

ACCOUNTABILITY BOARD

10:00	Friday, 23 September 2022	Dove Suite, Mercure Dartford Brands Hatch Hotel & Spa, Longfield, DA3 8PE
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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

Sarah Dance	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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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 Dove Suite, Mercure Dartford Brands Hatch Hotel & Spa, Longfield, DA3 8PE. Members that have arranged in advance to attend virtually as a non-voting participant will have received a personal email with their login details for the meeting. Contact Amy Ferraro -Governance Officer SELEP if you have not received your login.

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In person:

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Accessing Documents

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

1	Welcome and Apologies for Absence	
2	Minutes 15.07.22	6 - 17
	To approve the minutes of the meeting held on 15 July 2022.	
3	Declarations of Interest	
	To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	Questions from the public	
	In accordance with the Policy adopted by the SELEP, a period of up to 15 minutes will be allowed at the start of every Ordinary meeting of the Accountability Board to enable members of the public to make representations. No question shall be longer than three minutes, and all speakers must have registered their question by email or by post with the SELEP Secretariat (hello@southeastlep.com) by no later than 10.30am on the Monday morning before the meeting. Please note that only one speaker may speak on behalf of an organisation, no person may ask more than one question and there will be no opportunity to ask a supplementary question.	
	On arrival, and before the start of the meeting, registered speakers must identify themselves to the Governance Officer for an in-person meeting, or the host of the meeting if it is being held virtually.	
	A copy of the Policy for Public Questions is made available on the SELEP website	
5	Getting Building Fund programme update	18 - 54
6	GBF – Retention of funding beyond September 2022	55 - 89

7	Local Growth Fund programme update	90 - 118
8	London Gateway/Stanford-le-Hope LGF project update -REPORT TO FOLLOW	
9	Queensway Gateway Road LGF project update	119 - 132
10	LGF High Risk Project Update - REPORT TO FOLLOW	
11	Growing Places Fund programme update	133 - 150
12	Finance Update	151 - 161
13	SELEP Operations Update	162 - 221
14	Date of Next Meeting	
	To note that the next meeting will be held on Friday 25 November 2022, 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 at MidKent College, Maidstone Campus, Oakwood Park, Tonbridge Road, Maidstone, Kent, ME16 8AQ, on Friday, 15 July 2022

Present:

Cllr Lesley Wagland	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Mark Coxshall	Thurrock Council
Rosemary Nunn	Higher Education representative
Simon Cook	Further Education/Skills representative

Also Present:

Amy Bernardo	Essex County Council
Christopher Broome	Sea Change Sussex
Adam Bryan	SELEP
Paul Chapman	Essex County Council
Alex Colbran	East Sussex County Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Stephanie Ennis	Essex County Council (Legal representative for the Accountable Body)
Sunny Ee	Medway Council
Amy Ferraro	SELEP
Tariq Khwaja	TK Associates
Ian Lewis	Opportunity South Essex
Michael Neumann	Essex County Council (as delegated S151 Officer for the Accountable Body)
Kevin Munnelly	Thurrock Council
Lorna Norris	Essex County Council
Vivien Prigg	Essex County Council
Tim Rignall	Southend-on-Sea City Council
Keith Rumsey	Thurrock Council
Lisa Siggins	Essex County Council
Sharon Spicer	SELEP

1 Welcome and Apologies for Absence

- Sarah Dance – Simon Cook acted as Chair
- Cllr Kevin Bentley substituted by Cllr Lesley Wagland
- Cllr Stephen George

2 Minutes 27.05.22

Sarah Dance had requested an amendment to the minutes for the Finance Update. The minutes currently state 'The Chair offered her thanks to all those involved'. This should read 'The Chair offered her thanks to SELEP and the Accountable Body for all their work and acknowledged the challenges that had been faced during a very uncertain period.'

The minutes of the meeting held on Friday 27th May 2022 were thereafter agreed as an accurate record.

3 Declarations of Interest

There were none

4 Questions from the public

The following question was received from Mr Bernard Brown

The question does not comply with SELEP's Public Question policy and was therefore not answered during the meeting. However, in the interests of transparency, Adam Bryan, SELEP Chief Executive Officer, read out the question during the meeting. A formal written response to the question will be provided within 10 working days of the meeting and this response will also be published on the SELEP website.

I refer to the Agenda Pack of the Accountability Board meeting held on 27 May 2022.

Page 117, paragraph 6.2 LGF Deliverability and Risks. This reads:

"Changes to the Structure of Appendix D have 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 spend allocation having been spent in full, now being

shown as ongoing. Delivery of the remaining works required as per the agreed project Business Case will continue to be monitored.”

For clarity, please confirm that the cases referred to were reported by the Body responsible to SELEP for the delivery of the projects to SELEP as being completed when, in fact, they were not complete? Has this reporting change been promoted by enquiries from Residents of East Sussex?

Can SELEP confirm this change actually applied to only 2 projects out of some 114 projects reported in Appendix D?

Can SELEP confirm that in both cases the body responsible was East Sussex County Council and the Supplier Contractor/Delivery Partner was Sea Change Sussex?

Appendix D LGF Deliverability and Risk on page 49 of the agenda pack for the meeting on 15 July 2022 still shows both these projects as being incomplete will SELEP advise:-

On the North Bexhill Access Road additional funding had been provided to undertake environmental mitigation measures. These were conditions set out in the Planning Consent for the Road granted by Rother District Council. As at the 27 May meeting these works had not been undertaken. As the total allocation of LGF allocated has been reported as spent, what is the cost value of the remaining works to be funded by Sea Change Sussex to complete the project? What date has been given for the completion of the North Bexhill Access Road Project? Why is this date not in the report to the Board for 15 July?

On the East Sussex Strategic Growth Project, this was made up of several inter-related component parts. Which of these parts have been delivered? Which parts have not been delivered? Which parts have yet to be commenced? By March 2021 509 new jobs were scheduled to have been completed, what is the actual total to date? As the total allocation of LGF has been reported as spent, what is the cost value of the remaining works to be funded by Sea Change Sussex to complete the project. What date has now been given for the completion of the project? Why is this date not in the report to the Board for 15 July?

In the Agenda Pack for 15 July under LGF Queensway Road there is a claimed reporting procedures/accountability relationship between East Sussex County Council and Sea Change Sussex. This follows on from my public question at the last Accountability Board. If the reported process is valid as claimed why were both these projects reported as completed when they clearly were not? Is it not the case East Sussex County Council have failed in their duty in this regard?

If this information is not readily available for the 15 July meeting does this indicate the monitoring of these projects has been deficient and how will it now be improved?

Can the Board explain why no update has been given on either of these incomplete projects for the last 6 months?

5 Queensway Gateway Road LGF Project Update

The Accountability Board (the Board) received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council (ESCC) and Helen Dyer, SELEP Capital Programme Manager, the purpose of which was to provide the Board with assurances regarding the actions being taken by East Sussex County Council to ensure that the updates provided by Sea Change Sussex (as delivery partner) in relation to the Queensway Gateway Road Local Growth Fund (LGF) project (the Project) are robust and complete.

Richard Dawson also provided a verbal update on project delivery to the Board as follows:

On the S278 agreement

- ESCC have been working constructively with Sea Change Sussex (SCS) and National Highways to get a S278 legal agreement in place and progress is being made on the aspects that are required e.g. Road Safety Audit, Traffic Regulation Orders and technical details.
- ESCC have attended regular meetings with both SCS and National Highways to ensure that plans showing the extent of proposals, including the proposed Traffic Regulation Orders, Road Safety Audit 2 and the design and signage packages, are being progressed to enable the road to be constructed and opened.
- ESCC raised minor comments earlier this week which are to be incorporated into this legal agreement to ensure accuracy on the full set of detailed plans, drawings and specifications submitted (this covers road signage and the specification for poles that the signals sit on). Equally, National Highways raised comments on the 8 July to which SCS consultants are preparing responses on both and SCS will now need to respond.
- On the Traffic Regulation Order) for speeding and parking restrictions along the full length of the Queensway Gateway Road – ESCC has received the plan from SCS this week for the extent of the restrictions. Once this has been checked and approved by ESCC then the Traffic Regulation Order will be advertised to enable enforcement of the restrictions once the road is open.
- So, in summary - ESCC have attended regular meetings with both SCS and National Highways to ensure that detailed plans, drawings and specifications showing the extent of proposals are completed satisfactorily to enable all parties to finalise the S278 legal agreement before construction can commence on site. In addition, work has progressed on the Traffic Regulation Orders to ensure these are progressed prior to the opening of the road.

Next Steps

- Although the report has not been able to cover the indicative timescales and steps towards the progression of the signalised connection, ESCC will be looking to update this at the subsequent Accountability Board meeting in September, having had further discussions with SCS on the progression of the above matters.
- In addition to this, ESCC have contacted National Highways to ascertain their likely timescales for both completion of the S278 agreement and agreeing the scheduling of the construction on the signalised junction, as their requirements are absolutely critical as to when this happens.

Following the project update, Helen Dyer reiterated the obligations placed on local partners with regard to provision of complete and timely reporting on project delivery. It was stressed that it is critical that a detailed update on the project be provided to the Board at the September meeting, allowing the Board to make an informed decision as to whether the £10m LGF funding should remain allocated to the project.

Cllr Glazier addressed the Board and reiterated the importance of the project. Cllr Glazier stressed his frustration at the ongoing delays to the project but provided assurances that East Sussex County Council continue to work with their partners to achieve project completion. He advised that 75% of the new road had been completed and that access to the employment sites identified within the Business Case had been achieved, with only the final section of the road remaining outstanding.

Cllr Wagland expressed her sympathy at the situation but stressed the need for full transparency in such circumstances. Richard Dawson responded and provided some further detail about the information that had been shared with the Board within the main agenda pack.

Resolved:

1. **To Note** the assurances provided by East Sussex County Council within the report.
2. **To Note** the verbal update on delivery of the Project provided during the meeting.

6 Local Growth Fund Programme Update

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

The Board were advised that East Sussex County Council had been unable to provide updates on projects being delivered by Sea Change Sussex in advance of the meeting due to the absence of key project personnel at Sea Change Sussex. They were also advised that Medway Council had not submitted the

required quarterly reporting and therefore the 2021/22 year end position could not be confirmed for the LGF. The importance of submitting the required reporting in accordance with the agreed timescales was stressed and the implications of this reporting not being received were outlined.

Rosemary Nunn raised a concern regarding the delays being encountered on many projects and questioned the governance in respect of the procurement process. It was confirmed that procurement sits with the delivery partners, with Cllr Coxshall agreeing that this was an ongoing problem and indicated the importance of learning from previous procurement exercises when bringing forward new projects.

Simon Cook suggested that as in the past it would be sensible to look at a future agenda item on “lessons learnt”, with Adam Bryan agreeing that this would be useful.

Cllr Chambers reflected that a number of project delays were as a result of limited engagement from Government agencies, including National Highways and the Environment agency. He indicated that these delays would likely continue until these agencies understood the nature of the Government funding streams and the time limitations that were placed on project delivery.

Resolved:

1. **To Agree** the reported LGF spend on project delivery in 2021/22 of £41.931m excluding DfT retained schemes and increasing to £44.821m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.

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

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

3.1. Eastbourne Town Centre – project completion delayed from March 2022 to May 2024

3.2. Eastbourne and South Wealden Walking and Cycling Package – project completion delayed from December 2022 to December 2024

3.3. Colchester Grow On Space – project completion delayed from July 2022 to June 2024.

7 LGF High Risk Project Update

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to receive an update on the delivery of the following Local Growth Fund (LGF) projects which are currently ranked as high risk: A13 Widening, A28 Sturry Link Road, Maidstone Integrated Transport Package and Grays South.

Cllr Coxshall advised that the A13 widening was very close to completion. With regards to Grays South, he stressed that this was a very important project which needs to move forward at pace.

Cllr Gough spoke in support of A28 Sturry link Road and Maidstone Integrated Transport Package projects and the recommendations set out within the report.

Resolved:

A13 Widening

1. **To Note** the update on the project
2. **To Note** that a further update will be brought to the September 2022 Board meeting

A28 Sturry Link Road

1. **To Note** the update on the project
2. **To Agree** that, despite the project continuing to be ranked as High Risk, update reports will now be presented at alternate Board meetings, with the next update report required for the Board meeting in November 2022. Noting that this is due to the longevity of the workstreams currently being undertaken, as set out in Section 10 of the report, and that should there be any significant developments or new risks identified that the project will revert to providing update reports at each Board meeting.

Maidstone Integrated Transport Package

1. **To Note** the update on the project
2. **To Note** that, due to the risk rating for the project reducing to High/Medium following the confirmation of listed building consent, updates will no longer be provided at each Board meeting. Noting that the project will continue to be closely monitored and further update reports will be provided to the Board if new risks are identified.

Grays South

1. **To Note** the update on the project
2. **To Note** that a further update will be brought to the September 2022 Board meeting

8 London Gateway/Stanford-le-Hope LGF Project Update

The Board received a report from Keith Rumsey, Interim Assistant Director – Regeneration and Place Delivery, Thurrock Council and Howard Davies, the purpose of which was to provide an update to the Board on the delivery of the London Gateway/Stanford le Hope project (the Project).

Keith Rumsey gave an update concerning the contract for the Phase 1 works (new station building), advising that following a recent meeting there had been a breakthrough with the contractors, allowing their concerns regarding the nature of the contract and their level of risk exposure to be allayed, leading to a commitment from both parties that the contract would be signed and in place by early August. As a result of the delays in finalising the contract, required enabling works and surveys will now not commence onsite until Autumn 2022 but it is expected that once the contract is in place, the Phase 1 works will progress at pace.

Keith Rumsey indicated that the draft Business Case had been prepared and had been reviewed by Steer but that a number of points had been raised which required further clarification, including the provision of required monitoring and evaluation documentation and the completion of sensitivity testing to demonstrate the robustness of the BCR calculated for the project.

Howard Davies proceeded to give an overview of the SELEP comments set out within the report.

Cllr Coxshall spoke in support of the project stressing its importance and providing a commitment to delivering both the new train station building and the associated transport interchange. Cllr Coxshall asked the Board to agree Option 1 as set out in the report but indicated that he would support the removal of the LGF funding from the project if the Business Case could not be completed in advance of the September 2022 Board meeting.

Resolved:

1. **To Note** the update on delivery of the project
2. **To Note** that the updated Business Case required to demonstrate that the Project continues to be deliverable and that it continues to offer High value for money was not submitted in time for consideration at this meeting as previously agreed by the Board.
3. **To Agree** that although an updated Business Case has not been provided, as set out in the report presented to the Board at the May 2022 meeting, the LGF funding should remain allocated to the project on condition that an updated Business Case is submitted for consideration at the Board meeting on 23 September 2022.

9 LGF Additional Funding Awards

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

10 Getting Building Fund Programme Update

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the overall position of the Getting Building Fund (GBF) capital programme. The report included an update on those projects which have received approval for retention of GBF funding beyond March 2022 and provided an update on GBF spend to date.

The Board were advised that, as was the case with agenda item 6 above, Medway Council had not submitted the required quarterly reporting in advance of the Board meeting.

It was also noted that Southend-on-Sea City Council had given verbal assurances regarding the ongoing delivery of the wider Better Queensway project in advance of the meeting but that the required written assurances had not been provided at the time of Board pack publication. Helen Dyer indicated that she had received a letter of assurance from the Southend-on-Sea City Council S151 Officer with respect to the project on the evening of 14 July. As a result, it was suggested that the Board may wish to agree Option 1, as set out in the report, allowing time for SELEP and the Accountable Body to review the letter of assurance received and to seek any further information required in advance of the September 2022 Board meeting.

Resolved:

1. **To Note** the current reported spend across the GBF programme for the 2021/22 financial year of £50.666m, as set out in Table 2 of the report.

2. **To Note** the deliverability and risk assessment, as set out in Appendix C of the report

3. **To Agree** that the **Better Queensway project** can have an extension until the September 2022 Board meeting to provide the required assurances, as detailed in Section 5.14 of the report, regarding continued delivery of the wider project.

11 UTC Maritime and Sustainable Technology Hub GBF Project Update

The Board received a report from Helen Dyer, the purpose of which was for the Board to receive an update on the delivery of the UTC Maritime and Sustainable Technology Hub Getting Building Fund (GBF) project (the Project) which has been identified as being high risk.

The report also provided an update on the Project Change Request and the revised Benefit Cost Ratio (BCR) calculations submitted in relation to the Project and sets out the outcome of the Independent Technical Evaluator (ITE) review. The Board were also asked to consider whether the Project continues to meet the requirements of the SELEP Assurance Framework and to decide whether GBF spend on the project can recommence, following the Board's decision to place GBF spend on hold at the last meeting.

The Board were advised that the complex land ownership issues which had been delaying delivery had now been resolved which should allow the project to move forward.

Cllr Glazier advised that significant progress had been made by Lewes District Council and that the allocation of additional funding, as outlined in the report, demonstrated their commitment to the project.

Resolved:

1. **To Note** the update on project delivery, including completion of the acquisition of the building.

2 **To Note** that, following submission of a Project Change Request and updated BCR calculations, the Project has been assessed as offering High value for money with High certainty of achieving this.

3. **To Approve** the increase in total project cost for the Project from £1.778m (as set out in the Business Case) to £2.350m, as required under the terms of the Assurance Framework

4. **To Agree** that GBF spend on the Project should recommence following receipt of confirmation that the Project continues to offer High value for money.

5. **To Note** that a further update on project delivery will be provided at the September 2022 Board meeting.

12 Growing Places Fund Programme Update

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

The Board were advised that it is still expected that a revised repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure

Development project will be brought forward for Board consideration in September 2022.

Cllr Glazier spoke in respect of Eastbourne Fisherman's Quayside and Infrastructure Development project, advising that East Sussex County Council were working closely with the project team and that they had introduced them to Locate East Sussex who can provide support in developing a cash flow and with sourcing of funding. East Sussex County Council have also offered flexibility with regard to the repayment of a loan issued by the East Sussex Invest Programme to alleviate pressures whilst the revised repayment schedule is established.

Resolved:

1. **To Note** the updated position on the GPF programme.
2. **To Approve** the accelerated drawdown of funding for the No Use Empty Commercial Phase II project.
3. **To Note** the steps being taken by the Eastbourne Fisherman's Quayside and Infrastructure Development project to develop a proposed repayment schedule for consideration by the Board in September 2022.

13 Finance Update

The Board received a report from Lorna Norris, Senior Finance Business Partner, the purpose of which was for the Board to consider the update to the 2022/23 budget including specific grants.

Adam Bryan indicated his determination to be able to plan to the end of March 2024, as this will give greater job certainty to the SELEP team and will allow the focus to be fully on delivering the work of the LEP.

Adam Bryan passed his thanks onto the Accountable Body for their continued support particularly highlighting the day-to-day work and dedication of Lorna Norris and Amy Bernardo.

Resolved:

1. **To Approve** the proposed 2022/23 updated SELEP revenue budget set out in Table 1 of the report, including the specific funds summarised in Table 3 of the report (and detailed in Appendix A of the report);
2. **To Approve** the re-purposing of the uncommitted funding from the Covid-19 Skills Reserve of £35,000 set out in section 3.12.3 of the report, to be transferred to the Operational Reserve to support future service delivery;
3. **To Approve** the reduction in the Redundancy Reserve of £52,000 and for this funding to be transferred to the Operational Reserve to support future service delivery;

4. **To Note** the on-going uncertainty from Government regarding the future funding position for SELEP beyond 2022/23.

14 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 23rd September 2022, venue to be confirmed

15 Urgent Business

Councillor Gough enquired as to whether the electronic procedure concerning the process for reallocation of the available GBF funding had been circulated. Helen Dyer confirmed that it was expected to be circulated early in week commencing 18 July.

Councillor Wagland raised an issue regarding risk registers for the capital programme, understanding the common risk themes across the programme and how/at what level these risks should be managed, with inflation identified as a significant risk to project delivery. Adam Bryan responded and agreed to take the matter away for further consideration.

There being no further business, the meeting closed at 11.32 am

Forward plan reference numbers: FP/AB/549, FP/AB/551, FP/AB,556 and FP/AB/559

Report title: Getting Building Fund Capital Programme update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 23 September 2022	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

1.1. The purpose of this report is 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, including confirmation of the 2021/22 year end position.

2. Recommendations

2.1. The Board is asked to:

2.1.1. **Note** the total spend on project delivery in 2021/22 of £50.666m GBF, as set out in Table 1 of the report.

2.1.2. **Note** the current reported spend across the GBF programme for the 2022/23 financial year of £20.784m, as set out in Table 2.

2.1.3. **Agree** the removal of the Laindon Place project from the GBF programme. The £790,000 GBF issued to Essex County Council should be returned to the Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects.

2.1.4. **Note** that sufficient assurance has been provided by Southend-on-Sea City Council that the Better Queensway project will proceed as planned following the Regulator for Social Housing's decision to downgrade Swan Housing's viability and governance grades and Swan's proposed partnership with Orbit. Should the project not proceed as planned and in accordance with the approved Business Case, the GBF funding will need to be repaid by Southend-on-Sea City Council in accordance with the terms of the Service Level Agreement (SLA) in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and Southend-on-Sea City Council.

2.1.5. **Note** the deliverability and risk assessment, as set out in Appendix C.

3. Summary Position

- 3.1. In November 2021, the Fast Track Business Solutions for the Hastings Manufacturing Sector project was removed from the GBF programme. This released £3.5m GBF for reallocation to alternative projects on the GBF prioritised project pipeline. £1.4m of this GBF funding was awarded to support The Amelia Scott project in November 2021, and the remaining £2.1m was awarded to support 5 new projects (Princess Alexandra Hospital – Relocation of post graduate medical centre, Food Street Eastbourne, Braintree – Active Travel, Seven Sisters Country Park Visitor Infrastructure Uplift and Techfort, Dover) during the February 2022 Board meeting. All conditions attached to the award of funding to these projects have now been met.
- 3.2. Following the award of funding to these projects, a very limited GBF prioritised project pipeline remained in place, with only the Braintree – Active Travel project remaining on the pipeline seeking GBF investment of £1.709m. It has now been confirmed that this project would be unable to spend the balance of funding it sought through the pipeline in accordance with the required timescales and therefore there is no longer a project pipeline in place.
- 3.3. At the May 2022 meeting, the Board agreed that the Riding Sunbeams Solar Railways project be removed from the GBF programme due to insurmountable technical issues which meant that the project could not be delivered at this time. This released £2.527m GBF for reallocation to alternative projects. In addition, at this meeting, the Board are asked to agree the removal of the Laindon Place project from the GBF programme (as set out in Section 5 of this report) as it is unable to spend the funding in accordance with the required timescales. This will increase the total GBF funding available for reallocation to £3.317m.
- 3.4. A proposed approach to developing a new GBF project pipeline was presented to the Strategic Board in June 2022. It was proposed that the available funding 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, or as a result of current high inflation levels.
- 3.5. This approach was broadly agreed by the Strategic Board, but further clarification was needed on the finer details of the proposal and the application criteria before the process could commence. An electronic procedure was issued to the Strategic Board on 27 July 2022, which set out proposals for also inviting applications for additional funding from projects which are seeking to deliver additional works compared to those set out in their original Business Cases, i.e., further phases of the same project. This electronic procedure was agreed by the Strategic Board on 5 August 2022 and the required documentation was issued to Federated Board leads and relevant Upper Tier Local Authority officers on the same day.
- 3.6. The deadline for submitting applications was 26 August 2022, and a total of 16 applications were received seeking a total GBF investment of £7.8m. Federated Boards are currently undertaking a local prioritisation process which will feed into the proposed SELEP wide project pipeline due to be presented to the Strategic Board for consideration on 21 October 2022.

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- 3.7. Any projects seeking additional funding, which are not prioritised by Strategic Board to receive part of the £3.317m GBF currently available, will remain on the pipeline to support future reallocation of GBF, should any existing projects be unable to deliver in accordance with their Business Cases, the requirements of the grant or the terms of the SELEP Assurance Framework.
- 3.8. At the May 2022 meeting, the Board agreed the introduction of a number of requirements which need to be met by all projects spending GBF funding beyond March 2022, so as to ensure timely completion of the GBF programme and performance against these requirements will be reported to the Board on a regular basis. An update on project compliance with these conditions is provided under Agenda Item 6.
- 3.9. The delivery of the GBF projects will continue to be closely monitored following the formal end of the programme in March 2022, with any identified High risk projects being flagged to the Board.

4. Getting Building Fund spend position

- 4.1. The 2021/22 year-end position shows GBF spend on delivery of projects of £50.666m.
- 4.2. There has been a substantial reduction in GBF spend when compared to the forecast spend position set out at the start of 2021/22, which assumed full spend of the GBF funding prior to 31 March 2022 in accordance with the stated requirements of the funding. Original forecasts showed planned GBF spend totalling £71.386m, which has reduced by £20.719m to £50.666m. This change is shown in Table 1 below.

Table 1: 2021/22 outturn spend figures

GBF (£m)				
Local Authority	Forecast spend 2021/22	Reported spend 2021/22	Variance	Variance %
East Sussex	9.765	2.437	-7.327	-75.0%
Essex	22.750	14.678	-8.073	-35.5%
Kent	28.753	27.179	-1.575	-5.5%
Medway	2.563	2.563	0.000	0.0%
Southend-on-Sea	5.400	2.287	-3.113	-57.7%
Thurrock	2.154	1.523	-0.631	-29.3%
Total	71.386	50.666	-20.719	-29.0%

- 4.3. It should be noted that the forecast spend for 2021/22 reflects the position provided by each local partner at the start of the financial year and therefore does not reflect decisions taken by the Board during the course of the year.
- 4.4. Therefore the forecast spend for 2021/22 for East Sussex County Council included full spend of the £3.5m GBF allocation awarded to the Fast Track Business Solutions for the Hastings Manufacturing Sector project and of the £2.527m GBF allocation awarded to the Riding Sunbeams Solar Railways project, which were subsequently removed from the GBF programme. Similarly, the forecast for Essex included full spend of the £790,000 GBF

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allocated to the Laindon Place project which, subject to Board approval, will now be removed from the GBF programme.

- 4.5. In addition, Essex, Kent and East Sussex forecasts did not take into account the award of funding to the prioritised GBF pipeline projects which received funding in November 2021 and February 2022.
- 4.6. In addition, GBF spend has been lower than forecast as a result of 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 the approach to the works to be reconsidered. This issue has been further compounded by delays in key materials supply chains which have been affected by both the COVID-19 pandemic and Brexit, and labour shortages due to COVID-19 enforced absences and increased demand following the period of lockdown. As a result of these issues, construction programmes have not progressed as expected prior to the start of 2021/22.
- 4.7. To date, the Board have agreed that 10 projects can retain their GBF funding beyond March 2022 for a maximum period of 6 months. In addition, in November 2021 the Board agreed that as an exception 2 projects (Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas) can retain their GBF funding beyond March 2022 for a maximum period of 12 months. Furthermore, in February 2022 the Board agreed that, as an exception, the Techfort project could retain its' GBF funding beyond March 2022 for a maximum period of 9 months. This brought the total number of projects which have received approval for retention of their GBF funding allocation beyond March 2022 to 13.
- 4.8. The Laindon Place project received approval from the Board for retention of GBF funding beyond March 2022, however, as the Board are asked to agree the removal of the project from the GBF programme at this meeting, the project has not been included within the summary set out at Section 4.7. It should also be noted that there is an outstanding request for retention of funding beyond March 2022 for the Food Street project. The Board are asked to consider this request under Agenda Item 6, but an update on the project is provided in Section 8 of this report.
- 4.9. Table 2 below sets out the updated GBF spend forecast for 2022/23. This table takes into account the extended GBF spend profiles for all projects forecasting spend beyond March 2022 and reflects the £3.317m GBF which is currently unallocated (subject to the Board agreeing the removal of the Laindon Place project at this meeting). In accordance with Government expectations, it is expected that this funding will be awarded to alternative projects and be fully spent within the 2022/23 financial year.

Table 2: Summary GBF spend forecast - all years (£m)

GBF (£m)						
Local Authority	Actual spend 2020/21	Actual spend 2021/22	Actual spend 2022/23 To Date (Q1)	Forecast spend rest of 2022/23	GBF Total Allocation	% of GBF funding spent to date
East Sussex	1.656	2.437	0.000	1.600	5.693	71.9%
Essex	4.542	14.678	0.000	8.074	27.293	70.4%
Kent	6.201	27.179	0.514	3.534	37.428	90.6%
Medway	0.205	2.563	0.000	0.000	2.768	100.0%
Southend-on-Sea	0.000	2.287	0.557	2.557	5.400	52.7%
Thurrock	0.946	1.523	0.499	0.132	3.100	95.7%
Unallocated funding	0.000	0.000	0.000	3.318	3.318	0.0%
Total	13.550	50.666	1.570	19.214	85.000	77.4%

- 4.10. Reported GBF spend in Q1 2022/23 (April to June 2022) has been significantly lower than forecast. At the outset of the financial year, spend of £6.586m was forecast but spend reported during Q1 2022/23 only totals £1.57m. A number of projects have continued to experience delays with delivery due to the impacts of the COVID-19 pandemic and Brexit, and as a consequence have requested further extensions allowing retention of GBF funding beyond September 2022. These requests are presented for Board consideration under Agenda Item 6.
- 4.11. Assuming the Board agree the removal of the Laindon Place project from the GBF programme, 25 of the 39 projects which remain in the GBF programme have fully spent their GBF funding allocation. The remaining projects have either received approval for or have submitted requests for retention of their GBF funding allocation beyond March 2022.
- 4.12. 15 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. Laindon Place

- 5.1. The Laindon Place development will see a new high street for Laindon with 25,000ft² of new retail space, new landscaped public realm, street parking, a new larger supermarket, 224 new homes and an expanded new health centre. The GBF funding was awarded to help support the delivery of electric vehicle charging points, installation of shop frontages and delivery of high quality public realm.
- 5.2. The project was awarded £790,000 GBF funding in March 2021 and the full GBF allocation remains unspent. This funding is currently being held by Essex County Council.
- 5.3. As the Board are aware the Laindon Place project has been subject to a number of delays since the GBF funding was awarded, including the need for redesign work due to changes in legislation and delays in securing approval from the Highways Authority and in securing planning consent for the updated designs.

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- 5.4. The GBF funding is being used to deliver the finishing touches to the wider project, as set out above, and Swan (as delivery partner) have now confirmed that due to delays in progressing the wider project, they will be unable to spend the GBF funding on the works sets out in the Business Case within the required timeframe. As a result, the Board are asked to agree the removal of the project from the GBF programme.
- 5.5. The key project benefits as stated in the Business Case for the project include:
 - 5.5.1. A minimum of 60 jobs to be created in the new retail units at Laindon
 - 5.5.2. A minimum of 65 jobs to be created on the construction site 244 new homes are being delivered as part of the Laindon Place regeneration scheme
 - 5.5.3. 16 new retail units are being delivered as part of the Laindon Place regeneration scheme
 - 5.5.4. A new medical centre is being delivered as part of the Laindon Place regeneration scheme
 - 5.5.5. A new supermarket is being delivered as part of the Laindon Place scheme
 - 5.5.6. A new office space is being delivered as part of the Laindon Place scheme
- 5.6. As the wider regeneration project is still progressing, it is expected that these benefits will still be realised, albeit over a longer time period than expected at the time of Business Case approval.
- 5.7. If the Board agree the removal of the project from the GBF programme, a variation agreement will be completed which will formalise this change. Essex County Council will be required to repay the full £790,000 GBF allocation to the Accountable Body for SELEP, within 4 weeks of this Board meeting. The £790,000 will be reallocated through the new prioritised project pipeline currently being developed.

6. Better Queensway

- 6.1. As reported at recent meetings, the Better Queensway project is an estate and town centre renewal project which is being delivered as a joint venture between Southend-on-Sea City Council and Swan Housing. The £4.2m GBF funding will be used to support delivery of early enabling works for the wider project.
- 6.2. The Board have previously been made aware that the Regulator for Social Housing recently took the decision to downgrade Swan Housing's viability and governance grades. As a result of this decision, Swan Housing do not currently meet the Regulator's governance and viability standards and steps need to be taken to improve work in these areas.
- 6.3. In addition, it has been noted that Swan Housing have announced a planned partnership with Orbit, which if agreed is expected to complete in late 2022. It has previously been reported that initial discussions between Swan Housing and Orbit had been positive, and that consultation with customers of both organisations had been undertaken but the final status of the partnership was not known at the time of the last Board meeting.

