

ACCOUNTABILITY BOARD

10:00	Friday, 27 January 2023	Mid-Kent College Of Higher & Further Education (Maidstone Campus, Oakwood Park, Tonbridge Rd, Maidstone, Kent, ME16)
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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

Vacancy

Cllr Kevin Bentley
Cllr Roger Gough
Cllr Rodney Chambers
Cllr Keith Glazier
Cllr Mark Coxshall
Cllr Stephen George
Simon Cook
Rosemary Nunn

Chair

Essex County Council
Kent County Council
Medway Council
East Sussex County Council
Thurrock Council
Southend-on-Sea City Council
Further Education/ Skills representative
Higher Education representative

For information about the meeting please ask for:

Lisa Siggins, Secretary to the Board

Telephone: 033301 34594

Email: democratic.services@essex.gov.uk

Essex County Council and Committees Information

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

Members of the public will be able to view and listen to any items on the agenda unless the Committee has resolved to exclude the press and public from the meeting as a result of the likely disclosure of exempt information as defined by Schedule 12A to the Local Government Act 1972.

How to take part in/watch the meeting:

Board members: should be attending in person at Mid-Kent College Of Higher & Further Education (Maidstone Campus, Oakwood Park, Tonbridge Rd, Maidstone, Kent, ME16) . Members that have arranged in advance to attend virtually as a non-voting participant will have received a personal email with their login details for the meeting. Contact Amy Ferraro -Governance Officer SELEP if you have not received your login.

Officers and members of the public:

Online:

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

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In person:

Mid-Kent College Of Higher & Further Education (Maidstone Campus, Oakwood Park, Tonbridge Rd, Maidstone, Kent, ME16) You will be asked to sign in and to not speak during the meeting without the express permission of the Chair. Late arrivals will not be guaranteed entry to the meeting.

Accessing Documents

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

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

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

		Pages
1	Welcome and Apologies for Absence	
2	Minutes of the previous meeting	6 - 23
	To approve the minutes of the meeting held on 25th November 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 update	24 - 29

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|------|--|----------|
| 6 | GBF Funding Decisions | 30 - 76 |
|
 | | |
| 7 | Getting Building Fund funding decisions and extension requests | 77 - 111 |
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| 8 | Date of Next Meeting | |
| | To note that the next meeting will be held on Friday 10 March 2023, venue to be confirmed. | |
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| 9 | 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.

10 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chair should be considered by reason of special circumstances (to be specified) as a matter of urgency.

Minutes of the meeting of the SELEP Accountability Board, held in Castalia Room, The Nucleus, Brunel Way, Dartford, Kent, DA1 5GA on Friday, 25 November 2022

Present:

Sarah Dance	Chair
Cllr Lesley Wagland	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Keith Glazier	East Sussex County Council
Cllr Rodney Chambers (until Item 16 only)	Medway Council
Cllr Stephen George	Southend-on-Sea City Council
Cllr Deborah Arnold	Thurrock Council
Rosemary Nunn (virtual attendance)	Higher Education representative
Simon Cook	Further Education/Skills representative

Also Present:

Christopher Broome	Sea Change Sussex
Bernard Brown	Member of the public
Adam Bryan	SELEP
Paul Chapman	Essex County Council
Kerry Clarke	Kent County Council
Alex Colbran	East Sussex County Council
Catherine Cummings	Southend-on-Sea City Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Amy Ferraro	SELEP
Jessica Jagpal	Medway Council
Tariq Khwaja	TK Associates
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
Michael Neumann	Essex County Council (as delegated S151 Officer for the Accountable Body)
Kevin Munnelly	Thurrock Council
Lorna Norris	Essex County Council

Tim Rignall	Southend-on-Sea City Council
Keith Rumsey	Thurrock Council
Lisa Siggins	Essex County Council

1 Welcome and apologies for absence

- Cllr Mark Coxshall substituted by Cllr Deborah Arnold
- Cllr Kevin Bentley substituted by Cllr Lesley Wagland

2 Minutes of the previous meeting

The minutes of the meeting held on Friday 23 September 2022 were agreed as an accurate record.

3 Declarations of Interest

Cllr George declared a non-pecuniary interest in respect of agenda items 8 and 9, in that his brother-in-law sits on the Board at Sanctuary Housing.

4 Questions from the public.

Adam Bryan, Chief Executive Officer SELEP advised the Board that three Public Questions had been received. Two of the Public Questions consist of more than one question.

In accordance with the Public Question Policy, and in light of feedback from the Board provided at the last meeting, he advised that there would only be a response to one question from each person/organisation provided during the meeting.

A written response to the remaining questions will be provided within 10 working days of the meeting and the responses will be published on SELEP's website.

Public Question: Submission 1 (Anonymous)

On 15th March 2013, SELEP approved a £6m Growing Places Fund loan to scheme promoter Sea Change Sussex for the Bexhill Business/Innovation Mall Project (BIM).

The project required the construction of the North East Bexhill Gateway Road (NEBGR) to access the Bexhill Business Mall site.

In the SELEP approved business case, Sea Change promised on [page 52](#):

*"The £2.75m cost associated with the construction of the Gateway Road will be funded through a combination of **secured SCS internal funds**, a secured ESCC capital contribution and recently awarded Regional Growth Fund (RGF) grant funding for strategic infrastructure."* [emphasis added]
This promise is repeated again on [Page 80](#).

By 25 June 2014, an East Sussex County Council Committee Report said, on [page 1](#);

"...it has become clear that the phasing of payments anticipated and relied upon by SeaChange Sussex, our delivery partner for the BIM, mean that we would be making payments in advance of or 'forward funding' expenditure. This exposes the County Council to some increased financial risk, as until such time as the project is completed the asset may not provide sufficient security." [emphasis added]

And on [page 2](#):

"Seachange Sussex maintains that failure to demonstrate, when inviting its board of directors to accept tenders for building contracts, that they hold up front all of the sums necessary to meet contractual financial obligations would result in a failure of the test of remaining a going concern. SeaChange have indicated that they are not prepared to enter into a contract unless they receive the funding in full which would of course fundamentally jeopardise delivery of the project." [emphasis added]

The ESCC Lead Member (Cllr Keith Glazier) approved unsecured 'at risk' ESCC loan funding to the value of **£4m** to Sea Change in advance of expenditure for the Bexhill Innovation Mall, to be paid back as GPF funds were drawn down by ESCC from Essex County Council quarterly in arrears.

And six-weeks later on 06th August 2014, an East Sussex County Council Committee Report said on [page 4](#):

"The County Council has previously provided SCS with an £800k loan for the construction of the NEBGR."

*"It has since come to light that SCS do **NOT** have sufficient funding currently in place to complete the road works upon the [NEBGR] road leading to the Bexhill Innovation Mall."*

"It is not possible to protect this loan by way of legal charge (as with the Bexhill Mall) as SCS does not yet own the road. There is therefore the risk that if SCS are unable to complete these works, the County's original funding and this loan may be at risk." [emphasis added]

The ESCC Lead Member (Cllr Keith Glazier) approved an additional 'at risk' ESCC loan to the value of **£2.6m** to Sea Change to construct the North East Bexhill Gateway Road and roundabout.

On 24th November 2021, in FOI response ref: 10158913, ESCC lists in [table 2](#)

[entry 6](#) the same 'at risk' £2.6m loan to Sea Change for the North East Bexhill Gateway Road.

The repayment of this loan is cross referenced to [table 1, entry 2](#) which says:

"Local Growth Fund Grant. £18.6m for the North Bexhill Access Road (NBAR).

*05 February 2016 - This included **entry 6 Table 2** [NEBGR Loan] and was recouped from the final funding award (£18.6m)" [emphasis added]*

Therefore, with the apparent knowledge and participation of East Sussex County Council Officials, Sea Change has:

A) Failed to make the promised contribution from Sea Change internal funds to the Bexhill Business Mall Project, to fund the North East Bexhill Gateway Road (NEBGR).

B) Borrowed £2.6m 'at risk' from ESCC in August 2014 to construct the North East Bexhill Gateway Road (NEBGR).

C) Then in February 2016, repaid this £2.6m loan to ESCC from the SELEP LGF public grant monies approved for a **DIFFERENT** project - the North Bexhill Access Road Project (NBAR).

D) Then returned to SELEP in February 2018 to request £2m additional funding to complete the North Bexhill Access Road Project (NBAR), on the pretext of 'unforeseen increased project costs'. (The NBAR Project remains incomplete and Sea Change has fully spent all of the LGF grant monies)

On 04th May 2022, the SELEP & Essex County Council FOI response ECC12562104 04 22 (attached) says:

"NO approval decision has been made either by SELEP or Essex County Council [to agree Sea Change would **NOT** deliver the North East Bexhill Gateway Road from the company's own internal funds, as per the Bexhill Business Mall business case]"

"A decision has **NOT** been made by the [SELEP Accountability] Board to enable the LGF allocated to the [NBAR] Project to be used for the purpose of repayment to ESCC for an unsecured loan ESCC had made to Sea Change Sussex."

"NO LGF has been awarded to support delivery of the Bexhill Business Mall Project or the Northeast Bexhill Gateway Road."

"ESCC have confirmed in their reporting of spend of LGF on delivery of the North Bexhill Access Road Project that spend equivalent to the full £18.6m of

LGF awarded, has been applied by Sea Change Sussex in delivering the [NBAR] Project." [emphasis added]

Will the SELEP Accountability Board please confirm:

- 1) That SELEP will claw-back this £2.6m taken from the NBAR LGF public grant monies for **other** than the approved purpose, and without any requisite LEP approvals?
- 2) What actions have been taken by SELEP and the Accountable Body since 04 May 2022, when their FOI response acknowledged that they were now aware of these serious irregularities in both LGF grant management and financial reporting by Sea Change and ESCC?

Response:

Question 1

The Accountability Board did not make a decision to enable the LGF allocated to the North Bexhill Access Road project to be used for the purpose of repayment to East Sussex County Council for an unsecured loan made to Sea Change Sussex. However, East Sussex County Council have confirmed in their reporting of spend of the LGF on delivery of the North Bexhill Access Road project that spend equivalent to the full £18.6m of LGF awarded, has been applied by Sea Change Sussex in delivering the project. On this basis, SELEP will not be seeking to claw back any of the LGF funding awarded to the project.

Public Question: Submission 2 - East Sussex energy Infrastructure and Development Limited (trading as Sea Change Sussex)

Following SELEP's Response (Combined Question 2 and 3 response – Minute 7 in the Summary of Decisions of the Accountability Board on 23rd September 2022), that East Sussex County Council (ESCC) is responsible for completion for this project, Sea Change Sussex (SCS) has refreshed its earlier offer to ESCC to manage the last works connecting the Queensway Gateway Road (QGR) with all costs in excess of the £10 million received from LGF to date, to be met by ESCC.

SCS would ask SELEP what measures it can take to ensure that ESCC funds this project to completion in line with their Service Level Agreement.

This project is substantially complete along its length of over 500m (half a kilometre) with only junction improvements at its connection to the A21 including associated kerbing, adjacent 3 metre road widening on the west side of the A21, traffic lights installed and a cycleway to be completed.

SCS believes that this project can be completed within the £15 million budget that was approved by SELEP and its Independent Technical Adviser on 20th March 2016.

Response:

All Upper Tier Local Authorities within the SELEP region have committed to complying with the requirements of the SELEP Assurance Framework. In addition, there are Service Level Agreements in place between each Upper Tier Local Authority, South East LEP Limited and Essex County Council (as Accountable Body for SELEP).

The Service Level Agreement in place between East Sussex County Council (the Council), South East LEP Limited and Essex County Council (as the Accountable Body for SELEP) places the following responsibilities on the Council:

- Responsibility for ensuring delivery of the LGF Projects, and the outputs and outcomes agreed in the respective Business Cases.
- Responsibility for all costs in excess of the LGF allocation, for example overspends, arising from the implementation of the projects.

Public Question: Submission 3 - Bernard Brown

Consistently members of both the SELEP Secretariat and this Accountability Board have stressed the importance of transparency in the execution of the affairs of SELEP. Indeed in recent times some difficult public questions have been unflinchingly addressed at Accountability Board meetings. It is of concern to this questioner that trust placed in the acceptance of the answers provided can then be under-mined by subsequent events. The Policy for Public Questions to the SELEP Accountability Board includes a section on the Scope of Questions among which it states that: "The question must be about a matter for which the Accountable Body has powers or duties and the question maybe rejected if it is substantially the same as a question put to a meeting in the previous six months".

Over the past 12 months several separate questions have been put on aspects of projects awarded funding by SELEP with the Upper Tier Authority being East Sussex County Council and Sea Change Sussex being the Scheme Promotor. Following on from these questions the reporting of project progress reporting has been amended so that a project is no longer recorded as being complete simply because the awarded funding has been spent. Perhaps unsurprisingly, projects are now only recorded as complete when they have actually completed what they were awarded the funding for in the Business Case.

