	-0.14	29.58

7. RAG Risk Template

Table 3: Summary of key project risks and milestones

Risk	RAG rating (November 2022)	Change since last Board meeting	Current RAG rating (March 2023)	Progress & Actions
Project Programme – Delays connected to procurement of Design and Build contractor, increased levels of environmental surveys required and additional time required for land acquisition due to a delay in progressing the Sturry site.	Red		Red	Although delays connected to securing a contractor and dealing with environmental surveys have moved forward, unexpected delays to the Sturry development as outlined in the report and confidential appendix have meant the project has had to be extended further. It is expected that this will be resolved by the end of June 2023 and the CPO publication can commence in September 2023. This will ensure alignment of the Link Road project and the development of the Sturry housing development.
Project Budget/Cost increase – risk of increase in total project cost as contract is not yet in place with the design and build contractor	Red		Red	The contractor is expected to be appointed in April 2023, which will limit the risk of further cost increases. Indexation from s106 agreements covers most of the inflation costs. Value engineering will be explored during the detailed design phase to ensure the Project cost is in line with the available budget.
Land Acquisition – risk that land acquisition will not be completed in accordance with the timeline agreed by the Board	Amber		Red	There has been a delay of approximately 12 months whilst reviewing the deliverability of the adjacent development. Voluntary Negotiations have continued with all the effected landowners. Preparation of CPO is ongoing with planned date for publication of CPO September 2023, with a Secretary of State

				decision expected no later than 7 April 2025 prior to construction in April 2025. The revised date for completion of the land acquisition is subject to a decision by the Board at this meeting.
Delay to the programme of the Sturry Development delivering part of the Sturry Link Road	N/A		Amber	The site promoter and developer still need to close out some of the conditions on the planning consent for the Sturry site. There has been a delay of approximately 12 months on their programme. This is having a consequence on the programme for the delivery of the Kent County Council section of the Project, but the two programmes are now aligned.
Forward Funding requirement. To enable the programme to progress there is a need for forward funding to be provided ahead of receipt of all agreed developer contributions. The current financial climate means that there are other pressures on Kent County Council for its resources alongside the need to facilitate forward funding for the Project.	N/A		Amber	In this respect a 12 month delay to the start date of the construction will enable the developer funding to be received or an alternative borrowing agreement put in place.
Presence of Beavers – recently identified as a European protected species – which could impact on the design and delivery of the Project. Other species require mitigation measures too, including Desmoulins snails, otters and badgers.	N/A		Amber	Surveys are being undertaken to identify the presence and activity of Beavers where the river Stour passes the proposed viaduct. A mitigation strategy is being prepared. The mitigation strategy will cover the additional wildlife measured.

	Milestone Completion Date (November 2022)	Milestone Completion Date (March 2023)	Change in milestone date (RAG rating)	Commentary (To include: % of milestone achieved to date)
Assess and award the Design and Build contract	December 2022	April 2023	Amber	Procurement of the design and build contract has completed and is currently going through internal governance prior to the publication of the award notice, expected in April 2023. A verbal update will be given at the meeting. 95% complete.
Determination of the North Hersden Planning application		June 2023	N/A	The planning application has been submitted and is due to be determined in Summer 2023.
Environmental mitigation works	December 2023	December 2024	Red	As set out at 4.3, this delay has been caused by new regulations around beavers (alongside other wildlife) and this has required a review of the timeline for this milestone. This piece of work will require ongoing updates throughout the design process. This does not impact on the programme for delivery of the Project.
Completion of design Phase	December 2023	March 2024	Amber	The design phase has been moved out by one year to fall in line with delays to other elements of the project delivery
Approval Of Design and confirm price	January 2024	April 2024	Amber	Approval of Design and confirmation of price has slipped by three months alongside the design phase

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<p>Completion of required land acquisition</p>	<p>August 2023</p>	<p>April 2025</p>	<p>Red</p>	<p>Land negotiations alongside CPO process continue. CPO to be published September 2023. Completion has been moved out to April 2025, to allow for a worst case scenario, but prior to works commencing on site. This change is subject to a decision by the Board at this meeting.</p> <p>60% of the land has been committed by way of a S.106 agreement.</p>
<p>Construction commencement</p>	<p>April 2024</p>	<p>April 2025</p>	<p>Red</p>	<p>Although the procurement of a contractor has taken longer than expected, they are expected to be appointed in April 2023, however delays to the Sturry development and the requirement to deliver the programme in tandem (avoiding a road to nowhere) has pushed the commencement date for construction out by 12 months. This will not impact on Project costs, as set out in the report.</p>
<p>Completion of works</p>	<p>December 2025</p>	<p>December 2026</p>	<p>Red</p>	<p>As per above, the delays with procurement of the contractor, delays with the Sturry development coming forward have impacted on the programme. However, the programmes are now aligned and realistic for full delivery by December 2026.</p>

8. Next Steps

- 8.1. The voluntary land acquisition negotiations will continue, alongside the development of the CPO, with a view to completing the required land acquisition comfortably in advance of 7 April 2025. This timeline has been affected by the extension to the delivery programme and progress of the dependent development site.
- 8.2. Negotiations with the successful tenderer have completed and is currently going through internal governance prior to the publication of the award notice, expected in April 2023. A verbal update will be given at the meeting. Once in place the detailed design works are scheduled to continue for the next 12 months.
- 8.3. Environmental mitigation works are ongoing, as set out at 4.3.
- 8.4. A further update on the delivery of the Project will be presented to the Board at its meeting in June 2023. This will include an update on the land acquisition on the Sturry development site and any additional impact on the publication of the CPO.

9. SELEP Comments

- 9.1. The Project was originally allocated £5.9m of LGF in June 2016 but since then has been subject to a series of delays. Initially this centred on obtaining planning permission for the Project, but more recently other factors have arisen which are set out in the report and have impacted on the publication of the CPO, which will run in parallel with negotiations to complete the land acquisition necessary to deliver the Project.
- 9.2. As set out in section 2, the planning permission for the Project, was confirmed at the September 2021 meeting. The Board were advised at the meeting that confirmation of planning would allow the CPO process to commence and acquisition of land required to deliver the Project would be completed by 31 March 2023. Confirmation of this date allowed the remaining £4.656m of LGF to be transferred to Kent County Council. However, at the next Board meeting in November 2021 the Board were advised that Kent County Council had been a little optimistic in suggesting that March 2023 was achievable and that following a review, a new programme concluded that 31 August 2023, was a realistic date for completion of the land acquisition. Following agreement from the Board a Variation Agreement was put in place which formalised the conditions attached to the release of the funding.
- 9.3. In July 2022, the Board were advised that the Project was progressing in a timely fashion and as such it was agreed that provision of updates to each Board meeting would not be informative due to the long lead in times for the Project. It was agreed that alternate meeting updates would suffice.
- 9.4. At the November 2022 meeting Kent County Council advised that procurement of a design and build contractor had been delayed alongside unforeseen environmental issues involving beavers which had extended the environmental works and this would delay the Project by six months.
- 9.5. Kent County Council have advised SELEP that another issue has impacted the delivery of the project. This delay will affect the publication of the CPO and involves land discussions on the Sturry development site, set out in the Confidential Appendix. Although this is an issue which does not directly involve Kent County Council it will delay the publication of the

CPO. It is proposed that following agreement between the parties involved in the land negotiations, on the Sturry development, expected to be June 2023, the CPO will be published in September 2023, as this will avoid the risk of a challenge, as set out at 4.6. Kent County Council have asked that the date for completion of the land acquisition be extended to 7 April 2025. This will include extending the date for completion of the land acquisition by 19 months from what had previously been agreed. The new date will allow sufficient time to conclude land acquisition and allow the main works to commence in April 2025. It is still the intention to complete the land acquisition through negotiation wherever possible.

9.6. As set out at the beginning of this section the Board have been asked to extend the timeline for the completion of land acquisition on a number of occasions previously. Other risks include:

9.6.1. The latest request for an extension to the completion of land acquisition has been brought about due to ongoing discussions between the developer of the Sturry development and a current landowner which is expected to be completed by 30 June 2023. With publication of the CPO having to occur after the school holidays there is some built in flexibility around this timeline.

9.6.2. Planning permission is yet to be granted for the North Hersden development and will be considered by Canterbury City Council by June 2023. If the application were to be refused this would increase pressure on Kent County Council to look at options for funding any gap arising, which could include borrowing.

9.6.3. Extending the completion of the Project completion date to December 2025 will put pressure on the resources of the SELEP secretariat, as it extends further beyond March 2024. With continued uncertainties surrounding LEP's this could add pressure to the Accountable Body going forward, in order to resource monitoring of projects.

9.6.4. Although there is a provision within the completed S.106 agreements which requires an increased financial contribution towards the cost of delivering the Project, should LGF funding be removed, the removal of funding does present a risk to the delivery of the Project. Forward funding is being provided by Kent County Council and should other pressures, within the County Council, result in the forward funding not being available, or delayed, the Project might need to align with the receipt of S.106 contributions which would result in an unknown delay in delivery of the Project and continued road network pressures to the north east of Canterbury.