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- 6.4. In February 2022, the Board agreed that the GBF funding awarded to the project could be released to Southend-on-Sea City Council subject to receipt of confirmation from the Council that the project would proceed as planned following the Regulator for Social Housing's decision to downgrade Swan Housing's viability and governance grades and Swan Housing's planned partnership with Orbit. It was agreed that if the project was unable to proceed as planned, the GBF funding would need to be returned to Essex County Council, as the Accountable Body for SELEP for reallocation to alternative projects.
- 6.5. Whilst updates were provided at the May and July 2022 Board meetings, they did not provide sufficient assurance that the project would proceed as planned and consequently the condition attached to the release of the funding has not yet been satisfied. At the July 2022 meeting, following notification that a letter of assurance had been very recently received from Southend-on-Sea City Council's S151 officer, the Board agreed that the project could have an extension until this meeting to allow time for the letter to be reviewed and for SELEP to confirm whether the required assurances regarding continued delivery of the wider project had been provided.
- 6.6. Southend-on-Sea City Council have provided an update on the current status of the proposed partnership between Swan Housing and Orbit. The partnership is progressing, and it is expected that it will formally complete on 1 October 2022, with a proposed 'go live' date of 3 October 2022.
- 6.7. Whilst Orbit are continuing to undertake all the required due diligence with regard to the Better Queensway project and the work undertaken by Swan Housing to date, there is an indication from Orbit that they are keen for the project to continue once the partnership has been completed. This is supported by Orbit seeking formal consent from Southend-on-Sea City Council to a 'change of control' in favour of Orbit as required under Southend's LLP partnership agreement with Swan, which indicates that Orbit are preparing to take on all of Swan's obligations with regard to the project.
- 6.8. It should also be noted that there is currently an agency agreement in place between Orbit and Swan Housing which allows Swan to draw upon Orbit's development and regeneration officer resource as necessary in support of their projects whilst the partnership is progressing towards formalisation.
- 6.9. A letter of assurance from the Southend-on-Sea City Council S151 Officer is provided at Appendix E.
- 6.10. In the meantime, delivery of the wider project is continuing to progress. The Phase 1A Reserved Matters Application was submitted in December 2021 and is currently being progressed by Southend-on-Sea City Council, as the Local Planning Authority. It is currently expected that this application will be determined in October 2022.
- 6.11. Furthermore, the detailed design for the highways element of the project was completed in Spring 2022 and procurement for a contractor has commenced, with tenders received in July 2022. These tenders are currently being evaluated; however, it has been confirmed that 3 compliant tenders which are within the expected budget have been received.
- 6.12. Some initial early enabling works have also been commissioned including utilities diversions and the demolition of a key footbridge over Queensway which is required to enable delivery

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of the project. Additional detailed design and quotation information has been sought and received from all the statutory utility companies including UKPN, Essex and Suffolk Water, BT, Virgin and Cadent Gas.

- 6.13. The next step is to complete a new Business Plan and timeline for the delivery of the highway and residential outputs. It is expected that these documents will be approved by early 2023, allowing work to progress on site during 2023. In the interim, Swan and Southend-on-Sea City Council have continued to progress early acquisitions to enable the project and support regeneration of the existing estate.
- 6.14. The GBF funding allocation of £4.2m will be used to support design, project management, early acquisition of properties and enabling works to enable the wider Queensway project to be unlocked and delivered, including:
 - 6.14.1. the diversion of a gas main in Essex Street which will help facilitate the Phase 1 plot delivery;
 - 6.14.2. demolition of a footbridge over Queensway;
 - 6.14.3. delivery of the detailed design for the highways element of the project; and
 - 6.14.4. early acquisition by negotiation or on the open market (where applicable) of flats on the existing residential estate, required to enable the de-risking and delivery programme of the wider project.
- 6.15. As at the end of Q1 2022/23 GBF spend totalling £2.843m has been reported, with a further £0.357m forecast for spend in Q2, leaving a balance of £1m forecast for spend in Q3 and Q4. The remaining GBF funding will be used to support the completion of a number of early acquisitions, the demolition of a footbridge and the diversion of a gas main. These works have been commissioned but have not yet started onsite.
- 6.16. The Board have previously agreed that the Better Queensway project can retain its' GBF funding allocation beyond March 2022 for a maximum period of 6 months to 30 September 2022. In light of the above forecast, a request for retention of the GBF funding for a period of a further 6 months has been submitted and, subject to the Board being satisfied that sufficient assurance has been provided regarding ongoing delivery of the wider project, will be considered under Agenda Item 6.
- 6.17. On the basis of the information provided by Southend-on-Sea City Council it is considered that sufficient assurance has been provided with regard to the ongoing delivery of the wider project. There remain areas of uncertainty which cannot be fully addressed until the partnership between Orbit and Swan Housing has been completed, and therefore the project will continue to be closely monitored over the coming months as the legalities are finalised. Should the project not proceed as planned and in accordance with the approved Business Case, the GBF funding will need to be repaid by Southend-on-Sea City Council in accordance with the terms of the Service Level Agreement (SLA) in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and Southend-on-Sea City Council.

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

- 7.1. 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 September 2022 (or 31 March 2023 for the two Essex broadband projects/31 December 2022 for Techfort) at the latest.
- 7.2. To date, the Board have approved the retention of GBF funding beyond March 2022 against 13 projects and updates on all of these projects are provided in Appendix D. A more comprehensive update on the Better Queensway project is also provided at Section 6 of this report.
- 7.3. The projects which are reporting GBF spend beyond March 2022 are all progressing; however, it should be noted that requests for retention of GBF funding beyond September 2022 have been received in relation to the UTC Maritime and Sustainable Technology Hub, Tendring Bikes and Cycle Infrastructure, Swan Modular Housing Factory, Jaywick Market and Commercial Space, Romney Marsh Employment Hub, Better Queensway and South Essex No Use Empty projects. The Board are asked to consider these requests under Agenda Item 6.
- 7.4. 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 is required and that value engineering may need to be employed to enable this. As the Board are aware there is a clear expectation from Government that the full GBF funding allocation should be spent supporting project delivery by 31 March 2023. Submission of requests for retention of GBF funding beyond September 2022 increases the risk that this deadline may not be achievable by all projects. Failure to meet the Government deadline for spend of GBF funding would represent a significant reputational risk for both SELEP and the Upper Tier Local Authority responsible for project delivery and may adversely impact on any funding applications submitted directly to Government by impacted local partners for future funding streams.
- 7.5. As referenced at Section 3.6 of this report, a total of 16 applications for additional GBF funding have been received. Seven of these applications relate to projects which have received approval for retention of GBF funding beyond March 2022. The following five projects have submitted applications seeking additional GBF funding to help support delivery of the full scope of the agreed Business Case: Seven Sisters Country Park Visitor Infrastructure Uplift, Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure and Discovery Park Incubator. This funding has been sought to reduce the need for value engineering as a result of increased costs and to safeguard the forecast project benefits.
- 7.6. The other two referenced applications for additional GBF funding are seeking funding to support delivery of further phases of the project. These applications relate to the Techfort and ASELA LFFN projects. If secured this funding will enable delivery of additional works outside the scope of the existing Business Cases and will support the realisation of further benefits.

7.7. All projects detailed in Appendix D will continue to be closely monitored and their delivery status will be taken into account when developing a proposed GBF project pipeline for consideration by the Strategic Board in October 2022.

8. Deliverability and Risk

8.1. 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.

8.2. The summary project risk assessment position is set out in Table 3 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).

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

8.3.1. **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.

8.3.2. 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.

8.3.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of GBF spend forecast for beyond the end of the formal GBF programme (where agreed by the Board).

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

Table 3: Summary of GBF project risk

Risk Score	Number of projects	GBF allocation to projects (£m)	GBF spend forecast in 2022/23
Low Risk - 1	14	24.932	0.000
Low/Medium Risk - 2	3	4.303	0.000
Medium Risk - 3	11	27.980	1.012
Medium/High Risk - 4	3	5.329	4.737
High Risk - 5	8	19.138	10.148
Total	39	81.683	15.897

8.4. In total £19.138m GBF is allocated to High risk projects, with £10.148m of this funding unspent at the end of Q1 2022/23. No risk assessment has been applied to the £3.317m

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GBF currently unallocated and as a result the table does not total to the full £85m GBF allocation awarded by Central Government to SELEP.

- 8.5. 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 beyond the end of the formal GBF programme have been assessed as Medium/High Risk or High Risk. If delivery is progressing to programme, these projects are not automatically assumed to be High Risk in all areas and are therefore not all reflected within the eight High Risk projects identified in Table 3. These projects will be monitored closely, and the Board will be updated if, due to deliverability concerns, the overall project RAG rating increases.
- 8.6. The eight High Risk projects identified in Table 3 are:
 - 8.6.1. UTC Maritime and Sustainable Technology Hub
 - 8.6.2. Food Street, Eastbourne
 - 8.6.3. Jaywick Market and Commercial Space
 - 8.6.4. Swan Modular Housing Factory
 - 8.6.5. Tendring Bikes and Cycle Infrastructure
 - 8.6.6. Romney Marsh Employment Hub
 - 8.6.7. Better Queensway
 - 8.6.8. South Essex No Use Empty
- 8.7. The UTC Maritime and Sustainable Technology Hub, Jaywick Market and Commercial Space, Swan Modular Housing Factory, Tendring Bikes and Cycle Infrastructure, Romney Marsh Employment Hub and South Essex No Use Empty projects are considered to be High risk as requests to retain their GBF funding allocation beyond September 2022 have been received. These requests will be considered under Agenda Item 6 at this meeting.
- 8.8. An update on the Better Queensway project is provided under Section 6 of this report and a request to retain the GBF funding allocation against the project beyond September 2022 will be considered under Agenda item 6.
- 8.9. The Food Street project is considered to be High risk as a request to retain the GBF funding allocation beyond March 2022 has been submitted but has not yet been determined by the Board. As reported at the last Board meeting, the GBF funding awarded to the project was transferred to East Sussex County Council prior to the end of 2021/22 as per the decision taken by the Board in February 2022. However, the necessary back-to-back agreement between East Sussex County Council and Eastbourne Borough Council was not completed by 31 March 2022 and therefore expenditure in 2021/22 could not be claimed against the GBF funding allocation as originally intended. This agreement was subsequently completed on 5 May 2022.
- 8.10. It was originally reported that delivery of the Food Street project had been completed prior to the end of March 2022, and therefore further work was required in order to determine

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whether the GBF funding allocation could still be applied to the project given the delay in completing the required back-to-back agreement.

- 8.11. It has subsequently been confirmed that the work to bring the shop units back into use was not completed prior to 31 March 2022. The project was reported to be complete on the basis that, at the end of 2021/22, it was understood that the GBF funding had been spent in full. This has since been revised and, following amendments to the structure of Appendix C, there is a clear differentiation between project completion and completion of GBF spend.
- 8.12. As work continued on the shop units beyond 31 March 2022, it is now intended that the GBF funding will be applied against expenditure incurred in 2022/23, which is in line with the Service Level Agreement in place between East Sussex County Council, Essex County Council (as Accountable Body) and SELEP Ltd. It has been confirmed that the work on the shop units was completed in July 2022 and evidence of expenditure has been provided to East Sussex County Council.
- 8.13. As indicated above, a request to retain the GBF funding awarded to the Food Street project beyond March 2022 has been received. This request seeks retention of the GBF funding until the end of October 2022, despite the works already having been completed, to ensure that there is sufficient time for the funding to be issued to Eastbourne Borough Council by East Sussex County Council. This request is set out under Agenda Item 6.

9. GBF Programme Risks

- 9.1. In addition to project specific risks, Appendix B sets out the overall programme risks. The main 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 award of the currently unallocated GBF funding to existing GBF projects will help to partially mitigate this risk. Other mitigation measures currently being employed include:
 - 9.1.1. 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;
 - 9.1.2. purchase of all materials at the outset of the construction programme in order to offset the risk of further cost increases; and
 - 9.1.3. identifying alternative suppliers or alternative solutions so as to mitigate both cost increases and extended lead in periods.
- 9.2. 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.

9.3. There is 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.

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 Accountable Body has received all of its GBF allocation from Government and this funding was transferred in full to Partner authorities to support delivery of the Projects by the end of 2021/22.

10.2. Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant. This is managed through a Service Level Agreement (SLA) that is in place with each Partner Authority and sets out the conditions of the grant.

10.3. With the remaining balance of GBF for 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.

10.4. 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 Covid-19 pandemic and Brexit.

10.5. 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.

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

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

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

10.8. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all funding was defrayed by 31 March 2022.

10.9. The latest forecast (table 2) indicates that £20.784m of the total £85m GBF allocation will be spent after 31 March 2022. 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

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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.

- 10.10. It is a requirement of the SLA that when the Board approves a decision to cancel a Project, the funding awarded may be required to be returned to the Accountable Body; this may include funding that has already been defrayed. Should the Board agree to the recommendation at section 2.1.3 of this report, the Accountable Body team will work with colleagues in Essex County Council with respect to the return of the funding to SELEP.
- 10.11. With respect to the Better Queensway project, should the partnership with Orbit ultimately be unsuccessful and Southend-on-Sea City Council be unable to secure delivery of the Project, the Board may request for the return of the GBF funding under the terms of the SLA in place with the Council.

11. Legal Implications (Accountable Body comments)

- 11.1. 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 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.

12. Equality and Diversity Implications

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

13. List of Appendices

- 13.1. Appendix A – GBF Spend Position

Getting Building Fund Capital Programme Update

13.2. Appendix B – Programme Risk Register

13.3. Appendix C - Project deliverability and risk update

13.4. Appendix D – Update on projects which have received approval for retention of GBF funding beyond March 2022

13.5. Appendix E – Better Queensway – Southend-on-Sea City Council S151 Officer letter of assurance

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

Role	Date
Accountable Body sign off Stephanie Mitchener (on behalf of Nicole Wood, S151 Officer, Essex County Council)	14 th September 2022

Appendix A - GBF Spend Position														
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	2021/22 Actual	Q1 2022/23 Actual	Q2 2022/23 Forecast	Q3 2022/23 Forecast	Q4 2022/23 Forecast	2022/23 Forecast	Total Actual + Forecast
East Sussex														
GBF003	Restoring the Glory of the Winter Garden	1,600,000	577,764	226,599	420,859	246,753	128,024	1,022,236						1,600,000
GBF004	The Observer Building, Hastings (Phase 2) Option A	1,713,000	934,678		228,313	125,465	424,544	778,322						1,713,000
GBF009	Charleston's access road: removing the barrier to growth	329,835			142,941	47,096	139,798	329,835						329,835
GBF010	Creative Hub, 4 Fisher Street, Lewes	250,000	143,116	89,431	17,453			106,884						250,000
GBF012	Sussex Innovation Falmer - Covid Secure adaptations-	200,000		155,810	44,190			200,000						200,000
GBF013	UTC Maritime & Sustainable Technology Hub	1,300,000									1,300,000		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	200,000								200,000			200,000	200,000
		5,692,835	1,655,558	471,841	853,756	419,314	692,366	2,437,277		200,000	1,400,000		1,600,000	5,692,835
Essex														
GBF005	Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	680,000								332,885	347,115		680,000	680,000
GBF006	Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	1,820,000								270,110	1,225,093	324,797	1,820,000	1,820,000
GBF014	Enterprise Centre for Horizon 120 Business Park	7,000,000	967,422		1,458,670	1,213,675	3,360,233	6,032,578						7,000,000
GBF015	Harlow Library	977,000			90,349	509,859	376,792	977,000						977,000
GBF016	Jaywick Market & Commercial Space	1,972,000					243,636	243,636		503,860	1,224,504		1,728,364	1,972,000
GBF017	Labworth Car Park, Canvey Island modernisation	700,000	326,888	371,297	1,815			373,112						700,000
GBF018	Modus	1,960,000	1,960,000											1,960,000
GBF019	Nexus	1,600,000				299,798	1,300,202	1,600,000						1,600,000
GBF020	Remodelling of buildings at Harlow College to provide new 'T'-levels	1,500,000	24,328	31,470		942,256	501,946	1,475,672						1,500,000
GBF021	Rocheway	713,000	218,498		494,502			494,502						713,000
GBF022	Swan modular housing factory	4,530,000	1,044,405		504,811	273,177	643,217	1,421,205		606,091	348,800	1,109,499	2,064,390	4,530,000
GBF023	Tendring Bikes & Cycle Infrastructure	2,300,000						518,887		239,113	925,200	616,800	1,781,113	2,300,000
GBF024	Tindal Square, Chelmsford	750,000					750,000	750,000						750,000
GBF035	Laindon Place (removed from programme)													
GBF041	Princess Alexandra Hospital Training and Education Facility	500,000					500,000	500,000						500,000
GBF042	Braintree Active Travel	291,000					291,000	291,000						291,000
		27,293,000	4,541,541	402,767	2,550,147	3,238,765	8,485,913	14,677,592		1,952,059	4,070,712	2,051,096	8,073,867	27,293,000
Kent														
GBF001	Digitally Connecting Rural Kent and Medway	2,290,152		121,096	67,623	242,828	1,858,605	2,290,152						2,290,152
GBF025	Javelin Way Development	578,724	578,724											578,724
GBF026	Romney Marsh Employment Hub	3,536,466			435,000	533,995	1,816,775	2,785,770	133,580	417,569	199,547		750,696	3,536,466
GBF027	Thanet Parkway Railway Station	11,999,000	3,162,699	3,536,934	1,359,963	370,563	3,568,841	8,836,301						11,999,000
GBF028	First and Second Floors, Building 500, Discovery Park, Sandwich	2,500,000				211,398		211,398	380,799	1,907,803			2,288,602	2,500,000
GBF029	New Performing & Production Digital Arts Facility @ North Kent College	12,301,796	2,459,825	2,519,264	2,928,439	2,769,601	1,624,667	9,841,971						12,301,796
GBF030	The Meeting Place Swanley	1,490,000				607,530	882,470	1,490,000						1,490,000
GBF036	St George's Creative Hub	323,204				310,000	13,204	323,204						323,204
GBF038	The Amelia Scott	1,400,000					1,400,000	1,400,000						1,400,000
GBF043	Techfort	1,009,000								200,000	809,000		1,009,000	1,009,000
		37,428,342	6,201,248	6,177,294	4,791,025	5,045,915	11,164,563	27,178,796	514,379	2,525,372	1,008,547		4,048,298	37,428,342

Appendix A - GBF Spend Position														
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	2021/22 Actual	Q1 2022/23 Actual	Q2 2022/23 Forecast	Q3 2022/23 Forecast	Q4 2022/23 Forecast	2022/23 Forecast	Total Actual + Forecast
	Medway													
GBF007	Britton Farm Redevelopment Learning, Skills & Employment Hub	1,990,000	205,157	147,999	156,512	564,867	915,465	1,784,843						1,990,000
GBF037	Innovation Park Medway - Sustainable City of Business	778,323					778,323	778,323						778,323
		2,768,323	205,157	147,999	156,512	564,867	1,693,788	2,563,166						2,768,323
	Southend													
GBF031	Better Queensway	4,200,000					2,286,658	2,286,658	556,671	356,671	400,000	600,000	1,913,342	4,200,000
GBF032	South Essex No Use Empty	1,200,000								550,000	325,000	325,000	1,200,000	1,200,000
		5,400,000					2,286,658	2,286,658	556,671	906,671	725,000	925,000	3,113,342	5,400,000
	Thurrock													
GBF008	LFFN	2,500,000	946,218	501,191	330,000	91,666		922,857	498,509	132,416			630,925	2,500,000
GBF034	Transport and Logistics Institute	600,000		469,500	130,500			600,000						600,000
		3,100,000	946,218	970,691	460,500	91,666		1,522,857	498,509	132,416			630,925	3,100,000
	Unallocated funding	3,317,500												3,317,500
	Total	85,000,000	13,549,722	8,170,591	8,811,940	9,360,527	24,323,288	50,666,346	1,569,559	5,716,518	7,204,259	2,976,096	20,783,932	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 has 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	Whilst it is proposed that the unallocated GBF funding is 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. Early engagement with contractors and the supply chain is advised.
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	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.
Extended delivery programmes	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. In addition, extended response times from utility providers and other statutory organisations have been reported which are impacting on project delivery. Labour supply issues have also been reported due to the number of projects which were delayed due to the COVID-19 pandemic.	4	4	16	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. 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.
Failure of third-party organisations to deliver GBF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver GBF projects. If the external organisations experience financial difficulty and are unable to deliver GBF projects, it may not be possible to recover the GBF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	3	15	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring GBF to third party organisations and to ensure clear processes are in place for the oversight of GBF projects delivered by third party organisations.

Appendix B - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Delivery of GBF project benefits	The economic impact of COVID-19 is likely to reduce the benefits achieved through GBF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the GBF programme.	3	5	15	Any changes to benefits achieved through GBF investment will be monitored and reported to the Board and decisions will need to be made as to whether projects still offer high value for money. Any changes will also need to be agreed with Central Government.
Resource to deliver GBF projects	There is a risk to the availability of resource to deliver GBF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	3	12	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. Projects are also still allowed to continue project delivery past the March 2022 deadline as long as the GBF allocation to the project has been spent.
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.

Appendix C - Getting Building Fund Delivery and Risk																
Project	Deliverability								Financial							
	Accountability Board approval	Project Delivery Status	GBF Spend Status	Expected completion date (per Business Case)	Expected completion date (Jun-2022)	Expected completion date (Aug-2022)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 Q1 (£)	Remaining spend 2022/23 (£)	Financials RAG rating	Deliverability risk RAG rating	Reputational risk RAG rating	Overall
East Sussex																
Restoring the Glory of the Winter Garden	Oct-20	In Construction	Complete	May-22	Jul-22	Mar-23	10	8	1,600,000	1,600,000			1	4	2	2
The Observer Building, Hastings (Phase 2) Option A	Oct-20	In Construction	Complete	Dec-22	Dec-22	Dec-22			1,713,000	1,713,000			3	3	2	3
Charleston's access road: removing the barrier to growth	Nov-20 and Jul-21	Completed	Complete	Mar-21	May-22	May-22	13		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		1,300,000		5	5	4	5
Food Street, Eastbourne	Feb-22	In Construction	Ongoing	Mar-22	Apr-22	Sep-22	5	4	100,000		100,000		5	5	4	5
Seven Sisters Country Park Visitor Infrastructure Uplift	Feb-22	In Construction	Ongoing	Sep-22	Sep-22	Jan-23	4	4	200,000		200,000		5	3	2	3
Essex																
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	Oct-20	In progress	Ongoing	Jun-21	Mar-23	Mar-23	21		680,000		680,000		5	4	1	3
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Oct-20	In progress	Ongoing	Dec-21	Mar-23	Mar-23	15		1,820,000		1,820,000		5	4	2	4
Enterprise Centre for Horizon 120 Business Park	Nov-20	Completed	Complete	Jun-22	Jul-22	Jul-22	1		7,000,000	7,000,000			3	3	2	3
Harlow Library	Nov-20	Completed	Complete	Oct-21	Jun-22	Jun-22	7		977,000	977,000			1	1	1	1
Jaywick Market & Commercial Space	Nov-20	In Construction	Ongoing	Mar-22	Mar-23	Mar-23	11		1,972,000	243,636	1,728,364		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	10		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	Dec-22			713,000	713,000			2	1	2	2
Swan modular housing factory	Nov-20	In Construction	Ongoing	Mar-24	Mar-24	Mar-24			4,530,000	2,465,610	2,064,390		5	5	4	5
Tending Bikes & Cycle Infrastructure	Nov-20	In Construction	Ongoing	Mar-22	Sep-22	Dec-22	9	3	2,300,000	518,887	1,781,113		5	5	4	5
Tindal Square, Chelmsford	Nov-20	In Construction	Complete	Mar-22	Aug-22	Nov-22	7	3	750,000	750,000			3	4	3	3
Princess Alexandra Hospital Training and Education Facility	Feb-22	Completed	Complete	Feb-22	May-22	May-22	2		500,000	500,000			1	1	1	1
Braintree Active Travel	Feb-22	In Construction	Complete	Sep-22	Sep-22	Sep-22			291,000	291,000			3	3	2	3
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	In Construction	Complete	Mar-22	Jul-22	Dec-22	10	5	578,724	578,724			3	4	2	3
Romney Marsh Employment Hub	Nov-20	In Construction	Ongoing	Feb-22	Aug-22	Jan-23	10	4	3,536,466	2,785,770	133,580	617,116	5	5	4	5
Thanet Parkway Railway Station	Nov-20	In Construction	Complete	Dec-22	May-23	May-23	5		11,999,000	11,999,000			3	4	3	3
First and Second Floors, Building 500, Discovery Park, Sandwich	Nov-20	In Construction	Ongoing	Jul-21	Oct-22	Oct-22	15		2,500,000	211,398	380,799	1,907,803	5	4	2	4
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

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 (Jun-2022)	Expected completion date (Aug-2022)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 Q1 (£)	Remaining spend 2022/23 (£)				Financials RAG rating
The Meeting Place Swanley	Nov-20	In Construction	Complete	May-22	Aug-22	Nov-22	5	3	1,490,000	1,490,000			2	4	2	3
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 Design	Ongoing	Sep-22	Dec-22	Dec-22	3		1,009,000			1,009,000	5	3	3	4
Medway																
Britton Farm Redevelopment Learning, Skills & Employment Hub	Sep-20	In Construction	Complete	Feb-23	Feb-23	Feb-23			1,990,000	1,990,000			2	1	2	2
Innovation Park Medway - Sustainable City of Business	Jul-21	In Construction	Complete	Mar-22	Mar-23	Mar-23	11		778,323	778,323			3	4	3	3
Southend																
Better Queensway	Nov-20	In Construction	Ongoing	Mar-34	Mar-34	Mar-34			4,200,000	2,286,658	556,671	1,356,671	4	5	5	5
South Essex No Use Empty	Nov-20	In progress	Ongoing	Mar-22	Sep-22	Mar-23	11	5	1,200,000			1,200,000	5	4	5	5
Thurrock																
LFFN	Oct-20	In progress	Ongoing	Feb-22	Sep-22	Nov-22	8	1	2,500,000	1,869,075	498,509	132,416	2	4	2	3
Transport and Logistics Institute	Nov-20	Completed	Complete	Aug-21	Dec-21	Dec-21	4		600,000	600,000			1	1	1	1
Unallocated																
Unallocated funding									3,317,500			3,317,500				
TOTAL									85,000,000	64,216,068	1,569,559	19,214,373				

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

UTC Maritime and Sustainable Technology Hub
Extension granted: 6 months
GBF allocation: £1,300,000
% of GBF funding spent to end of Q1 2022/23: 0%
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
A contractor has been appointed to deliver the initial GBF funded works, and work is due to continue onsite during Q3 2022/23. It is expected that the project will be completed by March 2023 at the latest. A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.

Seven Sisters Country Park Visitor Infrastructure Uplift
Extension granted: 6 months
GBF allocation: £200,000
% of GBF funding spent to end of Q1 2022/23: 0%
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.
Update on project delivery
A contractor has been appointed to deliver the initial GBF funded works, and work commenced onsite on 4 July 2022. It is expected that the project will be completed by January 2023 at the latest.

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 Q1 2022/23: 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>Within the current Superfast Essex Phase 4b broadband rollout across Essex, it has become clear that in a significant number of cases the cost of deployment in rural areas has been underestimated by suppliers, and the cost of connecting up to 10% of the premises in the current rollout scope will exceed the contractual cost cap. In these cases, suppliers will provide evidence of the increased cost to Superfast Essex and will request further funding to fill the newly identified cost gap. If no such funding is available, it is envisaged that the impacted premises would be removed from the rollout programme.</p> <p>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 Phase 4 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 Projects to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.</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
A contract change to invest most of the GBF funding (£606,000) has been completed and a second change request to use the remaining funds is currently being processed. The project is on track to complete delivery by December 2022, with subsequent payment as per the updated delivery plan presented at the November 2021 Board meeting.

Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas
Extension granted: 12 months
GBF allocation: £1,820,000
% of GBF funding spent to end of Q1 2022/23: 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 Phase 4b 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 Phase 4 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 Projects to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.</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
<p>The contract change to invest all of the GBF funding (£1,820,000) has been completed. The project is in delivery and is on track to complete by December 2022, with subsequent payment in Q4 2022/23 as per the agreed delivery plan as presented to the November 2021 Board meeting.</p>

Jaywick Market and Commercial Space
Extension granted: 6 months
GBF allocation: £1,972,000
% of GBF funding spent to end of Q1 2022/23: 12.4%
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 additional time was required to spend the GBF funding awarded to support delivery of the project.</p>
Update on project delivery
<p>A tender process was undertaken to appoint a contractor to deliver the works. The tenders received were significantly higher than anticipated, meaning that Tendring District Council had to re-evaluate their finances and seek additional finance from partners to enable delivery of the project.</p> <p>The scale of the cost increase also gave rise to concerns regarding the ability of the project to continue to offer High value for money.</p> <p>As reported at the May 2022 Board meeting, the funding gap has now been bridged and an updated Value for Money assessment was provided which demonstrated that the project continued to offer High value for money.</p> <p>A contractor has now been appointed and work commenced onsite in May 2022. Project completion is expected by April 2023.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

Swan Modular Housing Factory
Extension granted: 6 months
GBF allocation: £4,530,000
% of GBF funding spent to end of Q1 2022/23: 54.4%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
The GBF funding is being used to support delivery of a modular housing factory in Basildon. The new factory is immediately adjacent to Swan's current factory, which was established in 2017, which provides 70 jobs and produces c450 homes per year. The new factory will deliver up to an additional 1,000 homes per year. The factories will provide homes across Swan's programme and for third parties – in total a pipeline of some 8,000 new homes. The combined capacity of 1,450 homes per year could be doubled if second shifts were to be introduced.
Reasons why extension was sought
The primary reasons for the delay in progressing the project are significantly longer lead-in times for some items than originally anticipated, the need to identify alternative suppliers in order to mitigate cost increases and in some cases the need to develop alternative solutions so as to mitigate the issues caused by cost increases and extended lead in times. Due to these delays, additional time was required to enable full spend of the GBF funding allocation.
Update on project delivery
Work on the GBF funded elements of the project is continuing, with completion expected by March 2023. This will allow construction to commence at the factory, whilst the remainder of the site is fitted out. It is expected that fit out of the entire factory will be complete by March 2024. A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.

Tendring Bikes and Cycle Infrastructure
Extension granted: 6 months
GBF allocation: £2,300,000
% of GBF funding spent to end of Q1 2022/23: 22.6%
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 Street 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>
Update on project delivery
<p>The bespoke bike scheme is operational and has started to issue bikes to local residents.</p> <p>Work has commenced onsite to deliver the cycle network infrastructure and it is expected that the project will be completed in December 2022.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

Romney Marsh Employment Hub
Extension granted: 6 months
GBF allocation: £3,536,466
% of GBF funding spent to end of Q1 2022/23: 82.5%
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
An 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.
Update on project delivery
Delivery of the project is nearing completion, although installation of the utilities has not yet commenced onsite. A revised utilities programme is due to be provided and it is expected that the works will be completed in Q3 2022/23. Completion of the utility installation will facilitate completion of the remaining highway/footway works, including surfacing. Project completion is expected in January 2023. A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.

Discovery Park Incubator (First and Second Floors, Building 500, Discovery Park, Sandwich)
Extension granted: 6 months
GBF allocation: £2,500,000
% of GBF funding spent to end of Q1 2022/23: 23.7%
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.
Update on project delivery
<p>Contracts have now been agreed for all main works packages and construction work has commenced onsite. Key works delivered to date include main ductwork installation, installation of partitions in the first floor incubator space and installation of electrical distribution boards.</p> <p>The project is nearing completion with the flooring due to be installed in late August and a furniture order having been placed to support fit out.</p> <p>Project completion is expected in October 2022.</p>

Techfort
Extension granted: Up to 9 months
GBF allocation: £1,009,000
% of GBF funding spent to end of Q1 2022/23: 0%
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>
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>Procurement of a construction contractor is underway, with appointment expected imminently, allowing work to commence onsite in September 2022.</p> <p>Project completion is expected in December 2022.</p>

Better Queensway
Extension granted: 6 months
GBF allocation: £4,200,000
% of GBF funding spent to end of Q1 2022/23: 67.7%
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. The remaining GBF funding is due to be spent supporting further acquisitions, demolition of a footbridge and diversion of a gas main.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p> <p>As outlined at previous Board meetings, the Regulator for Social Housing took the decision to downgrade Swan Housing Association's viability and</p>

governance grades. As a result of this decision, Swan Housing do not currently meet the Regulator's governance and viability standards and steps need to be taken to improve work in these areas.