Following this clarification two of the East Sussex County Council/Sea Change Sussex projects were reclassified as Construction in Progress or Project in progress. Yet with all this reclassification clarification, the North Bexhill Enterprise Park was recorded as 'LGF Project Delivered' this summer only to have the classification amended to 'Project in Progress' by the Accountable Body's Section 151 Officer this month. This suggests a

continuing breakdown in the substance of reporting by the Upper Tier Authority.

The significance of this is reflected in this question.

In response to previous questions the Board has stated that for all projects funded a Service Level Agreement is in place between Essex County Council (as Accountable Body for SELEP), South East LEP Ltd and the relevant Upper Tier Authority within the LEP area and is a legal document and includes (in these specific cases) the following obligations:

East Sussex County Council accepts responsibility for ensuring delivery of the project and the outputs and outcomes agreed in the approved project Business Case.

The Project Allocation (i.e.LGF Funding Award) is a capped contribution per project. The Council is responsible for all additional costs, for example overspends, arising from the implementation of the project.

East Sussex County Council is required to have a back-to-back Service Level Agreement with the Scheme Promotor/Contractor which mirrors the contract terms of the SLA between East Sussex County Council and SELEP/ Accountable Body.

The Queensway Gateway Road project is still in an indisputably incomplete state.

At the last Accountability Board meeting Sea Change Sussex made statements and asked questions which clearly disputed the contents of reports made by East Sussex County Council dating back to 2015. Since the September Accountability Board meeting, Sea Change Sussex have embarked on a Press Campaign repeating and amplifying these statements. I refer specifically to a front page (running over 3 pages) article in Hastings Independent Press and in particular to this quote made by Sea Change Sussex:

“On the matter of funding, our grant agreement requires us to complete the funded works - which we have done. There’s no obligation on us to deliver further elements of the project unless we enter into an additional agreement to do so, with further funding to cover that.”

This statement is incompatible with the responses previously given to me by the SELEP Accountability Board and does not reflect what I have been told is in the SLA between ESCC and Sea Change Sussex. In response East Sussex County Council issue their now standard response that they are working hard to get the Road completed and open.

Question: In view of the potential reputational damage to SELEP by the Sea Change Sussex claims (and bearing in mind East Sussex County Council is a

member/shareholder in Sea Change Sussex) can the SELEP Accountability Board confirm, without caveat, that:

- a) East Sussex County Council has accurately reported to the Accountability Board the true position on this project from inception - including all budget reduction and cost reduction savings and increments/engineering design changes and the contents of the signed SLA.
- b). The Board does not concur with the allegations made in the Press Statements issued by Sea Change Sussex.
- c). The SELEP Accountability Board are satisfied East Sussex County Council does have a back-to-back service level agreement in place with Sea Change Sussex with mirrored contract terms of the SLA between SELEP/SELEP Accountable Body and East Sussex County Council which includes provisions for funding all overruns.
- d). As neither East Sussex County Council nor Sea Change Sussex consider the signalled connection requires a Project Change case to be presented to the Accountability Board will the Board confirm the existing terms of the SLAs between all Parties still apply in its entirety.
- e). By the next Accountability Board revised completion dates will be provided without fail for the Projects, namely North Bexhill Access Road and Bexhill Enterprise Park, East Sussex Strategic Growth Project, Queensway Gateway Road and Bexhill Enterprise Park North.

Response:

Part c - East Sussex County Council have confirmed that they have a grant agreement with Sea Change Sussex which provides back-to-back obligations which require Sea Change Sussex to deliver the road in accordance with the Business Case.

East Sussex County Council have respectfully requested that any questions relating to the relationship between themselves and Sea Change Sussex would be a matter for the parties involved to consider.

Simon Cook expressed his opinion that the questions were becoming repetitive and appeared to be more like statements or complaints than actual questions. He stressed the need for the strict enforcement of the public question policy.

The Chair made reference to the Government's ongoing Deep Dive into a number of Sea Change Sussex projects and indicated that she was keen for this to be concluded as quickly as possible so that any actions arising can be addressed and the focus returned to project delivery.

Cllr Glazier stressed that East Sussex County Council are committed to delivering the projects and that officers are working hard to achieve this.

5 Getting Building Fund update

The Accountability Board (the Board) received a report and an addendum from Helen Dyer, SELEP Capital Programme Manager, 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.

Cllr Gough confirmed that a lot of progress had been made in respect of the delivery of the Techfort project.

Resolved:

1. **To Note** the current reported spend across the GBF programme for the 2022/23 financial year of £21.213m, as set out in Table 1 of the report.
2. **To Agree** the reported GBF spend on project delivery in Q1 and Q2 2022/23 of £6.197m, as set out in Table 1 and Appendix A of the report.
3. **To Note** the deliverability and risk assessment, as set out in Appendix C of the report.

In respect of the **Techfort project**:

1. **To 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. **To Agree** that the GBF funding allocation can be retained against the project for a further maximum period of 3 months (to 31 March 2023), subject to Strategic Board endorsement in December 2022.

6 GBF Funding Decisions

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the award of £659,953 Getting Building Fund (GBF) to two projects in accordance with the new GBF prioritised project pipeline.

The Board were advised that Government approval for the increase in GBF funding for each project in the report had now been received but that receipt of S151 Officer sign off from Essex County Council was still outstanding and that receipt of this sign off would be a condition of funding award.

Resolved:

1. **To Agree** the award of an additional £359,074 GBF to Essex County Council

for the Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises project, subject to receipt of S151 Officer sign off from Essex County Council.

2. **To Agree** the award of an additional £300,879 GBF to Essex County Council for the Jaywick Market and Commercial Space project, subject to receipt of S151 Officer sign off from Essex County Council.

7 **Getting Building Fund funding decisions and extension requests**

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the award of £2,657,547 Getting Building Fund (GBF) to six projects in accordance with the new GBF prioritised project pipeline.

The Board were advised that Government approval for the increase in GBF funding for each project in the report had now been received, but that receipt of S151 Officer sign off from Essex County Council was still outstanding and that receipt of this sign off would be a condition of funding award to the Tindal Square Project.

Resolved:

1. **To Agree** the award of an additional £400,000 GBF to Medway Council for the Innovation Park Medway – Sustainable City of Business project and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

2. **To Agree** the award of an additional £875,000 GBF to Kent County Council for the Thanet Parkway Railway Station project and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

3. **To Agree** the award of an additional £235,728 GBF to Kent County Council for the Javelin Way Development project, and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

4. **To Agree** the award of an additional £331,819 GBF to Essex County Council for the Tindal Square, Chelmsford project, subject to receipt of S151 Officer sign off from Essex County Council and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

5. **To Agree** the award of an additional £315,000 GBF to East Sussex County Council for the Observer Building, Hastings project, and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

6. **To Agree** the award of £500,000 GBF to Thurrock Council for the ASELA

LFFN Phase 3 project which has been assessed as offering High value for money with a Medium certainty of achieving this and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

8 Better Queensway Update

The Board received a report from Helen Dyer and Catherine Cummings, Southend-on-Sea City Council, the purpose of which was for the Board to receive an update on the Better Queensway Getting Building Fund (GBF) project (the Project), which has been identified as High risk.

Resolved:

1. **To Note** the update on delivery of the Project
2. **To Agree** that a further update on the Project which confirms the status of the merger between Swan Housing and Sanctuary Housing Association, provides an update on project delivery and provides assurances regarding the ongoing delivery of the wider project should be provided at the March 2023 Board meeting.

9 Swan Modular Housing Factory Update

The Board received a report from Paul Chapman, Principal Economic Growth Officer, Essex County Council and Helen Dyer, the purpose of which was to update the Board on the Swan Modular Housing Factory Getting Building Fund (GBF) project (the Project) which has been identified as High risk.

Resolved:

1. **To Note** the update on delivery of the Project.
2. **To Agree** that a further update on the Project which confirms the status of the merger between Swan Housing and Sanctuary Housing Association, provides an update on project delivery and provides assurances regarding the ongoing realisation of forecast project benefits should be provided at the March 2023 Board meeting.

10 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.

With regards to North Bexhill Access Road project, the Board were advised that the remaining works, principally landscaping works, were delayed by the lengthy

time it took to receive a Dormouse Licence for works from Natural England and this precluded the commencement of the landscaping last winter/autumn. Sea Change Sussex has used the time productively to secure the most appropriate contractor for these works and are pleased to advise that this contract has been signed by the contractor who is currently undertaking pre-start offsite work.

The Chair made reference to Appendix G of the report regarding the outstanding post scheme completion Monitoring and Evaluation reports. Whilst acknowledging work pressures, the Chair stressed the importance of full reporting to ensure complete updates could be provided to the Board.

Resolved:

1. **To Agree** the updated total planned LGF spend on project delivery in 2022/23 of £17.312m excluding DfT retained schemes and increasing to £17.636m including DfT retained schemes, as set out in Table 2 and Appendix A of the report.
2. **To Agree** the reported LGF spend on project delivery in Q1 and Q2 2022/23 of £7.920m, as set out in Table 1 and Appendix A of the report.
3. **To Note** the deliverability and risk assessment, as set out in Appendix D of the report.
4. **To Note** the list of outstanding post scheme completion Monitoring and Evaluation reports, as set out in Appendix G of the report.

11 London Gateway/Stanford-le-Hope LGF project update

The Board received a report from Keith Rumsey, Thurrock Council and Howard Davies, the purpose of which was for the Board to receive an update on the delivery of the London Gateway/Stanford le Hope Local Growth Fund (LGF) project (the Project), which has been identified as High risk.

Keith Rumsey updated the Board on delivery of phases 1 and 2 of the project. With regards to phase 1 he advised of delays due to protracted construction contract negotiations which have had a knock-on effect on phase 2. Keith indicated that Thurrock Council are currently looking at alternative procurement and delivery options with a view to recovering the current 7 month delay to the phase 1 programme.

Options development work is ongoing for phase 2 of the project, alongside ongoing engagement with key stakeholders.

Whilst there has been ongoing uncertainty, Keith was hopeful that with new strategies in place there would be greater certainty as to the delivery programme and project costs prior to the next Board meeting. However, he indicated that it was likely that an extension to the timeline for submission of the revised

Business Case would be needed to allow sufficient development work to be undertaken to ensure that the Business Case was sufficiently robust.

Howard Davies addressed the ongoing requirement for Thurrock Council to provide a revised Business Case and indicated that a timeline cannot be confirmed at this time. He stressed the importance of provision of a comprehensive revised programme and total project cost and stated that whilst there was ongoing uncertainty, it was hoped that the update at the next Board meeting would help to mitigate a number of the identified risks.

Resolved:

1. **To Note** the update on delivery of the Project.
2. **To Note** that a request for an extension to the deadline for consideration of the revised Business Case for the Project will be presented at the March 2023 Board meeting.
3. **To Note** that a further update on delivery of the Project will be brought to the March 2023 Board meeting and will include an update on the planned delivery programme.

12 Beaulieu Park Station Project Update

The Board received a report from Gary Macdonnell, Network Coordinator, Essex County Council and Howard Davies, the purpose of which was for the Board to receive an update on the Beaulieu Park Station Local Growth Fund (LGF) project (the Project) which has been identified as High risk.

The Board were advised that the objection to the proposed Network Change which had previously been lodged had now been dropped and consequently the project was now in a much better position in terms of delivery.

Gary Macdonnell advised the Board that it was hoped that the Implementation Agreement with Network Rail would be signed on 25 November. He also advised that the financial risk exposure figure of circa £15m as mentioned in section 4.8 of the report had now been revised and stood at £50m.

Gary also advised that the request that had been submitted to Homes England as mentioned in 4.9 of the report may no longer be required due to positive discussions with Chelmsford City Council which may allow full delivery of both streams of the HIF funded project.

Resolved:

1. **To Note** the update on the Project and the risks to project delivery which have been identified.
2. **To Note** a further update will be brought to the March 2023 Board meeting

which will include an update on the decoupling of the two HIF projects included within the Homes England funding agreement (if applicable) and the status of the required rail possessions.

13 Queensway Gateway Road update

The Board received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, the purpose of which was for the Board to receive a further progress update on the delivery of the Queensway Gateway Road Local Growth Fund (LGF) project (the Project).

Richard Dawson gave the Board a verbal update on progress and advised that a three-week consultation period was expected to commence on Friday 2 December in respect of the Traffic Regulation Order with consultation expected to conclude prior to Christmas.

Helen Dyer highlighted the continuing lack of detail on project costs within the reports provided. She stressed that future reports should contain comprehensive details on costs and affordability, alongside an update on the delivery programme.

Cllr Wagland spoke in respect of the difficulties being encountered regarding signalling projects, stating that Essex County Council were experiencing similar difficulties. She expressed concern that this may be a more general problem and it was consequently agreed that officers would look into the issue.

Resolved:

1. **To Note** the latest update position on the delivery of the Project.
2. **To Agree** that the Board will be provided with a further update on the Project, at its meeting on 10 March 2023.