9.7. The Board are asked to note that progress is being made in areas of the Project, for example:

9.7.1. Awarding of the design and build contract is expected to complete in April 2023. A verbal update will be given at the meeting.

9.7.2. The proposed extension of the CPO, needed to ensure the land acquisition, will allow sufficient time to ensure all land required is in place prior to commencement of works.

9.7.3. By delaying delivery of the Project, it will ensure that the link road progresses to the same timetable as the residential developments to mitigate the traffic impacts

associated with the new developments. Option 1 allows the Project more time to complete the required land acquisition and reduces the possibility of delivering a road to nowhere.

- 9.7.4. The extension of the completion date will reduce the pressure on Kent County Council to forward fund the project as earlier approved S.106 agreements will have come forward to fulfil the funding obligations.
- 9.7.5. The timeline for delivery of the Project now looks to allow some headroom for any further small issues that may surface going forward. However, due to previous decision taken by the Board there are two options to be considered.

10. Options available to the Board

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

Option 1

- 10.1.1. **Agree** to extend the deadline for the completion of the required land acquisition to 7 April 2025, noting that it was agreed at the November 2021 Board meeting that the remaining LGF funding would be transferred to Kent County Council on condition that the land acquisition be completed by 31 August 2023.
- 10.1.2. **Agree** to extend the completion date of the Project from 31 December 2025 to 31 December 2026, which will align delivery of the Project with the housing developments.
- 10.1.3. **Note** that a further update on the Project will be provided at the June 2023 Board meeting which will include:
 - 10.1.3.1. an update on progress towards the completion of the land acquisition process; and
 - 10.1.3.2. an update on land negotiations on the Sturry development.
- 10.2. Option 1 allows the Project to progress to delivery in accordance with the programme set out in Table 1 and allows for the Project to be delivered to the same timescales as the associated residential developments and the section of the link road which is being brought forward by the developers.
- 10.3. If the Board agree Option 1, a Variation Agreement between SELEP Ltd., Essex County Council (as Accountable Body for SELEP) and Kent County Council will need to be completed which applies the updated requirement for all land acquisition to be completed by 7 April 2025.
- 10.4. Retaining the LGF allocation against the Project will allow the benefits associated with the Project to be delivered sooner than waiting for the scheme to be delivered as and when S.106 contributions become available. The benefits of the scheme are centred around overcoming the existing problem of congestion in the Sturry area caused by a variety of factors including the level crossing and the A28/A291 junction. The scheme also provides a

sufficient network to deliver the proposed development set out in the report, comprising circa 4,500 new homes to the north east of Canterbury.

OR

Option 2

- 10.5. As the Project will no longer be able to meet the condition attached to the release of the remaining £4.656m LGF at the November 2021 meeting, the Board may wish to:
- 10.5.1. **Agree** that the £4.519m LGF currently held by Kent County Council in respect of the Project should be returned to Essex County Council, as the Accountable Body for SELEP, within 4 weeks of this Board meeting.
- 10.5.2. **Agree** that there is compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £0.272m LGF spend for years 2021/22 and 2022/23 to date on the Project, provided that the spend continues to meet the requirements of the Service Level Agreement, with the exception of the obligation of completing the land acquisition by 31 August 2023, subject to an update being provided to the Board in June 2023 which outlines how the Project will continue.
- 10.5.3. **Note** that it was agreed at the November 2021 Board meeting that there was compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £1.109m LGF spent to date on the Project, for the years up to end 2019/20, provided that the spend continues to meet the requirements of the funding agreement which is in place, with the exception of the obligation to complete the land acquisition by 31 August 2023.
- 10.5.4. **Note** a further update on the Project will be provided at the June 2023 meeting which will outline how the project will proceed without the LGF investment.
- 10.6. The figures are based on spend to end of February 2023, supplied by Kent County Council.
- 10.7. There is a provision within the completed S106 agreements which requires an increased financial contribution towards the cost of delivering the Project should the LGF funding be removed. As a result, there will still be a full funding package in place to support project delivery, however, the removal of the funding does present a risk to the delivery programme. The reliance on increased S106 contributions leads to the requirement for increased forward funding from Kent County Council. Should this forward funding not be achievable, delivery of the Project may need to align with the receipt of the S106 contributions which will mean construction is further delayed.
- 10.8. Under Option 2 the Board are asked to agree that there is compelling justification for Essex County Council, as Accountable Body for SELEP, to not recover the £0.272m LGF spent for the years 2021/22 and 2022/23 to date on the Project, As outlined in the report, delivery of the Project can be fully funded through S106 contributions if the LGF funding is removed.
- 10.9. In addition, the Local Plan states that any further significant development in the area will be required to improve and mitigate the effects of additional traffic by provision of/or proportionate contribution to the Project allowing traffic to avoid the level crossing through

delivery of a new road bridge over the railway line or other associated improvements to the A28 corridor.

- 10.10. It is therefore expected that delivery of the Project will still be forthcoming, and that spend of the £1.381m LGF will have played a role in enabling the delivery of the Project. As a result, the use of the LGF will remain in line with the conditions of the Service Level Agreement (SLA) in place between Kent County Council, SELEP Ltd. and Essex County Council (as Accountable Body for SELEP).
- 10.11. Removing the LGF allocation against the Project will mean the benefits associated with the Project will be delivered at a slower pace, waiting until the developments are built out and the S.106 contributions become available. The benefits of the scheme are centred around overcoming the existing problem of congestion in the Sturry area caused by a variety of factors including the level crossing and the A28/A291 junction. The scheme also provides a sufficient network to deliver the proposed development set out in the report, comprising circa 4,500 new homes to the north east of Canterbury.
- 10.12. If the Board agree Option 2, the £4.519m currently held by Kent County Council should be returned to Essex County Council, as the Accountable Body for SELEP, within 4 weeks of this Board meeting.
- 10.13. If the Board choose Option 2, a further update on the Project will be provided at the June 2023 meeting which outlines how the project will proceed without the LGF investment.
- 10.14. The current LGF project pipeline is not being tabled at this meeting; however, it is anticipated that a review of the current pipeline will take place and an update provided to the Board at the September 2023 meeting.

11. Financial Implications (Accountable Body comments)

- 11.1. There continue to be a number of challenges to completion of this project, particularly with respect to the land acquisition; the further extended timelines may give rise to additional costs, that could put the associated value for money assessment at risk as well as delays in realising the potential benefits associated with the project.
- 11.2. The value for money assessment in relation to this Project included an expectation that the LGF investment would enable the outcomes and benefits to be brought forward more quickly than would otherwise be achieved without the investment. The on-going delays to delivery places at risk this assumption in the business case for this project and the associated value for money assessment.
- 11.3. In addition to the specific challenges outlined in this report, the Board should be aware of wider risks to delivery due to difficulties experienced by projects as a result of Brexit, COVID-19, the current economic uncertainty and inflation challenges.
- 11.4. 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 the decisions made with respect to the funding associated with the project.
- 11.5. 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.

- 11.6. All LGF in respect this project has been transferred to Kent County Council, as the Project Lead Authority; the funding has been transferred under the terms of a Service Level Agreement (SLA), which makes clear that funding can only be used in line with the agreed terms. The SLA also makes clear that it is the responsibility of Kent County Council to secure any additional funding required should costs exceed those set out in the agreed business case.
- 11.7. The Agreement also 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.
- 11.8. Should the Board agree option 2 in this report, then it will be necessary for Kent County Council to continue to provide assurances with respect to the retention of the LGF that has been spent to date, that the grant conditions set out in the SLA with the Accountable Body and SELEP, continue to be met; primarily this relates to ensuring that the funding continues to be categorised as Capital expenditure. Should the project not be delivered as intended, there remains a risk of potential abortive spend which does not meet the requirements for capitalisation. This risk will continue to be monitored through the on-going update reports for the Project.

12. Legal Implications (Accountable Body comments)

- 12.1. The funding is administered in accordance with the Service Level Agreements in place between Essex County Council, as Accountable Body of SELEP, SELEP Ltd and the Project Lead Authority. The SLA contains provisions that permit the Accountability Board to take a decision to require funding is repaid (either in all or in part) if the Project Lead Authority fails to deliver the project in accordance with the business case, a project is changed and the Accountability Board decline to agree the change or if the project can no longer meet the grant conditions.