It has also been noted at previous meetings that Swan have announced a planned partnership with Orbit, which if approved is expected to complete in late 2022.

Assurances were sought by the Board with regard to the ongoing delivery of the wider project in light of these issues. These assurances have now been provided and have been outlined in full within the Board report.

No Use Empty South Essex
Extension granted: 6 months
GBF allocation: £1,200,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
<p>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.</p>
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 is that a Service Level Agreement will 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 have 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 has been significantly delayed.</p>
Update on project delivery
<p>The No Use Empty South Essex initiative was launched on 19 April 2022 and an initial 3 applications, with a total value of £550,000, are currently being determined.</p> <p>The timeline for processing and approving the applications has been longer than anticipated, with an approximate 18 week turnaround and some applications have been withdrawn due to the current economic climate. However, further applications have been received and are currently being processed. In addition, a number of new enquiries have been received and are being following up with a view to converting them to applications.</p> <p>Further publicity is planned to increase the number of applications received.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

ASELA LFFN
Extension granted: 6 months
GBF allocation: £2,500,000
% of GBF funding spent to end of Q1 2022/23: 94.7%
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 the project continues with the remaining sites due to be completed by December 2022. It was expected that the works would be completed in September 2022, but completion has been delayed due to the need for the blocked ducts to be resolved and appropriate traffic management approvals/measures to be put in place.

Our ref:

Your ref:

Date: 14th July 2022

Dear Sirs

Better Queensway: Orbit and Swan Merger Update

Following your recent meeting with Council Officers I wanted to reassure you of our continued commitment to this vital regeneration programme for our City and to share with you the latest information we have regarding the merger between Orbit and Swan for our flagship Better Queensway project.

Although due diligence is currently continuing, senior officers at Swan have informed us that Orbit are keen that the project will continue once the merger is completed. We received the attached letter of reassurance from Susan Hickey, Acting Chief Executive of Swan on 13th May 2022.

In addition, we have been asked by Orbit's Director of Corporate Finance and Treasury for our formal consent to a "change of control" in favour of Orbit as required under our LLP partnership agreement with Swan. This request also indicates that Orbit are preparing to take on all Swan's obligations for this major programme.

In practical terms the two organisations have already started working together through a new Development Service Agreement that sees Swan's development team, led by a newly appointed MD Brian Nearney, being overseen by Group Director of Orbit Homes, Helen Moore.

We believe that the target date for the merger is now October 2022. In the meantime, SCC officers continue to work closely with the LLP Project Director to ensure progress on the major outputs required this year including the enabling works being funded by SELEP.

We are committed to this major programme and the transformational regeneration benefits that it will deliver for Southend-on-Sea. SELEP's support and continued commitment to funding the enabling works is imperative to the success and future delivery of the major life changing benefits that this project will achieve locally. The combined total of planned public/private investment is estimated to be well in excess of £1/2 Billion across the lifetime of the project.

We are hopeful that once Orbit have completed their due diligence over the summer, we will have a new agreed business plan and timeline for the delivery of the highways and residential outputs. We are confident that the spend deadline for the GBF can be achieved.

As you know Orbit are a very large and financially secure organisation, with an excellent track record of delivery. Their interests and passion are to transform neighbourhoods and deliver high-quality new housing, so we expect their long-term involvement to be a major positive for the scheme.

Thank you for your continued support for this strategically and vitally important project to our City and do let us know if there is anything else that you need from us.

Yours sincerely



Joe Chesterton
Executive Director, Finance & Resources

Forward plan reference numbers: FP/AB/550, FP/AB/551, FP/AB/552, FP/AB/553, FP/AB/554, FP/AB/555, FP/AB/556 and FP/AB/557

Report title: Getting Building Fund – Retention of funding beyond 30 September 2022	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 23 September 2022	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex County Council, Essex County Council, Kent County Council and Southend-on-Sea City Council	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider whether the eight projects outlined in this report can retain their Getting Building Fund (GBF) funding allocations beyond September 2022. Seven of the projects have previously been granted extensions to GBF spend beyond March 2022 to the end of September 2022. A request to retain GBF funding beyond March 2022 against the final project (Food Street) has not previously been considered by the Board.
- 1.2. In order to inform the Board's decisions, consideration has been given as to whether the eight projects meet the requirements agreed in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. Choose **one** of the following two options for seven of the projects detailed in this report. The projects under consideration are UTC Maritime and Sustainable Technology Hub, Tendring Bikes and Cycle Infrastructure, Swan Modular Housing Factory, Jaywick Market and Commercial Space, Romney Marsh Employment Hub, Better Queensway and No Use Empty South Essex.

Option 1

- 2.1.1.1. **Agree** that the project meets the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022; and
- 2.1.1.2. **Agree** that the GBF funding allocation can be retained against the project for a further maximum period of 6 months (to 31 March 2023), subject to Strategic Board endorsement in October 2022; **OR**

Option 2

Getting Building Fund – Retention of funding beyond 30 September 2022

- 2.1.1.3. **Agree** that the project does not meet the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022 and that the GBF funding which remains unspent at 30 September 2022 (at the end of the previously agreed extension) should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the funding to alternative projects.
- 2.1.1.4. **Note** that, following this Board meeting, a review of the project will be undertaken to determine whether there is a requirement for any of the remaining GBF funding allocation to be returned to the SELEP Accountable Body.

2.1.2. Choose **one** of the following two options in relation to the Food Steet project:

Option 1

- 2.1.2.1. **Agree** that the project meets the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022; and
- 2.1.2.2. **Agree** that the GBF funding allocation can be retained against the project for a maximum period of 12 months (to 31 March 2023) subject to Strategic Board endorsement in October 2022; **OR**

Option 2

- 2.1.2.3. **Agree** that the project does not meet the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022 and that the project should be removed from the GBF programme; and
- 2.1.2.4. **Agree** that the funding already transferred to the responsible Upper Tier Local Authority to support delivery of the project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the full GBF allocation to the next project(s) on the GBF project pipeline.

3. Background

- 3.1. In July 2021, the Board agreed SELEP's position on the retention of GBF funding against projects beyond 31 March 2022. The Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied. The agreed criteria and conditions were as follows:
 - 3.1.1. The maximum extension offered to a GBF project is 6 months, to 30 September 2022.
 - 3.1.2. Only projects which have been delayed by external factors which could not have been foreseen at the time of Business Case development can be considered for retention of GBF funding beyond 31 March 2022. External factors could relate to

Getting Building Fund – Retention of funding beyond 30 September 2022

the impact of external agencies (i.e. Network Rail or Central Government departments) or failure of suppliers/contractors to deliver in accordance with an agreed programme.

3.1.3. Projects must demonstrate that they meet the following six conditions before the Board will be asked to consider approving retention of GBF funding beyond 31 March 2022:

3.1.3.1. Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;

3.1.3.2. Confirmation that all funding sources identified to enable delivery of the project are in place and provision of an updated GBF spend profile;

3.1.3.3. Written confirmation that all planning requirements will be met by 31 December 2021;

3.1.3.4. Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022;

3.1.3.5. Confirmation that the total project cost and the project benefits remain unchanged ensuring that the project continues to offer High value for money;

3.1.3.6. Endorsement from Strategic Board that the funding should be retained against the project beyond 31 March 2022.

3.2. 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:

3.2.1. 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.

3.2.2. All planning requirements must be met by 15 July 2022.

3.2.3. All other (non-planning) required consents and approvals must be received by 15 July 2022.

3.2.4. Contractual commitments must be in place with the construction contractor by 30 September 2022.

3.2.5. 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.

3.2.6. 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.

3.3. These requirements were 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

Getting Building Fund – Retention of funding beyond 30 September 2022

determining whether funding could be retained beyond 31 March 2022. It was noted that there was still an expectation for projects to complete GBF spend by the date agreed by the Board under the terms of the extension granted to each individual project and that further extensions would only be granted in exceptional circumstances.

- 3.4. Seven of the eight projects outlined in this report are seeking approval for retention of their GBF funding allocation beyond the extension granted by the Board and their status has been assessed against the requirements outlined at Section 3.2 of this report. The final project, Food Street, has not previously sought approval for retention of its' GBF funding allocation beyond March 2022 as it was originally expected that the GBF funding would be spent in full prior to the end of 2021/22. In light of the fact that the GBF funding was not awarded to the project until February 2022, the request for retention of funding beyond March 2022 has also been assessed against the updated requirements agreed in May 2022.
- 3.5. Any projects which receive approval from the Board to retain their GBF funding beyond 30 September 2022 will provide updates at each subsequent Board meeting to demonstrate that the project remains on track to meet the agreed extended GBF spend deadline.

4. UTC Maritime and Sustainable Technology Hub

- 4.1. The UTC Maritime and Sustainable Technology Hub project is seeking to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising:
 - 4.1.1. 1,630 sqm of educational/training and business support space for the maritime sector;
 - 4.1.2. 1,595 sqm of commercial office space; and
 - 4.1.3. 1,500 sqm of ancillary space.
- 4.2. The completed development will enable a Maritime and Sustainable Technology Hub to be established in Newhaven to support the maritime sector across Sussex. The Hub will actively seek to encourage those industries involved in the design, construction, maintenance and operation of environmental, engineering and maritime products and services (clean, green and marine technologies) to invest in Newhaven.
- 4.3. The Board approved the award of £1.3m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, the full GBF allocation remains unspent.
- 4.4. In September 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 sought due to the existence of complex land ownership matters involved with delivery of the project which were taking longer than anticipated to resolve.
- 4.5. As reported to the Board in July 2022, the land ownership matters have now been resolved, with the acquisition of the building having been completed by Lewes District Council. The Board were also advised in July 2022 that there were additional costs associated with the acquisition which resulted in an increased total project cost. The additional funding required to enable delivery of the project was committed by Lewes District Council and updated

Getting Building Fund – Retention of funding beyond 30 September 2022

value for money calculations were provided which indicated that the project continues to offer High value for money.

- 4.6. As reported at the last Board meeting, a tender process has been completed to appoint a contractor to deliver the initial phase of works within the building. These works include:
 - 4.6.1. Recommissioning all elements of the building following the closure period, ensuring that everything is statutory compliant and that any health and safety issues are addressed;
 - 4.6.2. Mechanical and Engineering works to improve air handling throughout the building;
 - 4.6.3. Creation of areas within the building to support the mix of uses in line with the proposed utilisation Business Case;
 - 4.6.4. Works to the adjacent harbour wall as necessary;
 - 4.6.5. Creation of onsite car parking.
- 4.7. At the last Board meeting, it was reported that these works were expected to be completed between July and October 2022, with completion of full GBF spend anticipated in Q2 2022/23. Significant progress has been made on the recommissioning works for the building and Lewes District Council are working with prospective tenants to finalise the scope of internal works needed to meet tenant specifications.
- 4.8. However, Lewes District Council have now advised that there was insufficient time remaining in Q2 2022/23 for the full GBF spend to be incurred. The limited time available to progress these works was further compounded by current delays in obtaining required construction materials. As a result, Lewes District Council and East Sussex County Council are seeking approval for retention of the GBF funding against the project for a further period of 3 months, to 31 December 2022.
- 4.9. 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 A.
- 4.10. The project complies with all the requirements agreed by the Board in May 2022 and remains on track for completion prior to 31 March 2023 as required.
- 4.11. Whilst the acquisition of the building represented the most significant risk to project delivery, Lewes District Council have identified a lack of demand for the space within the new Hub as a potential risk. However, as reported previously, Lewes District Council have commissioned a Utilisation Optimisation Study for the building, and this has confirmed that there is likely to be good demand for space in the new Hub. Work to finalise the utilisation optimisation for the building is ongoing, with a view to meeting the aims of the GBF funding whilst also providing wider community and business benefits required to support regeneration.

Getting Building Fund – Retention of funding beyond 30 September 2022

- 4.12. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that regular updates on project delivery continue to be provided to the Board to ensure that the construction works are progressing as planned.

5. Food Street

- 5.1. 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.
- 5.2. The Board approved the award of £0.1m of GBF funding to support delivery of the project in February 2022, and at that time it was expected that the GBF funding would be spent in full by 31 March 2022. However, as at the end of Q1 2022/23, the full GBF allocation remains unspent.
- 5.3. As detailed in the GBF Update Report (Agenda Item 5), the GBF funding awarded to the project was transferred to East Sussex County Council prior to the end of 2021/22 as per the decision taken by the Board in February 2022. However, the necessary back-to-back agreement between East Sussex County Council and Eastbourne Borough Council was not completed by 31 March 2022 and therefore expenditure incurred during 2021/22 could not be claimed against the GBF funding allocation as originally intended.
- 5.4. It has now been confirmed that there is eligible expenditure in 2022/23 to which the GBF funding can be applied. As the Board have not previously agreed that the funding can be retained against the project beyond March 2022, Eastbourne Borough Council and East Sussex County Council are seeking approval for retention of the GBF funding against the project beyond March 2022 for a period of 7 months, to 31 October 2022. Whilst delivery of the shop units was completed in July 2022, additional time is required to allow East Sussex County Council to issue the funding to Eastbourne Borough Council.
- 5.5. 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 A. This demonstrates that the project meets all the requirements agreed by the Board.
- 5.6. There are no remaining risks to project delivery as the works to be funded through the GBF allocation have been completed.

6. Tending Bikes and Cycle Infrastructure

- 6.1. The project will deliver a bespoke bike loan scheme and improved cycle network infrastructure within Jaywick Sands and Clacton aimed at tackling inequality within one of the most deprived areas of the country. 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.
- 6.2. The Board approved the award of £2.3m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £1.781m of the GBF allocation remains unspent.

Getting Building Fund – Retention of funding beyond 30 September 2022

- 6.3. In February 2022, the Board were informed that the bespoke bike loan scheme had been successfully launched in Summer 2020 for Jaywick and Clacton residents, but that delivery of the improved cycle network infrastructure had been delayed. This delay was due to the need to redesign some elements of the proposed cycle route to address comments raised during the stakeholder engagement and public consultation exercise. It was considered important to address these comments as failure to do so would likely result in a reduction in the effectiveness of the project in encouraging an increase in cycle trips.
- 6.4. To allow sufficient time for these design changes to be taken forward, Tendring District Council and Essex County Council sought approval from the Board for retention of the GBF funding allocation beyond March 2022 for a maximum period of 6 months, to 30 September 2022.
- 6.5. When the Board originally agreed the retention of GBF funding against the project beyond March 2022, it was expected that the redesign work would be completed by March 2022. This would allow construction contractor mobilisation to commence in March 2022, with construction taking place between May and September 2022. Tendring District Council have subsequently advised that it wasn't possible for the design work to be completed within that timeframe due to 2 main factors. Firstly, this was due to the scale of the redesign needed following further public engagement and secondly, this was due to resource constraints in Spring 2022 as a direct result of the COVID-19 pandemic. This in turn delayed the procurement of a construction contractor, which delayed the start of works onsite. This delay has been further compounded by issues within the materials supply chain which, as widely reported, are resulting in longer lead in times than would normally be expected.
- 6.6. Construction commenced onsite in August 2022, with completion expected by early 2023. As a result of the delays experienced in progressing the delivery of the project, Tendring District Council and Essex County Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023.
- 6.7. 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 A. This demonstrates that the project meets all the requirements agreed by the Board.
- 6.8. As set out in Appendix A, it is anticipated that as a result of the changes to the cycle route, additional benefits will be realised compared to those set out in the original project Business Case. The focus will now be on delivering a high-quality cycle route on the sea front connecting Jaywick and Clacton. This route will use more innovative lighting which will be powered by solar and wind power, which will offer a route which is more suited for cycling at all times of the year.
- 6.9. The revised cycle route will provide better links to jobs and opportunities, including links to the Jaywick Market and Commercial Space project (also partially funded through the GBF). The improvements to the sea front route will link to the wider Essex Coastal Path, meaning that the route also has the potential to increase leisure trips and to support the local tourism economy.
- 6.10. Tendring District Council have identified 5 remaining risks to project delivery. These risks are:

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- 6.10.1. Discovery of white fibre asbestos and the impact that this will have on the construction programme. This risk has been mitigated by increasing the risk budget to include funding for specialist asbestos removal.
 - 6.10.2. The construction programme extending beyond December 2022 due to unforeseen issues. This risk has been accepted but if this risk materialises, efforts will be made to make sure that the project is completed by February 2023 at the latest, ensuring that the conditions attached to the GBF funding are met.
 - 6.10.3. Impacts on the delivery programme as a result of COVID-19 enforced absences among construction teams working on the project. In order to mitigate this risk, the delivery of this project will be prioritised over other active travel schemes and resource will be diverted from other projects to support delivery if required.
 - 6.10.4. Increasing construction costs due to rising materials costs. This risk has been accepted as the risk of increasing materials costs has been factored into the risk budget applied to the project.
 - 6.10.5. Adverse weather having a detrimental impact on the construction during the Winter months. This will be mitigated by prioritising certain activities at the start of the construction process and by seeking to complete delivery by February 2023 at the latest.
- 6.11. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the delivery programme and the status of the risks outlined above.

7. Swan Modular Housing Factory

- 7.1. The GBF funding awarded to the Swan Modular Housing Factory project is being used to support delivery of a modular housing factory in Basildon. The factory will deliver up to 1,000 homes per year from January 2024.
- 7.2. The Board approved the award of £4.53m GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £2.064m of the GBF allocation remains unspent.
- 7.3. In May 2022, the Board were asked to approve the retention of the GBF funding against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This additional time was required due to extra work that needed to be undertaken to address the following challenges:
 - 7.3.1. Lead times on some items are now significantly longer than originally anticipated.
 - 7.3.2. In some cases, where original quotes have lapsed, suppliers are re quoting significantly higher prices. As a consequence, the delivery partner has had to seek alternative suppliers, change the scope or develop alternative solutions so as to ensure project delivery can progress.

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- 7.4. Swan NULiving (the delivery partner) have advised that lead in times for some items have continued to prove challenging due to a combination of procurement complexity caused by Brexit and a global shortage of some items, including electronics and steel. Some of the specific items referenced in the last extension request have now been sourced, such as work platforms and CCTV, but other items including wireless access points, steel jigs and fixtures and shop floor signalling devices continue to prove problematic and remain subject to long lead in periods.
- 7.5. In addition, Swan have advised that a new issue with the concrete floor has come to light during the delivery of the project. The project was progressing as planned and the floor was due to be marked out and safety barriers installed to demark pedestrian gangways and safe routes for mechanised vehicles, when it was noticed that the concrete floor was uneven. Following investigation, it transpired that earlier works to implement the conveyor system had not been performed to specification and, as a result, had resulted in movement in some parts of the concrete floor. It is considered that if this issue is not rectified now, it will likely become worse over time, and therefore it is believed to be essential that the concrete floor is rectified now to ensure the smooth running of the factory once commissioned.
- 7.6. The determination of the correct rectification approach and the completion of these works has resulted in a delay in the fit out of at least 5 months. As a result of these delays, Swan NULiving and Essex County Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023.
- 7.7. 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 A.
- 7.8. Whilst the project meets the majority of the requirements agreed by the Board, it is noted in Appendix A that the steel transport frames remain subject to tender. It is expected that Swan NULiving will be in a position to place all orders prior to the end of December 2022, but this does mean that contractual commitments for the steel transport frames will not be in place by 30 September 2022 as required by the Board.
- 7.9. This delay in progressing the tender process for the steel transport frames, in conjunction with the identified global shortage of steel and the long lead in times, does increase the risk that it will not be possible for the GBF funding allocation to be spent in full by 31 March 2023 as required.
- 7.10. Swan NULiving have indicated that the most significant risk to project delivery is the need to rectify the issues with the concrete floor. To ensure that the correct course of action is taken to address the issue, reports have been sought from 3 different specialist engineers and the company who laid the floor. These reports are all expected to be received by early September 2022 and will help to determine the most effective course of action. Specialist contractors to take forward the agreed course of action have been identified and these works will be undertaken as soon as possible so as to minimise the delay to project delivery.
- 7.11. At this stage, it remains unclear what the recommended course of action will be and therefore the timeline for rectifying the issue cannot be confirmed. A further 6 month extension has been requested based on the worst case scenario which would require the

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replacement of the whole section of floor. If repairs are possible, rather than replacement, the delay to project delivery should be reduced.

- 7.12. The only other risk identified is the increase in the cost of energy, however, this is not considered to be a significant risk as the production processes employed are not energy intensive and work is ongoing to install a solar panel array on the roof of the factory which will help to offset these cost increases.
- 7.13. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the delivery programme, procurement of the steel transport frames and the status of the risks outlined above.

8. Jaywick Market and Commercial Space

- 8.1. The project will build and operate a covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.
- 8.2. The project will construct affordable rent business units offering 9,500 sqft lettable area and a covered local market of 10 affordable pitches. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events. This will form part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.
- 8.3. The Board approved the award of £1.972m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £1.728m of the GBF allocation remains unspent.
- 8.4. In November 2021, the Board were advised that concerns had been raised over the rising cost of materials and increasing volatility in the materials market and the impact that this would have on the total project cost. Cost consultants working on the project evidenced a significant escalation of costs within the industry and identified a number of factors that have influenced the cost escalation including the COVID-19 pandemic, Brexit, Suez Canal blockage, lack of HGV drivers and stockpiling by housebuilders.
- 8.5. These concerns prompted a review of the design for the project in an effort to reduce costs where possible. This exercise took longer than expected and impacted upon the delivery programme. As a result, Tendring District Council and Essex County Council requested approval for retention of the GBF funding against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022.
- 8.6. In February 2022, the Board were advised that procurement of a construction contractor had completed and that the tenders received were significantly higher than anticipated, resulting in a funding gap of over £2m.

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- 8.7. A further update on the project was provided to the Board in May 2022. This update indicated that a complete funding package was in place with additional funding having been committed by both Essex County Council and Tendring District Council. In addition, updated value for money calculations were provided which demonstrated that the project continued to offer High value for money. At that time, it was expected that construction would take place between May 2022 and February 2023 and that the GBF funding would be spent in full by 30 September 2022.
- 8.8. Following commencement of the construction work onsite, both asbestos and unexpected ground obstructions were discovered. The asbestos and the ground obstructions have been excavated and removed safely but this has delayed delivery of the project.
- 8.9. This delay has been further compounded by the unavailability of plant needed to deliver the piling. In addition, there remains a real concern that the current shortage of materials being experienced in the United Kingdom and the delays in receiving them will continue to add pressure to the timeline. It is now expected that the project will be complete and the building ready for use in late March 2023. As a result of these delays, Tendring District Council and Essex County Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023.
- 8.10. 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 A. This demonstrates that the project meets all the requirements agreed by the Board.
- 8.11. As outlined above, Tendring District Council have identified the current shortage of materials and the extended lead-in times as an ongoing risk to project delivery. This risk will need to be continuously monitored as it presents a significant risk to the construction programme and the ability to spend the full GBF funding allocation by 31 March 2023 as required.
- 8.12. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the delivery programme.

9. Romney Marsh Employment Hub

- 9.1. GBF investment was sought to help support the further development of the Mountfield Road Industrial Estate. Phase 1 of the project has delivered a business hub which is divided into 14 rooms of varying sizes, with offices built for businesses that range in size from 2-10 employees. The planned flexibility of the space within the business hub means 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 to provide either more business space or a more bespoke skills facility depending upon demand.
- 9.2. The GBF funding is primarily being used to support delivery of Phase 2 of the project. This phase of the project will bring forward a new access road and the required utilities infrastructure to unlock the potential for future commercial development on the remaining 6 hectares of the site.

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- 9.3. The Board approved the award of £3.536m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £0.617m of this allocation remains unspent.
- 9.4. The main contractor for the design and construction of Phase 2 of the project was appointed in April 2021 and this work was programmed for completion in December 2021. The contract included the design and construction of the drainage and highway works needed to provide a new access road and for all the required utility infrastructure needed to support the proposed development plots on the available land.
- 9.5. The utility infrastructure works were delayed due to the statutory utility companies working to longer than expected timescales when considering requests for information or approvals for proposed works. It is understood that these delays were as a result of staff shortages caused by the COVID-19 pandemic. As a result of these delays, a request to retain the GBF funding beyond 31 March 2022 for a maximum period of 6 months was approved by the Board in February 2022.
- 9.6. Folkestone and Hythe District Council have indicated that delivery of the project has continued to be affected by delays in progressing the required utility infrastructure works. These delays have been as a result of a number of factors including ongoing extended response times from utility companies.
- 9.7. It is also noted that there is a requirement for a 2 stage approval of the utility designs from the Distribution Network Operator (DNO) (companies that own and operate the electricity or gas infrastructure that connects properties to the national grid). The designs were submitted for approval in late May 2022, and the first stage approval was received in late June 2022. Folkestone and Hythe District Council were advised that it would take a maximum of 2 weeks for the second stage approval to be received. Despite weekly chasing by the Council, this approval was not received until 12 August 2022.
- 9.8. The electricity to the site cannot be turned on until electrical substation switch gear has been installed. This switch gear could not be ordered until the designs were approved by the DNO and an order was placed on 12 August 2022. Upon placing the order Folkestone and Hythe District Council were informed that there was a 20 week lead in time for the item. As a result, the project completion date has been delayed until 20 January 2023.
- 9.9. It is reported that the works are expected to be substantially complete by the end of September 2022, but that time is required to process the claims submitted by the contractor and then to submit claims to Kent County Council to secure drawdown of the GBF funding. As a result, Folkestone and Hythe District Council and Kent County Council are seeking approval for retention of the GBF funding against the project for a further period of 4 months, to 31 January 2023.
- 9.10. 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 A.
- 9.11. Whilst the project meets the majority of the requirements agreed by the Board in May 2022, it should be noted that DNO approval for the utility designs was not received until 12 August 2022 – 4 weeks after the deadline agreed by the Board. Based on the timetable provided to Folkestone and Hythe District Council by the DNO, it was expected that the approval would

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be in place prior to the 15 July 2022 deadline, however, due to the delays outlined above, final approval was not forthcoming within this timeframe.

- 9.12. In most scenarios, failure to secure the required comments and approvals by the deadline agreed by the Board would present a significant risk to the delivery of the project within the required timeframe. However, in this instance, this risk has been mitigated as the required approvals are now in place. In addition, the project is nearing completion and all outstanding orders have been placed, allowing for provision of a robust programme which demonstrates that the GBF spend can still be spent in advance of 31 March 2023 as required.
- 9.13. Folkestone and Hythe District Council have confirmed that the only remaining risk to project delivery is the switch gear which is required to turn on electricity to the site. As indicated above, it is expected that the switch gear will be received in January 2023 allowing completion of the project.
- 9.14. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that further updates are sought on the status of the switch gear order at future meetings to ensure that there is no further delay in delivery.

10. Better Queensway

- 10.1. Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sqm of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.
- 10.2. The project is in receipt of £15m of funding from the Housing Infrastructure Fund to enable the necessary highway improvement works and Southend-on-Sea City Council has entered into a Joint Venture with Swan Housing Association as development partner. GBF investment was sought due to unforeseen costs associated with the upgrade of local electrical networks to provide the needed capacity to meet new government guidelines on energy use in new homes and to enable sufficient resilience in the local grid to provide the required level of electrical vehicle charging points to future proof the town centre.
- 10.3. The Board approved the award of £4.2m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £1.357m of the GBF allocation remains unspent.
- 10.4. In November 2021, the Board were advised that a hybrid planning application for the full Better Queensway scheme had been 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

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complete than anticipated, which delayed the formal award of hybrid planning consent until September 2021.

- 10.5. In addition, it was reported that the project had experienced delays to the procurement of the enabling works due to utility companies requiring longer than usual lead-in times. This was in part due to the impacts of the COVID-19 pandemic but was also related to other supply chain issues being experienced more generally across the construction industry. As a result of these delays, Southend-on-Sea City Council sought approval for retention of GBF funding against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022.
- 10.6. As the Board are aware the Regulator for Social Housing recently took the decision to downgrade Swan Housing's viability and governance grades. As a result of this decision, Swan Housing do not currently meet the Regulator's governance and viability standards and steps need to be taken to improve work in these areas. In addition, it has been noted that Swan Housing have announced a planned partnership with Orbit, which is expected to complete in October 2022. Whilst Swan Housing and Southend-on-Sea City Council committed to delivering the GBF funded enabling works at risk, these factors raised some concerns regarding the ongoing deliverability of the wider Better Queensway project and as a result, the project has been rated as High risk at recent meetings.
- 10.7. As outlined in the GBF Update Report (Agenda Item 5), additional assurances regarding the ongoing delivery of the wider project have now been received from Southend-on-Sea City Council.
- 10.8. Despite the initial uncertainty caused by the change in Swan Housing's status, work has continued to progress the GBF funded enabling works, with £3.2m of the £4.2m GBF allocation expected to be spent by 30 September 2022. The remaining £1m will be spent on demolition of a footbridge, diversion of a gas main and the acquisition of properties.
- 10.9. The demolition of the footbridge and the gas main diversion have been commissioned but work has not yet commenced onsite due to supply chain and resource issues. These works are currently scheduled to take place during October and November 2022.
- 10.10. The property acquisitions referred to in Section 10.8 of this report are well advanced but there is a possibility that completion may slip into Q3 2022/23.
- 10.11. As a result of these factors, Southend-on-Sea City Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023. As indicated above, it is expected that the remaining GBF funded enabling works will be completed during Q3 2022/23, however, a 6 month extension is being sought to ensure there is some contingency in the programme for the demolition of the footbridge and the diversion of the gas main in case of any further delays.
- 10.12. 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 A.
- 10.13. It is indicated within Appendix A that the project costs have increased since the submission of the Business Case and the consideration of award of funding to the project by the Board.

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

- 10.14. 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.
- 10.15. 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.
- 10.16. It has been noted by Southend-on-Sea City Council that there is an identified risk within the construction industry supply chain which may lead to cost inflation. This risk will be managed by entering into contracts for the different elements of the project which fix the costs at the outset of the work.
- 10.17. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the demolition of the footbridge and the diversion of the gas main. In addition, greater clarity on the scale of the cost increase, how this will be funded and any impact on the value for money offered by the project will need to be considered. Furthermore, confirmation will be sought as to whether the planned partnership between Swan Housing and Orbit has been completed. If uncertainty remains on either the value for money offered by the project or the partnership between Swan Housing and Orbit, the Board will be asked to consider whether funding should remain committed to the project at the November 2022 meeting.

11. No Use Empty South Essex

- 11.1. The project will provide short-term secured loans to property owners to enable the return of long-term empty commercial properties back into effective use for residential, alternative commercial or mixed-use purposes. The project will focus on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the pandemic and which may have been impacted by larger regeneration schemes.
- 11.2. The project replicates the scheme which has been supported through the Growing Places Fund in Kent.
- 11.3. The Board approved the award of £1.2m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, none of this allocation has been used to support delivery of the project.
- 11.4. The launch of the No Use Empty South Essex scheme was initially delayed as a consequence of the COVID-19 restrictions, including lockdowns, which were implemented by Central Government. These restrictions meant that it wasn't possible to meet with property owners and developers or to conduct site visits to see potential properties.

