

Getting Building Fund (GBF) new prioritised project pipeline – Next Steps

1. Context

- 1.1. The Strategic Board agreed on 5 August 2022, via Electronic Procedure, the process for the development of a new GBF prioritised project pipeline. This pipeline will provide the opportunity for:
 - 1.1.1. **existing GBF projects** which have been adversely impacted by the **COVID-19 pandemic, Brexit or current high inflation** levels to seek additional GBF funding. This funding will help to bridge funding gaps which have arisen allowing **delivery of the full project scope as set out in the approved Business Case** and to safeguard realisation of the forecast project benefits.
 - 1.1.2. **existing GBF projects** to seek additional GBF funding to enable **delivery of extensions to the project**, i.e. to support delivery of further phases of the project which are not covered by the existing agreed Business Case.
- 1.2. There is currently **£2.5275m** GBF funding available for reinvestment through the new GBF prioritised project pipeline. This figure may increase if further GBF is returned to SELEP from existing GBF projects.
- 1.3. For projects to be considered for additional GBF funding to support delivery of works detailed within existing Business Cases, scheme promoters must demonstrate:
 - 1.3.1. **a legitimate case as to why additional funding is required to support delivery of the project**, including a clear explanation as to how the COVID-19 pandemic, Brexit or high inflation levels have impacted on the project. The implications for the project, and its' ability to deliver in accordance with the agreed Business Case, if additional funding is not awarded, will also need to be made clear.
 - 1.3.2. **that the project is in a position to deliver quickly and that it is not subject to any significant delivery risks**. Assurances will be sought regarding the ability of the project to complete GBF spend by 31 March 2023, and these assurances will need to be accompanied by a robust delivery programme.
 - 1.3.3. **that the project continues to offer High value for money** in accordance with the requirements of the SELEP Assurance Framework. Due to the time constraints attached to the award and spend of the remaining GBF funding, only those projects which evidenced a Benefit Cost Ratio (BCR) comfortably above 2:1, as required to demonstrate High value for money, or which applied one of the exemptions set out within the Assurance Framework at the time of funding award can apply for additional GBF funding.
 - 1.3.4. **the additionality (additional benefit) which will be realised as a result of the award of extra funding**. It is acknowledged that there is unlikely to be additionality which extends beyond that set out within the original project Business Case, however, it is possible that the award of extra funding will allow previously removed elements of the project to be reinstated or will allow additional works to be completed which are now required to ensure delivery of the forecast benefits.

- 1.4. **Projects which are seeking additional GBF funding to support delivery of further phases of the project** must demonstrate that the project is in a position to deliver quickly with **full GBF spend able to be achieved by 31 March 2023**, that the project offers **High value for money** and that **additional benefits will be realised as a result of the GBF investment**.
- 1.5. There is a requirement for all Upper Tier Local Authorities to be **up to date with all reporting and year end declaration requirements**, as set out in the Service Level Agreement, at the time of application for additional funding. If the terms of the Service Level Agreement are not met by the Upper Tier Local Authority, applications for additional funding for projects within their area will not be prioritised and recommendations will be made to the Board, that additional GBF funding should not be awarded to support delivery of these projects. For clarity, the reporting and year end declaration requirements apply to all funding streams (LGF, GBF and GPF) and all must be up-to-date for projects to be eligible to receive additional funding.
- 1.6. Projects seeking additional GBF funding (including those seeking funding to deliver further phases of the project) must be considered by the Accountability Board in Q3 2022/23 to ensure that all GBF funding is allocated and spent on project delivery by the end of the current financial year.
- 1.7. All projects which have received GBF funding are eligible to apply for additional funding but projects which have been removed from the GBF programme due to deliverability issues cannot be considered for the award of additional GBF funding through the new project pipeline.

2. Next Steps

Existing projects seeking additional GBF funding to support delivery of approved Business Case (scheme promoter actions)

- 2.1. For those projects which are seeking additional GBF funding to support delivery of an existing approved Business Case, scheme promoters are asked to complete the Application Form for Additional GBF Funding, which can be found at Appendix A.
- 2.2. Completed application forms should be submitted to Federated Board leads and the SELEP Capital Programme Manager (helen.dyer@southeastlep.com) by **Friday 26 August 2022**.

Existing projects seeking additional GBF funding to support delivery of further phases of the project (outside the scope of the existing approved Business Case) (scheme promoter actions)

- 2.3. For those projects which are seeking additional GBF funding to support delivery of further phases of the project, scheme promoters are asked to complete the GBF Business Case template, which can be found at Appendix B.
- 2.4. In order to ensure timely investment of the available GBF funding, and to ensure that Federated Boards can make prioritisation decisions based on robust and complete information, it is necessary for these Business Cases to be prepared at risk and with no guarantee of receiving funding.
- 2.5. Completed Business Cases should be submitted to Federated Board leads and the SELEP Capital Programme Manager by **Friday 26 August 2022**.