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

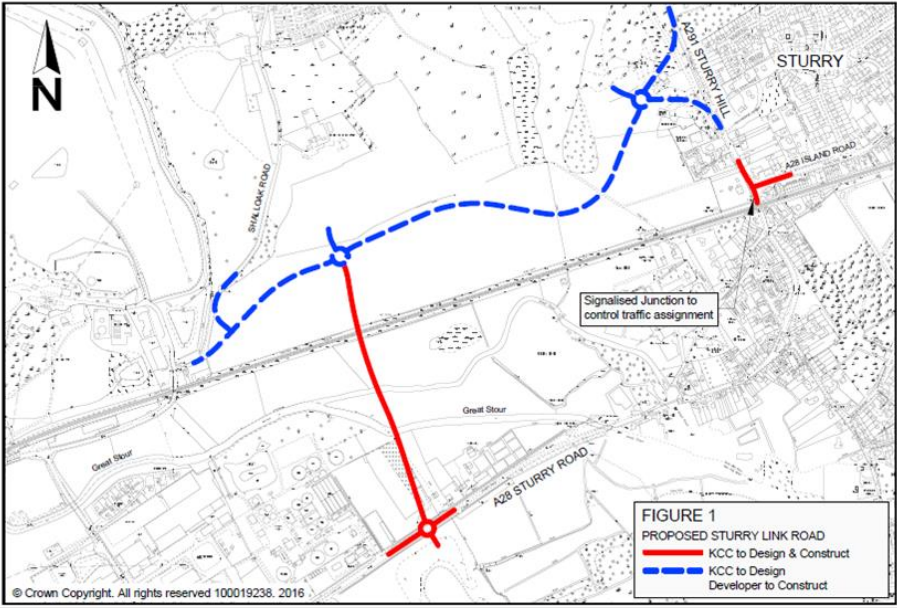
14.1. Appendix A – A28 Sturry Link Road Confidential Appendix

14.2. Appendix B – 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 Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	03/04/2023

Appendix B – LGF Project Background Information

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

	minutes/hour during peak times, causing severe congestion to trips along the A28. This level of congestion is a major constraint on development to the north east of Canterbury.																																	
Project benefits	<p>Through tackling this congestion pinch point and increasing the capacity of this part of the network, the Project is expected to unlock new development sites to the North East of Canterbury, delivering 4,220 new homes and 1,700 jobs.</p> <p>The scale of development unlocked by the Project includes residential development at the following sites:</p> <ul style="list-style-type: none"> • Broad Oak Farm and Sturry – 1106 homes; • Hoplands Farm, Hersden – 250 homes; • Colliery Site, Hersden – 370 homes; • North Hersden – 800 homes; • Other sites in the north eastern quadrant of Canterbury District 																																	
Project Programme	<table border="1"> <thead> <tr> <th colspan="3">A28 Sturry Link Road Key Dates</th> </tr> <tr> <th>Task</th> <th>Nov-22</th> <th>Mar-23</th> </tr> </thead> <tbody> <tr> <td>Tender period</td> <td>Mar - Aug 2022</td> <td>Mar – Aug 2022</td> </tr> <tr> <td>Assess and Award Design and Build Contract</td> <td>Aug - Dec 2022</td> <td>Aug 2022 - Apr 2023</td> </tr> <tr> <td>North Hersden Planning Decision</td> <td></td> <td>June 2023</td> </tr> <tr> <td>Advance site clearance and Environmental Mitigation</td> <td>July 2022 – Dec 2023</td> <td>July 2022 – Dec 2024</td> </tr> <tr> <td>Design Phase</td> <td>Jan - Dec 2023</td> <td>Apr 2023 – Mar 2024</td> </tr> <tr> <td>Approval of Design and confirm price</td> <td>Dec 2023 – Jan 2024</td> <td>Mar 2024 – Apr 2024</td> </tr> <tr> <td>CPO process and Secretary of State decision</td> <td>Aug 2023</td> <td>Apr 2025</td> </tr> <tr> <td>Main Works Commence</td> <td>Apr 2024</td> <td>Apr 2025</td> </tr> <tr> <td>Open A28 Sturry Link Road</td> <td>Dec 2025</td> <td>Dec 2026</td> </tr> </tbody> </table>	A28 Sturry Link Road Key Dates			Task	Nov-22	Mar-23	Tender period	Mar - Aug 2022	Mar – Aug 2022	Assess and Award Design and Build Contract	Aug - Dec 2022	Aug 2022 - Apr 2023	North Hersden Planning Decision		June 2023	Advance site clearance and Environmental Mitigation	July 2022 – Dec 2023	July 2022 – Dec 2024	Design Phase	Jan - Dec 2023	Apr 2023 – Mar 2024	Approval of Design and confirm price	Dec 2023 – Jan 2024	Mar 2024 – Apr 2024	CPO process and Secretary of State decision	Aug 2023	Apr 2025	Main Works Commence	Apr 2024	Apr 2025	Open A28 Sturry Link Road	Dec 2025	Dec 2026
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Open A28 Sturry Link Road	Dec 2025	Dec 2026																																
Funding Package	Funding package and spend profile set out in the main report																																	
Project constraints	<p>Land Acquisition remains a risk and may require a Compulsory Purchase Order to support the acquisition.</p> <p>Environmental orders have increased the amount of work required to mitigate against environmental impacts</p> <p>Delays to various land negotiations have impacted on the delivery timeline.</p>																																	
Link to Project webpage	https://www.southeastlep.com/project/a28-sturry-link-road/																																	

Forward Plan reference numbers: FP/AB/625, FP/AB/626 and FP/AB/627

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 13 April 2023	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 **Agree** that, despite East Sussex County Council defaulting on the agreed repayment schedule for the Sovereign Harbour project, interest should not be charged on the overdue amount (£3.575m) for the period from 1 April 2023 to 31 March 2024 as required under the terms of the loan agreement. Noting that the default only arose as a result of the postponement of the 10 March 2023 Board meeting.

2.1.3 **Agree** the proposed revised repayment schedule for the Sovereign Harbour project (as set out in Section 6 of this report) and agree that interest will not be charged on the remaining balance of the loan at this time subject to compliance with the proposed revised repayment schedule.

2.1.4 **Agree** the proposed revised repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure Development project (as set out in Section 7 of this report), subject to provision of annual updates on the ongoing viability of the repayment schedule, and agree that despite defaulting on the agreed repayment schedule, the application of interest on the outstanding balance can be waived subject to compliance with the proposed revised repayment schedule.

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 £6.4m of the GPF funding to enable delivery of interventions which will support economic recovery post COVID-19. In addition, in November 2021 the Board agreed that £18,767 of the GPF loan awarded to the Workspace Kent project could be written off as a bad debt due to the dissolution of the recipient company. These decisions have reduced the balance of the GPF fund to £39.058m.
- 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.
- 3.4 A new prioritised project pipeline was agreed in June 2020. Two projects have subsequently been removed from the pipeline but funding has been awarded to support delivery of all other pipeline projects. As a consequence, there are currently no projects remaining on the GPF project pipeline.
- 3.5 It is intended that a new round of GPF funding will be launched in 2023/24 and an initial discussion as to the approach for allocating the funding took place at the Strategic Board meeting on 10 February 2023. The following underlying principles for the new round of GPF funding were presented to the Strategic Board for their consideration:
- 3.5.1 The GPF should be retained as a recyclable loan scheme – in light of the decision by Government to no longer direct capital grant funding through LEPs, the GPF funding represents the only real opportunity for SELEP to support delivery of the vision set out in the Economic Recovery and Renewal Strategy and to provide the infrastructure needed to support local economic growth. It is therefore important that the recyclable nature of the fund is retained, allowing ongoing investment in key projects in the region which will play a central role in supporting economic growth and recovery.
- 3.5.2 The fund should operate at no cost to SELEP – the GPF allocation process used historically is both resource intensive and incurs significant costs, including sizeable Independent Technical Evaluator charges, secretariat and accountable body support, which have previously been met by SELEP. Given the change in SELEP's financial position, and the ongoing uncertainty as to whether any funding will be provided by Government to support SELEP's activities beyond 2023/24, it is no longer viable for SELEP to cover costs incurred during the GPF allocation process. Therefore,

changes will need to be made to the way the fund operates to ensure that these costs are covered by alternative means. Further work is required to establish how these costs will be met, but options under consideration include the application of a management fee and/or the charging of interest on all loans.

- 3.5.3 Projects should commit to short repayment schedules – projects supported through the most recent round of GPF funding have, for the most part, committed to repaying the loans over a 5 year period. It is proposed that, under the new round of GPF funding, loans are provided for a maximum period of 3 years. This would allow for 1 year for delivery and 2 years for repayment. Shorter repayment schedules have been proposed due to the ongoing uncertainty around the long-term status of SELEP due to ongoing devolution conversations and the potential resource implications for the Accountable Body should SELEP cease to exist before repayment of the loans becomes due. This approach would require the GPF funding to be awarded to projects which are genuinely shovel ready and in a position to commence delivery immediately following award of funding.
- 3.5.4 The fund should focus on specific sectors within the SELEP economy – the overall objectives of the GPF are to support development at stalled investment sites, improve skills and learner numbers, to accelerate the delivery of new houses and to support the creation of new jobs. These objectives could be applied to virtually any sector within the SELEP region. The last round of GPF funding required that the projects aligned with SELEP’s Strategic Objectives as set out in the SELEP Economic Strategy Statement but no further specific guidance was issued. Given the limited resources available to SELEP, it is considered important that the funding is directed towards the sectors where there is a greater need and where the most benefit can be realised. These sectors will be identified through an evidence-based approach and will be presented to the Strategic Board at their July 2023 meeting.
- 3.5.5 The fund should be positioned to be supplementary to third party and Government funding sources, including the remaining unallocated GBF funding – the current funding landscape is complicated with an ever-increasing number of different funds being offered – all with a slightly differing focus and with different funding requirements. It is proposed that the GPF funding could be positioned to be supplementary to these central funding sources, allowing externally funded projects to be enhanced by capital funding, resulting in greater benefit realisation.
- 3.6 Following a discussion which predominantly focused on the proposed sector-based approach and the duration of the loans, the above underlying principles were broadly agreed subject to consideration being given to the points raised

during the Strategic Board meeting (as outlined in the [draft Strategic Board minutes](#)).