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- 11.5. These issues were further compounded by resourcing issues which arose due to staff being seconded to support operational activities associated with the response to the COVID-19 pandemic. As a result of these delays, the Board agreed that the GBF funding could be retained against the project beyond March 2022 for a maximum period of 6 months.
- 11.6. The No Use Empty South Essex scheme was officially launched in April 2022, and a number of applications for funding have been received. It is expected that an initial £0.55m will be issued to support the first 3 applications before the end of Q2 2022/23. In addition, there are other applications currently being processed which, if successful, will require GBF investment of £0.35m.
- 11.7. Southend-on-Sea City Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023, due to the longer than anticipated duration of the required loan assessment and approval process. This process is, on average, taking a period of 18 weeks to complete.
- 11.8. In addition, Southend-on-Sea City Council have indicated that a number of applications have been withdrawn due to the current economic climate. This has resulted in a reduced pipeline for the No Use Empty scheme at the current time.
- 11.9. Southend-on-Sea City Council have indicated that a number of new enquiries have been received and that they remain confident that it will be possible for the GBF funding to be issued in full by 31 March 2023.
- 11.10. 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 A.
- 11.11. The primary outstanding risk to delivery of the project relates to the uncertainty regarding the level of demand for the No Use Empty loans within South Essex due to the current economic climate as outlined above. However, in addition to the applications submitted to date, Southend-on-Sea City Council have received a number of enquiries which they are confident will lead to applications ensuring that the GBF funding allocation is fully utilised.
- 11.12. Whilst Appendix A provides assurances that the total project cost and expected project benefits remain in line with the information presented in the Business Case. It should be noted that due to the nature of the project, the private sector funding contributions will not be confirmed until suitable properties have been identified and loan applications approved. Similarly, the exact scale of benefits cannot be confirmed until suitable properties have been identified. The total project cost and benefits outlined within the Business Case were informed by Kent County Council's experience of delivering the No Use Empty initiative and are therefore considered to be realistic and achievable.
- 11.13. 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.
- 11.14. Given the duration of the loan assessment and approval process, it is recommended that the project is revisited by the SELEP Capital Programme Team in advance of the

November 2022 Accountability Board meeting to determine whether sufficient applications have been received to enable the investment of the full GBF funding allocation. If, in November 2022, there remains unallocated funding after considering all applications received, it will be recommended that the remaining funding is removed from the project and reallocated through the new GBF project pipeline.

12. Options available to the Board

12.1. The Board are asked to consider whether the 8 projects outlined within this report can retain their GBF funding allocations beyond 30 September 2022 (or 31 March 2022 in the case of Food Street). This report sets out two options for the Board to consider in relation to each project outlined within this report.

Option 1:

12.1.1. **Agree** that the project meets the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022; and

12.1.2. **Agree** that the GBF funding allocation can be retained against the project for a further maximum period of 6 months (to 31 March 2023) subject to Strategic Board endorsement in October 2022.

12.2. If the Board choose Option 1, the project(s) outlined in this report will continue to delivery in accordance with their Business Case(s) as previously agreed by the Board. The projects have either indicated that their forecast benefits remain unchanged or have increased and therefore the benefits realised will as a minimum be line in with the original prioritisation by the Strategic Board. If the Board choose Option 1 for all projects outlined in this report, it will mean that there will be no further funding available to support projects on the emerging prioritised GBF project pipeline at this time.

12.3. The Board should be aware that given the timing of these requests for retention of GBF funding beyond September 2022, and the associated risks outlined within this report, there is a possibility that some or all of these projects will be unable to complete delivery by March 2023 as required under the conditions agreed by the Board. This risk will be continuously monitored to determine whether any mitigating actions are required.

12.4. Central Government have been very clear that all GBF funding must be spent in full by 31 March 2023 and failure to do so would represent a significant reputational risk both for SELEP and for the Upper Tier Local Authority responsible for project delivery. Failure of a local partner to meet the requirements of the GBF funding may weaken their case to secure future funding from alternative government funding streams.

12.5. It should, however, be noted that the Grant Determination letter in relation to the GBF allocation does not impose any conditions whereby Government can reclaim the funding if it is not spent in accordance with the stated timetable. Furthermore, the GBF Grant Offer letter indicates that there is an expectation for LEP's and their Accountable Body's to use the freedoms and flexibilities available to them to manage the capital budget between programmes.

Option 2:

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- 12.6. Under Option 2 (for all projects other than Food Street), the Board is asked to:
- 12.6.1. **Agree** that the project does not meet the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022 and that the GBF funding which remains unspent at 30 September 2022 (at the end of the previously agreed extension) should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the funding to alternative projects.
 - 12.6.2. **Note** that, following this Board meeting, a review of the project will be undertaken to determine whether there is a requirement for any of the remaining GBF funding allocation to be returned to the SELEP Accountable Body.
- 12.7. If the Board choose Option 2, the project(s) outlined within this report will remain in the GBF programme but the relevant Upper Tier Local Authority will be required to return the GBF funding which remains unspent at 30 September 2022. This funding must be repaid within 4 weeks of this Board meeting to allow the reallocation of the funding to alternative projects via the emerging GBF project pipeline, which are able to meet the requirements agreed by the Board in May 2022.
- 12.8. It should be noted that applications for additional GBF funding have been received from two of the projects outlined in this report (Tendring Bikes and Cycle Infrastructure and Jaywick Market and Commercial Space). If the Board choose to agree Option 2 in relation to these projects, the projects will no longer be eligible for additional GBF funding and will, as a consequence, not be included in the emerging GBF prioritised project pipeline.
- 12.9. Should the Board agree Option 2 for any of the projects outlined in this report, a further review of each project will need to be conducted to determine whether there is a requirement for any of the remaining GBF funding to also be returned to the Accountable Body for reallocation. This review will focus on whether the projects continue to meet the requirements of the Service Level Agreement (SLA) between SELEP Ltd., the relevant Upper Tier Local Authority and Essex County Council (as the Accountable Body for SELEP) and the SELEP Assurance Framework.
- 12.10. Should it be determined that any further funding needs to be returned to the Accountable Body for reallocation, this will be subject to a decision at the November 2022 Board meeting.
- 12.11. Given that the Food Street project has not previously received approval for retention of the GBF funding beyond March 2022, the options available to the Board in relation to this project are slightly different. Option 1 allows the retention of the GBF funding against the project for a maximum period of 12 months, rather than 6 months as for the other projects. This will allow retention of the GBF funding to 31 March 2023 if required, although it is expected that the GBF funding will be issued in full to Eastbourne Borough Council prior to the end of October 2022.
- 12.12. Option 2 requires the removal of the Food Street project from the GBF programme and requires the full repayment of the GBF funding transferred to East Sussex County Council to support project delivery.

12.13. The report does not identify the recommended option in relation to any of the projects outlined within this report. However, commentary as to how each of the projects meets the requirements agreed by the Board in May 2022 has been provided, alongside an explanation of any remaining risks to project delivery, to allow the Board to make informed decisions in each case.

13. Next Steps

13.1. If the Board choose Option 1, endorsement will be sought from the Strategic Board in October 2022. The funding will be retained against the project(s) and they will progress to delivery. Project updates will be provided at each Board meeting to ensure that the project(s) remain on track to complete GBF spend by 31 March 2023 at the latest. This option applies to all projects outlined in this report.

13.2. If the Board choose Option 2 (for all projects other than Food Street), the GBF funding which remains unspent at 30 September 2022 must be returned to the SELEP Accountable Body for reallocation to alternative projects. The relevant Upper Tier Local Authority will be required to return this funding within 4 weeks of this Board meeting.

13.3. Following the Board meeting, a review of the project will be undertaken to determine whether there is a requirement for any of the remaining GBF funding awarded to the project to be returned to the SELEP Accountable Body for reallocation, as set out in Section 12.9 of this report. Should it be determined that there is a requirement for further funding to be returned to the Accountable Body, this will be subject to a decision at the November 2022 Board meeting.

13.4. If the Board choose Option 2 in relation to the Food Street project, the project will be removed from the GBF programme and this will be formalised through the completion of a Variation Agreement. East Sussex County Council will be required to return the £0.1m of GBF funding that has been transferred to them to support delivery of the project. This funding must be returned within 4 weeks of this Board meeting to allow reallocation of the funding to alternative projects.

13.5. Any funding returned to Essex County Council (as Accountable Body for SELEP) will be reallocated to alternative projects on the emerging GBF prioritised project pipeline at the November 2022 Board meeting.

14. Financial Implications (Accountable Body comments)

14.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has received all of its GBF allocation from Government and this funding was transferred in full to Partner authorities to support delivery of the Projects by the end of 2021/22. Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.

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

Getting Building Fund – Retention of funding beyond 30 September 2022

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.

- 14.3. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all funding is defrayed by 31 March 2022.
- 14.4. All GBF is transferred to the Partner Authorities, under the terms of a Funding Agreement or SLA which makes clear that funding can only be used for the purposes of delivery of the agreed project, unless agreed prior to the change, by the Accountability Board
- 14.5. Should the Board choose to agree option 1, the Board is advised to continue to monitor delivery of the Projects to ensure that the GBF is spent in line with the decisions of the Board.
- 14.6. Should the Board choose to agree option 2, the Accountable Body will work with the respective Partner Authorities to recover the funding allocations, in accordance with the Board decision.

15. Legal Implications (Accountable Body comments)

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

16. Equality and Diversity Implications

- 16.1. 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:
 - 16.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 16.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 16.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 16.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 16.3. 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.

17. List of Appendices

Getting Building Fund – Retention of funding beyond 30 September 2022

17.1. Appendix A - Compliance with conditions for GBF spend beyond 30 September 2022

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	14 th September 2022

Appendix A – Compliance with conditions for GBF spend beyond 30 September 2022

UTC Maritime and Sustainable Technology Hub	
Additional extension requested: 3 months	
Responsible Upper Tier Local Authority: East Sussex County Council	
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	
The updated programme for the Project is as follows:	
Milestone	Expected date
Design and implement procurement of works	April 2022 (completed)
Agree lease documentation	May 2022 (completed)
Develop project specification	June 2022 (completed)
Detailed design	July 2022 (completed)
Commencement of construction works	July/August 2022
Completion of project	January 2023
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile	
<p>As reported to the Board in July 2022, the total project cost has increased by £0.572m due to the higher than expected costs associated with the acquisition of the building. Lewes District Council have increased their financial contribution to the project to cover these costs.</p> <p>An updated GBF spend profile has been provided which indicates that the full £1.3m allocation will be spent in Q3 2022/23 and therefore the GBF funding will be spent in full prior to 31 March 2023.</p>	
Written confirmation that all planning requirements were met by 15 July 2022	
There are no planning requirements associated with the project	
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022	
No other consents are required	
Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022	
Procurement of a construction contractor was completed in May 2022 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 by £0.572m whilst the benefits remain unchanged. An updated BCR calculation has been provided and reviewed by the ITE. As reported at the July 2022 Board meeting, the project is still considered to offer High value for money.	
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met	

The required quarterly reporting submission from East Sussex County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Food Street, Eastbourne							
Extension requested: 7 months (to the end of October 2022)							
Responsible Upper Tier Local Authority: East Sussex County Council							
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board							
The updated programme for the remaining works on the Project is as follows:							
<table border="1"> <thead> <tr> <th>Milestone</th> <th>Expected date</th> </tr> </thead> <tbody> <tr> <td>Site mobilisation works commenced</td> <td>April 2021</td> </tr> <tr> <td>Project completion</td> <td>July 2022</td> </tr> </tbody> </table>		Milestone	Expected date	Site mobilisation works commenced	April 2021	Project completion	July 2022
Milestone	Expected date						
Site mobilisation works commenced	April 2021						
Project completion	July 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. An updated GBF spend profile has been provided which indicates that the GBF funding will be spent in full during Q3 2022/23 and consequently the GBF funding will be spent in full prior to 31 March 2023.							
Written confirmation that all planning requirements were met by 15 July 2022							
There are no planning requirements associated with the project							
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022							
All required consents were in place before 15 July 2022							
Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022							
Procurement of a construction contractor has been completed and work commenced onsite in July 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 project benefits remain unchanged.							
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met							
The required quarterly reporting submission from East Sussex County Council has been received.							
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022							
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.							

Tendring Bikes and Cycle Infrastructure						
Additional extension requested: 6 months						
Responsible Upper Tier Local Authority: Essex County Council						
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board						
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				December 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 GBF funding will be spent in full prior to 31 March 2023.						
The updated GBF spend profile is as follows (£):						
2021/22	2022/23					Total
	Q1	Q2	Q3	Q4	Total	
518,887	-	239,113	925,200	616,800	1,781,113	2,300,000
Written confirmation that all planning requirements will be met by 15 July 2022						
There are no planning requirements for the project						
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022						
There are no outstanding consents						
Confirmation that contractual commitments will be 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.						
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met						
The required quarterly reporting submission from Essex County Council has been received.						
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022						
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.						

Swan Modular Housing Factory							
Additional extension requested: 6 months							
Responsible Upper Tier Local Authority: Essex County Council							
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board							
The updated programme for the Project is as follows:							
Milestone				Expected date			
Confirm scope for floor repair works				September 2022			
Design of floor repairs and contractor appointment				September 2022			
Delivery of floor repair works				October 2022 to February 2023			
Reinstatement of services				November 2022 to March 2023			
Completion of GBF funding works				March 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 GBF funding will be spent in full prior to 31 March 2023.							
The updated GBF spend profile is as follows (£):							
2020/21	2021/22	2022/23					Total
		Q1	Q2	Q3	Q4	Total	
1,044,405	1,421,205	-	606,091	348,800	1,109,499	2,064,390	4,530,000
Written confirmation that all planning requirements will be met by 15 July 2022							
All required planning requirements have been met.							
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022							
All other (non-planning) required consents and approvals have been received.							
Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022							
Contractual commitments or purchase orders are in place for all the remaining works, except for the steel transport frames which are still subject to tender. It is anticipated that all contractual commitments will be in place by 31 December 2022.							
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money							
Confirmation has been provided that the total project cost and the expected project costs remain unchanged, although it is noted that the project has faced significant challenges due to Brexit and global supply issues. This has necessitated the alteration of some of the implemented elements to							

maintain cost control, without sacrificing the ability of the system to deliver the anticipated benefits.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Essex County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Jaywick Market and Commercial Space						
Additional extension requested: 6 months						
Responsible Upper Tier Local Authority: Essex County Council						
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board						
The updated programme for the Project is as follows:						
Milestone			Expected date			
Commencement of construction onsite			May 2022			
Construction complete			February 2023			
Opening of building			Late March 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 reported to the Board in May 2022, the total project cost has increased from £2.13m to £4.45m. 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 GBF funding will be spent in full prior to 31 March 2023.						
The updated GBF spend profile is as follows (£):						
2021/22	2022/23					Total
	Q1	Q2	Q3	Q4	Total	
243,636	-	503,860	1,224,504	-	1,728,364	1,972,000
Written confirmation that all planning requirements will be met by 15 July 2022						
All planning requirements have been met.						
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022						
All other (non-planning) required consents and approvals were received by 15 July 2022						
Confirmation that contractual commitments will be 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 £4.45m since submission of the Business Case due to tenders received during the construction contract procurement process being significantly higher than anticipated.						
The Board considered a revised value for money calculation for the project in May 2022 which demonstrated that the project continues to offer a BCR of 3.8:1.						

Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Essex County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Romney Marsh Employment Hub																																																																					
Additional extension requested: 4 months																																																																					
Responsible Upper Tier Local Authority: Kent County Council																																																																					
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board																																																																					
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Approval of the utility designs for both gas and electricity were not received until 12 August 2022.																																																																					
The designs were submitted to the relevant utility companies in late May 2022. There is a 2 stage approval process and the first stage was approved in late June 2022. It was expected that the second stage approval would take a maximum of 2 weeks to be confirmed, however, full approval was not received until August 2022.																																																																					
Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022																																																																					
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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 unchanged since submission of the Business Case and therefore the project continues to offer High value for money.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Kent County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Better Queensway					
Additional extension requested: 6 months					
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 updated 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		
Completion of demolition and infrastructure works (GBF funded)			March 2023		
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.					
The GBF funding will be spent in full prior to 31 March 2023.					
The updated GBF spend profile is as follows (£):					
2021/22	2022/23				Total
	Q1	Q2	Q3	Q4	
2,286,658	556,671	356,671	400,000	600,000	4,200,000
Written confirmation that all planning requirements will be 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.					
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022					
All other non-planning required consents and approvals are in place.					
Confirmation that contractual commitments will be 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.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Southend-on-Sea City Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

No Use Empty South Essex

Additional extension requested: 6 months

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 updated programme for the Project is as follows:

Milestone	Expected date
Initial Site Identification	October 2021 to March 2022
Formal launch of No Use Empty South Essex	April 2022
Identification of further sites	Ongoing until November 2022 or until funding fully allocated
Assessment of applications for loan funding	Ongoing to March 2023 or until funding fully allocated
Loan repayments	By March 2026

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

Due to the nature of the project, the private sector funding contributions to support project delivery cannot be confirmed until suitable sites have been identified. Private sector investment will be agreed on a case-by-case basis as loans are agreed with property owners. All other funding sources identified to enable delivery of the Project are in place.

It is currently expected that the GBF funding will be spent in full prior to 31 March 2023, however, the position will be reviewed at the November 2022 Board meeting and if insufficient applications have been received, the unallocated funding may be removed from the project.

The updated GBF spend profile is as follows (£):

2022/23			Total
Q2	Q3	Q4	
550,000	325,000	325,000	1,200,000

Written confirmation that all planning requirements will be met by 15 July 2022

No planning consents are outstanding. The GBF funding is to be made available for developers/landlords as 0% interest loans to bring empty commercial properties back into use as either alternative commercial or mixed-use premises. To be eligible for a loan all applicants must demonstrate that they have any required permissions, including planning.

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

All other non-planning required consents and approvals have been received.

Confirmation that contractual commitments will be 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 expected benefits remain unchanged from those set out in the Business Case.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Southend-on-Sea City Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Forward Plan reference numbers: FP/AB/560 and FP/AB/561

Report title: Local Growth Fund Capital Programme Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 23 September 2022	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. **Note** the total spend on project delivery in 2021/22 of £42.35m LGF excluding Department for Transport (DfT) retained schemes and £45.24m including DfT retained schemes, as set out in Table 1 of the report.
- 2.1.2. **Agree** the updated total planned LGF spend on project delivery in 2022/23 of £24.368m excluding DfT retained schemes and increasing to £24.692m including DfT retained schemes, as set out in Table 3 and Appendix A of the report.
- 2.1.3. **Agree** the reported LGF spend on project delivery in Q1 2022/23 of £4.767m, as set out in Table 2 and Appendix A.
- 2.1.4. **Note** the deliverability and risk assessment, as set out in Appendix D.
- 2.1.5. **Agree** the spend of LGF beyond 30 September 2021 and the revised completion date for the i3 Innovation Investment Loan Scheme (formerly referred to as Kent and Medway Growth Hub) project as set out in Section 7 of this report, subject to Strategic Board endorsement in October 2022.

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. The 2021/22 year-end position shows LGF spend on delivery of projects of £42.35m excluding DfT retained schemes and increasing to £45.24m including DfT retained schemes.
- 5.2. There has been a substantial reduction in LGF spend when compared to the forecast spend position set out at the start of 2021/22. Original forecasts showed planned LGF spend totalling £83.704m (including DfT retained schemes), which has reduced by £38.464m to £45.240m. This change is shown in Table 1 below.

Table 1: 2021/22 outturn spend figures

LGF (£m)				
	Planned LGF spend in 2021/22	Reported spend 2021/22	Variance (between planned and reported spend)	% change in forecast LGF spend in 2021/22
East Sussex	11.923	7.702	-4.221	-35.4%
Essex	7.834	2.930	-4.903	-62.6%
Kent	27.389	18.996	-8.393	-30.6%
Medway	6.980	6.980	0.000	0.0%
Southend	6.516	5.092	-1.424	-21.9%
Thurrock	6.350	0.651	-5.699	-89.7%
Skills	0.00	0.000	0.000	0.0%
M20 Junction 10a	0.000	0.000	0.000	0.0%
LGF Sub-Total	66.990	42.350	-24.640	-36.8%
Retained	16.713	2.889	-13.824	-82.7%
Total Spend	83.704	45.240	-38.464	-46.0%

- 5.3. Table 1 shows that only 63.2% of forecast LGF spend excluding DfT retained schemes and 54% including DfT retained schemes was actually spent in 2021/22. This reduction in planned spend has primarily been as a result of 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 reprocured. 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

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enforced absences. As a result of these issues, construction programmes had not progressed as expected prior to the start of 2021/22.

- 5.4. The primary reason for the delay in spend of the remaining DfT retained funding is that the A127 Fairglen Junction Improvements project is still awaiting DfT approval, as set out in Section 6 of this report. The forecast for 2021/22 assumed full spend of the remaining £13.5m LGF during the course of the financial year and therefore this project accounts for most of the reduction in DfT retained funding spend reported.
- 5.5. LGF spend in 2022/23 to the end of Q1 (April to June 2022) is reported to total £4.767m excluding DfT retained schemes. There is no reported spend on DfT retained schemes in Q1 2022/23.
- 5.6. The reported 2022/23 spend has been taken from the latest round of LGF quarterly reporting and demonstrates that reported spend in Q1 2022/23 is £1.345m (excluding DfT retained schemes) or £1.669m (including DfT retained schemes) below the level forecast at the start of the financial year. This change is shown in Table 2 below.

Table 2: 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	3.074	3.074	0.000	0.0%
Essex	1.190	1.190	0.000	0.0%
Kent	0.459	0.057	-0.403	-87.7%
Medway	0.000	0.000	0.000	0.0%
Southend	1.289	0.347	-0.942	-73.1%
Thurrock	0.100	0.100	0.000	0.0%
LGF Sub-Total	6.112	4.767	-1.345	-22.0%
Retained	0.324	0.000	-0.324	-100.0%
Total Spend	6.436	4.767	-1.669	-25.9%

- 5.7. Table 3 below sets out the updated LGF spend forecast for future years.

Table 3: 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	9.551	0.595	82.020	78.2%
Essex	90.199	2.930	5.926	14.935	113.991	79.1%
Kent	100.574	18.996	6.375	2.711	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	1.020	4.679	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	42.350	24.368	22.920	468.335	80.9%
DfT retained	93.887	2.889	0.324	13.500	110.600	84.9%
Total spend forecast	472.584	45.240	24.692	36.420	578.935	81.6%

- 5.8. Table 3 shows that 81.6% of the total LGF allocation (including DfT retained schemes) had been reported as spent by the end of March 2021. Based on the above 2021/22 year end position, 89.4% of the total LGF allocation has now been reported as spent.
- 5.9. The latest quarterly reporting from Kent County Council indicates spend beyond September 2021 on 4 projects which have not received approval from the Board - i3 Innovation Investment Loan Scheme (formerly referred to as the Kent & Medway Growth Hub), Ashford Spurs, Leigh Flood Storage Area and East Malling Advanced Technology Horticultural Zone. The Board are asked to agree the spend of LGF funding beyond September 2021 on the i3 Innovation Investment Loan Scheme at this meeting, as set out in Section 7 of this report.
- 5.10. The bulk of the LGF spend on the other 3 projects was completed prior to the end of 2020/21, and the works have been completed on the Ashford Spurs and East Malling Advanced Technology Horticultural Zone projects. The spend forecast for 2022/23 reflects internal Kent County Council charges which have not yet been actioned, however, the work involved was completed prior to the September 2021 deadline for LGF spend. 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, and therefore requests to spend LGF funding beyond 30 September 2021 have not been provided in relation to these 3 projects.
- 5.11. 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.

- 5.12. At the November 2021 meeting, the Board agreed that this funding could be transferred to Kent County Council to support delivery of the project on condition that all the required land acquisition was completed by 31 August 2023. The required legal agreement to formalise the application of this condition to the funding award has now been completed and the £4.656m LGF was transferred to Kent County Council in 2021/22.
- 5.13. Further to the decision by the Board in September 2021 to reduce the LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package, the £623,389 removed from the Project was returned to the Accountable Body by Kent County Council. Variation Agreements have been completed and £300,517 has been transferred to Essex County Council and Southend-on-Sea City Council for allocation to the Mercury Rising and Southend Airport Business Park projects.
- 5.14. A further £207,000 was awarded to the Southend Airport Business Park project by the Board in May 2022 and remains subject to the completion of the required Variation Agreement.
- 5.15. 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 and East Sussex Strategic Growth Package.
- 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. There are post completion landscaping works still to be completed and these works will be completed after significant power, water and sewerage infrastructure development arrangements have been put in place. These utility works are required to enable delivery of the

originally forecast project benefits, including the new housing that the project has unlocked.

- 6.4. 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.
- 6.5. 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.
- 6.6. Delivery of the remaining works required as per the agreed project Business Case will continue to be monitored.
- 6.7. The summary project risk assessment position is set out in Table 4 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).
- 6.8. The risk assessment has been conducted for LGF projects based on:
 - 6.8.1. **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.
 - 6.8.2. 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.
 - 6.8.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of LGF spend forecast beyond 30 June 2022.
 - 6.8.4. **Reputation** – considers the reputational risk for the delivery partner, local authority and SELEP Ltd.

Table 4: Summary of LGF project risk

Risk Score	Number of projects	LGF allocation to projects (£m)	LGF spend beyond 30 June 2022 (£m)
Low risk - 1	67	245.566	0.002
Low/Medium risk - 2	3	6.740	0.324
Medium risk - 3	15	111.856	4.706
Medium/High risk - 4	13	84.456	27.557
High risk - 5	8	130.318	23.754
Total	106	578.935	56.344

- 6.9. In total, £23.754m LGF is forecast for spend on high-risk projects beyond the end of Q1 2022/23. A summary of the 8 high risk projects is set out in Appendix E.
- 6.10. Updates on 4 of the high-risk projects are provided under Agenda Items 8, 9 and 10. In summary, the position regarding the other 4 high-risk projects is as follows:
- 6.10.1. 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.
- 6.10.2. 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. The UKPN objection has now been resolved and Essex County Council officers are continuing to liaise with the other 2 bodies with a view to resolving all objections. The objections need to be removed before the CPO can be confirmed. Essex County Council will shortly be reverting 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 continuing to target a start onsite to deliver the A127 Fairglen Junction Improvements project in early 2023.
- 6.10.3. 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. 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.

- 6.10.4. A28 Sturry Link Road (total LGF allocation £5.9m) – Kent County Council are continuing to progress the land acquisition negotiations and CPO required to secure the land needed to deliver the project. In addition, procurement for a Design and Build contract is continuing, with an appointment expected by December 2022. A full update on the project will be provided to the Board at the November 2022 Board meeting, in accordance with decision taken at the last Board meeting.
- 6.10.5. 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. The key next steps in the programme are a consultation on the Hoo Development Framework, the submission of planning applications for the highways scheme in February 2023 and for the rail scheme in March 2023. 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.
- 6.10.6. 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.

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, 27 projects are currently forecasting LGF spend beyond 30 September 2021 (excluding the 3 projects referenced at Section 5 of this report) totalling £76.72m, as set out in Appendix C. 26 of these projects have been considered and approved for spend beyond 30 September 2021 by both the Board and Strategic Board.
- 7.3. The final project currently forecasting LGF spend beyond 30 September 2021 is the i3 Innovation Investment Loan Scheme (formerly referred to as the Kent and Medway Growth Hub). The project is forecasting LGF spend of £0.356m beyond 30 September 2021.
- 7.4. The Board approved the award of £6.0m LGF to the i3 Innovation Investment Loan Scheme project in November 2015. At that time, it was expected that the project would be complete and final evaluation undertaken by 2021.
- 7.5. To date, £5.644m of the £6.0m LGF allocation has been issued to projects as set out in the Business Case, leaving an unallocated balance of £0.356m. An application for the remaining balance was received and progressed through the full application process including two internal assessments, Trading Standards checks, commissioning of an external Appraisal Report, approval at the Investment Advisory Board, contract negotiations, drafting of all required legal documents and issuing of the final documents to the applicant for signature. It was only at this stage, following numerous attempts by Kent County Council to secure return of the legal documents, that the applicant declined the loan. This whole process took over 9 months and has therefore resulted in a delay to completion of the project.
- 7.6. Kent County Council have taken steps to engage with other potential applicants and a pre-application has been received and approved. Submission of the full application is expected on 15 September 2022, and assuming all required assessments are completed satisfactorily and the application is approved by the Investment Advisory Board, it is expected that the remaining funding will be defrayed to the new loan applicant in March 2023.
- 7.7. The Board has previously agreed that for LGF to be spent beyond 30 September 2021, the project must meet five conditions. These five conditions include projects demonstrating that:
 - 7.7.1. there is a clear delivery plan with specific delivery milestones and completion date has been agreed with the Board;

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- 7.7.2. there is a direct link to the delivery of jobs, homes or improved skills levels within the SELEP area;
- 7.7.3. all funding sources having been identified to enable the delivery of the project. Written commitment will be sought from the respective project delivery partner to confirm that the funding sources are in place to deliver the project beyond the Growth Deal;
- 7.7.4. endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period; and
- 7.7.5. contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project.

7.8. Table 5 demonstrates how the project meets these conditions.

Table 5: i3 Innovation Investment Loan Scheme project compliance with conditions for spend beyond 30 September 2021

A clear delivery plan with specific delivery milestones and completion date	
The majority of the project has been completed, with over £5.5m of the £6m LGF allocation having already been issued. The delivery plan in relation to the remaining funding is set out below:	
Milestone	Expected timeline
Engagement with potential new applicants	May 2022 (milestone completed)
Pre-application received and approved	July 2022 (milestone completed)
Submission of full application	15 September 2022
Internal Kent County Council assessments completed	6 October 2022
Investment Advisory Board meeting	November 2022
Contract negotiated and drafted	December 2022 to January 2023
Contract signed	February 2023
Funding defrayed	March 2023
A direct link to the delivery of jobs, homes or improved skills levels within the SELEP area	
The wider i3 Innovation Investment Loan Scheme was established to invest in projects which enable businesses to create and adopt innovative products, processes and services, improve productivity and deliver sustainable employment over the long term.	
The application currently being considered sets out forecast job creation of 17.5 FTE's.	
All funding sources having been identified and secured to enable the delivery of the project	
All funding sources are in place to enable delivery of the project. Provision of funding by the applicant will be secured through the contract.	

Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the Growth Deal period
Endorsement from Strategic Board will be sought in October 2022
Contractual commitments are in place with construction contractors by the end of the Growth Deal period for the delivery of the project
This is not a construction project and therefore this condition is not applicable.

7.9. The Board is asked to agree the spend of LGF funding beyond 30 September 2021 on the i3 Innovation Investment Loan Scheme project, subject to endorsement by Strategic Board at their meeting on 21 October 2022.

7.10. 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.

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.
- 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, 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.

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 Fairglan junction improvements project,

which remains subject to final approval from the Secretary of State for Transport.

- 10.2. The Accountable Body held a £0 (zero) 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.
- 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.