14 Grays South Update

The Board received a report from Kevin Munnelly, and Howard Davies, the purpose of which was for the Board to receive an update on the delivery of the Grays South Local Growth Fund (LGF) project (the Project), which has been identified as High risk.

Kevin Munnelly gave the Board a verbal update regarding the delays to the planning application process, advising that there is a requirement for a further period of public consultation over a 21-day period. This means the planning applications will not be ready for consideration by the Planning Committee until February 2023.

He also explained that it was looking likely that a Compulsory Purchase Order would be required to secure the required land, and therefore the delivery programme would be updated to reflect this in all future updates to the Board.

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

Resolved:

1. **To Note** the latest position in the delivery of the Project and the steps that will be taken to secure successful delivery.
2. **To Agree** that the Board will be provided with a further update on the Project, which updates the project delivery plan and associated milestones, at its meeting in March 2023.

15 LGF High Risk Projects Update

The Board received a report from Howard Davies, 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 and A28 Sturry Link Road.

Resolved:

A13 Widening

1. **To Note** the update on the project

- 2 **To Note** that a further update will be brought to the March 2023 Board meeting.

A28 Sturry Link Road

1. **To Note** the update on the project

2. **To Note** that a further update will be brought to the first Board meeting in 2023/24.

16 Growing Places Fund 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 Chair raised an issue regarding the GPF funding that had been provided to South Essex College and the implications should the college not survive their current challenges as outlined in the report. This was clarified by Helen Dyer.

Resolved:

1 **To Note** the updated position on the GPF programme.

2 **To Note** the update on the Centre for Advanced Engineering project and the risk to the agreed repayment schedule.

3 **To Note** that the expected proposed revised repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure Development project will now not be forthcoming until the March 2023 Accountability Board meeting as additional time is required for more work to be undertaken to further develop the proposed revised repayment mechanism and schedule.

17 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. In addition, a proposed budget for 2023/24 is recommended for approval, based on current knowledge of funding available in 2023/24.

Lorna Norris advised that the Current Year forecast was showing an improved position due to additional interest earned on Capital Balances.

The Chair offered her thanks to all staff involved for their hard work.

Cllr Gough enquired as to whether all fixed term vacancies would be filled, with Adam Bryan confirming that recruitment was underway in this regard.

The Chair stated that it would be good to hear from Government with assurance regarding future funding for the LEP.

Resolved:

1. **To Approve** the updated 2022/23 SELEP revenue forecast budget set out in Table 1, including the specific funds summarised in Table 3 of the report.

2. **To Approve** the appropriation of £192,000 of the Sector Support Fund to the Operational Reserve to support the on-going operations of SELEP.

3. **To Approve** the revenue budget for 2023/24 set out in Table 6 of the report including the appropriations in reserves, as set out in Table 7 of the report.

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

18 Operations Update

The Board received a report from Amy Ferraro, SELEP Governance Officer which was presented by Adam Bryan, the purpose of which was for 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 included an update on the Annual Performance Review, risk management, compliance with the Assurance Framework and performance against governance KPIs.

Adam Bryan thanked the Board for approving the budget which would provide assurance until the end of 2023/24.

He highlighted issues from the report which included work required in support of the Levelling Up White Paper/devolution discussions. Adam indicated that the recruitment panel would be making a recommendation to the Strategic Board in December with regard to the appointment of a new Chair.

With regards to the Assurance Framework, the Board were advised that work was being undertaken in respect of Board member retention, particularly business representatives, and increasing diversity.

He also indicated that he had made sure that the need for timely confirmation as to the availability of funding for future years was minuted at the mid-year review conversation that was had with Government during the previous week.

The Chair offered her thanks to all staff involved and stressed the importance of diversity.

Resolved:

1. **To Note** the update on Assurance Framework compliance monitoring and Governance KPIs at Appendices A and B of the report; and
2. **To Note** the changes to the Risk Register at Appendix C of the report.

19 Date of Next Meeting

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

20 LGF High Risk Project update- CONFIDENTIAL APPENDIX B

The Board received LGF High Risk Project update - CONFIDENTIAL APPENDIX B

Report title: Getting Building Fund Capital Programme update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 27 January 2023	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1. The purpose of this report is to provide the Accountability Board (the Board) with a brief update on the Getting Building Fund (GBF) programme. The report solely focuses on decisions which need to be made in advance of the next meeting (10 March 2023) and which will have a bearing on the ability of local partners to complete their GBF spend by 31 March 2023 in accordance with Government expectations. A full update of the GBF programme will be provided at the next meeting.
- 1.2. The report provides an update on the Swan Modular Housing Factory project and the ASELA LFFN Phase 3 project.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the removal of the Swan Modular Housing Factory project from the GBF programme. The £4.53m GBF issued to Essex County Council should be returned to Essex County Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects.
 - 2.1.2. **Agree** that the GBF funding awarded to support the ASELA LFFN Phase 3 project can be released to Southend-on-Sea City Council, rather than Thurrock Council as originally agreed, subject to provision of all outstanding Local Growth Fund (LGF) and GBF year end declarations by Southend-on-Sea City Council.

3. Swan Modular Housing Factory

- 3.1. The Swan Modular Housing Factory project was seeking to bring forward a new modular housing factory in Basildon. It was forecast that the factory would deliver up to 1,000 homes per year from January 2024.
- 3.2. The project was awarded £4.53m GBF funding in November 2020 and, as at 30 September 2022, £1.458m of the GBF allocation remained unspent. This unspent funding is currently being held by Essex County Council.

- 3.3. In December 2022, Swan advised Essex County Council that the Swan Board had made the decision to close their modular factory operations by the end of December 2022. This decision was taken as it was not financially sustainable to continue to construct homes in that way. As a result of this decision, delivery of the modular housing factory being supported by the GBF funding has been halted and Swan have committed to returning the GBF funding which has already been spent to Essex County Council. Therefore, at this meeting, the Board are asked to agree the removal of the Swan Modular Housing Factory project from the GBF programme.
- 3.4. Whilst Swan have committed to repaying the GBF funding, a repayment schedule has not yet been agreed with Essex County Council. Essex County Council are urgently seeking a meeting with Swan to discuss this further.
- 3.5. Under the terms of the Service Level Agreement in place between SELEP Ltd., Essex County Council (as Accountable Body for SELEP) and Essex County Council (as Upper Tier Local Authority), Essex County Council (as Upper Tier Local Authority) are required to repay funding received in relation to a project if it can no longer deliver in accordance with the agreed Business Case. Therefore, in order to facilitate timely reallocation of the GBF funding and to maximise GBF spend by 31 March 2023 in line with Government expectations, Essex County Council will be asked to repay the full £4.53m GBF allocation in advance of Swan returning the funding to the council.
- 3.6. As a result of the removal of the project from the GBF programme, the following benefits will not be realised:
- 3.6.1. Creation of 248 FTE gross operational jobs
 - 3.6.2. Assisting 144 new learners
 - 3.6.3. Manufacturing of 2,500 steel MMC modules per annum by year 5, along with expansion of cross laminated timber (CLT) MMC module production to 1000 by year 5
 - 3.6.4. Supporting the development of 1,500 new homes over a five-year period, of which 40% (600) are estimated to be affordable.
- 3.7. 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, as Upper Tier Local Authority, will be required to repay the full £4.53m GBF allocation to Essex County Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting to allow reallocation to alternative projects via the agreed GBF prioritised project pipeline.
- 3.8. The value of the funding being returned to SELEP exceeds that sought by the projects remaining on the GBF project pipeline, and therefore whilst the award of £2.481m GBF funding to the pipeline projects is considered under Agenda Items 6 and 7 at this meeting, it won't be possible for the GBF allocation to be spent in full by 31 March 2023 and therefore Government expectations will not be met.
- 3.9. Advice has been sought from Central Government with regard to their position on GBF spend which extends beyond 31 March 2023 but a formal response has not yet been

provided. The advice given will impact on the funding decision in relation to the Techfort Phase 2 project as spend of £85,000 of the additional GBF funding sought, will extend into Q1 2023/24. In addition, there are two East Sussex projects which are not currently included in the GBF project pipeline due to delivery issues identified during prioritisation. In accordance with the prioritisation report provided to Strategic Board, the status of these projects will be revisited and the Strategic Board will be asked to consider whether the projects should be added to the pipeline at their meeting on 10 February 2023. There is sufficient GBF funding available to support both projects if Strategic Board agree their inclusion in the pipeline but it is likely that GBF spend on those projects will extend into at least Q3 2023/24.

- 3.10. As the £4.53m to be returned to SELEP exceeds the value of the GBF project pipeline, advice has also been sought from Government as to how this funding should be utilised. Given that a new GBF project pipeline has recently been created and fully utilised and given that the end of the GBF programme is rapidly approaching, alternative options for use of the funding will need to be considered. These options will be presented to the Board once advice has been received from Government.

4. ASELA LFFN Phase 3

- 4.1. As the Board will recall, the award of £500,000 GBF funding to support delivery of the ASELA LFFN Phase 3 project was agreed at the last Board meeting (25 November 2022).
- 4.2. The Association of South Essex Local Authorities (ASELA) LFFN – Phase 3 project is a continuation of the DCMS (Phase 1) and GBF (Phase 2) funded project. The LFFN project seeks to deliver fibre connectivity across the South Essex region, with the aim of realising benefits for local businesses and communities. Access to fibre connectivity allows these businesses and communities to flourish in a post COVID-19 world.
- 4.3. Delivery of Phase 3 of the project will allow the extension of fibre infrastructure across the South Essex region allowing work in some key 'Not Spot' areas which have not yet benefited from investment. In addition, the GBF funding will enable the fibre infrastructure to be linked with the Southend region fibre network, which will have significant benefits for the whole ASELA region in terms of sharing of services, cost savings and supporting the rollout of a pan ASELA Internet of Things (IoT) network to include the Southend area.
- 4.4. At the time of funding award, it was agreed that the GBF funding would be issued to Thurrock Council, as was the case for the GBF funding awarded to support Phase 2 of the LFFN project. However, following the decision by Thurrock Council to issue a Section 114 notice (a notice issued by the Section 151 Officer if the council cannot balance its budget in-year), alternative options for release of this funding have been considered.
- 4.5. Since award of the GBF funding to support Phase 2 of the project, financial responsibility for ASELA has transferred from Thurrock Council to Southend-on-Sea City Council. As a result, ASELA originally requested that the GBF funding issued to Phase 3 of the project be released to Southend, rather than Thurrock.
- 4.6. The agreed process for creation of a new GBF prioritised project pipeline included 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 Agreements, if they were to

be eligible for receipt of additional GBF funding. Southend-on-Sea City Council are not up to date with their year end declarations for either the LGF or GBF funding streams and therefore the request from ASELA could not initially be accommodated.

- 4.7. Whilst Southend have still not completed the outstanding year end declarations, it is considered that release of the funding to Southend-on-Sea City Council is the most appropriate solution given the change in situation at Thurrock Council. This approach would provide greater assurance for Essex County Council, as the Accountable Body for SELEP, and would also simplify the financial processes for ASELA.
- 4.8. As a result, the Board are asked to agree that the £500,000 GBF awarded to support the ASELA LFFN Phase 3 project can be released to Southend-on-Sea City Council, rather than Thurrock Council as originally agreed. This would be subject to completion and submission of the following outstanding year end declarations by Southend-on-Sea City Council:
 - 4.8.1. 2020/21 LGF year end declaration
 - 4.8.2. 2021/22 LGF year end declaration
 - 4.8.3. 2021/22 GBF year end declaration
- 4.9. At the time of funding award, a commitment was given that the GBF funding awarded to support the ASELA LFFN Phase 3 project would be spent in full by 31 March 2023. Due to the need for further consideration as to who should be the recipient of the funding and the associated delay in progressing the required Variation Agreement, ASELA have not yet been able to commit to delivering the additional works and therefore there is a risk that the GBF funding may not be spent in full by 31 March 2023. To minimise this risk, it is imperative that the outstanding year end declarations are provided at the earliest opportunity.
- 4.10. If the Board agree that the funding can be released to Southend-on-Sea City Council, following receipt of the completed year end declarations, a Variation Agreement will be put in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and Southend-on-Sea City Council. Once this Variation Agreement is completed, it will be possible for the funding to be released to Southend-on-Sea City Council in accordance with usual processes.
- 4.11. If the Board do not agree that the funding can be released to Southend-on-Sea City Council, or Southend do not complete the required year end declarations in a timely fashion, alternative options for release of the funding will need to be considered. However, this may result in the Board being asked to agree the cancellation of the project or could lead to GBF spend extending beyond 31 March 2023.

5. Financial Implications (Accountable Body comments)

- 5.1. 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 and those in respect of the SELEP Assurance Framework.