- 3.7 There is a significant amount of work which needs to be undertaken to shape the process which will be used for the next round of GPF funding and it is intended that this work will be undertaken prior to the next Strategic Board meeting (July 2023). To help inform this process, a workshop style meeting will be held with Strategic Board members and a Senior Officer Group meeting will also be arranged to seek input from relevant officers from all local partners.

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 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 D.

Cash Flow Position

- 4.3 Scheme promoters have been working to understand the impacts of COVID-19 on their projects and their intended repayment mechanism since the onset of the COVID-19 pandemic. To date, COVID-19 related revised repayment schedules have been approved by the Board in relation to ten GPF projects.
- 4.4 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. Repayments forecast for 2022/23 reflect the latest repayment schedules approved by the Board and incorporate the revised repayment schedules for the Sovereign Harbour (as set out in Section 6 below) and Eastbourne Fisherman's Quayside and Infrastructure Development (as set out in Section 7 below) projects which are presented in this report for Board consideration.
- 4.5 The GPF repayment schedules are set out in Appendix B.
- 4.6 It has been confirmed that all projects, with the exception of the Sovereign Harbour and Eastbourne Fisherman's Quayside and Infrastructure Development projects, remain on track to make their scheduled repayments prior to the end of March 2023.

Table 1: GPF Cash Flow Position

£	2022/23	2023/24
GPF available at the outset of year	13,039,744	12,359,744
GPF funding repurposed	-	-
GPF available for investment	13,039,744	12,359,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	1,900,000	2,750,000
Position before GPF repayments are made	11,139,744	9,609,744
GPF repayments expected	1,220,000	5,315,000
Carry forward	12,359,744	14,924,744

4.7 As shown in Table 1 total GPF Round 3 drawdown of £3.65m is forecast for 2022/23 and 2023/24. To date, £1.9m of this funding has been drawn down to support project delivery, with the balance due for drawdown in 2023/24.

4.8 Sufficient GPF funding is currently being held to meet the remaining drawdown requirements. All Round 1 and 2 GPF projects have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix C.

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 There continues to be a high risk (red) with regard to the repayment of the loan issued to support the Eastbourne Fisherman's Quayside and Infrastructure Development project. Further details on this risk and a proposed revised repayment schedule are set out under Section 7 of this report.

5.3 In addition, there is a new high risk (red) with regard to the repayment of the loan issued to support the Sovereign Harbour project. Further details on the status of the repayment and a proposed revised repayment schedule are set out under Section 6 of this report.

5.4 The only other high risk identified relates to the delivery of the forecast project outcomes for the North Queensway project. The GPF funded enabling works have been delivered and the site is now unlocked for delivery of a new business park providing serviced development plots of high quality industrial and office premises. Delivery of this workspace is dependent upon receipt of

private sector investment and the site is currently being marketed, however, to date no development has come forward on the site. Steps are being taken to mitigate this risk and a further update will be provided at future meetings.

- 5.5 There are a number of medium risks (amber) identified, primarily in relation to repayment and realisation of project outcomes. The repayment risks stem from the ongoing global economic uncertainty and impacts on the property market. There remain concerns regarding benefit realisation due to the impact on the property market and local economy of the COVID-19 pandemic. These risks will continue to be monitored.
- 5.6 The usual update on the benefits realised as a result of the GPF investment has not been included within this report. A full review of the forecast benefits and outcomes stated within the original funding applications, including measuring delivery of benefits post project completion, is currently being undertaken. It was anticipated that this review would be completed in advance of this meeting, however, further time is required to complete this piece of work to ensure that the information provided at future Board meetings is fully accurate and robust.

6. Sovereign Harbour – proposed revised repayment schedule

- 6.1 The Sovereign Harbour project was awarded £4.6m GPF in March 2014. The funding was awarded to support the delivery of high-quality office space (Pacific House) in Eastbourne, which was expected to accommodate up to 299 jobs.
- 6.2 Delivery of the project completed in June 2015 and, as at February 2023, Pacific House was reporting a 97% occupancy rate.
- 6.3 At the time of funding award, it was indicated that the loan would be repaid between 2016/17 and 2021/22. Subsequently, in September 2019, the Board were informed that as a result of ongoing difficult trading conditions, a number of companies occupying office space at Pacific House had gone into administration. This update was accompanied by a request for a slight revision to the repayment schedule, although full repayment was still expected by 31 March 2022.
- 6.4 A further change to the repayment schedule was requested in November 2020. This change was required as a result of the impacts of the COVID-19 pandemic and the measures that were being taken to support tenants during that period. This change to the repayment schedule required full repayment of the GPF loan by 31 March 2023.
- 6.5 To date, £1.025m of the £4.6m GPF loan has been repaid, with a final repayment of £3.575m due by 31 March 2023. The mechanism through which the final repayment will be made requires either refinancing of, or the sale of, Pacific House.

- 6.6 Sea Change Sussex (as delivery partner) has informed East Sussex County Council that it has instructed its London based investment agents Bray Fox Smith to pursue either a refinancing of the loan or an outright sale of the building to be legally completed before 31 March 2023 to enable repayment of the GPF loan, with investigations for both options to be run in parallel.
- 6.7 However, Bray Fox Smith subsequently advised Sea Change Sussex that it would not be financially viable for them to refinance the existing loan with a private sector funder due to the loan to value ratios and interest rates required by such funders, as lenders are being very cautious due to falling property values.
- 6.8 East Sussex County Council have been informed by Sea Change Sussex that Bray Fox Smith are marketing Pacific House with a view to completing a sale before 31 March 2023, but Sea Change Sussex have stated that due to current market conditions affecting the UK property investment market it is unlikely that they will be able to conclude an open market sale of Pacific House before 31 March 2023 at a price which would be sufficient to pay off all outstanding debt. Sea Change Sussex have highlighted the relevance of a recent press release (26 January 2023) titled 'Investors lose interest in UK commercial property as occupier demand falls' which was issued by the Royal Institution of Chartered Surveyors.
- 6.9 The terms of the loan agreement (completed in 2014) between East Sussex County Council and Sea Change Sussex state that if full repayment is not made by the longstop date (31 March 2023) then Sea Change Sussex will, after receiving written notice from East Sussex County Council, transfer the property to East Sussex County Council at market value minus the outstanding debt in accordance with the conditions of sale. As such, East Sussex County Council have instructed a property valuation to be undertaken by specialist consultants to inform their decision making and this report was received in February 2023. Due to the limited time remaining and the number of approvals required (both between parties and internally at East Sussex County Council), it is likely that these decisions will not conclude by 31 March 2023.
- 6.10 In light of the above, a proposed revised repayment schedule for the remaining balance of the loan has been brought forward for Board consideration. As the project has been subject to a number of repayment schedule changes, the proposed revised repayment schedule was also presented to the Strategic Board in February 2023. The Strategic Board agreed the proposed revised repayment schedule, subject to Board approval at this meeting.
- 6.11 East Sussex County Council have reviewed all information provided by Sea Change Sussex including the proposed repayment schedule and recognise that if Pacific House cannot be sold by 31 March 2023, the following proposed repayment schedule will allow additional time for the building to be sold whilst

ensuring that the remaining balance owed on the loan is repaid in full by 31 March 2024.

6.12 The proposed revised repayment schedule is set out in Table 2 below.

Table 2: Proposed revised repayment schedule for the Sovereign Harbour project

	Repaid to date (£m)	2022/23 (£m)	2023/24 (£m)	Total (£m)
Existing repayment schedule	1.025	3.575	0	4.600
Proposed revised repayment schedule	1.025	0	3.575	4.600

6.13 Under the terms of the loan agreement in place between Essex County Council (as Accountable Body for SELEP) and East Sussex County Council, extending the repayment schedule triggers the charging of interest on the remaining balance of the loan. However, in accordance with other decisions taken by the Board, it is recommended that interest is not charged on the loan at this time subject to compliance with the revised repayment schedule set out in Table 2.

6.14 East Sussex County Council will continue to monitor the progress and delivery of the remaining repayment with Sea Change Sussex.

6.15 It should be noted that, as a result of the postponement of the Board meeting scheduled for 10 March 2023, it was not possible for the proposed revised repayment schedule to be agreed prior to the end of March 2023. As a result, East Sussex County Council (and Sea Change Sussex) have defaulted on the agreed repayment schedule as the required payment was not forthcoming prior to the end of 2022/23 financial year. Under the terms of the Loan Agreement in place between Essex County Council and East Sussex County Council, failure to make a repayment on the due date triggers the charging of interest on the overdue amount (£3.575m) from the due date up to the date of actual payment.

6.16 Given the circumstances of the default, and the fact that plans were in place to seek Board agreement for a revised repayment schedule at the meeting originally scheduled to take place on 10 March 2023, it is recommended that no interest is charged on the overdue amount.