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

(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)

Local Growth Fund Capital Programme Update

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	14 th September 2022

Appendix A LGF spend forecast update

SELEP number	Project Name	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	1.500							1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	1.615	0.121	0.121	0.121	0.121	0.485		2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	4.610	0.498	0.498	0.498	0.498	1.990		6.600
LGF00036	Queensway Gateway Road	10.000							10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	1.400							1.400
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	1.700							1.700
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	18.600							18.600
LGF00042	Hastings and Bexhill Movement and Access Package	4.428	0.994	0.994	0.994	0.994	3.977	0.595	9.000
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined with above scheme)								
LGF00044	Eastbourne town centre LSTF access & improvement package	5.817	0.546	0.546	0.546	0.546	2.183		8.000
LGF00073	A22/A27 junction improvement package								
LGF00068	Coastal Communities Housing Intervention Hastings	0.667							0.667
LGF00097	East Sussex Strategic Growth Project	8.200							8.200
LGF00099	Devonshire Park	5.000							5.000
LGF00108	Bexhill Enterprise Park North	1.940							1.940
LGF00109	Skills for Rural Businesses Post-Brexit	3.498	0.915				0.915		4.413
LGF00110	Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	0.500							0.500
LGF00116	Bexhill Creative Workspace	0.960							0.960
LGF00117	Exceat Bridge Replacement								
LGF00124	Eastbourne Fisherman	1.440							1.440
Essex									
LGF00004	Colchester Broadband Infrastructure	0.200							0.200
LGF00025	Colchester LSTF	2.400							2.400
LGF00026	Colchester Integrated Transport Package	5.000							5.000
LGF00027	Colchester Town Centre	4.600							4.600
LGF00028	TGSE LSTF - Essex	3.000							3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	10.487							10.487
LGF00032	A414 Maldon to Chelmsford RBS	2.000							2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	3.000							3.000
LGF00034	Basildon Integrated Transport Package	6.586							6.586
LGF00037	Colchester Park and Ride and Bus Priority measures	5.800							5.800
LGF00048	A131 Chelmsford to Braintree	3.660							3.660
LGF00049	A414 Harlow to Chelmsford (removed from programme)								
LGF00050	A133 Colchester to Clacton	2.740							2.740
LGF00051	A131 Braintree to Sudbury (removed from programme)								
LGF00063	Chelmsford City Growth Area Scheme	10.000							10.000
LGF00064	Chelmsford Flood Alleviation Scheme (removed from programme)								
LGF00070	Beaulieu Park Railway Station							12.000	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	0.667							0.667
LGF00095	Gilden Way Upgrading, Harlow	5.000							5.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	3.500							3.500

Appendix A LGF spend forecast update

SELEP number	Project Name	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
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	2.000							2.000
LGF00101	STEM Innovation Centre - Colchester Institute	5.000							5.000
LGF00102	A127/A130 Fairglen Interchange new link road	6.235							6.235
LGF00103	M11 Junction 8 Improvements	2.734	1.000				1.000		3.734
LGF00105	Mercury Rising Theatre	1.228							1.228
LGF00111	Basildon Digital Technologies Campus	2.150							2.150
LGF00112	Colchester Institute training centre (Groundworks and scaffolding)	0.050							0.050
LGF00113	USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	0.900							0.900
LGF00114	Flightpath Phase 2	1.982							1.982
LGF00118	Basildon Innovation Warehouse (removed from programme)								
LGF00119	University of Essex Parkside (Phase 3)	0.499	0.190	2.618	1.693		4.501		5.000
LGF00125	New Construction Centre, Chelmsford	1.295							1.295
LGF00127	Colchester Grow on Space	0.417		0.055	0.250	0.120	0.425	2.935	3.777
Kent									
LGF00003	I3 Innovation Investment Loan Scheme	5.644				0.356	0.356		6.000
LGF00006	Tonbridge Town Centre Regeneration	2.631							2.631
LGF00007	Sittingbourne Town Centre Regeneration	2.500							2.500
LGF00008	M20 Junction 4 Eastern Overbridge	2.200							2.200
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	1.177							1.177
LGF00010	Kent Thameside LSTF	4.500							4.500
LGF00011	Maidstone Gyratory Bypass	4.600							4.600
LGF00012	Kent Strategic Congestion Management Programme	4.800							4.800
LGF00013	Middle Deal transport improvements	0.800							0.800
LGF00014	Kent Rights of Way improvement plan	1.000							1.000
LGF00015	Kent Sustainable Interventions Programme	2.728							2.728
LGF00016	West Kent LSTF	4.900							4.900
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	0.541							0.541
LGF00038	A28 Chart Road - on hold	2.756							2.756
LGF00039	Maidstone Integrated Transport	5.494	0.040	0.147	0.550	0.812	1.549	1.857	8.900
LGF00040	A28 Sturry Link Road	1.228	0.017	0.983	1.303	1.515	3.818	0.854	5.900
LGF00053	Rathmore Road	4.200							4.200
LGF00054	A28 Sturry Rd Integrated Transport Package (removed from programme)								
LGF00055	Maidstone Sustainable Access to Employment	2.000							2.000
LGF00059	Ashford Spurs	7.885		0.002			0.002		7.887
LGF00041	Thanet Parkway	14.000							14.000
LGF00058	Dover Western Dock Revival	5.000							5.000
LGF00060	Westenhanger Lorry Park (removed from Programme)								
LGF00062	Folkestone Seafront (non-transport)	5.000							5.000
LGF00072	A226 London Road/B255 St Clements Way	4.200							4.200
LGF00068	Coastal Communities Housing Intervention (Thanet)	0.667							0.667
LGF00086	Dartford Town Centre Transformation	4.300							4.300

Appendix A LGF spend forecast update

SELEP number	Project Name	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
LGF00088	Fort Halsted (removed from programme)								
LGF00092	A2500 Lower Road	1.265							1.265
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	6.746		0.598			0.598		7.344
LGF00096	A2 off-slip at Wincheap, Canterbury (removed from programme)								
LGF00094	Leigh Flood Storage Area	2.299			0.051		0.051		2.349
LGF00106	Sandwich Rail Infrastructure	1.913							1.913
LGF00120	M2 J5 improvements	1.600							1.600
LGF00121	Kent and Medway Medical School	9.000							9.000
LGF00126	East Malling Advanced Technology Horticultural Zone	1.998		0.001			0.001		1.999
Medway									
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	1.821							1.821
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	8.600							8.600
LGF00020	Chatham Town Centre Place-making and Public Realm Package	4.200							4.200
LGF00021	Medway Cycling Action Plan	2.500							2.500
LGF00022	Medway City Estate Connectivity Improvement Measures	2.200							2.200
LGF00061	Rochester Airport - phase 1	4.400							4.400
LGF00089	IPM (Rochester Airport - phase 2)	3.700							3.700
LGF00091	Strood Civic Centre - flood mitigation	3.500							3.500
LGF00115	IPM 2 (Rochester Airport - phase 3)	1.519							1.519
Southend									
LGF00005	Southend Growth Hub	0.720							0.720
LGF00107	Southend Forum 2								
LGF00029	TGSE LSTF - Southend	1.000							1.000
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	7.000							7.000
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including Southend and Rochford Joint Area Action Plan)	23.163		0.207			0.207		23.370
LGF00115	Southend Town Centre	0.336	0.347	0.942			1.289		1.625
Thurrock									
LGF00030	TGSE LSTF - Thurrock	1.000							1.000
LGF00046	Thurrock Cycle Network	5.000							5.000
LGF00047	London Gateway/Stanford le Hope	7.500							7.500
LGF00052	A13 Widening - development	5.000							5.000
LGF00056	Purfleet Centre	5.000							5.000
LGF00104	Grays South	5.142	0.100	0.250	0.475	0.195	1.020	4.679	10.840
LGF00123	Tilbury Riverside (removed from programme)								
	A13 widening - additional funding	1.500							1.500
Managed Centrally									
LGF00001	Skills	21.975							21.975
LGF00071	M20 Junction 10a	19.700							19.700
Sub-total		421.048	4.767	7.962	6.481	5.158	24.368	22.920	468.335

Appendix A LGF spend forecast update

SELEP number	Project Name	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
DfT retained schemes									
LGFO0079	A127 Fairglen Junction Improvements	1.500						13.500	15.000
LGFO0080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	4.000							4.000
LGFO0081	A127 Kent Elms Corner	4.300							4.300
LGFO0082	A127 The Bell	3.976		0.324			0.324		4.300
LGFO0083	A127 Essential Bridge and Highway Maintenance - Southend	8.000							8.000
LGFO0084	A13 Widening	75.000							75.000
Sub-total retained schemes		96.776		0.324			0.324	13.500	110.600

Appendix B – LGF pipeline, as at 23 September 2022

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
Parkside Phase 2	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-23
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%	Jul-22
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	4.4130	2.7822	63.0%	Jan-23
LGF00116	Bexhill Creative Workspace	East Sussex	0.9600	0.1301	13.6%	Mar-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%	Dec-25
LGF00103	M11 Junction 8 Improvements	Essex	3.7339	1.1113	29.8%	Mar-23
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%	May-23
LGF00125	New Construction Centre, Chelmsford College	Essex	1.2952	1.1601	89.6%	Oct-22
LGF00127	Colchester Grow on Space	Essex	3.7775	3.5721	94.6%	Jun-24
LGF00003	i3 Innovation Investment Loan Scheme (Kent & Medway Growth Hub)	Kent	6.0000	0.3565	5.9%	Mar-23
LGF00039	Maidstone Integrated Transport	Kent	8.9000	3.9897	44.8%	Jun-24
LGF00040	A28 Sturry Link Road	Kent	5.9000	4.7049	79.7%	Jun-25
LGF00041	Thanet Parkway	Kent	14.0000	14.0000	100.0%	May-23
LGF00093	Kent and Medway EDGE Hub	Kent	7.3440	0.5980	8.1%	Dec-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%	Nov-22
LGF00115	IPM2 (Rochester Airport - Phase 3)	Medway	1.5185	0.9165	60.4%	Nov-22
LGF00045	Southend Central Area Action Plan (SCAAP)	Southend	7.0000	1.5112	21.6%	Jun-22
LGF00057	London Southend Airport Business Park	Southend	23.3695	1.1621	5.0%	Sep-22
LGF00115	Southend Town Centre	Southend	1.6250	1.4264	87.8%	Jan-24
LGF00104	Grays South	Thurrock	10.8403	6.1093	56.4%	Nov-24

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial					
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (Jun-22)	Expected completion date (Aug-22)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q1 2022/3 (£)	Forecast LGF spend from Q2 2022/23 onwards	Financials RAG rating	Reputational risk RAG	Overall 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-23	38		5	2,100,000	1,735,877	364,124	2	3	3
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	5,107,247	1,492,753	2	3	3
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	1	1
Sovereign Harbour	Feb-16	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			1	1,700,000	1,700,000		1	1	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		2	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	5,422,320	3,577,680	4	4	4
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	6,362,758	1,637,242	2	3	3
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		3	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	LGF project delivered	Complete	Mar-20	Jul-22	Jul-22	28		1	1,940,000	1,940,000		1	3	2
Skills for Rural Businesses Post-Brexit (Plumpton College)	Jun-19 and Feb-21	Construction in progress	Complete	Mar-21	Jan-23	Jan-23	22		4	4,413,000	4,413,000		3	2	3
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	Jun-19	Construction in progress	Complete	Mar-21	Sep-22	Sep-22	18		4	500,000	500,000		1	2	2
Bexhill Creative Workspace	Sep-19	LGF project delivered	Complete	May-20	Mar-22	Mar-22	22		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		1	1,440,000	1,440,000		1	1	1
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 Fairglen 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	Design in progress	Ongoing	Mar-24	Dec-25	Dec-25	21		4	12,000,000		12,000,000	5	4	4
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

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial					
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (Jun-22)	Expected completion date (Aug-22)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q1 2022/3 (£)	Forecast LGF spend from Q2 2022/23 onwards	Financials RAG rating	Reputational risk RAG	Overall RAG rating
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		2	5	4
M11 junction 8 improvements	Nov-17 and Mar-21	Construction in progress	Complete	Mar-21	Dec-22	Mar-23	24	2	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	688,923	4,311,077	5	2	4
New Construction Centre, Chelmsford College	Jul-20	Construction in progress	Complete	Sep-21	Aug-22	Oct-22	13	2	4	1,295,200	1,295,200		2	2	3
Colchester Grow on Space, Queen Street	Feb-21	Construction in progress	Ongoing	Jul-22	Jun-24	Jun-24	22		4	3,777,451	417,391	3,360,060	5	2	4
Kent															
I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)	Nov-15	Project ongoing	Ongoing	Mar-21	May-22	Mar-23	24	10	5	6,000,000	5,643,546	356,454	2	2	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		1	2,500,000	2,500,000		1	1	1
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	Construction in progress	Complete	Mar-21	Aug-22	Sep-22	17		4	4,500,000	4,500,000		2	2	3
Maidstone Gyratory Bypass	Mar-15	LGF project delivered	Complete	Feb-17	Dec-16	Dec-16	-2		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	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			1	1,000,000	1,000,000		1	1	1
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
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

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial					
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (Jun-22)	Expected completion date (Aug-22)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q1 2022/3 (£)	Forecast LGF spend from Q2 2022/23 onwards	Financials RAG rating	Reputational risk RAG	Overall RAG rating
Maidstone Integrated Transport Package	Nov-15 and Jun-18	Design in progress	Ongoing	Feb-20	Jun-24	Jun-24	54		5	8,900,000	5,533,586	3,366,414	4	4	4
A28 Sturry Link Road	Jun-16	Design in progress	Ongoing	Oct-21	Jun-25	Jun-25	45		5	5,900,000	1,244,323	4,655,677	5	4	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	1	1	1
Thanet Parkway	Apr-19	Construction in progress	Complete	Dec-21	May-23	May-23	17		4	14,000,000	14,000,000		3	3	3
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	-9		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	-9		1	1,264,930	1,264,930		1	1	1
Kent and Medway EDGE hub	Sep-17, Mar-21 and Sep 21	Construction in progress	Ongoing	Aug-20	Dec-22	Dec-22	27		5	7,344,000	6,746,000	598,000	2	1	3
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Construction in progress	Ongoing	Jul-23	Oct-25	Oct-25	27		5	2,349,000	2,298,500	50,500	2	2	3
Sandwich Rail Infrastructure	Nov-17	LGF project delivered	Complete	Mar-20	Feb-20	Feb-20	-1		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		2	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	Ongoing	Jul-21	May-22	May-22	10		1	1,998,600	1,998,000	600	2	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	Nov-22	Nov-22	23		4	3,700,000	3,700,000		3	4	4
Strood Civic Centre - flood mitigation	Feb-18	LGF project delivered	Complete	Apr-19	Jun-19	Jun-19	1		1	3,500,000	3,500,000		1	1	1
Innovation Park Medway (phase 3)	Jul-20	Construction in progress	Complete	Dec-21	Nov-22	Nov-22	11		4	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	Sep-22	Dec-22	20	2	4	4,300,000	3,976,065	323,935	2	1	2
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
London Southend Airport Business Park	Feb-16, Sep-17, Sep-18 and Sep-21	Construction in progress	Ongoing	Mar-21	Jul-22	Sep-22	17	2	4	23,369,517	23,162,517	207,000	2	2	3
Southend Town Centre Interventions	Jul-20 and Feb-21	Construction in progress	Ongoing	Mar-21	Jan-24	Jan-24	36		5	1,625,000	682,752	942,248	5	3	4
Thurrock															

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial					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 (Jun-22)	Expected completion date (Aug-22)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of Q1 2022/3 (£)	Forecast LGF spend from Q2 2022/23 onwards	Financials RAG rating	Reputational risk RAG	
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	Design in progress	Complete	Dec-18	Jul-24	Jul-24	68		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		1	2	3
Grays South	Feb-19	Design in progress	Ongoing	Jul-22	Nov-24	Nov-24	28		5	10,840,274	5,241,603	5,598,671	5	4	5
A13 widening	Apr-17, Jul-20 and Mar-21	Construction in progress	Complete	Dec-19	Nov-22	Nov-22	36		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	-8		1	19,700,000	19,700,000		1	1	1
TOTAL										578,935,369	522,591,247	56,344,122			

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 9.
A127 Fairglens Junction Improvements, Essex		15.00	10.0%	Business Case required DfT approval. Decision still outstanding.	Board will be notified once DfT funding decision has been made.
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. An update on the Project will be provided at the November 2022 Board meeting.
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.	An updated Business Case is required and this will be considered by the Board at this meeting under Agenda Item 8.
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.	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. An update on the Project is provided under Agenda Item 10.
A13 Widening, Thurrock		76.50	100%	Project programme and costs have differed significantly from position set out in project Business Case.	Project is now nearing completion and work is ongoing to manage project costs. An update on the Project is provided under Agenda Item 10.
Total		130.32			

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	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. 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

Forward plan reference number: FP/AB/562

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: 23 September 2022	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), which has been identified as High risk.
- 1.2 As the Project is considered to be High risk, there is a requirement for the Board to receive updates on project delivery until satisfied that the risk has been satisfactorily mitigated. This report sets out the progress since the last Board meeting 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. **Note** the identified risk in relation to the total project budget;
 - 2.1.3. **Agree** that the Board will be provided with a further update on the Project, which updates the project delivery plan and associated milestones and provides greater clarity on the total project budget, at its meeting on 25 November 2022.

3. Background

- 3.1 The Project will deliver a single carriageway road link between A21 Sedlescombe Road North and Queensway in Hastings. Construction of this road link provides access to designated employment development sites within the Bexhill Hastings Growth Corridor which would otherwise not be brought forward.
- 3.2 The £10m LGF funding allocation has been spent in full supporting project delivery to the end of 2020/21, with Sea Change Sussex allocating a further £2m temporary contingency funding to enable the completion of the scheme. Further information regarding the Project can be found in Appendix A - LGF Project Background Information.
- 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 timescales increasing from 10 to 19 months due to delays in the receipt of a Section 278 agreement (a legal agreement with the Highways Authority which permits a third party to carry out works to a public highway under the Highways Act 1980) 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 and is discussed in more detail later in the report.

- 3.6 This report provides an update on the delivery of this signalised connection which the scheme promoter, Sea Change Sussex, considers to remain within the definitions set out within the approved Business Case.

4 Progress and delivery on the signalised connection since the last update to the Board

- 4.1 The latest updates on areas where clarity can be provided and the Project timescales are provided below. At this moment, East Sussex County Council are unable to provide a complete indicative timeline of milestones as conversations on the technical approvals are ongoing between National Highways, Sea Change Sussex and East Sussex County Council to formalise the steps to delivering the signalised connection.
- 4.2 The report below demonstrates progress made on these fundamental technical approvals being sought as a Stage 2 Road Safety Audit Addendum has been required which supports the subsequent Section 278 legal agreement. Until these technical matters are finalised the overall timescales reported are unable to be provided with confidence, however, East Sussex County Council expect to be in a position to report on these with greater certainty at the next board meeting in November 2022. It is noted that significant resources are being applied from all parties to address these matters to ensure a swift conclusion.
- 4.3 Regarding technical approvals required these have progressed well with the Stage 1 Road Safety Audit highlighting 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. As a result, the necessary documentation to progress the TRO was submitted by Sea Change Sussex to East Sussex County Council on 29 July 2022. The TRO has been subject to informal and targeted stakeholder consultation. There have been no objection to the proposals. The formal advertisement of the TRO will commence in late September 2022 for a period of three weeks up to mid/late October 2022. If there are no objections, then the order can be finalised and sealed. However, if objections are received which cannot be resolved then these will need to be reported to East Sussex County Council's Planning Committee for their consideration. Based on the TRO advertisement timescales set out above; the earliest Planning Committee during which any objections would be considered is on 14 December 2022. However, the finalisation of the TRO only needs to be in place before the road is opened to traffic. As such this is not on the construction critical path but is on the critical path for project completion and opening of the road.

Queensway Gateway Road LGF Project Update

- 4.4 With the employment sites already accessible from the Queensway end of the Gateway Road, the delivery of this connection 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.
- 4.5 Sea Change Sussex have been working through the Road Safety Audit process with National Highways. Following the previous sign off of the Stage 1 Road Safety Audit by National Highways, the Stage 2 Audit was issued via National Highways in January 2022. Design amendments have been made by Sea Change Sussex in line with the independent auditors' comments. Following review of the Stage 2 Road Safety Audit, National Highways requested an additional stage to the process with an Audit Addendum to review the amendments.
- 4.6 A brief for the Auditor was approved initially on 29 July 2022 and was subsequently amended. Following the provision of the requested design amendments to National Highways and East Sussex County Council, a revised brief was approved on 26 August 2022. This additional Stage 2 Audit Addendum has been commissioned by National Highways and is currently being completed. The Auditors report will then need to be considered by Sea Change Sussex and their design team who will need to respond to the audit comments /recommendations, which will then need to be signed off by the Auditor. The design will then need to be finalised by incorporating any necessary amendments. The whole audit process could take around 4 to 6 weeks depending on the extent of comments made by the Auditor and a timely turnaround at each stage throughout.
- 4.7 In light of the above, it is not until Sea Change Sussex have the required highways agreements in place with both East Sussex County Council and National Highways that all the consents required to construct the signalised junction will be in place.

5. Project Budget

- 5.1 East Sussex County Council are unable to provide a detailed financial update to the Board on this occasion but intend to do so at the next Board meeting. Ongoing discussions between Sea Change Sussex and East Sussex County Council continue on the overall funding package to be applied for the delivery of the connection to the A21, this is partly in light of cost pressures applied across the construction industry and to major projects of this nature. However, Sea Change Sussex have indicated an expectation that the capital costs will fall within the remaining £2m temporary contingency budget for the signalised connection within the overall estimated £12m budget.

5.2 Once the technical approvals have been received the final designs, drawings and specifications will be able to be circulated to let the contract for the works. It is at this point that the overall budget and commitments will have greater certainty with the risks clearer to both parties which will, subject to agreement, enable the construction, delivery and outcomes of the overall project to proceed.

6. Benefits Realisation from Scheme

6.1 The Economic Case for the road was based on the unlocking of employment land within the ownership of East Sussex County Council and Hastings Borough Council which is identified in the adopted Hastings Local Plan. This land was made accessible by the creation of the middle roundabout of the scheme, which was completed in 2019, meaning the potential employment sites north and south of the Gateway Road have been accessible since then.

6.2 Hastings Borough Council are currently marketing their land for commercial development, however, the disposal of the land has been adversely impacted by the COVID-19 pandemic. The direct economic benefits of the scheme have been fully delivered with indirect benefits dependent on public sector owned land being brought forward for subsequent development.

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.

6.4 Fundamentally this is a road infrastructure project which will see the A21 connection delivering significant transport improvements by addressing issues with parts of the existing East Sussex County Council highways network that are currently over capacity such as The Ridge. Both a roundabout and the signalised junction fall within the original definition of the project which is “a single carriageway road link between the 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”.

6.5 The benefits of the connection are set out within the original Business Case and were assessed to deliver £65.5m of Transport Economic Efficiency Benefits, have a Benefit Cost Ratio of 2.70:1 based on the assessment of the roundabout undertaken for East Sussex County Council on the scheme and utilised in the Business Case. As the connections serve the same route and are designed to accommodate similar resilience the benefits of the two options are comparable, it should however be noted that the signalised junction, in addition to having been designed to accommodate traffic flows to a later year than has been modelled for the roundabout solution, would minimise cost and disruption to local businesses.

7 Next steps

- 7.1 It is recommended that a further full update on the Project be presented at the 25 November 2022 Board meeting confirming the outcome of the Whitworth Road TRO process, the outcome of the Stage 2 Road Safety Audit Addendum and whether the Section 278 Agreement is in place, along with clarity on the funding to be applied to the delivery of the Project.
- 7.2 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.

8 SELEP Comments

- 8.1 As the Board will recall, a full written update on project delivery was not provided at the last meeting. Instead, the Board were provided with a verbal update which outlined progress towards completion of the required TRO and Section 278 agreement, whilst the written report focused on the governance processes East Sussex County Council have in place to ensure that updates provided are robust and complete and to ensure that the Project is delivered in accordance with the agreed Business Case.
- 8.2 There was a clear requirement within the report considered at the last Board meeting for a full update on delivery of the Project, including consideration of key milestones, risks, budget and benefits, to be provided at this meeting. It has not been possible for East Sussex County Council to provide the comprehensive update sought due to ongoing discussions with Sea Change Sussex and uncertainty regarding the delivery programme due to ongoing engagement with National Highways.
- 8.3 Given that the Project is flagged as High risk, the inability to provide the comprehensive update requested does raise concerns regarding the ongoing deliverability of the Project and the timeline for delivery of the signalised connection with the A21. A full update will need to be provided to the November 2022 meeting to provide the Board with assurances that the remaining elements of the Project can be delivered and that there is funding available to support these works.
- 8.4 The last written update on the Project presented to the Board in May 2022 indicated that it was expected that the signalised (temporary) connection would be constructed and fully open by Autumn 2022, subject to completion of the required TRO.
- 8.5 Whilst the report does not include the usual table of milestones, there is an indication that completion of the Project may have been further delayed due to the

Queensway Gateway Road LGF Project Update

requirement for a Stage 2 Road Safety Audit Addendum to be completed – a requirement which was not initially anticipated by either East Sussex County Council or Sea Change Sussex.

- 8.6 As detailed in the report, a brief for this work was approved by National Highways and East Sussex County Council on 26 August 2022 and it has now been commissioned by National Highways. It is expected that this process will take between 4 to 6 weeks, including responding to any further comments made.
- 8.7 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.
- 8.8 The report does not provide a detailed update on the total project cost and confirmed funding package as requested. In addition, the reference to the £2m funding contribution from Sea Change Sussex as 'temporary contingency funding' raises concerns as it was previously understood that the Sea Change Sussex funding was committed to the Project.
- 8.9 It is imperative that the update report to the Board in November 2022, provides 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 any funding gap will need to be identified in the next report to the Board. 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.
- 8.10 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 procurement of a contractor to deliver the connection with the A21 still needs to be undertaken does raise a concern regarding the affordability of the Project. An update on the procurement of the contractor must be provided at the next meeting.
- 8.11 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.

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- 8.12 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 and are therefore considered to be indirect benefits of the Project.
- 8.13 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.
- 8.14 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.
- 8.15 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.
- 8.16 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.
- 8.17 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.
- 8.18 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.

- 8.19 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. Under the terms of the SLA, a back-to-back agreement should be in place between East Sussex County Council and Sea Change Sussex which would allow for the funding to be clawed back from Sea Change Sussex by East Sussex County Council if the Project cannot complete delivery.

9 Financial Implications (Accountable Body Comments)

- 9.1 There continues 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 slippage experienced to date.
- 9.2 Further slippage has been indicated since the last report, although an updated timeline has not been provided to give the expected assurances to the Board with respect to completion of the Project.
- 9.3 The update provided also indicates risk of increased costs to delivering the Signalised solution due to the known economic factors also identified elsewhere across the SELEP Capital Programme. The update indicates, however, that the costs are expected to fall within the remaining £2m budget for the signalised connection within the overall estimated £12m budget.
- 9.4 The update refers to the remaining £2m budget as temporary contingency funding. We are seeking urgent assurance from East Sussex County Council that this funding will be available to support the Project and that the use of the word 'temporary' does not indicate uncertainty with respect to the availability of this or any additional funding required to deliver the remaining section of the road.
- 9.5 All LGF was transferred to East Sussex County Council, as the Project's Lead Authority, under the terms of a Funding 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 available to support delivery of the Project is the responsibility of East Sussex County Council. The Board are advised to seek clarification from East Sussex County Council with respect to the funding position for the Project within the next update to the Board.
- 9.6 The Agreements also set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

- 9.7 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.
- 9.8 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.

10 Legal Implications (Accountable Body Comments)

- 10.1 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.

11 Equality and Diversity implications (Accountable Body Comments)

- 11.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- 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 their ongoing commitment to equality and diversity, the promoting

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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 - LGF Project Background Information

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	15 th September 2022

Appendix A – LGF Project Background Information

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

	<p>Growth Corridor, improving employment development potential in Queensway and employment and housing growth potential in North Bexhill.</p> <p>The key objectives of the project are:</p> <ul style="list-style-type: none"> • to support the development and employment potential of the Bexhill Hastings Growth Corridor; • to improve strategic access between the A21 and Queensway/Combe Valley Way and thereby strategic access to employment and housing sites in North Bexhill and Hastings; and • to alleviate congestion at junctions to the A21 enabling Combe Valley Way to perform to its full potential as a driver of economic growth.
<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</p>	<p>https://www.southeastlep.com/project/queensway-gateway-road/</p>

website with full Business Case and links to any previous decisions by Accountability Board and/or Strategic Board

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>

Project changes:

<https://www.southeastlep.com/app/uploads/2020/08/Accountability-Board-Summary-of-Decisions-23.02.18.pdf>

Forward Plan reference numbers: FP/AB/569

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 23 September 2022	For: Information
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 **Note** that the expected revised repayment schedule proposal for the Eastbourne Fisherman's Quayside and Infrastructure Development project will now not be forthcoming until the November 2022 Accountability Board meeting as additional time is needed for East Sussex County Council to undertake all required due diligence on the proposed revised repayment mechanism and 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 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.
- 3.3 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.

- 3.4 At this time, due to the ongoing work within SELEP to transition to its new role (as agreed at the [June 2022 Strategic Board](#) meeting), there are no immediate plans for a new round of GPF funding to be launched. However, it is expected that a further update on the potential for a future round of funding will be brought to both the Strategic Board and this Board prior to the end of 2022/23.

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.
- 4.5 As reported at the last two Board meetings, a significant risk to the agreed repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure Development project has been identified. It is now expected that a proposed revised repayment schedule for the project will be presented to the November 2022 Board meeting. Further information on this risk is provided in Section 6 below. The GPF repayment schedules are set out in Appendix B.
- 4.6 Given that a revised repayment schedule has not yet been provided for the Eastbourne Fisherman's Quayside and Infrastructure Development project, it has been assumed (for the purpose of the cash flow) that the remaining balance owed against this project (£0.825m) will be repaid prior to the end of 2022/23, in accordance with the repayment schedule previously agreed by the Board.

Table 1: GPF Cash Flow Position

£	2022/23	2023/24
GPF available at the outset of year	13,039,744	14,009,744
GPF funding repurposed	-	-
GPF available for investment	13,039,744	14,009,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	4,650,000	0
Position before GPF repayments are made	8,389,744	14,009,744
GPF repayments expected	5,620,000	1,740,000
Carry forward	14,009,744	15,749,744

4.7 As shown in Table 1 total GPF Round 3 drawdown of £4.65m is forecast for 2022/23. Sufficient GPF funding is currently being held to meet these drawdown requirements. All Round 1 and 2 GPF projects have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix C.

4.8 In November 2021, the Board agreed a revised repayment schedule for the Centre for Advanced Engineering project. As required, in advance of the Accountability Board meeting, the Essex County Council Section 151 Officer reviewed the proposed repayment mechanism and repayment schedule and recommended that a formal Continued Confirmation Statement and Reprofiting of the forecast expenditure be provided by South Essex College (as the delivery organisation) to the Accountability Board and Essex County Council on an annual basis. It is expected that the first Continued Confirmation Statement will be presented to the Board in November 2022, with a view to providing ongoing assurance that the agreed repayment schedule remains viable.

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 are set out under Section 6 of this report.

- 5.3 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.
- 5.4 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.
- 5.5 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. Eastbourne Fisherman's Quayside and Infrastructure Development project – update towards provision of a revised repayment schedule

- 6.1 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.
- 6.2 As the Board are aware from previous updates, the project encountered a number of issues (as summarised at the [February 2020 Board meeting](#)) which significantly delayed progress. However, following resolution of these issues, work commenced onsite on 27th July 2020 and the project completed in April 2021 enabling the onsite shop to open and operation of the seafood processing infrastructure to commence.
- 6.3 The project has also been awarded £1.44m Local Growth Fund funding to support delivery of Phases 2 and 3 of the project, which includes a Visitor Centre, a base for the Eastbourne Fisherman's Under 10m Community Interest Company (CIC) outreach and engagement work and storage space for fishing and landing equipment as well as a repair workshop. Phases 2 and 3 of the project completed in March 2022 allowing use of the buildings to commence.

- 6.4 As reported at the May 2022 Board meeting, a repayment of £0.25m was due to be made against the project prior to the end of 2021/22. However, it was only possible for a repayment of £0.1m to be made against the project prior to the end of the financial year and therefore the project defaulted on the agreed repayment schedule. As a consequence, interest is now chargeable on the remaining balance of the GPF loan (£0.825m) until the repayments are brought back into alignment with the agreed repayment schedule.
- 6.5 It was reported in July 2022 that a proposed revised repayment schedule would be brought forward for Board consideration at this meeting. The Eastbourne Fisherman's Under 10m CIC (delivery partner) have been taking steps to develop a robust revised repayment schedule and have worked with Locate East Sussex to prepare a comprehensive and viable new Business Plan.
- 6.6 The Business Plan and associated financial plan, which includes a proposed revised repayment schedule for the GPF loan, have been provided to East Sussex County Council for their review. An initial review of the documents has been undertaken by East Sussex County Council officers but further time is needed to ensure that full due diligence can be completed and that Section 151 Officer sign-off can be obtained confirming that the proposed revised repayment mechanism and repayment schedule are robust and viable.
- 6.7 It is now expected that the proposed revised repayment schedule will be brought to the Board for consideration in November 2022. This repayment schedule will also need to be considered by the Strategic Board in December 2022 due to the number of changes to the repayment schedule which have previously been agreed by the Board.
- 6.8 In the meantime, the Board should be aware of the ongoing risk of non-payment of the balance of the loan for the Eastbourne Fisherman's Quayside and Infrastructure Development project, as a result of the default position of the 2021/22 scheduled repayment and uncertainty relating to the updated repayment schedule for the outstanding balance on the loan. Until a proposed revised repayment schedule is brought forward for Board consideration, it should be noted that the repayment schedule previously agreed by the Board remains in place and requires full repayment of the remaining £0.825m funding during 2022/23 (as set out in Section 4.6 of this report).