- 5.2. It is a requirement of the SLA that when the Board approves a decision to cancel a Project that the funding awarded is required to be returned to the Accountable Body; this may include funding that has already been defrayed, where, for example, delivery of a project has not been completed, meaning that the spend has become an abortive cost and, consequently, the grant conditions for Capital spend can no longer be met. Spend of £3.072m has been reported to date on the delivery of the Swan Modular Housing Factory project by Essex County Council, with the remaining £1.458m still being held by the Council; in cancelling the project, the full £4.530m is requested to be returned to Essex County Council as Accountable Body for SELEP, to enable reallocation to other projects on the pipeline. The agreement between Swan Housing Association and Essex County Council provides Essex County Council with the right to request full repayment of the funding.

- 5.3. GBF was allocated through a grant determination from MHCLG (now Department of Levelling Up, Housing and Communities) 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.

- 5.4. 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.
- 5.5. As the GBF investment pipeline is less than the available funding, an approach for prioritisation to reallocate any residual funding will need to be agreed by the Strategic Board, in line with the requirements of the Assurance Framework.

6. Legal Implications (Accountable Body comments)

- 6.1. 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 SLAs contain 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. If any Project is cancelled, the provisions set out with the SLA will be activated, and Essex County Council will work with the Partner Authorities to recover any abortive revenue costs.

7. Equality and Diversity Implications

- 7.1. 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:

- 7.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act

Getting Building Fund Capital Programme Update

- 7.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
- 7.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. 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.

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

Role	Date
Accountable Body sign off Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	 18/01/2023

Forward plan reference number: FP/AB/604,
FP/AB/605, FP/AB/606 and FP/AB/609

Report title: Getting Building Fund funding decisions	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 27 January 2023	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: Essex	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the award of £654,744 Getting Building Fund (GBF) to four projects in accordance with the new GBF prioritised project pipeline.
- 1.2. All projects detailed in this report are seeking additional GBF funding to help mitigate the impact of cost increases experienced as a result of the COVID-19 pandemic, Brexit or current high inflation levels and to support delivery of the approved Business Case.
- 1.3. The Board has previously agreed that the four projects being considered in this report can retain their GBF funding allocations beyond March 2022 for a maximum period of 12 months, to 31 March 2023.
- 1.4. Decisions outlined in this report are dependent upon the Board agreeing the removal of the Swan Modular Housing Factory project from the GBF programme (as set out under Agenda Item 5).

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the award of an additional £118,182 GBF to Essex County Council for the Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises project, subject to Government approval of the increase in GBF funding allocation.
 - 2.1.2. **Agree** the award of an additional £118,181 GBF to Essex County Council for the Tindal Square, Chelmsford project, subject to Government approval of the increase in GBF funding allocation.

Getting Building Fund funding decisions

- 2.1.3. **Agree** the award of an additional £118,181 GBF to Essex County Council for the Jaywick Market and Commercial Space project, subject to Government approval of the increase in GBF funding allocation.
- 2.1.4. **Agree** the award of an additional £300,200 GBF to Essex County Council for the Tendring Bikes and Cycle Infrastructure project, subject to receipt of S151 Officer sign off from Essex County Council and Government approval of the increase in GBF funding allocation.

3. Background

- 3.1. 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 £2.5275m GBF for reallocation to alternative projects. In addition, in September 2022, the Board agreed the removal of the Laindon Place project from the GBF programme as it was unable to deliver in accordance with the Business Case within the required timeframe. This released a further £0.79m GBF for reallocation to alternative projects, bringing the total available for reallocation to £3.3175m.
- 3.2. As the Board are aware, following the removal of the Fast Track Business Solutions for the Hastings Manufacturing Sector project from the GBF programme and the subsequent reallocation of the funding to alternative projects, there was no pipeline remaining.
- 3.3. A new GBF prioritised project pipeline has now been agreed and this pipeline was used to reallocate the £3.3175m GBF returned to SELEP at the Accountability Board meeting on 25 November 2022.
- 3.4. Since the last Board meeting, SELEP have been advised that the Swan Modular Housing Factory project will no longer be delivered (as set out in Agenda Item 5) and therefore a further £4.53m GBF will be released for reallocation to alternative projects.
- 3.5. At this meeting, the Board are asked to consider the award of £2.481m of the available GBF to alternative projects, in accordance with the agreed pipeline. This report considers the award of £654,744 of the GBF funding, with the award of the remaining balance considered under Agenda Item 7.
- 3.6. In accordance with current Government expectations, the ability of each project to spend additional GBF funding awarded by 31 March 2023 was a key consideration when establishing the new GBF prioritised project pipeline and all projects considered in this report have committed to spending their full GBF allocation by this date.
- 3.7. If the Board agree the award of funding to the projects outlined in this report, delivery of the projects will be closely monitored and any risks with regard to spend of the GBF by the end of 2022/23 will be presented to the Board at the next meeting.
- 3.8. The recommendation of award of additional GBF funding to any of the projects outlined in this report is contingent upon receipt of Government approval for the increase in GBF funding allocation. Due to the contingent nature of the recommendations, if Government

approval is not forthcoming, the additional funding will not be awarded to the project(s) with no further Board decision required. The GBF funding will be released for reallocation to alternative projects and these funding decisions will be taken at a future Board meeting.

- 3.9. Change Requests detailing the additional GBF funding sought, any associated changes to the funding package for each project and any expected changes to project benefits have been submitted to Government for all projects set out in this report. A verbal update on the status of these Change Requests will be provided during the meeting. If Government approval is granted in advance of the Board meeting, the recommendations will be updated accordingly.

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

Project information

- 4.1. 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.
- 4.2. The GBF funding was awarded to extend the Superfast Essex rollout programme to reach additional rural areas, with a focus on upgrading business premises.
- 4.3. The Board approved the award of £1.82m GBF to support delivery of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project in October 2020. The most recent quarterly reporting from Essex County Council indicates that none of this funding allocation has been drawn down to date, although it has been confirmed that expenditure has been incurred. It has been confirmed that the full GBF allocation has been contractually committed to deliver the project.
- 4.4. In November 2021, the Board agreed that, as an exception, the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 12 months, to 31 March 2023. This exception was granted on the basis that the delay to project delivery was entirely as a result of the actions of a Government department (Broadband Delivery UK), rather than due to a delivery issue.
- 4.5. An additional £477,256 GBF funding was sought by Essex County Council to support delivery of the approved Business Case. However, following conversations at the Success Essex Board meeting on 31 October 2022, it was agreed to reduce the GBF funding ask to ensure that the three Success Essex projects identified as priorities could all receive additional GBF funding to support delivery. As a result of this decision, and subsequent approval by the Strategic Board, the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project was awarded £359,074 additional GBF funding at the Accountability Board meeting on 25 November 2022. At that time, Essex County Council committed to bridging the resultant funding gap to ensure that the project could be delivered in accordance with the agreed Business Case.

Getting Building Fund funding decisions

- 4.6. Subsequently, in December 2022, Strategic Board agreed the inclusion of the remaining balance sought by the project in the new GBF prioritised project pipeline. As the total GBF funding sought by all projects remaining on the GBF pipeline is below £4.53m (the balance currently available for reallocation), the Board are asked to agree the award of the remaining £118,182 additional GBF funding sought by the project at this meeting. The GBF award will replace the Essex County Council funding which was originally committed to bridge the funding gap which arose as a result of the decision taken by the Success Essex Board.
- 4.7. The updated funding package for the project is set out in Table 1 below.

Table 1: Updated funding package for the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project

Funding Source	Funding Package (as stated in November 2022) £m	Updated Funding Package £m
Getting Building Fund	2.179	2.297
Supplier Contribution	0.600	0.600
Essex County Council	0.118	0
Total	2.897	2.897

- 4.8. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 2 below.

Table 2: Overview of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project

Existing GBF funding allocation: £2.179m	Total project cost as per approved Business Case: £2.420m
Additional GBF funding sought: £118,182	Total project cost as per application for additional GBF funding: £2.897m
<p>Key project benefits as stated in the Business Case:</p> <ul style="list-style-type: none"> • Reducing economic disadvantage through improving internet connectivity. • Investment in rural superfast broadband connectivity will drive the more widespread commercial deployment of ultrafast broadband. • The extension of the superfast fibre broadband infrastructure will underpin the future rollout of improved mobile communications technology as the fibre network being installed will be available for use by 5G networks. • Creation of 300 jobs and safeguarding of 1,500 jobs. • Assisting 300 businesses and up to 3,000 learners. • Delivery of 1,500 new superfast/ultrafast broadband connections. 	

- 4.9. Essex County Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.
- 4.10. Delivery of the project, and spend of the original GBF funding allocation, is ongoing. Essex County Council have advised that work is expected to complete in January 2023 and have provided a commitment that the GBF funding will be spent in full by 31 March 2023.

Getting Building Fund funding decisions

4.11. Further information on the project can be found at Appendix B.

Reason for seeking additional GBF

- 4.12. Planning activities for the 1,500 premises supported by the GBF funding have now been completed. This involved carrying out full, intrusive surveys on all rural developments to fully assess the quality of existing infrastructure and to validate the deployment plans and costings. These surveys allow the supplier to know exactly what is required for the build and if there are any issues with the network, where repairs are needed.
- 4.13. The supplier has concluded that the survey results show that a significant number of rural deployments will cost more than expected due to the impacts of the COVID-19 pandemic, Brexit and current high inflation levels. 17.6% of the premises funded by the GBF funding will exceed the contractual cost cap.
- 4.14. The supplier has submitted cost breakdowns per premises explaining the rationale for the cost increase and requesting further funding to bridge the funding gap. Additional GBF funding has been sought to bridge this funding gap and to ensure that the full scope of the project as detailed in the approved Business Case can be delivered.
- 4.15. Whilst awaiting the outcome of the application for additional GBF funding, all premises have been retained in the delivery plan ensuring that delivery slots with contractors and booking of road permits with Essex Highways are maintained.

Additionality offered by the additional GBF funding

- 4.16. The additional GBF funding will allow gigabit broadband to be connected to 79 rural business premises and allow them to benefit from the growing digital economy and better compete in an economic environment that is more focused on online trading and digital customer engagement.
- 4.17. Additionally, 185 rural residences will benefit from a new gigabit capable broadband service, which is reported to be worth £217 per person per year. This gigabit connection will future proof broadband residents against increased connectivity requirements in the future, predictions for home office users are a connection of 250Mbps download, this investment will secure that. This planned infrastructure will ultimately allow residents to compete in the global market for remote workers.
- 4.18. At the time of the original GBF Business Case submission, the BCR was reported to be 31.2:1. Essex County Council have provided updated Value for Money calculations which demonstrate that the project continues to offer a BCR of 25.7:1 and therefore continues to offer High value for money.

Outstanding risks to project delivery

- 4.19. Delivery of the project has commenced and therefore the majority of risks have been mitigated or there are plans in place to mitigate the risk following receipt of additional GBF funding.

Getting Building Fund funding decisions

- 4.20. The high severity risks identified by Essex County Council in their application for additional GBF funding are as follows:
- 4.20.1. Inability to meet funding deadlines – delivery profiles have been established and these confirm delivery by the end of January 2023 mitigating this risk.
 - 4.20.2. Need to secure Highways Permits to enable delivery of the project – it has been confirmed that highways permits have been secured which will allow work to be completed within the agreed timescales thereby mitigating this risk.
 - 4.20.3. Difficulties in obtaining permission for delivery in multi-dwelling units – internal build to flats is reliant on securing landowner and resident permission. The supplier has a dedicated team which manage this engagement and who are actively engaging with all affected multi-dwelling units so as to mitigate this risk.

5. Tindal Square, Chelmsford

Project information

- 5.1. The Tindal Square project will create a new civic square of over 3,000 sqm that provides a destination space for arts, events and celebrations outside Shire Hall in Chelmsford city centre.
- 5.2. The project will create a public space where pedestrians will have priority and cyclists will be able to move through the space between identified gateway points giving care to more vulnerable users.
- 5.3. All existing surfacing will be replaced with quality/robust new paving, including a radial design pattern extending from Shire Hall. Existing street clutter will be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. The scheme will also provide a new accessible entrance to Shire Hall, which is a Grade 2* Listed Building.
- 5.4. The project will remove motorised traffic from this part of the City Centre, reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.
- 5.5. The Board approved the award of £750,000 GBF in November 2020 to support delivery of the Tindal Square project. This funding was spent in full by 31 March 2022 in accordance with the GBF timeline originally specified by Government.
- 5.6. An additional £450,000 GBF funding was sought by Essex County Council to support delivery of the approved Business Case. However, following conversations at the Success Essex Board meeting on 31 October 2022, it was agreed to reduce the GBF funding ask to ensure that the three Success Essex projects identified as priorities could all receive additional GBF funding to support delivery. As a result of this decision, and subsequent approval by the Strategic Board, the Tindal Square project was awarded £331,819 additional GBF funding at the Accountability Board meeting on 25 November 2022. At that time, Chelmsford City Council (as delivery partner) committed to bridging the resultant

Getting Building Fund funding decisions

funding gap to ensure that the project can be delivered in accordance with the agreed Business Case.