6.17 The Board are asked to agree the revised repayment schedule as set out in Table 2 above. This change to the repayment schedule has been brought forward to mitigate the risk of incurring interest charges should full repayment by 31 March 2023 not be achievable.

7. Eastbourne Fisherman's Quayside and Infrastructure Development project – proposed revised repayment schedule

- 7.1 The Eastbourne Fisherman's Quayside and Infrastructure Development project was awarded £1.15m GPF in December 2017. The funding was awarded to support the build of a Fisherman'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.
- 7.2 Delivery of the project was complicated by a number of factors including a change in land ownership following the compulsory liquidation of Carillion and the collapse of the appointed building contractor, but delivery was completed in May 2021.
- 7.3 At the time of funding award, it was indicated that the loan would be repaid between 2019/20 and 2020/21. Subsequently, in February 2020, the Board were informed that as a result of delays encountered in finalising the lease agreement for the site and commencing work onsite that the agreed repayment schedule was no longer realistic. This update was accompanied by a request for a revision to the repayment schedule which required full repayment of the GPF loan in 2020/21.
- 7.4 A further change to the repayment schedule was requested in September 2020. It was noted that a grant from the European Maritime and Fisheries Fund had been secured to support delivery of the project but that this grant had to be claimed in arrears and therefore the majority of the GPF funding was being used as a bridging loan to enable project delivery. Due to delays experienced by the project, the timescales for drawdown of the grant were affected meaning that full repayment in 2020/21 was no longer achievable. A revised repayment schedule was agreed which required repayment between 2020/21 and 2022/23. It was intended that £0.9m of the GPF loan would be repaid using the European Maritime and Fisheries Fund (EMFF) grant, with the remaining balance due to be paid using increased revenues generated as a result of project delivery.
- 7.5 A further update on the project was provided to the Board in July 2021. This update noted that delivery of the project had been impacted by materials shortages and extended delivery timescales as a result of the COVID-19 pandemic and Brexit impacts. Delays in progressing the project impacted on the timeline for drawdown of the EMFF grant and therefore, to assist with cash flow management, it was proposed that the repayments due in 2021/22 (£675,000) and 2022/23 (£250,000) were reversed with the lower repayment due in 2021/22. Ultimately the EMFF grant was used to help offset increased costs incurred during the construction programme and is therefore no longer available to support repayment of the GPF loan.
- 7.6 As reported previously, a repayment of £250,000 was due to be made against the project prior to the end of 2021/22. However, in March 2022, SELEP were advised that it would only be possible for a repayment of £100,000 to be made against the project prior to the end of the financial year. This repayment was received in March 2022, leaving a balance of £825,000 owing on the loan.

- 7.7 The GPF loan agreement in place between Essex County Council (as the Accountable Body for SELEP) and East Sussex County Council states that interest is chargeable on the loan at a rate of 2% below the Public Works Loan Board (PWLB) fixed standard new loan interest rate. At the time of preparing the loan agreement, the PWLB interest rate was 1.99% and therefore no interest was chargeable on the loan. However, the loan agreement indicates that the 2% discount on the PWLB interest rate ceases to apply when the Borrower (East Sussex County Council) does not make a repayment on the date specified in the repayment schedule. As a reduced repayment was made in March 2022, interest is now chargeable on the balance of the loan until the repayments are brought back into alignment with the agreed repayment schedule or a new repayment schedule is agreed.
- 7.8 Following completion of the project, the Eastbourne Fisherman's Under 10m Community Interest Company (CIC) (delivery organisation) commenced operation of the building in accordance with the plans set out in the approved Business Case. The main income stream identified was the processing and selling of fish – both wholesale and retail. The majority of the wholesale plans focused on selling fish for export purposes but this proved challenging in light of new Brexit regulations. In addition, other challenges were faced onsite which limited the income realised as a result of project delivery.
- 7.9 As a result of these challenges, it was no longer possible for the majority of the GPF loan to be repaid using the grant from the European Maritime and Fisheries Fund as intended. Instead, repayment of the GPF loan will need to be funded through income generated as a result of activity at the site.
- 7.10 In July 2022, the CIC directors and their consultants worked to address and re-organise the current business plan model to ensure the future financial and operational success of the CIC. East Sussex County Council also undertook an initial review of the revised business plan and carried out an options appraisal, providing this information to the CIC in early September 2022 for consideration.
- 7.11 Within their options appraisal, East Sussex County Council requested that the CIC directors met with the freeholder (Premier Marinas) to discuss the terms of the lease and to establish whether any of the restrictions within the lease (i.e., that subleases could only be entered into with fisherman and that the onsite shop had to sell fish) could be relaxed, allowing the introduction of alternative income streams. Both the CIC and Eastbourne Borough Council approached Premier Marinas with this request but Premier Marinas were not prepared to discuss any changes to the terms of the lease. This is perhaps unsurprising given that Premier Marinas are the current beneficiaries of the site and the buildings if the project fails. To mitigate the risk of the buildings reverting to Premier Marinas, the CIC have agreed that East Sussex County Council can put a charge on the lease and it is expected that this will complete in the coming weeks.

- 7.12 Following the conversations with Premier Marinas, further work has been undertaken to identify any potential cost savings and alternative income streams which would allow the CIC to repay the GPF loan. As it stands, the primary income stream stems from rental income as a result of the units on site being occupied. A new model has been established which should ensure that sufficient income is realised to allow repayment of the GPF loan over a period of 11 years from 2024/25, subject to interest incurred to date being waived. If interest is charged on the outstanding balance of the loan from 1 April 2022 to 10 March 2023 (the period of default) as allowed under the lease, the repayment period will extend further.
- 7.13 As the project has been subject to a number of repayment schedule changes, the proposed revised repayment schedule was also presented to the Strategic Board in February 2023. The Strategic Board agreed the proposed revised repayment schedule, subject to Board approval at this meeting.
- 7.14 The proposed revised repayment schedule is set out in Table 3 below.

Table 3: Proposed revised repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure Development project

	Existing repayment schedule	Proposed revised repayment schedule
	£	£
Repaid to date	325,000	325,000
2022/23	825,000	0
2023/24	0	0
2024/25	0	36,400
2025/26	0	65,200
2026/27	0	70,000
2027/28	0	74,800
2028/29	0	82,400
2029/30	0	86,400
2030/31	0	86,400
2031/32	0	86,400
2032/33	0	86,400
2033/34	0	86,400
2034/35	0	64,200
Total	1,150,000	1,150,000

- 7.15 It should be noted that the CIC operates on a September to August financial year, rather than the April to March financial year used by SELEP. Therefore, the repayment schedule provided by the CIC, which was based on their own financial year, has been converted into a repayment schedule based on the SELEP financial year. This conversion has assumed that the CIC will make the required repayments at the end of their financial year. If an alternative approach is adopted by the CIC, the repayment schedule will need to be realigned accordingly.

- 7.16 It is acknowledged that repaying the GPF loan over an 11 year period is not ideal, however, options to reduce the length of the repayment schedule have been explored and have proved to be unviable. As a result, the Board are asked to agree the proposed revised repayment schedule for the project as set out in Table 3. It is important to note that the proposed repayment schedule is based on a scenario under which interest is not charged on the outstanding balance of the loan despite the CIC and East Sussex County Council defaulting on the repayment due in 2021/22.
- 7.17 As set out in Section 7.7 of this report, under the terms of the loan agreement, interest is chargeable on the outstanding balance of the loan as a result of the default reported in 2021/22. Interest is currently chargeable between 1 April 2022 and 13 April 2023 and totals £16,957. The Board can choose to remove the requirement to pay the interest on the loan incurred to date, subject to compliance with the proposed revised repayment schedule. This approach may help to safeguard repayment of the GPF loan within 11 years but would reduce the value of the GPF funding available for reallocation in 2023/24.
- 7.18 In light of the duration of the proposed repayment schedule and the ongoing work to develop new income streams by the CIC, it is recommended that East Sussex County Council are required to undertake regular reviews of the CIC's financial position to assess the ongoing viability of the repayment schedule and to identify any opportunities for accelerated repayment. East Sussex County Council will be required to provide 6 monthly updates on the CIC's financial position to the SELEP Capital Programme Manager and the Accountable Body, and to provide annual updates to the Board which consider whether changes need to be made to the repayment schedule.

8. Financial Implications (Accountable Body Comments)

- 8.1 Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. GPF is a capital grant awarded by Government to be operated as a recyclable loan scheme.
- 8.2 A total of £13.04m GPF was held by the Accountable Body at the end of 2021/22. Of this balance, £8.89m is uncommitted increasing to £14.01m uncommitted balance for 2022/23, should all loan repayments be received in line with current Board decisions and credit agreements in place. This balance will drop pending approval by the Board for a change to the repayment profiles relating to Eastbourne Fisherman's Quayside and Infrastructure Development project and the Sovereign Harbour project, which collectively could reduce the balance of GPF available for reinvestment to £9.61m for 2023/24.
- 8.3 The existing GPF project pipeline has now been expended, however, this paper sets out to agree the principles for a new round of GPF funding. From a sustainability perspective, it is essential that the new scheme should look to be self-financing moving forward and can operate as cost effectively as

possible; therefore, learning the lessons from existing investments is key to ensure that the risk to the fund is reduced as far as possible. Any new scheme must meet the requirements of the SELEP Assurance Framework, particularly with respect to agreeing an approach to prioritisation and assuring value for money.