7. Financial Implications (Accountable Body Comments)

- 7.1 A total of £13.04m (table 1) GPF has been carried forward from 2021/22. There is sufficient funding available to meet the already agreed GPF investments due in this financial year. Of this balance, £8.389m is uncommitted increasing to £14.009m uncommitted balance for 2022/23, should all loan repayments be received in line with current Board decisions and credit agreements in place. There is a likely risk this balance will drop pending a request to come forward to the Board for a change to repayment schedule of Eastbourne Fisherman's Quayside and Infrastructure

Development project, which could drop the available uncommitted balance of GPF to £13.185m for 2022/23.

- 7.2 The existing GPF project pipeline has now been expended, with no further projects due to come forward for consideration of GPF award at this time and no plans currently for a new round of GPF funding to be launched. Due to ongoing uncertainty from Government regarding the future role of LEP's, it is advised that options for the use of the available balance of GPF should be brought forward to the Strategic Board and the Board for consideration in 2022/23 and decision made on the future management of GPF as a recyclable capital loan scheme.
- 7.3 There is a continued risk in 2022/23 that scheduled repayments by existing projects will not be made as planned due to difficulties experienced by projects as a result of Brexit, COVID-19, economic uncertainty and inflation.
- 7.4 The Board are asked to continue to note that there has been a default in the loan repayment in respect of the Eastbourne Fisherman's Quayside and Infrastructure Development project in 2021/22.
- 7.5 The credit agreement states that interest will be applicable on the loan which is in default as detailed in 8.1 of this report. An indicative calculation of interest chargeable to East Sussex County Council as the 'borrower' under these terms was provided to the Board at the May 2022 meeting. An end date of 22 September 2022 (aligned with the September Board meeting) was assumed for illustration purposes but is not confirmed; as the request to re-profile the loan repayment has not been brought forward to this meeting, as previously anticipated, the interest will continue to accrue on the loan.
- 7.6 The full balance of the loan is scheduled for repayment in 2022/23 as per the credit agreement. East Sussex County Council have provided assurance to the Accountable Body, that they continue to work closely with the Eastbourne Fisherman's Under 10m CIC to ensure a robust and achievable proposed repayment reprofile is presented to the Board for consideration, with a view that this will now be presented at the November 2022 meeting.
- 7.7 If an existing GPF project is put forward for a change to its repayment schedule, under the terms of the credit agreement with Essex County Council, the lead County/Unitary Authority is required to provide assurance that there is reasonable justification for a delay in repayment and that the project is still viable in the longer term to make the repayments in full.
- 7.8 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.

- 7.9 Under the terms of the credit agreements between Essex County Council as the Accountable Body to SELEP being the 'lender' and the lead County/Unitary Authority being the 'borrower' (and SELEP Ltd as a party for post incorporation credit agreements) that on a quarterly basis a progress report is to be provided by the Borrower to include; a statement of project progress and any deviation, a revised Projects, Financial plan, and update of outputs achieved and those forecast, amongst other updates as requested. This is to enable robust and timely reporting to be provided to the Accountability Board on the status of project delivery, outputs and risks and mitigations.
- 7.10 It is noted that actual delivery of jobs and homes reported to date remain out of line with the expected levels identified in the business cases for most completed projects and there has been some evaluation of why delivery of outcomes is lower than expected. This should continue to form part of the on-going monitoring with reasons for under delivery explained fully to the Board. This is critical 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.

8. Legal Implications (Accountable Body Comments)

- 8.1 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.
- 8.2 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.

9. Equality and Diversity implications (Accountable Body Comments)

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

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

10. List of Appendices

- 10.1 Appendix A – GPF Project Update
- 10.2 Appendix B – GPF Repayment Schedule
- 10.3 Appendix C – GPF Drawdown Schedule
- 10.4 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
<p>Accountable Body sign off</p> <p>Stephanie Mitchener</p> <p>(On behalf of Nicole Wood, S151 Officer, Essex County Council)</p>	<p>14th September 2022</p>

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 and the building is now in use.	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. Revised repayment schedule will be brought to the November 2022 Board meeting.	Project is now complete and outcomes have started to be realised		Reduced repayment made in March 2022, and revised repayment schedule will be brought to the November 2022 Board meeting.
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. The site is currently being marketed and discussions are ongoing regarding land options and planning.	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. The site is currently being marketed, with a view to bringing forward the required investment.		The GPF funded enabling works have been completed, however, no commercial workspace has been brought forward to date. The site continues to be marketed.
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 the 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.	Construction has been delayed due to COVID-19 impacts. Project outcomes still expected to be delivered as per the Business Case.

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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. Installation of a new lift has been delayed but the majority of the works have now been completed.</p> <p>Heads of terms are being negotiated with the first tenants of the 12 studio-offices within the building, and occupation is expected prior to the end of September 2022.</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, with installation of the new lift outstanding	GPF allocation has been spent in full	The repayment schedule 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. Work is ongoing to ensure that the whole building is weathertight but cost inflation has made it impossible to complete all the planned works	Work is ongoing at the site and therefore the GPF spend risk is considered to be low.	The repayment schedule 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
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.	<p>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.</p> <p>Revised repayment schedule agreed in November 2021.</p>	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 first update is due to be presented at the November 2022 Board meeting.	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.	High level update on wider 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.

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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	Following Board agreement that the project has met the funding conditions attached to the award of the remaining funding, a Variation Agreement is currently progressed to allow release of the remaining funding.	There is a minor risk that the final development site will be slow to build out, meaning that their £106 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. 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.
Javelin Way development project	Kent	Round Two	The project aims to develop the Javelin Way site for employment use, with a focus on the development of Ashford's creative economy. The project consists of two elements: the construction of a 'creative laboratory' production space and the development of 29 light industrial units.	The project has secured Getting Building Fund investment of £578,724 to bridge a viability gap which has arisen as a result of COVID-19 impacts on the property market. Construction is nearing completion, with final utilities work and surfacing of the road and car park ongoing.	Construction is nearing completion.	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. Marketing of the local industrial units has commenced.	Project has been delayed due to long lead-in times for the required utility works but these have now been completed and the final elements of the project are in progress.	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.
Workspace Kent	Kent	Round One	The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.	There are five projects within this programme. Of these, one project has recently been approved for funding, two projects have been completed and have repaid in full and one project 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.	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 September 2022.	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.	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. Additional outcomes will be delivered as a result of the recently approved final project and therefore forecast project outcomes should still be achieved.		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.
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

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Chatham Waterfront	Medway	Round One	<p>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.</p> <p>A waterfront development site that can provide up to 175 homes over 6 to 10 storeys with ground floor commercial space.</p>	<p>Piling is now complete for all blocks and work is continuing on 3 of the blocks.</p> <p>Work has commenced to deliver the new turning required to access the site.</p>	<p>GPF funded element of the project has been completed.</p> <p>COVID-19 impact on wider project delivery is being continually monitored but work is ongoing onsite</p>	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 then 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.	<p>GPF invested, project complete and repayment made in full.</p> <p>The refurbished building is now in use and having a positive impact in the town centre.</p>	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.
Innovation Park Medway (southern site enabling works)	Medway	Round Two	<p>The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together form the North Kent Enterprise Zone.</p> <p>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors – particularly engineering, advanced manufacturing, high value technology and knowledge intensive industries. These businesses will deliver high value jobs in the area and will contribute to upskilling the local workforce. This is to be achieved through general employment and the recruitment and training of apprentices including degree-level apprenticeships through collaboration with the Higher Education sector.</p> <p>The Project will bring forward site enabling works on the southern site at the Innovation Park.</p>	<p>Demolition of the disused building is now complete.</p> <p>The Masterplan and Local Development Order (LDO) have now been adopted by both Medway Council and Tonbridge and Malling Borough Council.</p> <p>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.</p>	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.		The GPF funded enabling works have now been delivered and the GPF funding has been repaid in full

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Live Margate	Kent	Round One	Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.	"Phase 1" has been completed. "Phase 2" is underway. 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. To date 83 units have been completed and occupied.	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.	COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use. In addition, it is unknown at present how much of an impact COVID-19 will have on sales values of the homes. A revised repayment schedule was agreed by the Board in November 2020.	From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 89 homes will be exceeded by 2024/25.		Project is progressing well following change to Phase 2 of the project. Project is expecting to exceed the project outcomes set out in the Business Case.
No Use Empty Commercial Phase II	Kent	Round Three	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	12 projects currently contracted and underway in Canterbury, Dover, Folkestone, Herne Bay, Hythe, Margate, Sheerness, Sittingbourne and Ramsgate. These projects are expected to return 13 empty commercial units back into use and create 42 residential units. Discussions are ongoing regarding 2 potential new projects in Faversham and Folkestone. Approval for accelerated drawdown of £500,000 GPF originally forecast for drawdown in 2023/24 was granted at the July 2022 Board meeting.	The first 12 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	The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m ² of high quality office space with the potential to facilitate up to 440 jobs.	The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m ² of high quality office space. Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.	Project Complete	Project Complete	Havelock House has been sold enabling full repayment to be made in 2018/19.	As the building has now been sold, it is difficult to obtain real-time data regarding the number of jobs created as a result of the project.		Project completed and GPF repaid in full

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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	<p>The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways.</p> <p>This development is to be completed over 7 phases and should take approximately 12 years. The scheme will include: 1,400 new homes (25% of which are affordable), a new 1 form entry primary school, 2,200 sqm of new office & retail space, an 81 bed hotel and 10 acres of public open space.</p>	<p>The first housing units were completed in Q2 of 2019. 331 homes are now occupied, with a further 171 under construction (Phases 1 to 3).</p> <p>Construction of the new 2 form entry school commenced in July 2021, with completion expected by September 2022.</p> <p>Planning applications are being prepared/have been submitted in relation to future phases of development on the site.</p>	This project is already on site and the S106 agreement was signed at the end of January 2018. 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.	Contractors stopped work onsite due to the COVID-19 pandemic, which caused a 10 week delay to the programme. However, work is now progressing well. The supply chain has experienced some delays but these are being factored into future works.	Overall the project is on track to deliver outputs and outcomes.
Charleston Centenary	East Sussex	Round Two	<p>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.</p>	<p>The GPF funded works on the café-restaurant are now complete and the café-restaurant is open.</p> <p>Immediate impacts of the COVID-19 pandemic have been experienced, resulting in delays to repayment of the GPF loan.</p>	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 GPF 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	<p>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 3,473m² of office space.</p>	<p>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.</p> <p>Immediate impacts of the COVID-19 pandemic were experienced, resulting in delays to repayment of the GPF loan.</p>	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	<p>The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.</p>	<p>The project has contracted with 12 projects in Dover, Folkestone and Margate.</p> <p>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.</p>	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	<p>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.</p>	<p>The Growing Places Fund loan agreement has now been completed by all parties and the funding released to Kent County Council.</p> <p>There is a healthy pipeline of projects for 2022/23 and further publicity around the initiative is planned. The first 5 projects under this funding stream are now in contract, with a total of 9 projects now approved.</p>	Delivery of the project is at an early stage but there is a proven 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 is in the early stages but is progressing well.

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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.
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	No repayment risk identified	It has been reported that the majority of the forecast outcomes have been realised despite the impacts of the COVID-19 pandemic.		Project 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	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	3,920,008	1,500,000	1,000,000	1,000,000	1,500,000	-	-	5,000,000
Sub Total		46,705,042	46,705,042	40,262,050	38,130,675	4,575,000	1,000,000	1,500,000	-	234,600	46,686,275
Round 2 Projects											
Colchester Northern Gateway	Essex	1,350,000	1,350,000	1,350,000	1,350,000	-	-	-	-	-	1,350,000
Charleston Centenary	East Sussex	120,000	120,000	120,000	20,000	20,000	40,000	40,000	-	-	120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	1,150,000	1,150,000	325,000	825,000	-	-	-	-	1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000	2,000,000	-	-	-	-	1,000,000	1,000,000	2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	100,000	-	100,000	150,000	200,000	-	550,000
Javelin Way Development	Kent	1,597,000	1,597,000	1,597,000	-	-	500,000	500,000	597,000	-	1,597,000
Innovation Park Medway	Medway	650,000	650,000	650,000	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	1,045,000	640,000	690,000	1,797,000	1,000,000	8,417,000
Round 3 Projects											
Wine Innovation Centre	Kent	600,000	600,000	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	1,443,000	-	-	-	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	2,100,000	-	-	-	-	-	3,500,000	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	1,226,200	-	-	-	-	1,616,500	-	1,616,500
No Use Empty Residential	Kent	2,500,000	2,500,000	75,000	-	-	-	-	1,250,000	1,250,000	2,500,000
Sub Total		18,186,500	14,036,500	5,094,200	-	-	100,000	1,750,000	14,586,500	500,000	18,186,500
Total		73,308,542	69,158,542	53,773,250	41,375,675	5,620,000	1,740,000	3,940,000	16,383,500	1,734,600	73,289,775

Appendix C - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total drawn down to end 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 (subject to meeting funding conditions)	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	4,650,000	-	18,186,500
Total		72,062,542	67,412,542	4,650,000	-	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.

Report title: Updated 2022/23 Revenue Budget	
Report to Accountability Board	
Report author: Lorna Norris, Senior Finance Business Partner	
Date: 23 September 2022	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 update to the 2022/23 budget including specific grants.

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 **Note** the on-going uncertainty from Government regarding the future funding position for SELEP beyond 2022/23.

3 SELEP Revenue Budget 2022/23

- 3.1 At the July meeting of the Board, an updated budget for 2022/23 was agreed to incorporate the changes arising from the improved outturn position for 2021/22 of £358,000 and the anticipated core funding from Government of £375,000 that SELEP was able to apply for in July. The core funding has now been received. The updated budget sought to ensure that the commitments in the agreed SELEP Delivery plan could be delivered in accordance with the expectations of the SELEP Strategic Board and to reduce the reliance on reserves in 2022/23. The updated budget also intends to retain sufficient funding within the Operational Reserve to support some SELEP activities into 2023/24 – further information on the reserves is set out in section 3.8.
- 3.2 The latest forecast position for the SELEP revenue budget has been reviewed with the SELEP Chief Executive and is summarised in Table 1. This reflects a small detrimental net movement in the overall position of £28,000 following a review of the staffing costs and legal charges from the Accountable Body. This is summarised in Table 2.

Table 1: 2022/23 Proposed Budget Summary

	Updated Forecast	Latest Budget	Variance	Variance
	£000	£000	£000	%
Staff salaries and associated costs	783	771	11	1%
Staff non salaries	6	6	-	0%
Recharges (incl. Accountable Body)	284	269	15	6%
Provision For Redundancies	1	1	-	-
Total staffing	1,074	1,047	27	3%
Meetings and admin	148	148	-	0%
Chair and Deputy Chair Allowance including oncosts	40	40	-	0%
Consultancy and project work	130	130	-	0%
COVID-19 Support Programmes	1,760	1,760	-	0%
Grants and contributions to third parties	586	585	1	0%
Total other expenditure	2,664	2,663	1	0%
Total expenditure	3,738	3,711	28	1%
Grant income	(1,208)	(1,208)	-	0%
Contributions from partners	(138)	(138)	-	-
COVID-19 Support Fund	(1,760)	(1,760)	-	0%
External interest received	(21)	(21)	-	-
Total income	(3,127)	(3,127)	-	0%
Net cost of services	611	583	28	5%
Funds transferred (to)/from the Operational Reserve (not charged to services)				
Other re-purposed funds transferred to Reserves	(35)	(35)	-	-
Contribution from Redundancy Reserve	(52)	(52)	-	-
Net Deficit (Surplus) on provision of services	524	496	28	6%
Net Contributions to/(from) Operational reserves	(524)	(496)	(28)	6%
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	27
Grants and contributions to third parties	1
Total Movement in Net Cost of Services	28
Proposed Updated Budgeted Contribution from the Operational Reserve	524

- 3.3 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)	-	303	-	-
Growth Hub - Core Funding Grant	-	(445)	445	-	-
Skills Analysis Panels (SAP) Grant	-	(55)	55	-	-
Local Digital Skills Partnership Catalyst Grant	(29)	-	29	-	-
Energy Strategy Grant	(1)	-	1	-	-
Total Grant Income Applied	(333)	(500)	833	-	-
SELEP Core and GBF Capacity Grants	-	(375)	375	-	-
Covid-19 Skills Fund	(672)	-	637	35	-
Covid-19 Business Support Fund	(1,189)	-	1,123	-	(66)
Total Revenue Funding Applied	(2,195)	(875)	2,969	35	(66)

Note: Table may not sum due to rounding

3.4 A summary of each grant is set out in Appendix A; a small movement is forecast for the Local Digital Partnership Catalyst Grant with respect to use of the funding, but overall the grant remains forecast to be spent in full. An update with respect to the Covid-19 funds is set out below.

3.5 Covid-19 Recovery Funds

3.5.1 All of the contracted programmes are in delivery and are due to complete through 2022/23, with the evaluation phase for the business support fund due to be completed in 2023/24; the business support programme, therefore anticipates the final £66,000 of the contract costs to fall in 2023/24.

3.5.2 In respect of the Skills programme, £45,000 was set aside as match funding for the Digital Skills Partnership. This is now not required in full. The Board agreed in July 2022 for this funding to be repurposed: £10,000 to support year four of a Digital Skills Partnership for Catalyst South and the residual £35,000 underspend is repurposed to the Operational Reserve in 2022/23.

3.6 **Capital Funds Update**

3.6.1 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 set out the position for each Fund and further information is included in the separate update reports included in the agenda.

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)	(5,620)	4,650	(14,010)
Getting Building Fund (GBF)	-	-	-	-
Total Funds	(13,040)	(5,620)	4,650	(14,010)

Notes to Table 4:

- 3.6.2 **Local Growth Fund (LGF)** – all remaining LGF was transferred to delivery partners by the end of 2021/22. However, circa £47.288m 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 7).
- 3.6.3 **Local Growth Fund (LGF) (DFT)** – the brought forward balance from 2020/21, was requested in full by Southend-on-Sea City Council, taking the balance on the grant remaining to nil. A further allocation is expected to be received in relation to the A127 Fairglens project, but this remains subject to final approval by the Secretary of State – see agenda item 7 for further details.
- 3.6.4 **Growing Places Fund (GPF)** – GPF is a recyclable loan scheme with a balance to be carried forward into 2022/23 is £13.04m, of which, £4.65m is committed to approved projects; this leaves £8.39m 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 £5.62m is due by the end of 2022/23, leaving a balance of £14.01m. 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 during 2022/23. Further information on the GPF position can be found in Agenda item 11. 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.
- 3.6.5 The GPF update report (agenda item 11), also sets out that there has been a default in a loan repayment that was due by March 2021 in respect of the Eastbourne Fisherman's Quay and Infrastructure Development project totalling £150,000; in line with the credit agreement for this Project, interest of 1.99% will be applied to the full remaining balance of the loan of £825,000, until a revised repayment schedule is agreed by the Board or the balance in default is repaid, whichever is sooner. Until a revised repayment schedule is agreed that has been assured by the East Sussex County Council S151 Officer, the repayment of the full outstanding balance of the loan presents a risk to the GPF and the funding available for future reinvestment.
- 3.6.6 **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. Of the total amount transferred to partners, £20.784m is forecast to be spent in 2022/23. Further information on this fund is set out in Agenda item 5.

3.7 Funding Risks

- 3.7.1 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 as 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.
- 3.7.2 In the letter confirming the 2022/23 Core funding arrangements, Government also advised that they have not made any decisions around the future funding of LEPs beyond this financial year. This again places SELEP in the position that planning for delivery beyond March 2023, will need to be on the basis of the available Operational reserves – this position is considered further in section 3.8 below. In this circumstance, there remains on-going risk of redundancies in the SELEP team being required into 2023/24.
- 3.7.3 The Levelling Up White Paper indicated an on-going role for LEPs while local authorities do not have a County Deal¹ in place, but have not committed to on-going funding to support this role. Should Core Funding continue to be offered in future years, however, there will be a requirement for match funding to access this. The Board may want to consider the on-going implications of this requirement for the local authority partners.
- 3.7.4 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;

¹ See the Levelling Up White Paper for more information on County Deals [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/levelling-up-the-united-kingdom)

- 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.

3.7.5 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 will be subject to review as part of the on-going financial monitoring and will continue to form part of the reporting to the Board on a quarterly basis. The latest assessment of the reserves is set out in 3.8 below; any changes to the level of reserves is subject to a decision by the Board.

3.8 Reserves

- 3.8.1 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.
- 3.8.2 Table 5 summarises the level of Operational Reserves that will be available to support SELEP based on the latest forecast position. This anticipates that £778,000 will remain at the end of March 2023 to support delivery into 2023/24; this is a reduction of £28,000 compared to the budgeted position of £806,000. Opportunities will be sought, where possible, to mitigate against this overspend and further pressures arising to protect the available reserves to support services into 2023/24.
- 3.8.3 To sustain the service at the current level of delivery in the short term, SELEP continues to be reliant on support from Government and contributions from Partners to supplement the available reserves; if SELEP is unable to secure this funding support, it may need to look at options for budget savings into 2023/24, including the potential for further redundancies within the Secretariat.
- 3.8.4 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 during 2022/23 and future years and that this continues to be balanced against funding 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.
- 3.8.5 It is anticipated that, working with the SELEP Chief Executive, a proposed budget for 2023/24 will be brought to the next meeting of the Board which will be based on the forecast available operational reserve; it is not anticipated that it will be known if any Core funding

will be available for future years at that point.

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	87	(611)	778	(524)
Ring-fenced Reserves Earmarked for future use					
Covid-19 Skills Support Fund	672		(672)	-	(672)
Covid-19 Business Support Fund	1,189		(1,123)	66	(1,123)
Redundancy Reserve	163	45	(52)	156	(6)
Future Commitments Reserve	423			423	-
Risk Reserve	975		-	975	-
Total Reserves	4,723	132	(2,458)	2,397	(2,326)

Note: Table may not sum due to rounding

4 Financial Implications (Accountable Body comments)

- 4.1 This report has been authored by the Accountable Body and the recommendations are considered appropriate.
- 4.2 The updated 2022/23 revenue budget 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 both in the current year and into 2023/24. If the anticipated funding is not secured, the budget may need to be reprioritised and associated services may need to be scaled back further from 2023/24.
- 4.3 A number of the SELEP Secretariat staff are funded through specific grants which are only confirmed on an annual basis; this builds in additional risk to assuring employment and delivery; this risk is mitigated through the proposed budget and reserves.
- 4.4 Given the challenging reserves position for the SELEP, it will be necessary to consider carefully the impact of future decision making, including new funding streams, to ensure that sufficient resources remain available to support any new commitments arising.
- 4.5 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 evolving financial position.

5 Legal Implications (Accountable Body comments)

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

6 Equality and Diversity implication

- 6.1 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.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 6.3 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.

7 List of Appendices

- 7.1 Appendix A – Specific Grant Summary

8 List of Background Papers

- 8.1 None

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer Essex County Council)	14 th September 2022

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	Latest Budget	Variance	Variance
	£000	£000	£000	%
Recharges (incl. Accountable Body)	145	146	(1)	-1%
Office expenses	-	-	-	0%
Consultancy and projects	102	102	-	0%
Grants to third parties	576	576	-	0%
Match Fund to 3rd Party	10	9	1	0%
Total Expenditure	833	833	-	0%
Grant Income	(833)	(833)	-	0%
Total income	(833)	(833)	-	0%
Net position	-	-	-	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; £40,000 of this amount has since been transferred to East Sussex County Council to support the Coastal Communities project.

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	303	303	-	
Total Expenditure	303	303	-	
Grant Income	(303)	(303)	-	
Total income	(303)	(303)	-	
Net position	-	-	-	

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.

In 2018/19, following the increased requirements of Central Government, a full-time post was established within the Secretariat to support the Growth Hub programme; the costs of the post will be met, through the grant in this year; 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 £000	Latest Budget £000	Variance £000	Variance %
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 £000	Latest Budget £000	Variance £000	Variance %
Recharges (incl. Accountable Body)	42	42	-	
Office expenses	-	-	-	
Consultancy and projects	13	13	-	
Grants to third parties	-	-	-	
Total Expenditure	55	55	-	
Grant Income	(55)	(55)	-	
Total income	(55)	(55)	-	
Net position	-	-	-	

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.

There is also an opportunity of further funding with respect to this grant in 2022/23; once confirmed and received, the forecast position for this grant will be updated.

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)	19.0	20.0	(1)	
Office expenses	-	-	-	
Consultancy and projects	-	-	-	
Grants to third parties	-	-	-	
Match fund to 3rd party	10.0	9.0	1	
Total Expenditure	29.0	29.0	-	
Grant Income	(29)	(29)	-	
Total income	(29)	(29)	-	
Net position	-	-	-	0.0%

Additional Grants

In addition to those grants set out above, SELEP is also planning to spend the residual balances on the following grant:

Energy Strategy Grant - £927

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Amy Ferraro – Governance Officer	
Meeting Date: 23 September 2022	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 update on Assurance Framework compliance monitoring and Governance KPIs at Appendices B and C; and

2.1.2. **Note** the changes to the Risk Register at Appendix D.

3. General Operations Update

- 3.1. We are continuing to co-operate with the Cities and Local Growth Unit's Deep Dive into East Sussex projects where the delivery partner is Sea Change Sussex, in line with our Assurance Framework.
- 3.2. We received the Core Grant Funding confirmation letter from the Department for Levelling Up, Housing and Communities on the 28 July, confirming £375,000 of funding for 2022/23. We submitted our application and have duly received the funding allocation; the SELEP revenue budget was updated at the Board meeting in July 2022 in anticipation of receipt of the funding and further details on the latest position are included within the Finance Update (agenda item 12).
- 3.3. A report considering future activities of the LEP was presented to the June 2022 Strategic Board meeting, and the Delivery Plan for 2022/23 (Appendix A) was agreed.
- 3.4. 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 and are responded to accordingly, complying with the requirements of the Act.

- 3.5. The rights enshrined in the FOI Act are an important part of transparent governance however requests for information are impacting the capacity of both the Secretariat and Accountable Body resource. This will be exacerbated by any further resize of the team and other changes to personnel. Officers will keep the Board updated should ongoing requests be made, as a decision may be required regarding resourcing.

4. SELEP Chair Recruitment

- 4.1. The current SELEP Chair finishes his final term at the end of February 2023. Therefore, the Strategic Board have agreed to begin the recruitment process.
- 4.2. The Strategic Board agreed to form a Selection Panel and delegate decision-making powers to assist in the recruitment of a new SELEP Chair. The following Directors have volunteered to be a part of this Panel:
- 4.2.1. Cllr Keith Glazier, East Sussex County Council
- 4.2.2. Liz Gibney, Chair of the Kent and Medway Economic Partnership
- 4.2.3. Jeremy Kerswell, Further Education Representative
- 4.3. They will be supported by the Secretariat and Accountable Body.
- 4.4. The first meeting of the panel is being held in September, with an update to the Strategic Board to be provided at the October meeting.

5. Assurance Framework Monitoring

- 5.1. 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.
- 5.2. An assessment has been made of compliance to the requirements of the current Assurance Framework. The following action is required:

Increasing gender diversity to 50/50 by January 2023	This has been indicated by Government as a target in the National Assurance Framework.
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- 5.3. The Co-Opted representative for Essex District Councils is currently a vacancy as the appointment was made on an interim 6 month basis, expiring at the end of June 2022. The Secretariat is communicating with officers to appoint to this vacancy for the October Strategic Board meeting.

- 5.4. 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.

6. Key Performance Indicators

- 6.1. We are tracking a number of KPIs to ensure there is compliance with the governance requirements in the Assurance Framework. These can be found at Appendix C.
- 6.2. All KPIs are mostly delivering in line with targets. There has been significant improvement in Federated Board KPIs, particularly regarding Registers of Interests. The Secretariat will continue to communicate with Federate Boards to maintain compliance.

7. Risk Register

- 7.1. The receipt of the core funding for 2022/23 has reduced the financial risks for this year and enabled funding to be retained in reserve for next year, however, that lack of confirmation of funding on-going continues to be a risk for the future of the LEP.
- 7.2. 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.
- 7.3. The risk of non-achievement of Outcomes/Outputs of the Capital Programme (Risk 19) has increased and is now classified as high risk. There is an increasing risk of projects still in delivery (predominantly GBF projects) being unable to deliver the full scope of the outputs set out within their approved Business Case due to significant cost increases which are impacting on the construction sector. It is expected that this risk will be partially mitigated through the award of available GBF funding to existing GBF projects.
- 7.4. 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.
- 7.5. 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.

- 7.6. The risk of high levels of staff absences due to COVID-19 (risk 34) has been reassessed as low as case numbers have reduced across the country. 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.
- 7.7. 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. Whilst responses to these requests are being provided in accordance with statutory requirements or internal policy (as applicable), the volume of requests received is placing additional pressure on the limited officer resource available to both SELEP and the Accountable Body. An internal review is currently being conducted to ensure that SELEP policies and procedures have been fully complied with and, in the meantime, a number of presentational changes have been made to the Board agenda pack in response to queries submitted. 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.

8. Accountable Body Comments

- 8.1. It remains a requirement for SELEP to have an assurance framework in place that complies with the requirements of the National Local Growth Assurance Framework.
- 8.2. The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.
- 8.3. The S151 officer of the Accountable Body is required to provide the following confirmation to the Government on an annual basis:
 - 8.3.1. That all the necessary checks have been undertaken to ensure that the SELEP has in place the processes to ensure the proper administration of their financial affairs and that they are being properly administered; and
 - 8.3.2. That the SELEP's Local Assurance Framework is compliant with the minimum standards as outlined in the *National Local Growth Assurance Framework (2019)*.
- 8.4. This confirmation was provided to the Government, by the S151 Officer on the 24 February 2022.
- 8.5. The S151 Officer of the Accountable Body is required to ensure that their oversight of the proper administration of financial affairs within SELEP continues throughout the year.

SELEP Operations Update

- 8.6. In addition, the S151 Officer is required to provide an assurance statement to Government as part of the Annual Performance Review; this must include information about the main concerns and recommendations about the arrangements which need to be implemented in order for SELEP to be properly administered.
- 8.7. 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 12)
- 8.8. 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) programmes, where a significant proportion of spend of the GBF by Partners is post March 2022. Due to GBF slippage from 2021/22, quarterly reporting of spend will continue to be a requirement for 2022/23. Government have indicated that any future year Core Funding allocations (if confirmed) would be subject to achievement of agreed KPIs, including in relation to Programme Delivery – the KPIs will be developed with Government as part of the development of the 2023/24 delivery plan.

9. Financial Implications (Accountable Body comments)

- 9.1. The Core funding for £375,000 was received from Government in August 2022. This amount is reduced compared to prior years but as it wasn't anticipated when the revenue budget was set in November 2021, it has enabled the 2022/23 budget to be updated at the July 2022 Board meeting and provides additional options for delivery moving into 2023/24 as reflected in the Finance update (agenda item 12).
- 9.2. The current level of reserves is sufficient to support the SELEP budget for 2022/23 and into 2023/24.
- 9.3. Currently there remains no assurance from Government of grant funding beyond 2022/23 however the letter received from Government refers to the requirement for LEPs to submit draft delivery plans for 2023/24 by 25 November 2022. These would be subject to agreement by Government and would be subject to meeting agreed delivery and performance metrics.
- 9.4. Essex County Council, as the Accountable Body for the SELEP, is only able to meet funding commitments made by the SELEP, where it is in receipt of sufficient funding to do so and any spend is in line with the requirements of the Local Assurance Framework and any conditions associated with individual funding allocations.

10. Legal Implications (Accountable Body comments)

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

11. List of Appendices

SELEP Operations Update

11.1. Appendix A – Delivery Plan 22/23

11.2. Appendix B – Assurance Framework Monitoring

11.3. Appendix C - Governance and Transparency KPIs

11.4. Appendix D – Extract from Risk Register

12. List of Background Papers

12.1. None

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

Role	Date
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 14 th September 2022

South East Local Enterprise Partnership

Delivery Plan April 2022 to March 2023

[Updated May 2022]



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- 2. Evolution of SELEP**
- 3. Strategic Planning and Intelligence**
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- 7. Partnership & Governance**

Annexes

- A: Capital programme
- B: Revenue programme
- C: Quarterly plan for 2022/23
- D: Operational budget
- E: Risk register

1. Introduction

Message from the Chair and Chief Executive

The beginning of 2022-23 marks the end of the final domestic covid restrictions in England. While it may yet be too early to anticipate a full return to the lives we knew before the pandemic, there is hope that forced business closures and foregone freedoms will be consigned to the past.