- 5.7. Subsequently, in December 2022, Strategic Board agreed the inclusion of the remaining balance sought by the project in the new GBF prioritised project pipeline. As the total GBF funding sought by all projects remaining on the GBF pipeline is below £4.53m (the balance currently available for reallocation), the Board are asked to agree the award of the remaining £118,181 additional GBF funding sought by the project at this meeting. The GBF award will replace the Chelmsford City Council funding which was originally committed to bridge the funding gap which arose as a result of the decision taken by the Success Essex Board.
- 5.8. The updated funding package for the project is set out in Table 3 below.

Table 3: Updated funding package for the Tindal Square project

Funding Source	Funding Package (as stated in November 2022) £m	Updated Funding Package £m
Getting Building Fund	1.082	1.200
Community Infrastructure Levy	2.243	2.243
S106 Contributions	0.685	0.685
Chelmsford City Council Capital Programme	0.278	0.160
Total	4.288	4.288

- 5.9. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 4 below.

Table 4: Overview of the Tindal Square project

Existing GBF funding allocation: £1,081,819	Total project cost as per approved Business Case: £3.36m
Additional GBF funding sought: £118,181	Total project cost as per application for additional GBF funding: £4.288m
<p>Key project benefits as stated in the Business Case:</p> <ul style="list-style-type: none"> • Jobs – Indirectly supporting retail and food and beverage jobs in the centre by encouraging visits, increased footfall, events space and longer dwell time. • Footfall – As part of a wider improvement across the City Centre and linked to the retail development at Bond Street, the public realm programme will support increased footfall in the city centre, creating a quality environment where visitors will be likely to stay longer and support the retail and leisure offer of the City Centre. • New investment – creation of 4 new restaurants/shops in the Shire Hall building, creating an estimated 100 new jobs. • Construction jobs during build – 50 jobs supported for a 6 month period. • Creation of a new space for events – the City's first Festival of Arts and Culture in 2018 generated an economic impact of £1.1m supporting 16 FTE jobs. The project will add a further City Centre space for similar events in the coming years. • Reduction in motorised traffic and from this part of the City Centre, lowering carbon emissions and improving air quality. • Retaining a key link in the City Centre's cycle network to encourage increased cycling in the city centre. 	

- 5.10. Essex County Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.
- 5.11. Delivery of the project is continuing onsite and it has been confirmed that all major utilities have now been diverted. In addition, the new paving is being installed and the ten tree pits have been completed.
- 5.12. Work is underway to remove the current steps outside the Shire Hall and to replace these with a new access ramp and ambulant steps.
- 5.13. It has been confirmed that the construction programme is due to complete in January 2023, and therefore the additional GBF funding will be spent in full by 31 March 2023 in accordance with the current expectations of Government.
- 5.14. Further information on the project is provided in Appendix C.

Reasons for seeking additional GBF

- 5.15. The project has experienced cost increases due to the impacts of the COVID-19 pandemic, Brexit and current high inflation levels. These cost increases have arisen as a result of the following factors:
- 5.15.1. Inflation rates have increased significantly during the construction period and there is scope within the construction contract for elements of these cost increases to be

passed onto Chelmsford City Council, as the client. Increased costs have been incurred in relation to fuel, site compound costs and materials.

- 5.15.2. Brexit related impacts including longer than expected lead in times for materials/equipment being imported from EU countries. In addition, the utility companies have suffered from a severely depleted workforce as a result of Brexit and COVID which has resulted in a delay in delivering required works. This has meant that construction programmes have been extended and additional costs incurred.
- 5.15.3. COVID-19 related impacts including delays to worldwide materials supplies due to ongoing lockdowns and implementation of additional safety measures needed to protect the workforce, including provision of an additional site office and increased cleaning.

Additionality offered by the additional GBF funding

- 5.16. In advance of the Accountability Board meeting in November 2022, Chelmsford City Council committed to bridging the funding gap on the Tindal Square project through provision of an additional financial contribution of £118,181. Provision of this funding would have ensured that the full project scope, as per the approved Business Case, could be delivered safeguarding the forecast project benefits and delivering maximum benefit to the City Centre.
- 5.17. The provision of additional GBF funding will allow the release of the funding committed by the funding committed by Chelmsford City Council, ensuring that this funding can be invested in alternative projects which will allow wider benefits to be realised in Chelmsford.

Outstanding risks to project delivery

- 5.18. The project is nearing completion and therefore the majority of the risks to project delivery have been mitigated. However, there is an ongoing risk associated with the availability of labour and extended lead-in times for remaining key materials and supplies.

Value for Money Exemption 1 as set out in the SELEP Assurance Framework

- 5.19. There is a requirement within the SELEP Assurance Framework for all projects to demonstrate a Benefit Cost Ratio (BCR) of at least 2:1 if funding is to be secured. However, 2 exemptions to this requirement are set out within the Assurance Framework.
- 5.20. If projects are to be considered for investment under Value for Money Exemption 1, all 5 of the following criteria must be met:
 - 5.20.1. the project has a Benefit Cost Ratio greater than 1.5:1, or the project benefits are notoriously difficult to appraise in monetary terms; and
 - 5.20.2. the funding sought from the SELEP Ltd is less than £2m; and

Getting Building Fund funding decisions

- 5.20.3. to conduct further quantified and monetised economic appraisal would be disproportionate to the capital funding ask; and
 - 5.20.4. there is an overwhelming strategic case (with minimal risk in the other cases of the Business Case); and
 - 5.20.5. there are qualitative benefits which, if monetised, would most likely increase the Benefit Cost Ratio above 2:1.
- 5.21. The Tindal Square, Chelmsford project applied this Value for Money exemption at the time of the award of the existing £750,000 GBF funding and have sought to continue their reliance on this exemption in relation to award of additional GBF funding. Continued compliance with the above criteria has been considered by the Independent Technical Evaluator as part of their assessment as set out below.

Outcome of ITE assessment

- 5.22. As the GBF funding ask for the project continues to be under £2m, Value for Money Exemption 1 has been applied appropriately by the scheme promoter. The scheme promoter has identified numerous benefits, including enabling the separate redevelopment of the Shire Hall, which has been vacant since 2012, and supporting the post-COVID-19 recovery of footfall in the city centre. Based on these factors they estimate a BCR or 'multiplier' of 3 to 1.
- 5.23. Cost increases have been described in detail and have occurred due to the impacts of Brexit, the COVID-19 pandemic and inflation. These factors have affected the cost and availability of materials and other needs of the scheme promoter, and without additional funding there will be a need to 'de-scope' the remainder of the scheme. There are no other acute barriers to delivery as mitigation is in place for remaining risks.
- 5.24. The strategic case for the Project is as before and exhibits very strong alignment with local, regional and national policy priorities. Public realm improvements are notoriously difficult to appraise in monetary terms and there are often a number of qualitative benefits attached to them.
- 5.25. Based on the information provided, the ITE is satisfied that the project continues to meet the requirements of Value for Money Exemption 1, as set out in the SELEP Assurance Framework.

6. Jaywick market and Commercial Space

Project information

- 6.1. 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.

Getting Building Fund funding decisions

- 6.2. The intention was to construct 13 low-cost units offering 9,500sq ft lettable area and a covered local market of 20 affordable pitches. Following a redesign after the original GBF Business Case was submitted, a further 11 flexible units and a meeting/training room have been added. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events.
- 6.3. This project forms part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community - including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.
- 6.4. The Board approved the award of £1.972m GBF in November 2020 to support delivery of the Jaywick Market and Commercial Space project. The most recent quarterly reporting from Essex County Council indicates that £747,496 of this funding allocation has been drawn down to date, although it has been confirmed that significantly more expenditure has been incurred. It has been confirmed that the full GBF allocation has been contractually committed to deliver the project.
- 6.5. In November 2021, the Board agreed that the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This extension was required due to concerns over the rising costs of materials and increasing volatility in the materials market prompting the need for a review of the design of the project.
- 6.6. Furthermore, in September 2022, the Board agreed that the GBF funding allocation could be retained against the project for a further period of 6 months, to 31 March 2023. This extension was requested due to delays in the construction process caused by the discovery of unexpected ground obstructions and contamination following the commencement of works onsite.
- 6.7. An additional £419,060 GBF funding was sought by Essex County Council to support delivery of the approved Business Case. However, following conversations at the Success Essex Board meeting on 31 October 2022, it was agreed to reduce the GBF funding ask to ensure that the three Success Essex projects identified as priorities could all receive additional GBF funding to support delivery. As a result of this decision, and subsequent approval by the Strategic Board, the Jaywick Market and Commercial Space project was awarded £300,879 additional GBF funding at the Accountability Board meeting on 25 November 2022. At that time, Tendring District Council (as delivery partner) committed to bridging the resultant funding gap to ensure that the project can be delivered in accordance with the agreed Business Case.
- 6.8. Subsequently, in December 2022, Strategic Board agreed the inclusion of the remaining balance sought by the project in the new GBF prioritised project pipeline. As the total GBF funding sought by all projects remaining on the GBF pipeline is below £4.53m (the balance currently available for reallocation), the Board are asked to agree the award of the

Getting Building Fund funding decisions

remaining £118,181 additional GBF funding sought by the project at this meeting. The GBF award will replace the Tendring District Council funding which was originally committed to bridge the funding gap which arose as a result of the decision taken by the Success Essex Board.

6.9. The updated funding package for the project is set out in Table 5 below.

Table 5: Updated funding package for the Jaywick Market and Commercial Space project

Funding Source	Funding Package (as stated in November 2022) £m	Updated Funding Package £m
Getting Building Fund	2.273	2.391
Essex County Council	2.005	2.005
Tendring District Council	0.548	0.430
Total	4.826	4.826

6.10. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 6 below.

Table 6: Overview of the Jaywick Market and Commercial Space project

Existing GBF funding allocation: £2.273m	Total project cost as per approved Business Case: £2.128m
Additional GBF funding sought: £118,181	Total project cost as per application for additional GBF funding: £4.826m
Key project benefits as stated in the Business Case: <ul style="list-style-type: none">• Keeping spend local by creating space for local independent businesses• Increased footfall through improved walkability of the area, incentivising active travel and improving health and wellbeing• Creating space for community events• 44 FTE jobs created• Increasing the job density within Jaywick Sands from 1 job per 14 residents to 1 job per 8 residents• 842sqm lettable floorspace (B1)• 3,700sqm Improved public realm, including community garden	

6.11. As indicated at Section 6.2 of this report, the benefits offered by the project have increased since submission of the approved Business Case.

6.12. Delivery of the project, and spend of the original GBF funding allocation, is ongoing. It has been confirmed that the steel frame for the main building has been constructed and the majority of the required groundworks in the area surrounding the building have now been completed.

6.13. Delivery of the project is continuing at pace, and it is expected that the project will be completed and the building open for use in March or April 2023. In addition, a commitment has been provided that the GBF funding will be spent in full prior to 31 March 2023 in accordance with current Government expectations.

6.14. Further information on the project can be found at Appendix D.

Reason for seeking additional GBF

- 6.15. Prior to commencing construction, a ground conditions survey was undertaken. The outcome of the survey was positive and gave a low risk of asbestos contamination. However, during the early stages of construction, significant contamination and a number of ground obstructions were discovered. These findings have resulted in the total project cost increasing by over £200,000.
- 6.16. Work has begun to excavate the car park area and further contamination has been found. The estimated additional cost associated with the management of the identified and potential further contamination is £450,000. Additional GBF funding was sought to help mitigate these cost increases.
- 6.17. It has subsequently been confirmed that the majority of the groundwork at the site has been completed and that less contamination than expected had been discovered. In addition, a more cost effective and environmentally friendly method of disposal for any contamination found has been identified and used.
- 6.18. The application for additional GBF funding requested that, if the full amount sought was not needed to help manage the contamination at the site, it be spent on delivering items which had been removed from the project scope due to the increasing costs. These items include roof solar panels, bin storage, café fit out, CCTV over the community garden area, internal signage and information technology and furniture required to make the meeting room a hybrid learning room.

Additionality offered by the additional GBF funding

- 6.19. The additional GBF funding will allow the project to deliver in accordance with the scope set out in the original Business Case and will allow delivery of the additional outputs set out within this report.
- 6.20. Completing delivery of the project and installing tenants in the building will enable regeneration, improve skills in the area and provide low-cost starter units for new and emerging local businesses which will reduce unemployment, bring income into the area and enable a full business support offer to be put in place to help them succeed.
- 6.21. It should be noted that, even with the additional GBF funding, there are some elements of the original project scope which will not be delivered due to the increase in total project cost. These elements do not impact on the ability of the project to complete and offer an important facility to the local area, however, inclusion of these elements would enhance the offer to future tenants and visitors to the site increasing footfall and income to the area.
- 6.22. At the time of the original GBF Business Case submission, the BCR was reported to be 5.1:1. In May 2022, an updated BCR was calculated which took into account the increase in total project cost reported following procurement of a construction contractor. At this time, the BCR reduced to 3.77:1.