8.4 The current economic climate means that there is a continued risk that scheduled repayments by existing projects will not be made as planned due to difficulties experienced as a result of Brexit, COVID-19, and economic uncertainty due to the high levels of inflation. It is a requirement that the respective Local Authority that is the recipient of the loan, monitors the repayment position and advises SELEP and the Accountable Body of any potential risks in this respect to enable mitigations to be agreed by the Accountability Board in advance of any default in repayment.

8.5 Two projects are seeking endorsement of a revised repayment profile; these are considered below:

Sovereign Harbour Repayment Extension

8.5.1 The credit agreement between East Sussex County Council and Essex County Council as the Accountable Body for the SELEP, requires for repayment of the outstanding loan value of £3.575m by 31st March 2023. The credit agreement confirms that no interest was applicable to the loan where it is repaid in accordance with the agreed repayment schedule. The repayment profile is requested to be amended to allow for a delay in repayment of the £3.575m outstanding loan, for up to 12 months. The loan is due to be repaid following the sale of the Pacific House office premises delivered through the investment.

8.5.2 The credit agreement allows for interest to be charged during any extension of the due date for payment of any principal or unpaid sum, at the rate payable on the original due date (31 March 2023).

8.5.3 The credit agreement sets out that if the Borrower, in this case, East Sussex County Council, fails to pay any amount payable by it to the Accountable Body on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 2 per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan.

8.5.4 If the Board agree not to apply interest under the provisions within the contract against the £3.575m due, this has the effect of reducing the monetary value of the investment over the 12 month extension period, by a minimum of £71,500 due to the interest foregone.

Eastbourne Fisherman's Quayside and Infrastructure Development project
Repayment Extension:

- 8.5.5 The default in the loan repayment in respect of the Eastbourne Fisherman's Quayside and Infrastructure Development project in March 2022 means that, in accordance with the credit agreement in place, interest will be applicable on the loan up to when either the default element is repaid or a new repayment schedule is agreed by the Accountability Board. £16,957 of interest is applicable on the loan to the April Accountability Board; if the Board agrees not to apply the interest, then the value of the overall fund will be devalued by this amount.
- 8.5.6 The proposed repayment schedule extends repayment over a period significantly beyond what would normally be agreed for a GPF loan; if agreed it should be on the basis as an exception only, with the conditions applied as set out in the report for regular monitoring and reporting back to the Board, with an expectation that opportunities should be sought by East Sussex County Council to reduce this repayment timeline where sustainably possible.
- 8.6 It will be for East Sussex County Council to ensure that they can continue to meet the requirements of the credit agreements, including meeting any requirements of the Subsidy Control Act, in accepting the extension for the repayment of the two loans as set out in this report.
- 8.7 The impact of agreeing the delay in repayments on the overall GPF scheme is that it reduces the amount that can be made available to be reinvested through the next round of the recyclable loan scheme.
- 8.8 The Board are advised to continue to monitor the status of all existing GPF projects in terms of delivery status, outcomes and loan repayment assurances. Reprofiling requests from GPF projects and repayment risks that are highlighted in reporting, may result in a delay in the amount of GPF repaid by projects and may reduce the amount of GPF available for reinvestment in future years.
- 8.9 It is continued to be 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 post pandemic and with current economic pressures from increasing inflation and Brexit related issues, to help monitor the economic impact of the crisis on the SELEP region and project outcomes. Where appropriate, these evaluations should be used to inform future business case estimations of growth to ensure there is not a pattern of over-ambition.

9. Legal Implications (Accountable Body Comments)

- 9.1 The Growing Places Fund is provided by the Accountable Body to the partner authorities for each project under a loan agreement. Where a loan has not been repaid in accordance with the repayment schedule set out in the loan agreement, the 2% discount rate of interest will cease to apply and the full Public Works Loan Board Fixed Standard New Loan Interest Rate stated will be applied to the outstanding loan amount with effect from the relevant repayment date.
- 9.2 Under the agreement, the Borrower is responsible for project monitoring and reporting to the Accountability Board and SELEP Strategic Board. The Borrower is required to provide an update on Project risk including those affecting repayment, as set out within this report, and this obligation continues in respect of an update regarding the position to be provided at the next Accountability Board.

10. Equality and Diversity implications (Accountable Body Comments)

- 10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- a) eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - b) advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - c) foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3 In the course of the development of the project business cases, the delivery of the Project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision-making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of Appendices

- 11.1 Appendix A – GPF Project Update
- 11.2 Appendix B – GPF Repayment Schedule
- 11.3 Appendix C – GPF Drawdown Schedule

11.4 Appendix D – COVID-19 impacts

(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 Michael Neumann (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 31/03/2023