While national output has now returned to pre-pandemic levels, there remain major challenges stemming from the UK's new relationship with Europe, escalating energy prices and pressure on the cost of doing business and the cost of living for households and communities.

The challenges facing businesses across the south east are changing, and so too is the context in which our partnership operates. The government has placed its commitment to 'levelling up' at the centre of its policy agenda – making clear its ambition to reduce disparities in income, wealth and life chances between regions of the UK and to accelerate devolution to local communities.

It is vital that the interests of south east businesses are reflected in the levelling up agenda. Over the next year our role will be to convene partners to ensure that the voice of business has a powerful and direct influence over local economic policy and investment decisions. We will continue to shape the strategic economic direction for our areas and to secure agreements and actions that will enhance our competitiveness and unlock sustainable local growth.

SELEP will adapt and adjust to this changing context and will play its full part in supporting economic renewal across the south east.



Christian Brodie, Chair of SELEP



Adam Bryan, CEO of SELEP

Evolution of SELEP

Local Enterprise Partnerships (LEPs) have delivered a lot in the last decade. SELEP has targeted some £800M of funding, delivered direct business support through our Growth Hub operations, created a robust and comprehensive evidence base of our economy, used funds available to us to direct support where most needed and established strong partnerships across business, local civic leaders and academia to drive collaboration, investment and opportunity.

Over the past year LEPs have also been subject to a functional review which has created uncertainty on government's future policy direction and LEP's future role. The Levelling Up White Paper, published in February 2022, provided some clarity and stated that 'where a devolution deal doesn't exist, LEPs will continue to play their vital role in supporting local businesses and the local economy'. The policy direction is set to expand Mayoral Combined Authorities (MCAs) and create County Deals across the country, devolving funding and powers to more local areas; and when and where this happens, the functions of the LEP will be part of this future structure. Until that time, LEPs will continue to operate and provide vital functions to deliver economic growth in their area.

Core funding has been confirmed for LEPs for 2022/23. The Levelling Up White Paper also clarified that future capital funding e.g., UK Shared Prosperity Fund (UKSPF), will be channelled through Local Authorities, the Greater London Authority and Mayoral Combined Authorities. This change in funding flows alters the function of LEPs across England and LEPs will play a role akin to that which they played following their creation in 2010 - **providing the voice of businesses; carrying out strategic economic planning, using their convening power to bring together business, education and other local economic stakeholders, and leading economic growth and job creation within a local area.**

It has also been confirmed that LEPs, subject to confirmation of funding, will continue to deliver crucial functions on behalf of government departments. The letter received from Government stated that these may include:

- Growth Hubs, on behalf of the Department for Business, Energy and Industrial Strategy;
- International trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects, on behalf of the Department for International Trade;
- Local Digital Skills Partnerships, on behalf of the Department for Digital, Culture, Media and Sport;

- Local skills analysis via Skills Advisory Panels and Career Hubs, on behalf of the Department for Education; and
- Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.

The SELEP Economic Recovery and Renewal Strategy, published in March 2021, sets out a clear path and set of priorities to improve the economic performance of the south east for the future and we are confident, that despite these changing contexts, our identified strengths and opportunities remain. We will continue to keep these priorities under review, consider the governance structures needed to deliver, and evolve our partnership and the relationships that exist within this, to meet the new operating context.

In line with Government plans for levelling up and economic growth, and expectations of LEPs within this, SELEP will perform three core functions going forward – the provision of **strategic planning and intelligence** to provide a clear regional strategy for growth, underpinned by a robust live evidence base; **communicating, collaborating and convening** across our network of businesses, academia and public sector to provide a business voice and joint activity around key strategic objectives; and **delivering strategic economic projects** to seize opportunities to accelerate growth. The following three chapters set these out in more detail.

2. Strategic Planning and Intelligence

Our work is underpinned by an evidence-based approach to strategic planning and this will continue to inform our priorities and future direction as set out below.

Economic Strategy

In March 2021, the SELEP Board approved its [Economic Recovery and Renewal Strategy](#). It responds to the devastating impact of the COVID-19 pandemic on the economy, but also the implications of Brexit on supply chain issues and the labour market and the need to level up within the south east. These issues continue to have implications and more recent ones are adding further pressure, such as high inflation, tax rises, all putting additional strain on already stretched businesses and individuals.

Our strategy aims to build on the unique opportunities and challenges that our area possesses and fully engage with Government policy for 'Global Britain' and 'Levelling Up' but we face clear cross-cutting issues in executing this. Many communities across SELEP benefit from relatively good standards of living but there are pockets of deprivation and also high concentrations of deprivations in some places, notably coastal communities. One hundred and thirty LSOA across SELEP are in the 10% most deprived neighbourhoods in the country (IMD 2019) and 107 of those LSOAs are found in SELEP's 16 coastal districts, including the most deprived community in the UK, Jaywick Sands in Clacton.

Our future plans and activity must also consider the impact on the climate, how interventions can support greater equality and inclusion within our society and ensuring the necessary connectivity, digital access and skills to support growth. Failing to do so would impede our future economic success and therefore we have set out four guiding principles in our strategy which will help to drive value-based decision making and action as we move forward.

This year, Government set out its plans to transform the UK by spreading opportunity and prosperity to all areas through 12 national missions in the Levelling Up White Paper. The paper embedded the role of LEPs in policy for the first time, recognising their key role in supporting local businesses and economy and eventually, the transition to devolution deals.

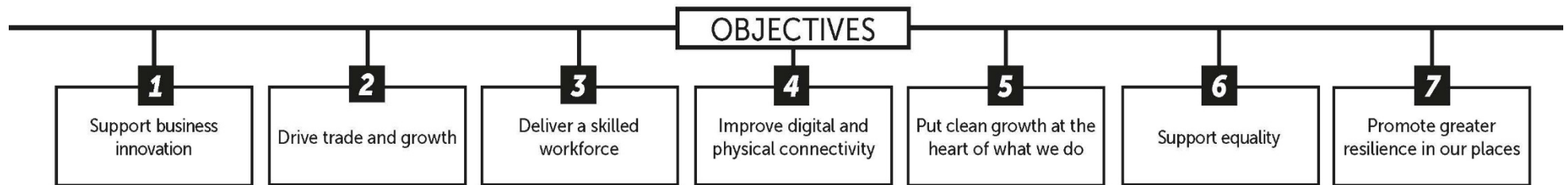
We believe our strategy and this delivery plan set out the right focus and priorities for SELEP, with a focus on creating well-paid sustainable jobs, which ultimately drives economic prosperity.

Our priorities are underpinned by seven cross cutting objectives which are reflected throughout the strategy as key pillars of all the work that we do. They are accompanied by a set of economic indicators which serve as the macro KPIs for the strategy. The strategic framework below sets this out.

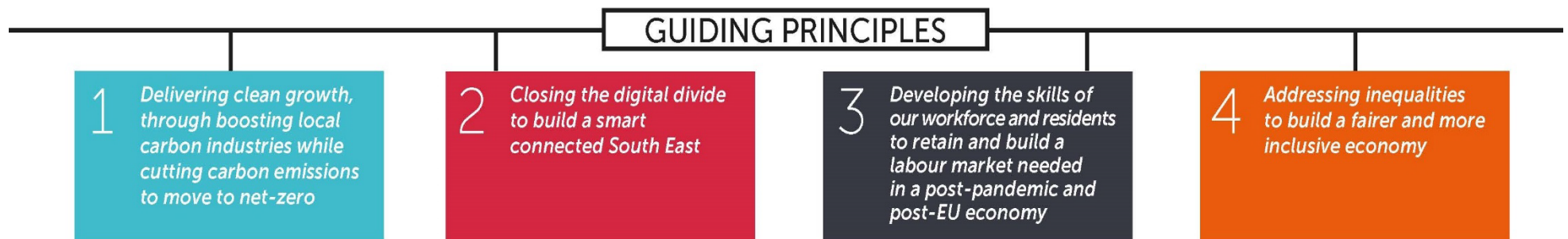
Whilst we believe our Strategy remains current and relevant, as the detail of our future role, outlined by Government on 31st March 2022, becomes clearer, SELEP will revisit and pivot our Strategy as appropriate to reflect our evolving mandate and focus for the coming year and beyond.



These are underpinned by seven key objectives, which are to:



And four guiding principles:



Economic Data and Intelligence

In 2021, SELEP took steps to improve the capacity of the SELEP secretariat and the SELEP Board in evidence-based decision making. This new analytical capacity not only deepened our knowledge of our economy but proved vital in our ongoing response to the COVID-19 pandemic, supporting the work of SELEP and our local partners to identify the issues and areas most in need of support and intervention, as well as providing local analysis of the take up of national schemes.

Subsequently, we have also strengthened our understanding and response to key policy areas such as coastal communities, levelling up, skills and sector impacts, based on the use of robust data and intelligence. This has been identified as a key priority to support SELEP's activities in 2022/23 and will include for example developing the Board's awareness of a range of data relating to diversity and inclusion.

In the last year we have updated and extended our extensive evidence base aligned to our Strategy and making use of the LEP Indicator Handbook (BEIS, 2019). We continue to extend our evidence base and recent work has focussed on the Levelling Up agenda, with the development of our own robust Levelling Up Index, focussed on the priority area of "access to good quality local jobs". Our data intelligence capability includes "Town" level analysis, and our Levelling Up Index clearly shows that some of coastal communities are amongst the most left behind in the UK. Work is in hand to make more of our evidence available through our website with quarterly updates.

In the year ahead will we continue to align our evidence base to the Levelling Up agenda, including emerging Government metrics, and will produce more detailed sectorial analysis at a local level.

SELEP will also continue to produce high quality analysis of the local labour market and its skills needs, in line with our MoU with the Department for Education. This will include supporting the development of, and ongoing analysis for, the Local Skills Improvement Plans that sit within the SELEP area, working with them to identify where there are gaps in knowledge and where additional analysis would be beneficial.

Strategic Partnerships and Leadership

Our active leadership and engagement with our wider partnership is crucial to delivering our ambitions for the SELEP economy. Amongst others, some key areas of activity include:

Catalyst South

As a LEP we will continue to lead and engage with the work of Catalyst South, our partnership of six LEPs across the south east. Last year we jointly held an event looking at the impact of the pandemic on the economy surrounding airport towns. This was to highlight the significant and ongoing challenges faced by these areas due to their reliance on probably the worst hit sector during the crisis.

Chaired by our Chief Executive, we will continue to establish and drive forward our shared agenda and collaborative activity to unlock the economic power of the wider south east.

Housing

We will also continue to play a strong role in the strategic housing agenda. Housing remains an important issue in the south east and it is vital that we ensure alignment with our capital programme as well as with national initiatives such as Garden Communities. The SELEP area has 25% of garden community allocation in the UK and therefore, alongside other large scale housing development, we are in a strong position to lead the way in the development of these future communities.

Business Representative Organisations

SELEP also remains committed to maintaining its strong connections with our regional network of business representative organisations. This helps to ensure that we collectively understand the needs of businesses within the LEP and so we can ensure the support we provide will help to drive the growth of our economy.

Future Areas of Work and Devolution

Following our directive from Government, SELEP aims to explore new areas of work that haven't formed part of our core offer previously. These may include activity to promote Inward Investment, for example by developing a thematic approach that supports particular communities across SELEP and will add value to the great work already happening in the region; and working more closely with our universities, via our U9 group, on regional innovation, focusing on improving access to UKRI/IUK funding for businesses.

We will also work closely with our Local Authority partners to develop and support plans for the transition to devolution deals, in line with local ambitions.

3. Communicating, Collaborating & Convening

A key role for SELEP is to use our convening power to bring together business and other stakeholders to drive economic growth and we will do this through effective communication and collaboration and by continuing to expand and strengthen our existing network.

Major Projects Group

Over the coming 5-15 years, the SELEP region will have infrastructure growth of significant importance and scale, including through large scale housing development, new strategic road networks, expansion of air and seaports and new sustainable energy sources.

In May 2020 we established a South East Major Projects Group (MPG) to bring organisations together with the LEP, its partners, Government departments and other relevant bodies to take a strategic approach that will proactively help to ensure a local supply chain and workforce that will underpin the successful delivery of these significant infrastructure projects. The first tranche of work has been a detailed review of the projects, their timelines and demand for skills and labour. From this we are developing an action plan that collectively the projects, SELEP, the skills sector and other partners can deliver against over the coming years to maximise sustainable local employment and better ensure successful and timely delivery of projects. A dedicated MPG Skills sub-group has been established to lead on this important area of work.

More information about the group can be found at [Major Projects Group - The South East Local Enterprise Partnership \(southeastlep.com\)](https://southeastlep.com) and [Major Projects Group - South East Skills](#).

Freeports

One of the biggest opportunities to support ambitions for both levelling up and global Britain is Freeports. SELEP has two Freeports – Thames Freeport in Thurrock and Freeport East in Suffolk and Essex. SELEP has played an important role in helping develop the successful bids and subsequent business cases and will continue to work closely with the Freeports as they establish and work to drive new commercial

opportunities that support the regional and national economy. Both are also situated in areas of deprivation and as such will benefit communities that need levelling up.

It is our expectation that SELEP will play an ongoing role in the governance arrangements for the designated Freeports. For Freeport East we will work closely with neighbouring partners in the New Anglia LEP to provide a shared voice on the Freeport East Board. We look forward to supporting their implementation, which will accelerate and enhance SELEP's role as a gateway for global trade and enterprise.

Skills

The skills agenda is pivotal to all areas of the LEP's work. It is a key issue for businesses and often presents a barrier to growth. SELEP has a strong track record in delivering skills outcomes and has developed and led many programmes to tackle issues such as acute teacher shortages in key sectors, comprehensive labour market intelligence, delivery and scrutiny of European Social Funds, targeting capital funding; all led by a strong employer voice through our Skills Advisory Panel (SAP) and our Skills Working Group (SWG), comprising of further and higher education, local authorities and other key stakeholders. We have supported policy initiatives, such as the newly awarded Institute of Technology, and designed and contracted £2million of additional funding to support businesses and individuals adversely affected by the pandemic.

SELEP was also selected as a pilot area in 2019 to work with Government as one of 7 national Digital Skills Partnerships (DSP) funded by the Department for Digital, Culture, Media and Sport (DCMS). Our DSP Co-ordinator has worked closely with DCMS and a range of partners and large corporations such as Google, Microsoft and BT, to enable activity on the ground. The Steering Group, chaired by Pfizer, and working Groups have been delivering an action plan to advance the priorities detailed in our Skills Strategy and recently produced the DSP's Digital Skills Strategy for 2022/23. In response to COVID-19 this partnership also took a leading role in areas such as ensuring access to online learning, running webinars and tackling issues such as digital kit and connectivity.

Our role in skills remains important and we will continue to play a leading role in supporting this agenda through delivery of the MPG skills and employment action plan, development of the Freeports, maintaining the relationships and expertise established through the DSP, continued delivery and evaluation of the Skills COVID-19 programmes and championing the business voice in the skills sector, directly and through supporting Local Skills Improvement Plans (LSIPs). Refocusing the work of the SAP and SWG and helping shape and support new interventions

that may take place as part of levelling up plans, may also form key activities this year.

Net Zero/Clean Growth

SELEP is well placed to help influence clean growth and has a unique role to play in convening partners and in championing clean economic growth initiatives via advocacy, engaging business and industry and in supporting specific projects. Clean growth is a guiding principle in our commitment to rebuilding the economy and will need to be embedded across all areas of work.

Our actions and priorities in support of net zero will be informed by the outputs of SELEP's Annual Conference in 2021 'South East Futures: What Does Clean Growth Look Like for the South East?' and will also build on the strong relationships that have been formed through the SELEP Clean Growth Group and the South2East Energy Strategy previously developed in partnership with Coast to Capital and Enterprise M3 LEs. In addition, we will work to maximise innovative new approaches to transition to net zero, for example through the MPG, collaboration with universities and the Universities 9 (U9) working group, our two Freeports and the Thames Estuary Growth Board.

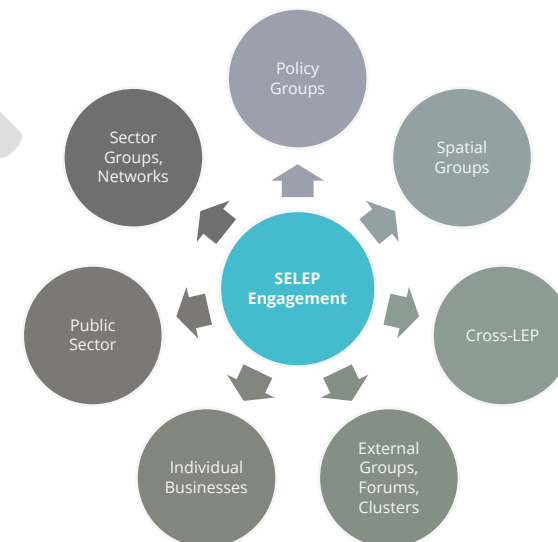
Strategy Network

SELEP works effectively through a number of thematic working groups which bring private and public sector partners together to tackle shared issues and opportunities (please find information on current groups [here](#)). This network also provides existing collaborations to be able to garner views and feedback and respond quickly and add value to local investments such as the Towns Fund, Levelling Up Funds and UKSPF, as well as live policy issues and consultations.

SELEP now seeks to build on the effective work of these groups whilst creating a more agile, flexible and wider strategy network model, with the main aim of increasing connection to and engagement with the business community.

The network will include our existing working groups, such as University 9, MPG, SECEN, Rural, Coastal, housing etc., as well as our MPs and other senior politicians, but we will broaden our engagement and communication with a wider network of groups, organisations and individuals and in doing so ensure that we can focus efforts on where the SELEP can add most value.

We will continue to facilitate and engage with existing working groups and structures in support of the SELEP strategy and strengthen and expand our relationships with Business Representative Organisations across the area. We will also reach out to other existing sector groups to establish active two-way communications on sectoral issues and opportunities, promote and, where possible, facilitate collaboration in cross-cutting themes e.g. skills, low-carbon and evolve and expand our online presence to enable greater business engagement.



4. Delivery

Our main areas of programme delivery are set out below, with progress against each of SELEP's strategic priorities also set out in Section 6.

Capital Programmes

Investments made through our Capital Programme have supported visible interventions made to deliver to our strategic priorities. In total there are 105 Local Growth Fund (LGF) projects, 29 Growing Places Fund (GPF) projects and 40 Getting Building Fund (GBF) projects approved with a total of £0.716 billion being invested in the region. Eleven GPF, 65 LGF and 9 GBF projects have now been completed. As the Capital Programmes come to an end, SELEP's role in 2022/23 will be focused on monitoring and evaluation of the outcomes of the projects, many of which will continue to deliver these long after the intervention itself is complete.

A lessons learned report has also been completed and shared with the Accountability Board and Strategic Board in July and October 2021 respectively. A summary of current capital programmes, which are monitored by the SELEP Accountability Board, can be found in annex A.

SELEP's intention is to conduct an evaluation of our capital programme to demonstrate outcomes and impact this has had on our economy over recent years.

Sector Support Fund and Covid-19 Recovery Funds

A further £2.351m was made available by SELEP to support the activities of SELEP's Working Groups through the Sector Support Fund (SSF). The SSF is revenue funding that projects, supported by the working groups, could bid into on a competitive basis for support for one-off, discrete pieces of work of a pan-LEP nature. At the time of writing no further bids for SSF investments are being accepted.

Additionally, in 2020/21 the SELEP Board agreed to divert funds to a Covid-19 Recovery Fund which made available a £2.4m Business Support Fund, of which £3.365m has been contracted for delivery, and a £2m Skills Recovery Fund, of which £1.525m has been contracted for delivery that will continue into Q1 of 2022/23. Detailed reports on these funds, including breakdowns of spend allocations, are provided to the Strategic Board and an impact evaluation of the skills and business support projects will be undertaken later in 2022/23. Further details on revenue funds are provided in annex B.

Growth Hub

SELEP leads the South East Business Hub (Growth Hub) service across the region, working closely with the Lead Authorities - East Sussex County, Kent County and Southend Councils - who are responsible for provision of the service via our three Area Growth Hubs.

The Growth Hubs provide an essential 'front door' for businesses to the complex business support landscape, signposting them to relevant advice, support schemes and funding opportunities to help them thrive and grow. Throughout the COVID-19 pandemic, they played a vital role in assisting businesses to survive and adapt. Intelligence collated through our Growth Hubs can be used to help shape new and future interventions, such as the transition to net zero, innovation clustering and international trade.

Government has now confirmed that Growth Hubs will receive core funding for 2022/23. However, the national settlement is a 50% reduction on the core budget for 2021/22. For SELEP this equates to £445,000 for 2022/23. SELEP will work at pace with the steering group and Lead Authorities, to agree how the substantially reduced envelope can be deployed to best effect and fairness and achieve economies of scale, to ensure the provision of a core service as far as is practicable across the area whilst maintaining service continuity. SELEP will also continue to convene the South East Business Hub Steering Group on the transition to a service delivery model that is sustainable within the reduced funding envelope.

Supporting Partner Delivery

With capital funding being allocated to more local areas, it is even more important that SELEP focuses efforts on supporting the delivery of an aligned set of activities that are led by our partner organisations and into which we are one of many contributors. Such projects and initiatives include:

- ✓ Freeport East (joint board member) and Thames Freeport
- ✓ Town Boards
- ✓ Greater South East Net Zero Hub
- ✓ Spend of remaining ERDF/ESF
- ✓ Sub-national transport bodies (TfSE, Transport East)

- ✓ Thames Estuary Growth Board
- ✓ Maritime UK

As we move forward this year, in agreement with local partners SELEP will consider implementing new funded programmes, including potentially a future round of Growing Places Fund and using any residual funding (e.g. returned GPF, LGF) to stimulate regional activities which aggregate from common themes of UK Shared Prosperity Fund activities, and which are aligned to the SELEP Strategy.

Following publication of this delivery plan, Government have set a timescale of November 2022 for LEPs to submit a draft delivery plan for 2023/24, on which we will work closely with Government and local partners to ensure this fully reflects our future priorities and operating model.

5. Progress against our Strategy

Our Strategic Priorities are aligned to many of the Levelling Up Missions, as highlighted below, and reflects the major economic needs and opportunities across the SELEP area. We will therefore continue to use these priorities to inform and drive our work and are confident that by focusing on the functions and issues where we can have the most impact, we remain in a strong position to help build a better, stronger economy.

The headline activities and KPIs are provided below and a dashboard is made available to the Strategic Board each quarter, which sets out progress against the key activities in the previous quarter and a forward look at activity for the next period, as well as updated KPI data where possible.

Strategic Priority 1: Business Resilience and Growth

Supporting Levelling Up missions: 1) Increasing pay, employment and productivity; and 6) A rise in the numbers completing high quality skills training

Key Activities	Key Indicators (as available in March 2022)
Delivery and evaluation of the COVID-19 Recovery Fund programme, including business support activities and training for skills.	SELEP GVA 2020 = £96.2 bill., a 10.5% real terms reduction Enterprise 3-year survival rates (2020): SELEP 58.2%, England 53%
Continued delivery of Growth Hub services across SELEP and evolution of the Growth Hub delivery model, commensurate with funding and in line with current national requirements of Growth Hubs.	Job density per 100 residents aged 16 to 64 (2020): SELEP 76, England 85 (both down compared to 2019)
Delivery against the Skills Strategy and Skills Report, working with the Skills Advisory Panel the Local Skills Improvement Plan pilots	Skills level (2021): Level 4+ – SELEP 36.3%, UK = 43.5%; Level 2+ – SELEP 76.8%, UK = 78.1%;
Delivery and securing the legacy of Digital Skills Partnership	No qualification - SELEP 6.0%, UK 6.7% Apprenticeship starts (2020/21): 24,480. Up 2.4% from 2019/20 and 15.5% down from 2018/19
Delivery of GBF, GPF, LGF and SSF projects that support business survival and growth.	Apprenticeship vacancies (at 23/05/22): 2,039 or 1.13 per 1,000 jobs. Increases in Engineering and Agriculture, reductions in hospitality

Strategy Priority 2: UK's Global Gateway

Supporting Levelling Up missions: 1) Increasing pay, employment and productivity; 3) Improving public transport connectivity; and 6) A rise in the numbers completing high quality skills training

Key Activities	Key Indicators	
Working with Freeport East and Thames Freeport to support full business case development and subsequent points of gearing up and implementation	Port passengers (2020): 4.86 million compared to 11.97 million in 2019, a 59.4% drop. 70.5% share of UK passengers Airport passengers (2021): 7.2 million which was 23.8% of 2019 level, with UK overall passenger numbers at 21.7% of 2019 level Export value of goods (all countries, 2020): £8.3bn (2.9% share of England trade) of which £4.1bn was to EU countries, with overall 18% decline compared to 2019	
Continue work with the Major Projects Group and MPG Skills group to implement/support activity on skills and employment, supply chain development and environmental aspects		
Working with the DiT ERDF Internationalisation project to increase international trade within the region, ensuring alignment with the Growth Hub and the South East Export Development (SEED) SSF project.		
Work with Transport for the South East and Transport for the East, to help identify and prioritise transport improvements that will support sustainable movement of goods from our ports.		
Collaborate with and support the work of Maritime UK and other sector organisations to capitalise on opportunities for the south east to engage with important priorities such as sector and decarbonisation		
Delivery of GBF, GPF, LGF and SSF projects relating to port and trading activity		

Strategic Priority 3: Communities for the Future

Supporting Levelling Up missions: 1) Increasing pay, employment and productivity; 3) Improving public transport connectivity; 4) Improving gigabit-capable broadband and 4G/5G coverage; 9) A rise in people’s satisfaction and ‘pride of place’; and 10) Increasing the number of first-time buyers

Key Activities	Key Indicators
Continue to participate and contribute, as appropriate and feasible, to events and debates that support advancement of the housing and community development agenda	Housing growth (EPC): 17,900 in 12 months to Mar-22, an 6.7% increase on prior year, with 85.1% energy efficiency rating A or B.
Continue to support the South East Creative Economy Network (SECEN) in delivering against its published Statement of Intent. Including sector-led pledges for initiatives that can be delivered in partnership	Commercial space (Mar-21): 32.5 million square metres floorspace. 5 years growth - 0.5 mill sq. metre, 1.6% growth. 0.1% retail growth, 6.0% loss office space, 3.8% industrial growth
Continue to work with Arts Council England and wider partners to implement the recommendations of the ‘Creative High Streets’ report	Construction sector workforce: 124,000 employee jobs in SELEP (2020); Job density per 100 residents aged 16 to 64 – SELEP 4.8, England 3.5; 10.7% increase on 2019 (England reduction of 4.2%)
Continue to engage with Homes England and Ministers to provide direct industry insight into government around key issues that impact the housing and community agenda in the south east	Digital infrastructure (Jan-22), percentage of premises with access to Gigabit broadband – SELEP 55; England 67 – a significant increase on last report with Virgin having completed major upgrades
Engage with and support, as appropriate and feasible, with the projects across SELEP that have received support from the Community Renewal Fund (CRF) and the Community Ownership Fund (COF)	
Delivery of GBF, GPF, LGF and SSF projects relating to housing and community development.	

Strategic Priority 4: Coastal Catalyst

Supporting Levelling Up missions: 1) Increasing pay, employment and productivity; 7) Narrow the healthy life expectancy gap and; 9) A rise in people’s satisfaction and ‘pride of place’

Key Activities	Key Indicators
Ongoing work to develop and utilise enhanced evidence base for coastal work to support prioritisation in delivering the coastal prospectus and wider levelling up	Claimant rate population aged 16 to 64 (Mar-22): Coastal 5.1%, non-coastal 3.4%, both on reducing trend
Continue to engage in Levelling Up policy consultations, moving into supporting implementation, as appropriate. Inc any relevant support for the eight SELEP projects were successful in the first round of the Levelling Up Fund	Gross Disposable Household Income (using net household incomes after housing costs) (2018): Coastal 27,000; Non-coastal 30,300
COVID-19 Recovery Fund project supporting the South East Visitor Economy	Digital infrastructure (Jan-22), percentage of premises with access to Gigabit broadband – coastal 43.8, non-coastal 59.7
Delivery of LGF, GBF, GPF and SSF funds that support coastal areas	Net new businesses per 10,000 working age population (year to Mar-21): Coastal 15 (2.7% growth), non-coastal 8 (1.1% growth). The first time in at least 5 years that coastal areas saw higher business growth
Continue to work with the Coastal Communities Group, Rural Group and other forums to respond to ‘sector’ and policy developments e.g. levelling up, National Food Strategy	

6. Partnership and Governance

Working with Partners

Partnership is vital to the success of SELEP and never more so than during 2022/23, when we will continue to work with our partners across the region and beyond to deliver our strategic priorities, following confirmation of a role for LEPs in the Government's Levelling Up White Paper. To do this we will work closely with our fellow LEPs, our MPs, the local authorities in and close to our region, our businesses, education institutions, government departments and agencies and charities and the third sector. Convening such a wide range of partners is the real strength of the LEP and supports a truly joined up approach. This will be further expanded and strengthened by our Strategy Network model.

A key relationship for us is the Catalyst South grouping of LEPs and we will be working collectively to build the case for investment in the south of England over the year. We'll also continue to work with the Envoy for the Thames Estuary and her Growth Board to maximise the opportunities and potential of the Estuary and work with our major projects group to support business cases and collaborative planning around areas such as labour and supply chain. Ensuring that investment, both private and public, continues to flow into the region will be a key part of our strategic activities in the forthcoming year. With UKSPF being allocated through Local Authorities and MCAs, LEPs will have an important role in providing the voice of industry to inform these investment decisions.

SELEP is committed to the levelling up of the hidden areas of deprivation within the region. This will include working with partners on the Towns Fund as Town Investment Plans move forward and continuing to support inward investment and job creation through supporting our four Enterprise Zones.

Governance

SELEP received a 'met' rating in the Annual Performance Review (APR) in 2021 for Governance. New processes are fully embedded, with virtual meetings making our meetings far more accessible to partners and members of the public, and video recordings of the meetings adding to the transparency of decision making. Accountability Board has successfully returned to an in-person hybrid meeting, in line with our Assurance Framework requirements. The most recent APR took place on 9 February 2022 and the outcome confirmed that SELEP continues to meet the expected requirements for Governance, as well as Strategic Impact.

There is continued work to improve our approach to diversity and we will make further improvements in ensuring diverse representation on our Boards and encouraging the same in our working groups. To support this a group of representative individuals met in October 2021 to discuss how we best approach this and during the year we continue to work on building our intelligence about the diversity and equality of our area, work to develop our approach to value-based decision making and ensure that diversity and inclusion is promoted in all we do. It remains a target for all LEPs to achieve balanced gender representation on LEP boards by January 2023.

The final term of the SELEP Chair and the first term of the Deputy Chair were due to end in February 2022. However, due to the delayed outcomes of the LEP review and the requirement for some stability, the Chair and Deputy Chair agreed to extend their term by 12 months and this was confirmed by Special Resolution via a full membership vote. Their continuation into 2022/23 will provide continuity in this period of uncertainty and will support a cleaner and clearer transition to whatever form SELEP and the Board, and the federated boards need to take moving forward.

A review of governance, structures and processes will be a key area of work in 2022/23 as we work towards a more sustainable SELEP model and to develop plans for supporting the transition to potential devolution deals. The Board Effectiveness Survey, which was completed in 2021, will also inform any transitional steps that the board need to take.

Annexes

Annex A: Capital Programmes

Investments made through our Capital Programme are visible interventions made to deliver to our strategic priorities. In total there are 105 Local Growth Fund (LGF) projects, 29 Growing Places Fund (GPF) projects and 40 Getting Building Fund (GBF) projects approved with a total of **£0.716 billion** being invested in the region. The programme delivers across the strategic priorities and also builds capacity in key enabling sectors, such as Skills. Projects that are still in flight (i.e. not yet completed/built out) can be found below. We will continue to evaluate and monitor outputs and outcomes of all projects as some projects will continue to deliver these long after the intervention itself is complete. The detail of these projects is presented to and monitored by the Accountability Board, but a summary of these programmes can be found below.