Getting Building Fund funding decisions

- 6.23. An updated BCR calculation is set out in the application for additional GBF funding and this demonstrates that the project continues to offer a BCR of 3.45:1 and therefore continues to offer High value for money.

Outstanding risks to project delivery

- 6.24. A number of risks have been detailed in the application for additional GBF funding. Mitigation measures have been identified so as to minimise the impact of these risks should they materialise. The key risks are outlined below:
- 6.24.1. Additional funding not received – this will likely mean that the car park aspect of the project will need to be paused, re-designed and revised planning consent sought further delaying project delivery.
 - 6.24.2. Overspend on the current budget – this may result in the building not opening which will have a number of implications for the local area.
 - 6.24.3. Reduced demand for commercial space and market pitches at the site – this will likely mean that some units or market pitches remain vacant which will impact on the scale of benefits realised.
 - 6.24.4. Unexpected or worse than expected ground conditions or contamination – this risk has been realised for the site of the main building but, subsequent to submission of the application for additional GBF funding, it has been confirmed that less contamination than was feared has been found in the areas surrounding the building.

7. Tendring Bikes and Cycle Infrastructure

Project information

- 7.1. The Tendring Bikes and Cycle Infrastructure project aims to deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton. The project aims to tackle deprivation and inequality within one of the most deprived areas of the country.
- 7.2. 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.
- 7.3. The Board approved the award of £2.3m GBF to support delivery of the Tendring Bikes and Cycle Infrastructure project in November 2020. The most recent quarterly reporting from Essex County Council indicates that £518,887 of this funding allocation has been drawn down to date, although it has been confirmed that further expenditure has been incurred.
- 7.4. In February 2022, the Board agreed that the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This extension was required to allow time to make changes to the proposed cycle route in order to address local concerns.

Getting Building Fund funding decisions

- 7.5. Furthermore, in September 2022, the Board agreed that the GBF funding allocation could be retained against the project for a further period of 6 months, to 31 March 2023. This extension was requested due to the required redesign work taking significantly longer than expected to complete.
- 7.6. An additional £300,200 GBF funding has been sought by Essex County Council to support delivery of the approved Business Case. Due to other cost increases, there have been other changes to the funding package since the original GBF Business Case was agreed by the Board.
- 7.7. The updated funding package for the project is set out in Table 7 below.

Table 7: Updated funding package for the Tendring Bikes and Cycle Infrastructure project

Funding Source	Original Funding Package £	Updated Funding Package £
Getting Building Fund	2,300,000	2,600,200
Essex County Council/Active Essex	100,000	405,000
Total	2,400,000	3,005,200

- 7.8. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 8 below.

Table 8: Overview of the Tendring Bikes and Cycle Infrastructure project

Existing GBF funding allocation: £2.300m	Total project cost as per approved Business Case: £2.400m
Additional GBF funding sought: £300,200	Total project cost as per application for additional GBF funding: £3.005m
<p>Key project benefits as stated in the Business Case:</p> <ul style="list-style-type: none"> • Increased cycle participation to level up inequalities • Increased sustainable active travel through cycling • Increased employability of local people and improved local economy, including access to employment, education and training opportunities • Increased fitness and physical health of inactive people • Increased mental wellbeing of inactive people and support to be job ready • Increased resilience, connectedness and social capital in local communities 	

- 7.9. Essex County Council have confirmed that the forecast project benefits will increase if additional GBF funding is awarded. As set out in Section 7.16, additional GBF funding has been sought to allow the purchase of a greater number of bicycles for inclusion in the loan scheme. These additional bikes will take the total number of bicycles purchased above the level indicated in the original Business Case and therefore additional benefits will be realised as the bikes can be made available to a wider number of people improving their health and access to employment and training opportunities.
- 7.10. Delivery of the project, and spend of the original GBF funding allocation, is ongoing. Essex County Council have advised that work on the cycling infrastructure is expected to complete

in February 2023. In addition, it has been confirmed that it will be possible for the new bikes to be purchased immediately following confirmation of the funding award and therefore a commitment that the GBF funding will be spent in full by 31 March 2023 has been provided.

7.11. Further information on the project can be found at Appendix E.

Reasons for seeking additional GBF

7.12. At the time of Business Case submission, it was intended that £1.7m of the GBF allocation would be used to deliver the cycle infrastructure, with the remaining £0.6m being used to purchase the required bikes.

7.13. The application for additional GBF funding indicates that the cycle infrastructure can be delivered within the available £1.7m budget but that fewer bikes than anticipated can be purchased for £0.6m. It is noted that bike availability has been severely affected by the COVID-19 pandemic and Brexit and that this has impacted on supply chain costs.

7.14. It was originally expected that up to 1,620 bikes could be purchased using the £0.6m GBF allocated, however, in reality the funding has only been sufficient to purchase 1,300 bikes (including GPS tracker, stand, helmet and lock).

7.15. The bike loan scheme has proved to be very popular and, after issuing the majority of the bikes, there remain in excess of 200 eligible applicants in Clacton and Jaywick who would benefit from a bike; the scheme remains open with further applications expected as interest in the scheme remains high. Unless additional funding is awarded, it will not be possible to provide bikes to all eligible applicants. In addition, some applicants with disabilities have requested adapted bikes as this would help them to ride more safely and would allow them to gain access to jobs and other opportunities. Furthermore, some applicants have requested e-bikes as this would expand the area available to them when seeking job and training opportunities.

7.16. If awarded, the additional GBF funding will be used to mitigate the cost increases experienced in purchasing the bikes to date and will allow additional bikes to be purchased ensuring that the scheme has a wider reach across the community. At the time of submitting the application for additional GBF funding, it was proposed that the funding would be spent as follows:

Table 9: Additional bikes expected to be purchased through additional GBF funding sought

Type of bike	Quantity of bikes	Per unit cost	Total
Standard	362	£600	£217,200
Adapted	10	£2,300	£23,000
E-bikes	50	£1,200	£60,000
Total	422		£300,200

7.17. The additional GBF funding would allow 102 additional bikes to be provided, taking the total up to 1,722 compared to the 1,620 forecast at the outset of the project.

Additionality offered by the additional GBF funding

Getting Building Fund funding decisions

- 7.18. If additional GBF funding is not awarded, it will not be possible for the project to be delivered in accordance with the scope set out in the original Business Case. The cycling infrastructure will be delivered as planned, however, due to increased costs, the number of bikes purchased for inclusion within the loan scheme will be lower than forecast.
- 7.19. The additional GBF funding will allow the purchase of a further 422 bikes (estimated based on costs provided in Table 9 above), which will bring the total number of bikes purchased to 1,722 compared to an original forecast of 1,600.
- 7.20. In addition to providing extra standard bikes, the GBF funding will allow the purchase of e-bikes and adapted bikes which will allow the project to reach a wider section of the community offering even greater access to jobs, training and other opportunities.

Outstanding risks to project delivery

- 7.21. Delivery of the project is well progressed, with delivery of the cycling infrastructure expected to complete in February 2023 and therefore the risks identified in the application for additional GBF funding relate to the purchase of the additional bikes. The identified risks are as follows:
- 7.21.1. Extended lead in times for the new bikes – this risk has been mitigated through agreement with the cycle supplier to pre-order a bulk order of bikes for Pedal Power (the cycle loan scheme) through a consortium approach with other providers.
 - 7.21.2. Increasing costs of the selected standard bikes – a fixed price has been negotiated for further orders and therefore this risk has been mitigated.
 - 7.21.3. Increasing costs of the selected e-bike and adapted bikes – should this risk materialise, the options will be to either reduce the number of e/adapted bikes purchased or, if costs increase significantly, use of the funding to purchase standard bikes instead. Noting that this will impact on the breadth of the scheme and will adversely impact on certain sectors of the community.

Outcome of ITE assessment

- 7.22. At the time of the original GBF Business Case submission, the BCR was reported to be 2.12:1. The application form indicated that the award of additional GBF funding would have a marginal impact on the BCR offered by the project.
- 7.23. As the Board are aware, projects are required to demonstrate a BCR of at least 2:1 if they are to be considered for award of funding. In light of the proximity of the BCR to 2:1, the Strategic Board agreed that the project be included in the project pipeline but that a further review must be undertaken by the ITE to confirm that the project continues to meet the requirements of the SELEP Assurance Framework prior to the award of any further funding. The outcome of the ITE review is set out below.
- 7.24. The scope of the scheme remains the same regarding delivery of the Clacton to Jaywick Sands cycle route. It was initially expected that up to 1,620 bikes would be procured for use

Getting Building Fund funding decisions

in the loan scheme. However, due to increased supply chain costs only 1,300 have been procured and additional funding is being sought to increase the number of bikes by 422 to 1,722. This is intended to tackle inequality by improving access to jobs and opportunities.

- 7.25. It is proposed that the 422 new bikes will be broken down as follows: 362 standard bikes, 10 adapted bikes and 50 e-bikes. The additional GBF funding has been sought to increase bike availability in the community, including e-bikes and adapted bikes as per applicants' requests. E-bikes would allow people to travel longer distances and adapted bikes would allow people with disabilities to ride more safely and improve accessibility. Both would increase access to jobs and opportunities for those users.
- 7.26. There are no remaining barriers to project delivery if additional funding is awarded and monies can be spent by 31 March 2023. Mitigation is in place for the main remaining risks.
- 7.27. The scheme promoter has identified that the majority of benefits come from the enhanced infrastructure, which enables higher numbers of cycle trips, therefore the additional funding may not markedly increase benefits relative to costs.
- 7.28. The strategic case for the scheme is clear and reasonable in terms of opening up new jobs and opportunities in deprived areas by promoting active travel solutions. Though the scheme promoter estimated a BCR of 2.12:1 initially, it is considered that there is a Medium to Low certainty of achieving a ratio of at least 2:1, which would represent High value for money, if the additional funding is granted.
- 7.29. However, there may be an overriding strategic case for providing funding for adapted bikes, which are more accessible to people with disabilities. This would amount to £23,000 as per the breakdown in the additional funding application. This would ensure the scheme is inclusive of people with disabilities.

8. Next Steps

- 8.1. As set out in Section 3 of this report, the award of any additional GBF funding to any of the projects outlined in this report is contingent upon receipt of Government approval for the increase in GBF funding allocation.
- 8.2. If a response from Government is not received in advance of the Board meeting, steps will be taken to secure a response as quickly as possible following the meeting.
- 8.3. Following the approval of the award of additional GBF funding by the Board and Government, there will be a requirement to complete Variation Agreements which update the Service Level Agreements in place between the relevant Upper Tier Local Authorities, SELEP Ltd and Essex County Council (as the Accountable Body for SELEP). No funding will be issued to local partners until the relevant Variation Agreements have been completed. Release of the funding is also dependent upon the timely return of the GBF funding originally awarded to the Swan Modular Housing Factory project by Essex County Council.
- 8.4. In accordance with standard reporting processes, each project in receipt of additional GBF funding will be required to provide an update on delivery and spend of the GBF funding at

each subsequent Board meeting until delivery of the project has completed. Any risks with regard to spend of the GBF by the end of 2022/23 will be presented to the Board at the next meeting.

9. Financial Implications (Accountable Body comments)

9.1. Essex County Council as Accountable Body to SELEP, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant:

9.1.1. GBF was 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.

9.2. 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.

9.3. All GBF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA.

9.4. The Agreements 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.

9.5. Should the Board approve the award of GBF, a variation agreement will be put in place to the existing GBF service level agreement (SLA) in place between the Accountable Body, SELEP Ltd and Essex County Council.

9.6. The Accountable Body will not transfer GBF awarded by the Board until the variation agreements are complete and the funding associated with the Swan Modular Housing Project has been returned to the funds held by Essex County Council on behalf of SELEP.

10. Legal Implications (Accountable Body comments)

10.1. The terms set out in the grant conditions between the Accountable Body and Central Government for the Getting Building Fund will set out how the GBF is to be administered and used. If the recommendation to award funding to the projects is approved, a variation agreement will be put into place between the Accountable Body, SELEP Ltd and the lead authority.