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Eastbourne Fisherman's 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.	Project delivered	GPF funding has been spent in full	Repayment of £0.1m made in March 2022, rather than £0.25m repayment as per agreed schedule resulting in default on the loan. Extended revised repayment schedule brought forward for Board consideration at this meeting.	Project has been impacted by Brexit and the COVID-19 pandemic which has resulted in benefits being realised at a slower pace than originally forecast.		Delivery of project outcomes has been adversely impacted by new Brexit regulations. In addition, an extended revised repayment schedule has been brought forward for Board consideration at this meeting following a default on the repayment due in 2021/22.
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 full repayment made. Private sector investment is required to bring forward commercial development on the site. However, there has been a lack of interest from the private sector due to a lack of site frontage ownership and delays in negotiating the determination of the option price. To resolve the determination of the option price, a process has been agreed in principle to instruct a independent valuer.	GPF funded enabling works complete	GPF funding spent in full	GPF repaid in full	Delivery of the planned commercial workspace is dependent upon receipt of private sector investment. To date there has been a lack of interest in the site from the private sector.		The GPF funded enabling works have been completed, however, no commercial workspace has been brought forward to date and therefore no benefits have been realised.
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	GPF funding spent in full	Repayment of the remaining balance owed on the loan is dependent upon sale of the building. It may not be possible for a sale to be completed by 31 March 2023 and therefore a revised repayment schedule has been brought forward for Board consideration at this meeting.	The building has been completed and high occupancy levels have been reported.		Project has been delivered and building currently has high occupancy levels. However, a revised repayment schedule has been brought forward for Board consideration.
Green Hydrogen Generation Facility	Kent	Round Three	The project involves the construction of the UK's largest zero carbon hydrogen production system. This will be situated in Herne Bay, Kent and will be powered by way of a direct connection to the on-land substation for the existing Vattenfall offshore wind farms. The GPF funding will be used to purchase equipment for hydrogen production facility (electrolysers and compressors), specialised tube trailers for storage and distribution of hydrogen and hydrogen refuelling systems which are installed within the SELEP region.	A preferred engineering contractor has been identified and concept engineering design work has been undertaken. Discussions are ongoing with potential suppliers. Site clearance was expected to take place before April 2022, however, this has been delayed to allow time for the design to progress. The wind farm due to be used to support the production of hydrogen needs to be upgraded and safety issues have been identified with some of the wind turbines. Work is ongoing to address this issue but in the meantime, alternative options are being considered by the delivery partner to ensure that the project can progress as planned.	The programme has been delayed as a result of COVID-19. In addition, Brexit is likely to impact on delivery timescales for materials and equipment. There is also intense interest in the hydrogen economy which has resulted in longer than expected response times from suppliers.	Construction has been delayed as a result of COVID-19 impacts on engagement with service and equipment suppliers. The risk has been mitigated via an accelerated procurement process.	No repayment risk identified. Increasing levels of demand for green hydrogen in the region is expected to enable timely repayment of the GPF funding.	Project outcomes will be delivered as per the Business Case	Risk of fluctuation in the electricity and natural gas markets has materialised, with a similar effect on the market price of hydrogen. Required upgrade to wind turbines has the potential to delay delivery of the project.	Construction has been delayed due to COVID-19 impacts and the need to upgrade the existing wind farm. Project outcomes still expected to be delivered as per the Business Case.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Centre for Advanced Engineering	Essex	Round Two	Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on an industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.	Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget. Revised repayment schedule agreed in November 2021.	Project delivered	GPF funding spent in full	Revised repayment schedule approved by the Board in November 2021. Ability to repay in accordance with this schedule will be considered through annual updates to the Board. The next update is due in November 2023.	Initial project outcomes reported including new learners, apprentices and new jobs created but further updates required		Revised repayment schedule agreed and initial information on project outcomes provided.
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 and the GPF funding has been repaid in full.	There is no delivery risk in relation to the GPF funded element of the project	GPF funding spent in full. In November 2021, Board approved the reduction in value of the GPF loan to £1.35m	Full repayment of the GPF funding has been made.	Limited updates on project outcomes provided.	The overall cost of the project has risen significantly due to the increase in construction materials costs in 2021/22 and as a result, a viability report has been prepared to test the current project outputs.	GPF funded works delivered and GPF funding repaid in full. However, cost increases have impacted on the delivery of the wider project.
Herne Relief Road - Bullockstone Road improvement scheme	Kent	Round Three	The proposed Herne Relief Road is formed of two sections: the Bullockstone Road Improvement Scheme and a spine road through the proposed Lower Herne Village at Strode Farm. This project seeks to bring forward the Bullockstone Road Improvement Scheme element of the Relief Road.	Advanced clearance works have been undertaken. Procurement of a construction contractor has concluded and work commenced onsite on 1 August 2022.	Construction contract has been awarded and work has commenced onsite	Work has now commenced onsite and therefore there is not expected to be a risk to the spend of the GPF funding	There is a minor risk that the final development site will be slow to build out, meaning that their S106 contribution may be delayed. This would impact on the repayment of the loan.	It is still expected that the benefits set out in the Business Case will be realised.	Current volatility in the materials market may pose a risk to the budget. The COVID-19 pandemic could potentially impact on availability of workforce particularly during winter 2022/23. Engagement with utility companies has taken longer than anticipated but float has been included in the programme to mitigate this risk.	Project has commenced onsite and will be subject to a shorter delivery programme than that set out in the Business Case. Identified risks will be monitored as the project progresses.
Innovation Park Medway (southern site enabling works)	Medway	Round Two	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. 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. The Project will bring forward site enabling works on the southern site at the Innovation Park.	Demolition of the disused building is now complete. The Masterplan and Local Development Order (LDO) have now been adopted by both Medway Council and Tonbridge and Malling Borough Council. The access roads, footpaths, lighting, signage and utilities have been delivered onsite. Architects have been appointed to design the two buildings and the car park which will be located on the site. Marketing of the site is ongoing.	GPF funded enabling works have now been delivered	GPF funding has been spent in full	GPF loan has been repaid in full	The enabling works have been completed and the site is currently being marketed. In a change of approach, it is now intended that Medway Council will bring forward the commercial workspace on the site, with a view to leasing the space to businesses, rather than businesses building their own workspace.	Procurement of a contractor to deliver the commercial workspace has not yet been undertaken and therefore there remains a risk of significantly increased costs being returned. Lack of interest in leasing the office space could be a risk, however marketing of the site continues, with the first building being designed ready for occupation in September 2024. Terms are being agreed with the first anchor tenant.	The GPF funded enabling works have now been delivered and the GPF funding has been repaid in full. Realisation of project outcomes is now dependent upon Medway Council bringing forward the commercial workspace on the site.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Observer Building, Hastings - Tranche 1	East Sussex	Round Three	The project will support Phase 1 of the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.	<p>Planning permission for the proposed works was granted in September 2020.</p> <p>Following a period of value engineering, works commenced onsite and the majority of the works have now been completed.</p> <p>A number of tenants are now in situ on both the Alley Level and in the first floor office spaces.</p>	This is a complex project seeking to address the impacts of 35 years of dereliction. Delivery of the GPF funded works is nearing completion.	GPF allocation has been spent in full	The repayment schedule currently remains as set out in the Business Case but the ongoing global economic uncertainty presents a risk and makes forecasting difficult.	It is expected that the Project outcomes will be realised as per the Business Case.	The cost of living crisis may reduce the level of income earned, whilst increasing energy prices may increase the operating costs for the building.	Project is progressing onsite. GPF funding has been spent in full and project outcomes remain as set out in the Business Case. Repayment risk will be monitored following project completion
Observer Building, Hastings - Tranche 2	East Sussex	Round Three	The project will support the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.	<p>Growing Places Fund loan agreement completed in December 2021. Full funding allocation drawn down in January 2022.</p> <p>Additional funding will allow sequential delivery of improvements to the upper floors of the building, reducing the need for scaffolding to be removed and replaced at a later date. GPF funded outputs expected to complete by March 2024, however, further funding will be required to ensure that the full project specification can be delivered.</p>	This is a complex project seeking to address the impacts of 35 years of dereliction. Delivery of the GPF funded works is nearing completion.	GPF funding has been spent in full	The repayment schedule currently remains as set out in the Business Case but the ongoing global economic uncertainty presents a risk and makes forecasting difficult.	It is expected that the Project outcomes will be realised as per the Business Case.	The cost of living crisis may reduce the level of income earned, whilst increasing energy prices may increase the operating costs for the building.	Project is progressing onsite. Project outcomes remain as set out in the Business Case. Repayment risk will be monitored following project completion
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.	<p>There are five projects within this programme. Of these, one project has recently been approved for funding, two projects have been completed and have repaid in full and one project has agreed a revised repayment schedule with Kent County Council due to the impacts of the COVID-19 pandemic. The remaining project has partially repaid the funding but the company has now been dissolved and there are no further means to recover the outstanding balance. Write off of the outstanding balance owed by this company (£18,767) was agreed by the Board in November 2021.</p>	All GPF funding has now been allocated to approved projects	Legal documentation in relation to the recently approved loan is currently being finalised. It is expected that the funding will be issued to the loan recipient in Q4 2022/23	Loan recipients were allowed a repayment holiday until 30 September 2021 but repayments have now recommenced. A revised repayment schedule has been agreed for one of the projects due to the impacts of the COVID-19 pandemic.	<p>Two projects repaid in advance of their agreed final repayment date, and therefore the forecast job creation to be achieved within the contractual period of 5 years could not be achieved.</p> <p>Additional outcomes will be delivered as a result of the recently approved final project and therefore forecast project outcomes should still be achieved.</p>		The award of the final loan has now been approved but the remaining GPF funding is yet to be drawn down and spent on project delivery.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
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 to bridge a viability gap which has arisen as a result of COVID-19 impacts on the property market. Further GBF funding has been sought to help mitigate the impact of increasing costs. Construction is now complete, and tenants have commenced fit out of the industrial units. Official opening of the JVC Building took place on 7 December 2022.	Construction is now complete	GPF funding spent in full as works are nearing completion.	Revised repayment schedule approved by the Board in February 2021 to mitigate impact on sales value/market for industrial units.	Delivery of project outcomes may be delayed depending upon the impact of COVID-19 on the sales of the light industrial units, however, it is still expected that the project outcomes will be as set out in the Business Case.	Project has been delayed due to long lead-in times for the required utility works but these have now been completed.	Project delivery is progressing well. 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.
Bexhill Business Mall	East Sussex	Round One	The Bexhill Business Mall (Glover's House) project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.	Glover's House has been delivered. The building has been sold which allowed full repayment of the GPF loan to be made during 2019/20	Project Complete	Project Complete	GPF funding repaid in full	As the building has now been sold, it is difficult to obtain real-time data regarding the number of jobs created as a result of the project.		Project completed and GPF repaid in full
Chatham Waterfront	Medway	Round One	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development. A waterfront development site that can provide up to 175 homes over 6 to 10 storeys with ground floor commercial space.	Piling is now complete for all blocks and work is continuing onsite.	GPF funded element of the project has been completed. COVID-19 impact on wider project delivery is being continually monitored but work is ongoing onsite	The GPF Funding has been spent in full	GPF funding repaid in full	Realisation of forecast project outcomes is dependent upon delivery of the wider project.		Impact of COVID-19 pandemic on project delivery is being continually monitored but work is continuing onsite.
Chelmsford Urban Expansion	Essex	Round One	The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, improving cash flow and the simultaneous commencement of two major housing schemes.	GPF invested and GPF has been repaid in full.	GPF element of the project complete	GPF element of the project complete	GPF element of the project complete and loan repaid in full.	Expected project outcomes not yet delivered. Information is being provided on the number of houses delivered and the number of jobs created.		GPF element of the project complete
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				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Live Margate	Kent	Round One	<p>Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.</p>	<p>"Phase 1" has been completed. "Phase 2" is underway. Approach to Phase 2 of the project has changed and will now focus on addressing more poor quality building stock, rather than taking forward the site previously reported as acquired by Kent County Council. This change has been implemented following delays in bringing forward the planned work on the acquired site.</p> <p>To date 86 units have been completed and occupied.</p>	There is no identified delivery risk following the change in approach to Phase 2 of the project	GPF spend is expected to increase in 2022/23 and 2023/24 as the final funds are used to address poor quality housing stock.	<p>COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use.</p> <p>In addition, it is unknown at present how much of an impact COVID-19 will have on sales values of the homes.</p> <p>A revised repayment schedule was agreed by the Board in November 2020.</p>	From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 89 homes will be exceeded by 2024/25.		<p>Project is progressing well following change to Phase 2 of the project.</p> <p>Project is expecting to exceed the project outcomes set out in the Business Case.</p>
No Use Empty Commercial Phase II	Kent	Round Three	<p>The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.</p>	<p>13 projects currently contracted and underway in Canterbury, Dover, Faversham, Folkestone, Herne Bay, Hythe, Margate, Sheerness, Sittingbourne and Ramsgate. These projects are expected to return 14 empty commercial units back into use and create 42 residential units.</p> <p>Discussions are ongoing regarding 4 potential new projects in Ramsgate, Dover, Canterbury and Sittingbourne.</p> <p>Approval for accelerated drawdown of £500,000 GPF originally forecast for drawdown in 2023/24 was granted at the July 2022 Board meeting.</p>	The first 13 projects are in contract and discussions are ongoing regarding further properties which may be added to the programme.	No identified GPF spend risk. Approval for accelerated drawdown of GPF funding was received at the July 2022 Board meeting.	The project is in the early stages but no repayment risk identified to date.	The impact of COVID-19 on the High Street may result in fewer large commercial premises coming forward for redevelopment. However, initial signs are good and encouraging discussions are ongoing with developers.		Project is progressing well and accelerated drawdown of GPF funding has been agreed to support project delivery.
Priory Quarter Phase 3	East Sussex	Round One	<p>The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m² of high quality office space with the potential to facilitate up to 440 jobs.</p>	<p>The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m² of high quality office space.</p> <p>Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.</p>	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 real-time data regarding the number of jobs created as a result of the project.		Project completed and GPF repaid in full

