

Report title:	Initial Prioritisation of Getting Building Fund Project Applications for Additional Funding for the SEB Federated Area.
Date:	5 September 2022
Report to:	Success Essex Board Members
Report from:	Paul Chapman - Principal Economic Growth Officer, ECC

Purpose

1. To inform the discussion and decision making process for the five SEB Federated Area based applications for Getting Building Fund (GBF) additional funding ahead of providing this list to South East Local Enterprise Partnership (SELEP) by 23 September 2022.

Background

2. Following withdrawal of projects from SELEP's GBF programme there is currently £2,527,500 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. No projects from the Success Essex area have been withdrawn.
3. The SELEP Strategic Board agreed on 5 August 2022 a process for the development of a new GBF prioritised project pipeline. This pipeline will provide the opportunity for:
 - existing GBF projects which have been adversely impacted by the COVID-19 pandemic, UK's exit from the EU or current high inflation levels to seek additional GBF funding.
 - funding to help 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.
4. For projects to be considered for this additional GBF funding, scheme promoters must demonstrate:
 - a. 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, UK's exit from the EU 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.
 - b. That the project is able 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.
 - c. 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.
 - d. The 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.

Proposed prioritisation of the five SEB Federated Area GBF projects applying for additional funding

5. With all projects originally put forward being delivered the Success Essex area has a strong case to argue for additional funding for projects. However, it is unlikely all funding will be allocated to projects in the Success Essex area and therefore the Board needs to decide on its priorities. One of the projects (Broadband provision) benefits premises in the OSE area (Thurrock), details at Appendix 2. The table at Appendix 1 summarises the applications received for Success Essex area projects. This table includes additional columns, compared to the form due to be submitted to SELEP, to assist with prioritisation. These additional columns show the:
 - a. Initial Ranking - included as a guide based on an initial assessment of the applications. Projects have been ranked using the SELEP criteria showing the impact of external factors on the completion of the existing project and a focus on ensuring the original contracted outputs are delivered. Projects were then ranked on deliverability using the cash flow prediction (ensuring spend ahead of or by March '23) and project completion date forecast followed by deliverability to date.
 - b. Current Status of the Project and funding request – to aid understanding the deliverability of the additional funding request and what it is being sought for.
 - c. Cumulative Additional GBF Requested across the Success Essex area – given that £2.5m+ is available across the whole LEP area, this has been included to show how many Success Essex projects would be funded based on overall funding levels for the area.
6. Following the prioritisation decision by the Success Essex Board, ECC Officers will populate the SELEP GBF pipeline assessment spreadsheet for final sign off by the Chair and return to SELEP by the 23rd September.

Appendix 1 – Summary of the five Essex GBF Projects and Applications

Project	Lead authority	GATEWAY CRITERIA			STATUS		PRIORITISATION CRITERIA				Initial prioritised ranking	Cumulative additional GBF for SEB area (£)
		Legitimate case for funding	Significant delivery risks to additional funding	BCR remains comfortably above 2:1	Current Status of Project	Funding Requested for:	1. Funding safeguards delivery of original outputs	2. Deliverability to date	3. Additional benefits compared to original business case	4. Amount of GBF funding requested (£)		
Broadband Extension full-fibre broadband rollout in Essex (to reach rural and hard to reach premises)	Essex CC	Yes	None	Yes Original: 31.2:1 Revised: 25.7:1	In delivery. Completion February 2023	Without the funding 58 (plus 21 in OSE) of the 300 rural business premises and 142 (plus 43) of the 1,200 rural residences will not be connected. Appendix 2 provides district breakdown. Request due to materials price increases of 70%	Yes - Safeguards 26% of original business outputs and 15% of residential	MODERATE - Already committed all its GBF funding	No additional benefits because of GBF funding	£477,256 Original GBF allocation: £1,820,000	1	£423,806 (£53,450 for OSE – total bid £477,256)
Jaywick Market and Commercial Space build a commercial facility and vibrant local market on a gateway site in Jaywick Sands	Tendring DC	Yes	None	Yes Original: 3.8:1 Revised: 3.45:1	In delivery. Completion January 2023	Unforeseen contamination and underground obstruction costs. Reinstating solar panels, bin stores, cctv, workspace fit out.	Yes – Allows completion of the project	LOWER - Has only committed 76% of its GBF funding	No additional benefits because of GBF funding	£419,060 Original GBF allocation: £1,972,000	2	£896,316

Tindal Sq remove traffic from Tindal Square, creating a high-quality public space complimenting investment in Shire Hall	Chelmsford CC	Yes	None	Unknown -Projects originally awarded under threshold amount of £1m were not required to provide a BCR.	In delivery. Completi on March 2023	delivery of the full public realm improvement including the new access arrangements to the Shire Hall and the 10 new urban street trees	Yes – Allows completion of the project	MODERATE - Already committed all its GBF funding	No additional benefits because of GBF funding	£450,000 Original GBF allocation: £750,000	3	£1,346,316
Enterprise Centre for Horizon 120 Business Park The provision of an Enterprise Centre for local businesses	Braintree DC	Yes	None	Yes Original: 3.054:1 Revised: 3.539:1	Completed. Opening September 2022	to cover additional costs incurred during delivery and to provide an additional 93 car parking spaces.	No, original outputs remain as contracted	HIGHER - Project already completed	93 additional car parking spaces	£907,124 Original GBF allocation: £7,000,000	4	£2,253,440
Tendring Bikes a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton	Essex CC	Yes	None	Yes Original: 2.12:1 Revised: 2.67:1	In delivery. Completi on January 2023	extend take up of the scheme through the provision of 420 additional bikes to the 1300 procured to date.	No, the funding is for additional delivery. The project and original outputs are still being delivered	MODERATE - Already committed all its GBF funding	420 Additional bikes	£300,000 Original GBF allocation: £2,300,000	5	£2,553,440

Appendix 2 – Detail of the premises additional GBF funding would deliver by district

District	Residential	Business
Chelmsford	40	17
Colchester	39	8
Epping Forest	1	4
Maldon	46	19
Tendring	6	6
Thurrock	43	21
Uttlesford	10	4
Grand Total	185	7