11. Equality and Diversity Implications

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

Getting Building Fund funding decisions

- 11.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- 11.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
- 11.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3. In the course of the development of the project business case, the delivery of the project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

- 12.1. Appendix A – Report of the Independent Technical Evaluator
- 12.2. Appendix B – Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project information
- 12.3. Appendix C – Tindal Square, Chelmsford project information
- 12.4. Appendix D – Jaywick Market and Commercial Space project information
- 12.5. Appendix E – Tendring Bikes and Cycle Infrastructure project information

13. List of Background Papers

- 13.1. [Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises – application for additional GBF funding](#)
- 13.2. [Tindal Square – application for additional GBF funding](#)
- 13.3. [Jaywick Market and Commercial Space – application for additional GBF funding](#)
- 13.4. [Tendring Bikes and Cycle Infrastructure – application for additional GBF funding](#)

(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)

Getting Building Fund funding decisions

Role	Date
Accountable Body sign off Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	18/01/2023

Independent Technical Evaluator – Business Case Assessment – Q4 2022/23

Independent Technical Evaluator – Business Case Assessment – Q4 2022/23

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Contents

1 Independent Technical Evaluation of Getting Building Fund Schemes 1

Overview..... 1

Method 1

Change Requests 3

Getting Building Fund 6

Tables

Table 1.1: Gate 1 & 2 Assessment of Getting Building Fund Business Case(s) for Q4 2022/23 ... 8

1 Independent Technical Evaluation of Getting Building Fund Schemes

Overview

- 1.1 Steer was reappointed as the South East Local Enterprise Partnership's Independent Technical Evaluator in April 2022. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and investment decisions to independent scrutiny.
- 1.2 Recommendations will be made for funding approval by the Accountability Board in line with the South East Local Enterprise Partnership's own governance.

Method

- 1.3 The review provides commentary on the business cases submitted by scheme promoters, and feedback on the strength of business case, the value for money likely to be delivered by the scheme (as set out in the business case) and the certainty of securing that value for money.
- 1.4 Our role as Independent Technical Evaluator is not to purely assess adherence to guidance, nor to make 'go' / 'no go' decisions on funding, but to provide evidence to the South East Local Enterprise Partnership Board to make such decisions based on expert, independent and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where value for money is not assessed as being high (i.e. where a benefit to cost ratio is below two to one and / or where information and / or analysis is incomplete).
- 1.5 The assessments are based on adherence of scheme business cases to Her Majesty's Treasury's *Green Book: Central Government Guidance on Appraisal and Evaluation*¹, and related departmental guidance such as the Department for Transport's TAG (Transport Analysis Guidance, formerly WebTAG) or the DLUHC Appraisal Guide. All of these provide proportionate methodologies for scheme appraisal (i.e. business case development).
- 1.6 Pro forma have been developed based on the criteria of *The Green Book*, a 'checklist for appraisal assessment from Her Majesty's Treasury, DfT's TAG, DLUHC's Appraisal Guide, and other departmental guidance.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

- 1.7 Individual criteria are assessed and given a ‘RAG’ (Red – Amber – Green) rating, with a summary rating for each dimension. The consistent and common understanding of the ratings are as follows:
- **Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
 - **Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment but should be amended in future submissions (e.g. at Final Approval stage).
 - **Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before gateway can be passed.
- 1.8 The five dimensions of a government business case are:
- **Strategic Dimension:** demonstration of strategic fit to national, Local Enterprise Partnership and local policy, predicated upon a robust and evidence-based case for change, with a clear definition of outcomes and objectives.
 - **Economic Dimension:** demonstration that the scheme optimises public value to the UK economy as a whole, through a consideration of options, subject to cost-benefit analysis quantifying in monetary terms as many of the costs and benefits as possible of short-listed options against a counterfactual, and a preferred option subject to sensitivity testing and consideration of risk analysis, including optimism bias.
 - **Commercial Dimension:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
 - **Financial Dimension:** demonstration of how the preferred option will be fundable and affordable in both capital and revenue terms, and how the deal will impact on the balance sheet, income and expenditure account, and pricing of the public sector organisation. Any requirement for external funding, including from a local authority, must be supported by clear evidence of support for the scheme together with any funding gaps.
 - **Management Dimension:** demonstration that the preferred option is capable of being delivered successfully in accordance with recognised best practice and contains strong project and programme management methodologies – this includes the need for a Monitoring and Evaluation Plan and Benefits Realisation Plan.
- 1.9 In addition to a rating across each of the five dimensions, comments are provided against Central Government guidance on assurance – **reasonableness** of the analysis, risk of error (or **robustness** of the analysis), and **uncertainty**. Proportionality is applied across all three areas.
- 1.10 Assessments are conducted by a team of transport and economic planning professionals, and feedback and support are given to scheme promoters throughout the process via workshops, meetings, telephone calls and emails.

Change Requests

- 1.11 The SELEP Assurance Framework states that any variations to a project's costs, scope, outcomes or outputs from the information specified in the Business Case must be reported to the Accountability Board. When the changes are expected to have a substantial impact on forecast project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the Value for Money assessment, it is expected that the business case should be re-evaluated by the ITE.
- 1.12 While a simplified approach was taken to assessing the updated project costs in the value for money calculations, this was done with the understanding that a more comprehensive approach would have also found continued "High" value for money unless otherwise assessed.
- High value for money, High certainty**
- 1.13 The following scheme is estimated to represent **High value for money** with a **High certainty** of achieving this level of value for money.
- Seven Sisters Country Park Visitor Infrastructure Uplift*
- 1.14 South Downs National Park Authority has made a change request regarding an increase in the construction costs of their improved visitor offer. Overall, the Getting Building Fund ask is set to change from £200,000 to £284,100 (i.e., by £84,100).
- 1.15 The scope of the scheme is to refresh the visitor offer at the Seven Sisters Country Park, including new toilets, new retail space and the refurbishment of 3 properties, including on-site accommodation for the site warden. The scheme aims to improve accessibility for visitors and increase the overall visitor attractiveness of the park.
- 1.16 Cost increases have been described and disaggregated in detail. They have occurred due to the exogenous impacts of Brexit, Covid-19 and inflation which have affected construction costs. The scheme promoter has also faced unforeseen construction challenges, and the additional funding ask is to cover the shortfall of £84,100 attributable to inflation in contractors' costs and prices. The overall scheme overspend is significantly higher than this, at £475,000; however, the remainder has been met from internal contingencies within existing secured funding budgets.
- 1.17 Without additional funding, there will be a need to 'de-scope' the remainder of the scheme by value engineering elements of the project, resulting in a reduction of outputs and outcomes. For example, the 3 properties being refurbished, and the intended farm shop, will likely not be fitted out fully and fewer retail units will be ready and available to local businesses. Other outputs and outcomes, such as spend per head at the park, footfall and subsequently employment opportunities, would also likely decrease due to the de-scoping.
- 1.18 The only barrier to project delivery was an anticipated push back in the completion date to December 2022, which should now be dealt with. Additional GBF monies can be spent by 31 March 2023 and detailed mitigation is in place for all remaining risks. Most risks have been closed as the majority of project delivery is complete.
- 1.19 As the scheme's GBF funding ask was originally and continues to be under £2 million, value for money exemption 1 (from conducting a monetised economic appraisal) has been applied appropriately by the scheme promoter. The additional funding may enable the scheme promoter to add 131 sqm of high footfall retail space, bringing the total from 72 to 233. Aside from this, there will be no additional benefits other than those initially set out in the business case.

- 1.20 The reasons for requesting additional monies are clear and appear to be reasonable. The strategic case for the scheme is highly robust in that it delivers across several areas:
- Improving the visitor offer of a natural asset in the region
 - Leading to direct job creation (6.5 FTE jobs) and safeguarding existing jobs (7.8 FTE jobs)
 - Enabling learning for approximately 2,000 people per year through events and other opportunities using the new facilities
 - Supporting up to around 100 local businesses and enterprises by offering a new retail space
 - Reducing carbon emissions by putting in a heat pump (and electric boilers) to meet on-site needs
- 1.21 Based on this, our assessment is that there is a **High** certainty of achieving a benefit cost ratio of at least 2 to 1, which would represent **High** value for money. The increase in costs is relatively high but from a low initial base, while benefits remain unchanged and, in our assessment, qualitatively greater than the overall level of cost. It would be difficult for the scheme promoter to quantify these benefits in a monetised economic appraisal owing to their level of business case experience, ability to resource expertise, the limited amount of time available and the difficulty of monetising a variety of different benefit streams.

High value for money, High/Medium certainty

- 1.23 The following scheme is estimated to represent **High value for money** with a **High to Medium certainty** of achieving this level of value for money.

Tindal Square, Chelmsford

- 1.24 Chelmsford City Council has made a change request regarding a material increase in the costs of the Tindal Square, Chelmsford scheme. Overall, the Getting Building Fund ask is set to change from £750,000 to £1,200,000 (i.e., by £450,000).
- 1.25 The scope of the scheme remains the creation of a new public square in Chelmsford of over 3,000 sqm, intended to serve as a space for events and general pedestrian and cyclist use. This is being achieved by relaying all existing surfacing, improving street furniture and planting trees. In addition, a more accessible entrance to Shire Hall is being put in place. A key cycle route will run through the space, which will now be closed to motor traffic. Works are underway and are expected to be completed in January 2023.
- 1.26 As the scheme's funding ask was and continues to be under £2 million, value for money exemption 1 (from conducting a monetised economic appraisal) has been applied appropriately by the scheme promoter. However, the scheme promoter has identified numerous benefits, including enabling the separate redevelopment of the Shire Hall, which has been vacant since 2012, and supporting the post-Covid recovery of footfall in the city centre. Based on this they estimate a benefit cost ratio or 'multiplier' of 3 to 1.
- 1.27 Cost increases have been described and disaggregated in detail. They have occurred due to the exogenous impacts of Brexit, Covid-19 and inflation. These factors have affected the cost and availability of materials and other needs of the scheme promoter, and without additional funding there will be a need to 'de-scope' the remainder of the scheme. There are no other acute barriers to delivery as mitigation is in place for remaining risks.
- 1.28 The reasons for requesting additional monies are clear and appear to be reasonable. Despite the new ask remaining under £2 million, this is a high value and potentially transformative scheme. Based on this, our advice is that if the scheme experienced any further significant cost escalations or delays it would be a challenge to continue to certify it as meeting the requirements of the value for money exemption.
- 1.29 The strategic case for the scheme is as before and exhibits very strong alignment with local, regional and national policy priorities. Public realm improvements are notoriously difficult to appraise in monetary terms and there are often a number of qualitative benefits attached to them. Though the scheme promoter has estimated a benefit cost ratio of 3 to 1, our assessment is that there is a **High to Medium** certainty of achieving a ratio of at least 2 to 1, which would represent **High** value for money.

High value for money, Medium/Low certainty

- 1.30 The following scheme is estimated to represent **High value for money** with a **Medium to Low certainty** of achieving this level of value for money.

Tendring Bikes and Cycle Infrastructure

- 1.31 Essex County Council has made a change request regarding an increase in supply chain costs of the bike scheme. Overall, the Getting Building Fund ask is set to change from £2,300,000 to £2,600,200 (i.e., by £300,200).
- 1.32 The scope of the scheme remains the same regarding delivery of the Clacton to Jaywick Sands cycle route. Procurement of bikes was initially expected for up to 1,620 bikes. Due to

increased supply chain costs (i.e. owing to Covid-19, Brexit) only 1,300 have been procured and additional funding is being sought to increase the number of bikes by 422 to total 1,722. This is intended to tackle inequality by improving access to jobs and opportunities. Delivery is currently underway for the cycle infrastructure and 1,300 bikes have been procured.

- 1.33 The 422 bikes are broken down as follows:
- 362 standard bikes, with unit cost of £600 for total cost of £217,200
 - 10 adapted bikes, with unit cost of £2,300 for total cost of £23,000
 - 50 e-bikes, with unit cost of £1,200 for total cost of £60,000
- 1.34 The scheme promoter has asked for this additional funding to increase bike availability in the community, including e-bikes and adapted bikes as per applicants' requests. E-bikes would allow people to travel longer distances and adapted bikes would allow people with disabilities to ride more safely and improve accessibility. Both would increase access to jobs and opportunities for those users.
- 1.35 Without additional funding, there will be no further bikes. There are no remaining barriers to project delivery if additional funding is awarded and monies can be spent by 31 March 2023. Mitigation is in place for the main remaining risks. There may be an opportunity to leverage further Sport England match funding to offer motivation and social support to applicants if additional GBF funding is provided.
- 1.36 The scheme promoter has identified that the majority of scheme benefits come from the already enhanced infrastructure, which enables higher numbers of cycle trips, therefore the additional funding may not markedly increase benefits relative to costs.
- 1.37 The strategic case for the scheme is clear and reasonable in terms of opening up new jobs and opportunities in deprived areas by promoting active travel solutions. Though the scheme promoter has estimated a benefit cost ratio of 2.12 to 1 initially, our assessment is that there is a **Medium to Low** certainty of achieving a ratio of at least 2 to 1, which would represent **High** value for money, if the additional funding is granted.
- 1.38 However, there may be an overriding strategic case for providing funding for adapted bikes, which are more accessible to people with disabilities. This would amount to £23,000 as per the breakdown in the additional funding application, which would be unlikely to bring the scheme BCR below 2 to 1. This would ensure the scheme is inclusive of people with disabilities.

Getting Building Fund

- 1.39 One business case has been assessed for schemes seeking a Getting Building Fund allocation. Below are our recommendations to the Accountability Board, including key findings from the evaluation process and details of any issues arising.
- 1.40 With the scheme not yet at full business case stage, there remains some residual risk to value for money and deliverability until all contractor costs are confirmed.