Federated Board actions

- 2.6. Following receipt of the completed Application Forms and Business Cases, Federated Boards will be asked to agree a local prioritised list of projects. The approach to prioritisation can be determined by each Federated Board but the process must take into account the eligibility criteria set out

within this note, local Strategic priorities and the ability of the project to spend the full GBF funding allocation by 31 March 2023. The spreadsheet which will be used by SELEP to consider the prioritisation of the projects is provided at Appendix D. If desired, Federated Boards can use this template to support their prioritisation of any funding applications received.

- 2.7. Any new Business Cases received will need to be subject to the usual Independent Technical Evaluator (ITE) review before they can be considered for funding award. **The cost of this review will need to be covered by either the relevant Upper Tier Local Authority or the scheme promoter** (if different). To inform local prioritisation, the Federated Board lead may wish to seek completion of an initial Gate 1 review by Steer (as SELEP ITE) prior to the Federated Board meeting during which the applications will be discussed. It is **required that the relevant officer(s) contact Steer** (adam.scanlon@steergroup.com and steven.bishop@steergroup.com) (cc'ing the SELEP Capital Programme Manager – helen.dyer@southeastlep.com) **at the earliest opportunity to discuss the requirements for the ITE review and to agree a timeline and costs.** The relevant Upper Tier Local Authority will need to contract directly with Steer for this work and, if required, subsequently pass the costs onto the scheme promoter.
- 2.8. Each Federated Board must submit their prioritised list of those GBF projects seeking additional funding to the SELEP Capital Programme Manager by **Friday 23 September 2022**. These lists will help to inform the prioritisation of projects across the whole of the SELEP area and will assist in the development of the new project pipeline.

Strategic Board actions

- 2.9. In **October 2022**, the Strategic Board will be asked to agree a single prioritised pipeline of projects, which incorporates both those projects seeking additional GBF funding to support delivery of existing approved Business Cases and those projects which are seeking additional GBF funding to support delivery of extensions to existing project scope. The focus of the prioritisation will predominantly be on assessing the deliverability of the projects, identifying any remaining risks which may impact on the delivery, cost, benefits or value for money offered by the project and any remaining barriers to delivery (i.e. land acquisition, planning consents or statutory obligations). The approach to developing this pipeline is set out in further detail in Section 7 of the Getting Building Fund – development of new prioritised project pipeline Electronic Procedure report, as provided at Appendix C.
- 2.10. Following the agreement of the pipeline, the top ranked projects to the value of the total amount of GBF funding available in October 2022, will be able to proceed to the Accountability Board for a funding decision.
- 2.11. The prioritised list will be used to determine the next project in line to receive a funding award should additional GBF be returned to SELEP and made available for alternative investment prior to the end of 2022/23, however, consideration will need to be given to the ability of the project at the top of the remaining pipeline to fully spend any additional GBF funding awarded by 31 March 2023 prior to any funding decision being taken.

3. Timeline for prioritising applications

26 August 2022	• Application Forms & Business Cases for projects seeking additional GBF funding to be submitted to Federated Board leads & SELEP Capital Programme Manager
29 August to 23 September 2022	• Federated Boards to agree their prioritisation of the projects seeking additional GBF investment in their area
23 September 2022	• Federated Boards to supply prioritised project lists to SELEP Capital Programme Manager
October 2022	• Strategic Board to agree single GBF prioritised project pipeline

4. Process following Strategic Board prioritisation

- 4.1. Following the agreement of the single prioritised GBF project pipeline by the Strategic Board, award of the GBF funding will be considered by the Accountability Board at their meeting on **Friday 25 November 2022** to ensure that there is sufficient time for the funding to be spent in full by 31 March 2023.
- 4.2. Prior to the Accountability Board considering the award of funding to support extensions to existing GBF projects, scheme promoters will be required to update their Business Cases to address any comments raised by Steer during their Gate 1 review. The Business Case will then be subject to a Gate 2 review and the outcome of this review will be set out within the Report of the Independent Technical Evaluator, which will be included within the Accountability Board agenda pack.
- 4.3. The ITE will also undertake a review of any applications for additional funding to support delivery of existing GBF Business Cases if there is an identified Value for Money risk. However, it should be noted that due to the criteria outlined within this note, all projects seeking additional GBF funding should continue to offer a BCR comfortably above 2:1 and therefore should not present a Value for Money risk.
- 4.4. Prior to the Strategic Board agreeing the prioritised project pipeline, confirmation will be sought from officials as to the extent of any Government approvals required in relation to the award of additional GBF funding to existing projects. This will ensure that steps can be taken immediately after the Accountability Board meeting to secure any Government approvals required.
- 4.5. Following the award of additional GBF funding to projects by the Accountability Board in November 2022, and the receipt of any required Government approvals, it will be necessary for a Variation to the Service Level Agreement to be completed for each Upper Tier Local Authority which is in receipt of additional funding. This will reflect the additional funding awarded to support delivery of existing approved Business Cases or will add extra phases of existing projects to the relevant Upper Tier Local Authority's GBF programme (as applicable).

5. Appendices

- 5.1. Appendix A – Application form

- 5.2. Appendix B – Business Case template
- 5.3. Appendix C – Getting Building Fund – development of new prioritised project pipeline Electronic Procedure report
- 5.4. Appendix D – GBF Pipeline Assessment Spreadsheet