Outcomes of Capital Programmes

	Homes	Jobs
Local Growth Fund		
Outcomes delivered as to 31/03/2022	25,326	25,302
Outcomes forecast to be delivered in 2022/23	7,635	17,411
Outcomes forecast to be delivered in 2023/24 and future years	57,651	66,893
Total Outcomes Forecast	90,612	109,606
Getting Building Fund		
Outcomes delivered as to 31/03/2022	0	53
Outcomes forecast to be delivered in 2022/23	75	1,414

Outcomes forecast to be delivered in future years	1,709	3,686
Total Outcomes Forecast	1,784	5,153
Growing Places Fund		
Outcomes delivered as to 31/03/2022	3,277	3,351
Outcomes forecast to be delivered in 2022/23 and future years	6,045	7,795
Total Outcomes Forecast	9,322	11,146

The timing and scale of some outcomes set to be delivered through SELEP's capital programmes will be impacted by the implications of the COVID-19 pandemic, Brexit and issues created in supply chains. As the outcomes expected from the LGF and GPF investment were predominantly forecast prior to the pandemic, these benefits are now expected to take much longer to be realised. A re-baselining of the expected jobs and houses outcomes will take place during 2022/23 once there is a greater understanding of the medium-longer term impact of the COVID-19 pandemic and Brexit on our economy. As such, specific targets have not yet been established for housing and job delivery during 2022/23 for these funding streams.

Whilst the GBF projects were identified for investment in response to the economic shock of the pandemic, the delivery of these projects has also been impacted by the extended periods of lockdown and the uncertainty over the longer-term economic impact of the pandemic. While the GBF programme was due to conclude in March 2022, extended spend profiles have been approved for 14 projects with the GBF funding now expected to be spent in full by March 2023 at the latest.

As delivery of the LGF and GBF programmes end, the focus in 2022/23 will be on monitoring and evaluation – both in terms of individual project outcomes and the impact of the programmes across the SELEP area. Completion of post-scheme completion monitoring and evaluation reporting will be a priority, ensuring that meaningful data is collected to demonstrate the impact of the programme and to feed into required reporting to Central Government.

Capital Projects in Flight

Local Growth Fund

Project	LGF allocation	Total project cost	Expected completion date	Notes
East Sussex				
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	£2,100,000	£3,530,000	31/03/2023	
Eastbourne and South Wealden Walking and Cycling LSTF package	£6,600,000	£10,560,000	31/03/2023	
Queensway Gateway Road	£10,000,000	£12,000,000	TBC	Overall project completion date is dependent upon final junction solution selected
North Bexhill Access Road	£18,600,000	£18,600,000	TBC	North Bexhill Access Road is open to traffic but landscaping remains outstanding. Date for completion of landscaping to be confirmed
Hastings and Bexhill Movement and Access Package	£9,000,000	£9,363,968	31/03/2025	
Eastbourne Town Centre LSTF access and improvement package	£8,000,000	£11,250,000	30/09/2022	
East Sussex Strategic Growth Package	£8,200,000	£21,200,000	TBC	Business Case sets out a number of interventions. Initial interventions delivered but remainder are subject to receipt of income from earlier interventions and therefore a timeline cannot be provided at this time
Bexhill Enterprise Park North	£1,940,000	£20,700,000	31/05/2022	
Skills for Rural Businesses Post-Brexit (Plumpton College)	£4,413,000	£8,532,020	31/01/2023	
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	£500,000	£2,773,686	21/08/2022	
Essex				
A127 Fairglen junction improvements	£15,000,000	£20,453,000	TBC	Awaiting required Department for Transport approvals
Beaulieu Park Railway Station	£12,000,000	£157,017,000	01/12/2025	
A127/A130 Fairglen Interchange new link road	£6,235,000	£9,835,000	TBC	Awaiting required Department for Transport approvals
M11 junction 8 improvements	£3,733,896	£15,085,000	31/12/2022	
University of Essex Parkside (Phase 3)	£5,000,000	£12,150,000	31/03/2023	
New Construction Centre, Chelmsford College	£1,295,200	£1,438,000	31/08/2022	
Colchester Grow on Space, Queen Street	£3,777,451	£4,992,903	31/08/2022	
Kent				
Kent Strategic Congestion Management programme	£4,800,000	£5,024,000	31/05/2022	
A28 Chart Road	£2,756,283	£2,756,283	TBC	Project currently on hold - delivery is dependent upon receipt of developer contributions which are currently expected in 2023 or 2024
Maidstone Integrated Transport Package	£8,900,000	£8,900,000	30/06/2024	
A28 Sturry Link Road	£5,900,000	£29,575,000	30/06/2025	
Thanet Parkway	£14,000,000	£27,765,000	31/05/2023	
Dartford Town Centre Transformation	£4,300,000	£12,000,000	31/12/2023	
Kent and Medway EDGE hub	£7,344,000	£22,104,000	30/06/2022	
Leigh Flood Storage Area and East Peckham - unlocking growth	£2,349,000	£15,575,000	31/10/2025	
M2 Junction 5	£1,600,000	£90,700,000	31/12/2024	
East Malling Advanced Technology Horticultural Zone	£1,998,600	£5,358,000	31/05/2022	
Medway				
A289 Four Elms roundabout to Medway Tunnel	£1,821,046	£11,564,000	31/03/2025	
Innovation Park Medway (phase 2)	£3,700,000	£40,670,000	30/11/2022	
Innovation Park Medway (phase 3)	£1,518,500	£77,673,000	30/11/2022	
Southend				
A127 The Bell	£4,300,000	£5,026,303	30/06/2022	
Southend Central Area Action Plan	£7,000,000	£7,000,000	30/06/2022	
London Southend Airport Business Park	£23,162,517	£32,670,000	31/07/2022	
Southend Town Centre Interventions	£1,625,000	£2,625,000	31/01/2024	
Thurrock				
London Gateway/Stanford le Hope	£7,500,000	£29,090,000	31/07/2024	
Purfleet Centre	£5,000,000	£122,000,000	31/12/2030	
Grays South	£10,840,274	£37,900,000	30/11/2024	
A13 widening	£76,500,000	£122,719,000	31/05/2022	
Total	£313,309,767	£1,048,175,163		



Getting Building Fund

Project	GBF allocation	Total project cost	Expected completion date
Restoring the Glory of the Winter Garden	£ 1,600,000	£ 3,935,000	31/07/2022
The Observer Building, Hastings (Phase 2) Option A	£ 1,713,000	£ 4,665,000	31/12/2022
Charleston's access road: removing the barrier to growth	£ 329,835	£ 339,835	31/05/2022
Sussex Innovation Falmer - Covid Secure adaptations	£ 200,000	£ 300,000	31/05/2022
UTC Maritime & Sustainable Technology Hub	£ 1,300,000	£ 2,278,091	31/03/2023
Seven Sisters Country Park Visitor Infrastructure Uplift	£ 200,000	£ 2,175,000	30/09/2022
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	£ 680,000	£ 7,868,519	31/03/2023
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	£ 1,820,000	£ 2,420,000	31/03/2023
Enterprise Centre for Horizon 120 Business Park	£ 7,000,000	£ 16,000,000	30/06/2022
Harlow Library	£ 977,000	£ 1,153,000	31/05/2022
Jaywick Market & Commercial Space	£ 1,972,000	£ 4,445,000	31/03/2023
Nexus	£ 1,600,000	£ 11,765,000	31/05/2022
Rocheway	£ 713,000	£ 5,836,247	31/12/2022
Swan modular housing factory	£ 4,530,000	£ 192,545,970	31/03/2024
Tendring Bikes & Cycle Infrastructure	£ 2,300,000	£ 2,400,000	30/09/2022
Tindal Square, Chelmsford	£ 750,000	£ 3,838,000	30/08/2022
Laindon Place	£ 790,000	£ 4,715,000	30/09/2022
Princess Alexandra Hospital Training and Education Facility	£ 500,000	£ 4,702,000	31/05/2022
Braintree Active Travel	£ 291,000	£ 2,078,000	30/09/2022
Javelin Way Development	£ 578,724	£ 11,083,000	30/06/2022
Romney Marsh Employment Hub	£ 3,536,466	£ 7,081,466	30/06/2022
Thanet Parkway Railway Station	£ 11,999,000	£ 34,512,731	31/03/2023
First and Second Floors, Building 500, Discovery Park, Sandwich	£ 2,500,000	£ 5,500,000	31/10/2022
New Performing & Production Digital Arts Facility @ North Kent College	£ 12,301,796	£ 13,980,777	31/05/2022
The Meeting Place Swanley	£ 1,490,000	£ 1,490,000	31/08/2022
Techfort	£ 1,009,000	£ 1,260,417	30/09/2022
Britton Farm Redevelopment Learning, Skills & Employment Hub	£ 1,990,000	£ 7,190,000	31/07/2022
Innovation Park Medway - Sustainable City of Business	£ 778,323	£ 1,009,000	31/03/2023
Better Queensway	£ 4,200,000	£ 21,900,000	31/03/2034*
South Essex No Use Empty	£ 1,200,000	£ 2,650,000	30/09/2022
LFFN	£ 2,500,000	£ 7,602,472	30/06/2022
Total	£ 73,349,144	£ 388,719,525	

* The Better Queensway project is an estate and town centre renewal project seeking to transform a 5.2-hectare site to the north of Southend town centre and will include phased demolition of existing residential and commercial development and redevelopment to provide up to 1,760 dwellings and 7,945sqm of commercial space. The GBF funding will be spent in full by the end of 2022/23 but project delivery will continue until 2034.

Growing Places Fund

Project	GPF allocation	Total project cost	Expected completion date
Rochester Riverside	£ 4,410,000	£ 419,000,000	30/06/2029
Chatham Waterfront	£ 2,999,042	£ 28,474,253	31/03/2023
Chelmsford Urban Expansion	£ 1,000,000	£ 4,250,000	31/03/2024
Workspace Kent	£ 1,500,000	£ 4,500,000	31/03/2027
Live Margate	£ 5,000,000	£ 10,000,000	31/03/2025
Colchester Northern Gateway	£ 1,350,000	£ 28,600,000	30/09/2023
Javelin Way Development	£ 1,597,000	£ 11,200,000	31/03/2026
Innovation Park Medway	£ 650,000	£ 2,651,000	30/06/2022
No Use Empty Commercial	£ 1,000,000	£ 4,500,000	30/06/2022
Green Hydrogen Generation Facility	£ 3,470,000	£ 3,470,000	31/03/2026
Wine Innovation Centre	£ 600,000	£ 700,000	30/06/2022
Observer Building Phase 1	£ 1,750,000	£ 4,386,996	31/12/2022
Barnhorn Green Phase 1	£ 1,750,000	£ 10,000,000	31/12/2023
Herne Relief Road	£ 3,500,000	£ 8,976,000	30/09/2023
No Use Empty Commercial Phase II	£ 2,000,000	£ 4,500,000	31/03/2027
No Use Empty South Essex	£ 1,000,000	£ 2,700,000	31/03/2026
Observer Building Phase 2	£ 1,616,500	£ 4,274,000	31/12/2022
No Use Empty Residential	£ 2,500,000	£ 7,500,000	31/03/2027
Total	£ 37,692,542	£ 559,682,249	

Annex B: Revenue Programmes

Growth Hub – the South East Business Hub

Government has now confirmed that Growth Hubs will receive core funding for 2022/23. However, the national settlement is a 50% reduction on the core budget for 2021/22. For SELEP this equates to £445,000 for 2022/23. SELEP will work at pace with Lead Authorities, to agree how the substantially reduced envelope can be deployed to best effect and fairness, to ensure the provision of a core service as far as is practicable across the area whilst maintain service continuity. SELEP will also continue to convene the South East Business Hub Steering Group on the transition to a service delivery model that is sustainable within the reduced funding envelope.

Sector Support Fund

The Sector Support Fund is a revenue funding scheme that projects can bid into on a competitive basis for support for one-off, discrete pieces of work of a pan-LEP nature. Projects must have support of a SELEP working group and align closely with the SELEP strategic objectives. This funding is awarded as grants.

The fund is now closed and no further bids for SSF investments are being accepted.

A list of approved projects can be found below, and more information on projects can be found by clicking <https://www.southeastlep.com/projects/sector-support-fund/>

Sector Support Fund Project	SSF Investment £000
South East Export Development (SEED)	92
Building Back Better	192
Accelerating Nature-Based Climate Solutions	135

Sector Support Fund Project	SSF Investment £000
Creative Open Workspace Master Plan	49
<i>Coastal Communities Supplement to the SELEP Strategic Economic Plan</i>	40
<i>FutureProof: Accelerating Delivery of High Quality Development across SELEP</i>	110
<i>Future skills for Rural Businesses</i>	96
<i>England's Creative Coast</i>	150
<i>Good Food Growth Campaign</i>	60
<i>Gourmet Garden Trails</i>	60
<i>Kent Medical Campus Enterprise Zone – Innovation Centre design work</i>	156
<i>North Kent Enterprise Zone: Enabling and Marketing</i>	161
<i>Delivering Skills for the Future through teaching</i>	167
<i>Delivering Skills for the Future though teaching - project extension</i>	76
<i>Accelerating Opportunities within the Newhaven Enterprise Zone</i>	115
<i>Energy and Clean Growth – Supply Chain Mapping</i>	130
<i>Buy Local South East</i>	65
<i>Re-building Confidence and Demand in the Visitor Economy</i>	182
<i>Carbon Pathways (C-Path)</i>	99
<i>Catalyst for Culture</i>	182

Sector Support Fund Project	SSF Investment £000
<i>Gourmet Garden Trails (Extension)</i>	35
Total	2,352

Projects in bold are expected to be active in the financial year 2022/23 and the remaining have completed.

CV19 - Economic Recovery Funds

The CV19 Recovery Funds made available a £2.4m Business Support Fund (final contract value £2.365m) and a £2m Skills Recovery Fund (final contract value £1.625m), both of which are being deployed through a suite of bespoke support programmes by contracted external providers. The overall suite of programmes was launched in May 2021 and programme delivery started in June 2021 following contracting. These programmes are being contract managed by the Secretariat.

The Business Support Fund will deliver the following programmes and associated outputs:

Programme	Contract value	Key Performance Indicators
Starting and Succeeding in Business	£565,000	Minimum 180 businesses created or safeguarded, through a combination of specialist support and 100% small business grants. Businesses engaged. Programme impact evaluation
Adapting with Digital	£750,000	Minimum 308 businesses safeguarded and minimum 100 small grants awarded to assist and bring about operational/behavioural change. Programme impact evaluation
Supporting the Visitor Economy	£1,050,000	Minimum 150 small adaptation/ innovation grants awarded with potential for minimum 150 businesses and jobs safeguarded; generation of place-

		based offers and reboot campaigns to increase visitor confidence, footfall and spend. 80+ businesses and organisations engaged
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The Skills Recovery Fund will deliver the following programmes and associated outputs:

Programme	Contract value	Key Performance Indicators
COVID Recovery Academy	£1,045,000 (£945k from SELEP)	Minimum of 1000 individuals trained and over 500 supported into jobs
Digital Skills Programme	£279,960	Minimum of 200 people trained and 150 supported into jobs
The Digital Bridge	£300,000	At least 800 people supported with kit and connectivity and a further 600 supported with digital skills training

Progress reports for these funds are presented to the Board quarterly and can be found on the SELEP website.

Annex C: Quarterly Plans

The tables below show the key activities planned for the upcoming quarter. These activities are in addition to the general activities of the team to support the meetings and decisions of our Boards and groups.

Key Activity – Quarter 1 (April – June)
Strategic Planning & Intelligence
Review and refine SELEP priorities following publication of Levelling Up White paper and future funding confirmation from Government
Engagement with stakeholders regarding the future direction for SELEP and development of a sustainable partnership model
Work with Catalyst South and LEP Network to influence and respond to Levelling Up Agenda, including APPG engagement
Monitoring of interventions to support Strategy delivery through regular dashboard updates to the Board
Ongoing provision of data and intelligence to inform SELEP partnership activities, including to develop our understanding of key issues such as diversity and coastal deprivation
Communicating, Collaborating & Convening
Continue to lead the Major Projects Group, including skills action plan, exploring local supply chain opportunities and sustainability planning and implementation. Host the 2nd skills webinar.
Supporting establishment of the 2 Freeports following full business case submission
Continue to support the skills agenda including through the refocusing of the SAP and Skills Working Group and working with LSIPs and local skills plans (e.g. Essex, Thurrock)
Continue to deliver on the Digital Skills Partnership and develop legacy plans to ensure that SELEP continues to benefit from the relationships and expertise developed through the DSP

Key Activity – Quarter 1 (April – June)

Produce regular, timely external communications including through the SELEP ambassadors’ internal communications route

Communication and engagement plan to support SELEP Strategy network model and inform future approach to engagement with partnership groups and boards inc. changes to the website and ways of working

Continued participation as part of the Greater SE Net Zero Hub to bring forward projects for transition to net-zero carbon emissions

Delivery

Delivery of and reporting on the capital programme

Delivery and monitoring of the CV19 Recovery Funds for skills and business support

Supporting SE businesses through the Growth Hub and working with the Growth Hub Lead Authorities to agree principles and transition required to maintain core Growth Hub provision within the significantly reduced funding envelope.

Sharing information on ESF and ERDF programmes to support discussions and plans for local UKSPF activity, including potential for collaboration across areas

Governance

Publish Delivery Plan for 2022/23 (30th June 2022)

Key Activity – Quarter 2 (July – September)

Strategic Planning & Intelligence

Continue discussions with partners about future areas of work that the LEP may support in line with guidance from Government e.g. to support inward investment, regional innovation etc



Key Activity – Quarter 2 (July – September)
Review of SELEP Secretariat to ensure it fits with the new model of LEPs and LEP funding
Work with Catalyst South and LEP Network to influence and respond to Levelling Up Agenda, including APPG engagement
Monitoring of interventions to support Strategy delivery through quarterly dashboard updates to Chairs and the Board
Ongoing provision of data and intelligence to inform SELEP partnership activities, including to develop our understanding of key issues and policy areas
Communicating, Collaborating & Convening
Implement SELEP’s new Network model to evolve and expand our communication and engagement with partners and businesses, inc. building our network database to achieve greater reach
Continue to lead the Major Projects Group, including skills action plan, exploring local supply chain opportunities and sustainability planning and implementation
Continuing to support the two Freeports following full business case submission, particularly supporting Thames with their skills planning
Continue to support the skills agenda, working with LSIPs and local skills plans and delivery including provision of skills data to partners and DfE
Work to secure a legacy of the Digital Skills Partnership following cessation of the programme in Qtr1
Continue to contribute to and influence the work of key partnerships by identifying and responding to opportunities for SELEP to add value, including Town Boards, SRTBs, TEGB
Continued participation as part of the Greater SE Net Zero Hub to bring forward projects for transition to net-zero carbon emissions
Produce regular, timely external communications including through updates to the website and the SELEP ambassadors’ internal communications route



Key Activity – Quarter 2 (July – September)
Delivery
Supporting businesses through the Growth Hub and working with the GH cluster
Working with the Growth Hub Lead Authorities and with the GH Steering Group to transition to new model for Growth Hub provision
Delivery of and reporting on the capital programme
Delivery and monitoring of the CV19 Recovery Funds for skills and business support
Scope and plan for a review of SELEP's investments to date, recording impact and delivery against stated ambitions. This to include LGF, GBF, GPF, and SSF
Governance
Scope and plan for the Annual General Meeting
Work with Executive Search agency to identify candidates for Chair and Deputy Chair role

Key Activity – Quarter 3 (October – December)
Strategic Planning & Intelligence
Formulate conclusions and recommendations from discussions with partners about future areas of work that the LEP may support e.g. elements of inward investment, regional innovation etc
Review SELEP's Strategic framework and future delivery plans, linked to the emerging operating model and confirmed Government requirements for LEP delivery plans for 2023/24
Monitoring of interventions to support Strategy delivery through quarterly dashboard updates to Chairs and the Board



Key Activity – Quarter 3 (October – December)
Ongoing provision of data and intelligence to inform SELEP partnership activities, including to develop our understanding of key issues and policy areas
Work with Catalyst South and LEP Network to influence and respond to Levelling Up Agenda, including APPG engagement
Communicating, Collaborating & Convening
Continue to implement and grow SELEP’s new Network model to evolve and expand our communication and engagement with partners and businesses, inc. management of our network database to achieve greater reach
Continue to lead the Major Projects Group, including skills action plan, exploring local supply chain opportunities and sustainability planning and implementation
Continuing to support the two Freeports following full business case submission, particularly supporting Thames with their skills planning
Continue to support the skills agenda, working with LSIPs and local skills plans and delivery inc. provision of skills and labour market data to partners and DfE.
Convene Inward Investment agencies and agree approach to support investment across SELEP coastal communities
Work with U9 group to develop our approach to regional innovation, focusing on improving access to UKRI/IUK funding for businesses
Continue to contribute to and influence the work of key partnerships by identifying and responding to opportunities for SELEP to add value, including Town Boards, SRTBs, TEGB
Continued participation as part of the Greater SE Net Zero Hub to bring forward projects for transition to net-zero carbon emissions
Produce regular, timely external communications including through updates to the website and the SELEP ambassadors’ internal communications route
Delivery

Key Activity – Quarter 3 (October – December)

Supporting businesses through the Growth Hub and working with the GH cluster
Continue to work within the Growth Hub and with the GH Steering Group to transition to new model for Growth Hub provision
Delivery of and reporting on the capital programme
Evaluation of the CV19 Recovery Funds skills programmes
Review of ESF and ERDF to share learning and provide insights to partners leading on UKSPF and other funding initiatives
Commence a review of SELEP’s investments to date, recording impact and delivery against stated ambitions. This to include LGF, GBF, GPF and SSF

Governance

Strategic Board to agree new Chair and Deputy Chair
Agree operational budget for 2023/24 and development of new operating model for SELEP
Host Annual General Meeting
Present draft Delivery Plan to Strategic Board ahead of submission to Government
Submit draft Delivery Plan for 2023/24 to Government (25 th November 2022)

Key Activity – Quarter 4 (January – March 2023)

Strategic Planning & Intelligence

Finalise and endorse plans for SELEP’s future strategic framework, operating model and delivery plan for 2023/24
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Key Activity – Quarter 4 (January – March 2023)
Ongoing provision of data and intelligence to inform SELEP partnership activities, including to develop our understanding of key issues and policy areas
Monitoring of interventions to support Strategy delivery through quarterly dashboard updates to Chairs and the Board
Produce regular, timely external communications including through updates to the website and the SELEP ambassadors' internal communications route
Work with Catalyst South and LEP Network to influence and respond to Levelling Up Agenda, including APPG engagement
Communicating, Collaborating & Convening
Continue to establish and grow SELEP's new Network model to facilitate our communication and engagement with partners and businesses
Continue to lead the Major Projects Group, including skills action plan, exploring local supply chain opportunities and sustainability planning and implementation
Continue to support the two Freeports following full business case submission, particularly supporting Thames with their skills planning
Continue to support the skills agenda, working with LSIPs and local skills plans and delivery including provision of skills and labour market data to partners and DfE.
Continue to contribute to and influence the work of key partnerships by identifying and responding to opportunities for SELEP to add value, including Town Boards, SRTBs, TEGB
Continued participation as part of the Greater SE Energy Hub to bring forward projects for transition to net-zero carbon emissions
Delivery
Supporting businesses through the Growth Hub and working with the GH cluster
Delivery of and reporting on the capital programme, including tours of completed projects
Evaluation of the CV19 Recovery Funds business support programmes

Key Activity – Quarter 4 (January – March 2023)
Agree next steps/recommendations following evaluation of the CV19 Recovery Funds for skills and business support
Governance
Induction and onboarding of new Chair and Deputy Chair
Potential onboarding of new Board Members
Implementation of new Secretariat and operational funding model (if applicable)

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Annex D: Operational Budget

In November 2021, SELEP Accountability Board has approved an operational budget of £944,000, funded from its reserves; this position was updated in May 2022, to include the agreed contributions from Partners. However, a revised budget position will be brought to the July 2022 Accountability Board meeting which is expected to include core funding from Government (if confirmed) and be updated to reflect the 2021/22 outturn position. The updated budget will be published in due course.

Operational budget 2022/23 – Agreed in May 2022

Description	£'000
Staffing (including Accountable Body recharges)	881
Chair and Deputy Chair Allowances	42
Meetings, consultancy and project work	571
Total Expenditure	1493
Government grants	(42)
Contributions from partners	(138)
Covid-19 Support funds	(507)
Total Income	(687)
Net Expenditure	806
(Withdrawal from)/contribution to reserves	(806)
Total net expenditure	0

Annex E: Risks

The receipt of the Levelling Up White Paper and core budget announcement for 2022/23 has reduced the risks relating to uncertainties and the future of the LEP. However, receipt of the core funding for 2022/23 by SELEP is yet to be confirmed and there is no assurance of funding from Government beyond this year; further work is needed to crystallise the detail of LEPs future function, through both central and local dialogue.

Due to the delay in funding announcements, SELEP had to reduce the cost base of the Secretariat, which will need to be revisited as future plans are confirmed to ensure sufficient capacity is in place, within the available funding.



There are currently 19 risks in total, with medium and high rated risks and the mitigations that are in place reported regularly to Accountability Board.

Our risk register can also be found on the SELEP website.

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SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING

Updated September 2022

ONGOING ACTIONS

INCORPORATION

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

BOARD COMPOSITION

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

DECLARING INTERESTS

Requirement	Status
To publish all Registers of Interest on the SELEP website for all Strategic Board, Accountability Board and Federated Board members, with signatures redacted.	Federated Boards Registers of Interest are generally in place and up to date with the exception of some Local Authority seats in KMEP which will be resolved by Federated Board officers. Decision-making Boards (SELEP Strategic and Accountability Board) are all published and up to date.
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)?
10/09/21	Y
19/11/21	Y
11/02/22	Y
27/05/22	Y
15/07/22	Y
23/09/22	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	19/11/21	Y	11/02/22	Y	27/05/22	Y	15/07/22	Y
Strategic Board	10/12/21	Y	18/03/22	Y			24/06/22	Y
SE	06/12/21	N	14/03/22				06/06/22	Y
KMEP	25/11/21	Y	28/03/22	Y			14/06/22	Y
OSE	01/12/21	N	09/03/22	N				
TES	06/12/21	Y	14/03/22	Y	03/05/22		20/06/22	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	19/11/21	Y	11/02/22	Y	27/05/22	Y	15/07/22	Y
Strategic Board	10/12/21	Y	18/03/22	N			24/06/22	Y
SE	06/12/21	N					06/06/22	Y
KMEP	25/11/21	Y	28/03/22	Y			14/06/22	N
OSE	01/12/21	N	09/03/22	N				
TES	6/12/21	Y	14/03/22	Y	03/05/22	Y	20/06/22	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	10/09/21	Y	19/11/21	Y	11/02/22	Y	27/05/22	Y
Strategic Board	01/10/21	Y	10/12/21	Y	18/03/22	Y		
SE	27/09/21	N	06/12/21	N				
KMEP	16/09/21	N	25/11/21	N	28/03/22	N		
OSE			01/12/21	Y	09/03/22	N		
TES	27/09/21	Y	6/12/21	Y	14/03/22	Y	03/05/22	Y

Registers of Interest- Board Members

Are registers of interests in place for all board members?

Board	Comments
Accountability Board	All complete and up to date
Strategic Board	All complete and up to date
SE	All complete and up to date
KMEP	All complete and up to date
OSE	All complete and up to date
TES	All complete and up to date

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)?
27/05/22	Y
15/07/22	Y
23/09/22	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%

South East LEP**Risk Register - medium and high risks only**

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
Risks Related to the Team/Service Delivery									
9	Workload/Team wellbeing Risk	4	5	10	Med	The Levelling Up White Paper has been published, establishing a role for LEPs going forward which has increased morale, however more details around the activities of the LEP need to be solidified. The implications of a reduced team has been communicated to the Board and workload planning for next year is on the basis of available resource.	Planning for 2022/23 is being made on the basis of the resource available and communications to Boards and key stakeholders are being made, setting out those activities that can no longer be managed. Priority areas of work are set out in the Delivery Plan 2022/23 which was adopted by the Strategic Board in June 2022. The CEO is working closely with the management team and Accountable Body to pick up the work previously undertaken by the COO	All Man Team	Ongoing
10	Recruitment and Retention of Board Members Risk	2	5	8	Low	The Chair, Deputy Chair and private sector Board members have been reappointed for this financial year. This risk has reduced in the near term, but the risk still exists for the period beyond March 2023, especially if there are significant changes to the priorities and activities of SELEP that may affect public and private sector engagement.	Clear communication and engagement with public and private stakeholders to improve retention. Recruitment activities to start at the June 2022 Strategic Board meeting to appoint a new Chair for March 2023.	CEO	31/03/2023
34	COVID-19 - Secretariat Risk	3	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 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	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
47	Risk to service delivery from lack of engagement by stakeholders	3	4	10	Med	As a direct result of the delays to publication of the outcomes of the widely publicised LEP Review there has been an appreciable move away from the LEP by some key stakeholders. Whilst this is understandable given the uncertainties, now there is an established ongoing role for LEPs then the rebuilding of relationships with stakeholders will be prioritised.	The CEO is overseeing a programme of re-engagement with stakeholders based on the agreed role for the SELEP	CEO	Ongoing

Risk Register - medium and high risks only

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
Risks Related to Outcomes/Outputs of Programmes									
19	Non achievement of Outcomes/Outputs of the Capital Programme	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 will be undertaken this financial year. Further work on the robustness of monitoring and evaluation data is required during 2022/23. Quality of information provided from delivery organisations will need to improve.	H Dyer	Ongoing
29	Uncertainty in application of LGF grant awarded to Hadlow College	5	4	20	High	£11m of LGF funding across 4 projects has been awarded to Hadlow College which entered into Education Administration in 2019. It is currently unclear whether the outputs and outcomes related to this funding will be delivered. Whilst the educational activities have resumed at the college, the grant agreements have not transferred to the new providers and therefore SELEP may be unable to recoup any monies that were not applied in line with the agreement. The Secretariat and the Accountable Body have responded to queries from the Education Administrators, BDO. There is a potential risk that monies weren't utilised in line with the grant agreement in place between the Accountable Body, on behalf of SELEP, and the college. If grant monies weren't correctly utilised, the outputs and outcomes in the business case will not be delivered or not delivered in full.	The Secretariat and the Accountable Body are in contact with BDO but the administration process is lengthy. Creditors have been raised with the administrators by the Accountable Body with respect to the investments made. We have made the 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
40	Getting Building Fund Risk - programme delivery	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 limited number of projects are now seeking retention of their GBF funding for a longer time period. In line with latest Government guidance, no projects will receive approval for extensions beyond 31 March 2023. There is a significant reputational risk should SELEP not be able to deliver the full programme by 31 March 2023.	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 31 March 2023 at the latest, in line with advice from Central Government.	H Dyer	31/03/2023

Risk Register - medium and high risks only

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
Risks Related to Funding/Financial Position									
12	GPF Project Repayments	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 no alternative repayment schedule provided for Board consideration to date.	The Capital Programme Team are working with project leads to understand where GPF repayments are at risk. Future rounds of the GPF are currently held 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	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 been 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 2022/23 and early 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
38	Future viability of the operational budget	5	5	25	High	A balanced budget for 2022/23 has been set and a reduced core and growth hub budget has been announced for 2022/23. Although this increases certainty going forward, the significant reduction will affect the resources and activities of both the secretariat and growth hubs. This risk is high as there is no confirmation of any funding beyond 2022/23.	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.	CEO	Ongoing
43	LEP Review - insufficient future funding to support operations and/or interventions	5	5	25	High	HMG has made clear that, at least in the short term, no further capital investment monies will be awarded to LEPs. This will severely impact not only our ability to deliver interventions as set out in our Recovery and Renewal Plan but also will restrict the level of influence we can have in the region. This also further restricts our ability to support the operations of the Secretariat as no interest can be earned and there is no opportunity to charge administration fees for the management of capital schemes.	Discussions with Catalyst South have confirmed this is the case across the wider region and is likely to be true for the entire LEP community.	CEO	31/03/2023

Risk Register - medium and high risks only

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/Deadlines
Risks Related to Service Design and Reputation									
46	Risk of damage to SELEP reputation from delays or non-delivery of projects or perception thereof	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 during 2022/23. 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