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Rochester Riverside	Medway	Round One	The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways. 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.	The first housing units were completed in Q2 of 2019 and are now occupied. Commercial units have also been completed and are fully occupied. Work continues to deliver later phases of residential development and the primary school.	This project is already on site and the S106 agreement was signed at the end of January 2018. Phases 1 and 2 have been completed and Phase 3 is well underway	The GPF Funding has already been spent	The GPF funding has been repaid in full.	Realisation of full forecast project outcomes is dependent upon delivery of the wider project. Work is ongoing onsite.		Overall the project is on track to deliver outputs and outcomes.
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 were 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. Repayment plans remain in line with the agreed revised repayment schedule.	Significant benefits have been realised since completion of the Centenary Project. Impacted by COVID-19 pandemic but steps have been taken to try and ensure recovery from 2021 onwards - including use of GBF funding to improve access to the site		Project delivered. Revised repayment schedule agreed as a result of the immediate impacts of the COVID-19 pandemic on the tourism industry.
Fitted Rigging House	Medway	Round Two	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit space initially providing a base for eight organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School. The project also provides expansion space for the future which has the potential to enable the creation of a high tech cluster based on the work of one core tenant and pre-existing creative industries concentrated on the site. The conversion will provide 3,473m ² of office space.	Building works to the project were complete as of 31st March 2020. The building is now fully occupied, with all 8 tenants operating from their new working spaces. Immediate impacts of the COVID-19 pandemic were experienced, resulting in delays to repayment of the GPF loan.	Project complete.	GPF allocation spent in full.	Revised repayment schedule agreed in February 2022 which is achievable against expected cashflows	Financial sustainability of business tenants is returning to pre COVID-19 levels thereby reducing the risk that project outcomes will not be realised.		Project delivered and revised repayment schedule agreed.
No Use Empty Commercial Phase I	Kent	Round Two	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	The project has contracted with 12 projects in Dover, Folkestone and Margate. To date, 15 commercial and 26 residential units have been brought back into use as a result of the project. A further 2 residential units may be delivered at a later date.	Project is nearing completion	The full £1.0m of GPF funding has been allocated to projects	A revised repayment schedule was agreed by the Board in November 2020 and repayments are being made in line with this schedule.	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.
No Use Empty Residential	Kent	Round Three	The No Use Empty Initiative seeks to improve the physical urban environment in Kent by bringing empty properties back into use as quality housing accommodation and by raising awareness of the issues surrounding empty properties, highlighting the problems they cause to local communities. This objective is achieved through the provision of short-term secured loans (up to 3 years) to property owners.	The Growing Places Fund loan agreement has now been completed by all parties and the funding released to Kent County Council. There is a healthy pipeline of projects for 2022/23 and further publicity around the initiative is planned. The first 11 projects under this funding stream are now in contract, with a total of 16 projects now approved.	Delivery of the project is progressing well, and is supported by a strong track record of delivery.	GPF spend commenced in Q1 2022/23 following completion of the contracts relating to the initial projects.	No repayment risk identified to date. It is intended that the majority of the funds will be allocated during 2022/23. This should mitigate any risk of late repayment against the repayment schedule.	It is expected that benefits will be realised as per the Business Case.	Project experiencing an increase in the volume of loan applications. Risk of delays mitigated through appointment of an additional member of staff.	Project is progressing well.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
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.
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.	Delivery of the project has now been completed and the GPF funding has been spent in full.	Project complete	GPF funding spent in full	It is expected that repayment will be made in line with the agreed repayment schedule	Initial information on project outcomes provided.		Project delivery is now complete
Barnhorn Green Commercial and Health Development	East Sussex	Round Three	Barnhorn Green is an allocated employment and health zone adjacent to a large housing development in Bexhill. Development of the site is required to ensure that housing growth in the area is sustainable through the provision of jobs and primary healthcare. Outline planning permission has been granted for 2,750 sqm of office accommodation, 750 sqm of light industrial workspace and 700 sqm for a GP surgery.	The Growing Places Loan agreement has now been completed. No funding has been drawn down to date. Full update on project delivery to be provided following initial drawdown of funding.	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding
No Use Empty South Essex	Southend	Round Three	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	The Growing Places Loan agreement has now been completed. No funding has been drawn down to date. Full update on project delivery to be provided following initial drawdown of funding.	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding
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 2022	2022/23 total	2023/24 total	2024/25 total	2025/26 total	2026/27 total	2027/28 total	2028/29 total	2029/30 total	2030/31 total	2031/32 total	2032/33 total	2033/34 total	2034/35 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	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	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	2,999,042	-	-	-	-	-	-	-	-	-	-	-	-	-	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	1,025,000	-	3,575,000	-	-	-	-	-	-	-	-	-	-	-	4,600,000
Workspace Kent	Kent	1,500,000	1,500,000	1,437,000	1,246,633	-	-	-	-	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	4,210,000	1,500,000	1,000,000	1,000,000	1,500,000	-	-	-	-	-	-	-	-	-	-	5,000,000
Sub Total		46,705,042	46,705,042	40,552,042	38,130,675	1,000,000	4,575,000	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	325,000	-	-	36,400	65,200	70,000	74,800	82,400	86,400	86,400	86,400	86,400	86,400	64,200	1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000	2,000,000	-	-	-	-	1,000,000	1,000,000	-	-	-	-	-	-	-	-	2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	100,000	-	100,000	150,000	200,000	-	-	-	-	-	-	-	-	-	550,000
Javelin Way Development	Kent	1,597,000	1,597,000	1,597,000	-	-	500,000	500,000	597,000	-	-	-	-	-	-	-	-	-	1,597,000
Innovation Park Medway	Medway	650,000	650,000	650,000	650,000	-	-	-	-	-	-	-	-	-	-	-	-	-	650,000
No Use Empty Commercial Phase I	Kent	1,000,000	1,000,000	1,000,000	800,000	200,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Sub Total		8,417,000	8,417,000	8,417,000	3,245,000	220,000	640,000	726,400	1,862,200	1,070,000	74,800	82,400	86,400	86,400	86,400	86,400	86,400	64,200	8,417,000
Round 3 Projects																			
Wine Innovation Centre	Kent	600,000	600,000	600,000	-	-	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	2,000,000	1,543,000	-	-	-	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	2,985,803	-	-	-	-	3,500,000	-	-	-	-	-	-	-	-	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	1,616,500	-	-	-	-	1,616,500	-	-	-	-	-	-	-	-	-	1,616,500
No Use Empty Residential	Kent	2,500,000	2,500,000	482,000	-	-	-	-	1,250,000	1,250,000	-	-	-	-	-	-	-	-	2,500,000
Sub Total		18,186,500	15,436,500	8,977,303	-	-	100,000	1,750,000	14,586,500	1,750,000	-	-	-	-	-	-	-	-	18,186,500
Total		73,308,542	70,558,542	57,946,345	41,375,675	1,220,000	5,315,000	3,976,400	16,448,700	3,054,600	74,800	82,400	86,400	86,400	86,400	86,400	86,400	64,200	73,289,775

Appendix C - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total drawn down to end 2021/22	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	600,000	-	-	600,000
Green Hydrogen Generation Facility	Kent	3,470,000	3,470,000	-	-	3,470,000
Observer Building, Hastings - Tranche 1	East Sussex	1,750,000	1,750,000	-	-	1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-	-	1,750,000	1,750,000
No Use Empty Commercial Phase II	Kent	2,000,000	1,500,000	500,000	-	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	-	1,000,000	1,000,000
Herne Relief Road	Kent	3,500,000	2,100,000	1,400,000	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	-	-	1,616,500
No Use Empty Residential	Kent	2,500,000	2,500,000	-	-	2,500,000
Sub Total		18,186,500	13,536,500	1,900,000	2,750,000	18,186,500
Total		72,062,542	67,412,542	1,900,000	2,750,000	72,062,542

Appendix D – COVID-19 impacts

Through reporting provided on the GPF projects since the onset of the COVID-19 pandemic, it is apparent that there are a number of high-level risks which are having an impact across the GPF programme. The key overarching risks highlighted are:

- **The effect of social distancing measures on construction practices** – these measures have resulted in extended construction periods and unknown delays to the completion of projects and have been further exacerbated by delays to the supply chain and materials shortages. These factors 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 ongoing impact on the property market is not fully known meaning that a number of risks have been identified including realisation of project benefits, project delivery and repayment of GPF loans.
- **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.

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