Very High value for money, High/Medium certainty

- 1.41 The following scheme is estimated to represent **Very High value for money** with a **High to Medium certainty** of achieving this level of value for money.

TechFort at The Citadel Phase 2 (£0.85m)

- 1.42 The scheme comprises the refurbishment of Casemates 53 and 54 at 'TechFort' in The Citadel, Dover. A previous business case for GBF funding was approved in 2022 for Casemates 51 and 52. The funding being requested now would allow 2 further buildings to be brought back into economic use hosting a workspace and a retail/hospitality venue. The work will support subsequent planned phases, including a provision for apprenticeships and other education.

- 1.43 The strategic case exhibits strong alignment with SELEP’s strategic priorities. The scheme aims to supplement private investment in a dilapidated heritage asset and turn it into a visitor attraction that can stimulate the local economy as a whole, supporting economic recovery. This is consistent with wording in the Dover District Local Plan advocating the site to be brought back into use. It is identified within the business case that the scheme will open up 5 acres of the site to the public. It will also lead to direct job creation. To improve strategic alignment further, more could have been done in the business case to demonstrate how the scheme will be consistent with other important policy goals, such as reducing carbon emissions and ensuring accessibility.
- 1.44 Although value for money exemption 1 (from conducting a monetised economic appraisal) could have been applied appropriately by the scheme promoter, with the GBF ask being under £2m, a monetised economic appraisal was nevertheless conducted. The employment, arts and wellbeing and heritage benefits of redeveloping Casemates 53 and 54 were assessed and a benefit cost ratio of 5.85 was calculated representing **Very High value for money**. Even in a sensitivity test assuming 50% reduction in employment and the number of visitors, the scheme remained at High value for money. It is our assessment that the appraisal was carried out appropriately and in a robust manner.
- 1.45 A qualitative justification for the scheme is also provided in terms of evaluating benefits. Key outputs/outcomes are as follows:
- 19 FTE jobs created (plus 4 trainees);
 - 757m² of commercial and events space made available; and
 - 3,000 visitors per annum to the site.
- 1.46 Moderate uncertainties are still present in the business case, including there being limited information in the Commercial Case for the scheme, including who the lead contractor is, their experience and why they were selected, and details around the contracting strategy (e.g. what the risk allocation is). Although much of this may be similar to Phase 1, it needs to be provided for Phase 2 as well.
- 1.47 The scheme promoter is confident that the vast majority of GBF funds can be spent by 31 March 2023, but this remains a residual risk unless a solution can be agreed with government. Consideration of inflation in the non-capital funding profile is needed. More information around stakeholder engagement and clearer presentation of who the tenants at the site will be would also improve the business case.
- 1.48 This has prevented the scheme from being recommended as having higher than **High to Medium certainty** despite a reasonably strong strategic rationale, robust monetised economic appraisal, and experience of successfully delivering of similar schemes (i.e. Phase 1).

Table 1.1: Gate 1 & 2 Assessment of Getting Building Fund Business Case(s) for Q4 2022/23

Scheme	SELEP Allocation	Benefit to Cost Ratio ('x' to 1)	Strategic Dimension Rating	Economic Dimension Rating	Commercial Dimension Rating	Financial Dimension Rating	Management Dimension Rating	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Level of Overall Uncertainty
TechFort at The Citadel Phase 2	£0.85m	5.85 to 1	Green	Green	Amber	Amber / Green	Amber / Green	Strategic Case for the scheme is strong, with a clear need for intervention explained and a wide range of potential benefits outlined. Commercial Case describes a fairly straightforward and reasonable approach to procurement but is missing several pieces of information about the lead contractor and why they were selected. Management Case is mostly reasonable, though it is noted that the project governance and stakeholder engagement sections are slightly lacking in detail.	Economic Case is strong, with a clearly defined approach to each benefit stream the assumptions behind the appraisal readily available. Calculations spreadsheets were also provided in Annex F. Although the scheme promoter cites their successful delivery of similar schemes, there is insufficient information about how risk will be allocated between the scheme promoter, the lead contractor and other parties, decreasing the robustness of contingency and affordability estimates for the scheme.	As outlined opposite, overall uncertainty is moderate (to low). A key issue is that the Commercial Case is not explained fully. The full set of issues are expounded upon in detail within the Gate 2 review.

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13 January 2023
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Appendix B – Getting Building Fund Project Background Information

Name of Project	<p>Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach areas</p> <p>Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon, Brentwood, Rochford, Maldon, Castle Point</p>
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Essex County Council
Getting Building Fund value	<p>Original GBF funding allocation: £1,820,000</p> <p>Additional GBF funding allocation (awarded November 2022): £359,074</p> <p>Additional GBF funding allocation (to be considered at this meeting): £118,182</p> <p>Total GBF funding allocation: £2,297,256</p>
Project Description	<p>Project to deploy ultrafast broadband for rural premises in Essex, extending the currently ongoing Superfast Essex rollout programme. Potential for economic activity in these areas is substantial. Demand for fast broadband services is nearly 15% higher in these rural areas than the average for Essex. The project will implement fast deployment and maximise the capacity of the current delivery arrangements by adding as much scope as possible within the existing live rollout contracts. This project complements other Essex broadband projects currently in progress or being planned.</p>
Need for Intervention	<p>Within the current Superfast Essex broadband rollout across Essex, it has become clear that in a significant number of cases the cost of deployment in rural areas had been underestimated by suppliers, and up to 10% of the premises in the current rollout scope will exceed the contractual cost cap.</p> <p>These full fibre networks will be delivered either by new alternative operators such as Hyperoptic and CityFibre, or by Openreach and Virgin implementing upgrades to their existing networks. However, given the commercial focus on high-revenue areas, it is highly unlikely that the rural and hard to reach areas that remain without superfast broadband will benefit from these full-fibre upgrades, unless these are delivered via subsidised infrastructure deployments. Hence a market failure exists.</p>
Reasons for seeking additional GBF funding	<p>Planning activities have concluded for all 1,500 premises supported by the original GBF funding allocation. This involved carrying out full, intrusive surveys on all rural developments to fully assess the quality of existing infrastructure and validate the deployment plans and costings.</p> <p>These surveys allow the supplier to know exactly what is required for the build and if there are issues with the network, where repairs are needed. This means the project is now fully planned and the remaining delivery scheduled, underpinned and programmed with highway permits to complete in January 2023. However, the survey results have shown that a number of rural deployments will cost significantly more than the modelled amount – these cost escalations are a result of the COVID-19 pandemic, Brexit and current high inflation levels. It is now apparent that</p>

	<p>17.6% (264) of the premises funded by the original GBF grant exceed the contractual cost cap.</p> <p>In these cases, the supplier has provided cost breakdowns per deployment explaining the rationale for the cost increase and requesting further funding to fill the newly identified cost gap. If no such funding is available, the contractual position will be to remove the premises from the programme.</p> <p>Additional GBF funding is sought to bridge the identified cost gap.</p>																	
Project benefits	<ul style="list-style-type: none">• Reducing economic disadvantage through improving internet connectivity.• Investment in rural superfast broadband connectivity will drive the more widespread commercial deployment of ultrafast broadband.• The extension of the superfast fibre broadband infrastructure will underpin the future rollout of improved mobile communications technology as the fibre network being installed will be available for use by 5G networks.• Creation of 300 jobs and safeguarding of 1,500 jobs.• Assisting 300 businesses and up to 3,000 learners• Delivery of 1,500 new superfast/ultrafast broadband connections <p>Essex County Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission</p>																	
Additionality offered by the additional GBF funding	<p>The additional funding will allow gigabit broadband to be connected to 79 rural business premises and allow them to benefit from the growing digital economy and better compete in an economic environment that is more focused on online trading and digital customer engagement. This new gigabit capable digital connectivity is expected to increase business turnover and enable the connected business to create jobs because of increased customer engagement.</p> <p>Additionally, 185 rural residences will benefit from a new gigabit capable broadband service, which is reported to be worth £217 per person per year. This gigabit connection will future proof broadband residents against increased connectivity requirements in the future, predictions for home office users are a connection of 250 Mbps download, this investment will secure that. This planned infrastructure will ultimately allow residents to compete in the global market for remote workers.</p>																	
Financial Information	<table><tr><th>Funding Source</th><th>Funding Package (November 2022) £m</th><th>Updated Funding Package £m</th></tr><tr><td>Getting Building Fund</td><td>2.179</td><td>2.297</td></tr><tr><td>Supplier Contribution</td><td>0.600</td><td>0.600</td></tr><tr><td>Essex County Council</td><td>0.118</td><td>0.000</td></tr><tr><td>Total</td><td>2.897</td><td>2.897</td></tr></table>			Funding Source	Funding Package (November 2022) £m	Updated Funding Package £m	Getting Building Fund	2.179	2.297	Supplier Contribution	0.600	0.600	Essex County Council	0.118	0.000	Total	2.897	2.897
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Getting Building Fund	2.179	2.297																
Supplier Contribution	0.600	0.600																
Essex County Council	0.118	0.000																
Total	2.897	2.897																

Risks to project delivery	<p>A number of risks are identified in the application for additional GBF funding. The high severity risks are as follows:</p> <ul style="list-style-type: none"> • Inability to meet funding deadlines – delivery profiles have been established and these confirm delivery by the end of January 2023 mitigating this risk. • Need to secure Highways Permits to enable delivery of the project – it has been confirmed that highways permits have been secured which will allow work to be completed within the agreed timescales thereby mitigating this risk. • Difficulties in obtaining permission for delivery in multi-dwelling units – internal build to flats is reliant on securing landowner and resident permission. The supplier has a dedicated team which manage this engagement and who are actively engaging with all affected multi-dwelling units so as to mitigate this risk.
Delivery programme	Delivery of the project is ongoing and is expected to complete in January 2023.
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.
Link to Project webpage	Extension of the Full-Fibre Broadband rollout in Essex to reach rural and hard to reach premises - The South East Local Enterprise Partnership (southeastlep.com)

Appendix C – Getting Building Fund Project Background Information

Name of Project	Tindal Square Chelmsford
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Chelmsford City Council
Getting Building Fund value	Original GBF funding allocation: £750,000 Additional GBF funding allocation (awarded November 2022): £331,819 Additional GBF funding allocation (to be considered at this meeting): £118,181 Total GBF funding allocation: £1,200,000
Project Description	<p>The project will create a new civic public square of over 3,000sqm that provides a destination space for arts, events and celebrations outside the Shire Hall.</p> <p>The scheme will create a public space where pedestrians will have priority, cyclists will be able to move through the space between identified gateway points giving care to more vulnerable users.</p> <p>Replacement of all existing surfacing with quality/robust new paving, including a radial design pattern extending from the Shire Hall. Existing street clutter to be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. DDA compliant and improved pedestrian access for all to the Shire Hall.</p> <p>Provision of comfortable public seating and co-ordinated and well managed seating area for tables and chairs potential to enable food and beverage businesses to expand their offer on the High Street.</p> <p>The scheme removes motorised traffic from this part of the City Centre (except for High Street service vehicles), reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.</p>
Need for Intervention	City Centres and High Streets are under pressure, amplified now by the COVID-19 pandemic. They need public intervention to recover during a recession and at a time when online retail is increasing. The closure of some key High Street players in recent years and online shopping competition means that key destinations need to be able to offer not only an environment that encourages business investment, but also create a sense of place of high quality that encourages customers to want to be there and stay there for longer periods of time. One way of doing this is investing in the urban fabric of a town or city centre, creating environments that lend themselves to events, eating out, spaces to dwell in and simply enjoy being in a centre.
Reasons for seeking additional GBF funding	<p>Delivery of the project commenced onsite on 9th January 2022.</p> <p>At the time of tender RPI inflation was 3.9% and CPI inflation 2.5% and the COVID-19 pandemic was still in an active and uncertain phase.</p>

	<p>Since construction started there have been a variety of pressures on the project, which at this stage of the build are estimated to add a further £0.45m over and above the scheme contingency budget.</p> <p>The reasons for these cost increases are multiple, complex and interrelated, but many are a result of a combination of inflation, Brexit and COVID-19, which in combination have added in delay and additional project costs.</p> <p>A full breakdown of the additional costs incurred is set out in the application for additional GBF funding and includes:</p> <ul style="list-style-type: none"> • Rising inflation rates impacting on fuel prices, site compound costs and materials. • Impacts of Brexit including delays in receiving specialist materials from EU countries and workforce depletion. • Impacts of COVID-19 including delays due to worldwide materials supplies and the fourth wave of COVID-19 in January 2022 which required provision of additional measures to protect the workforce.
Project benefits	<ul style="list-style-type: none"> • Jobs – Indirectly supporting retail and food and beverage jobs in the centre by encouraging visits, increased footfall, events space and longer dwell time. • Footfall – As part of a wider improvement across the City Centre and linked to the retail development at Bond Street, the public realm programme will support increased footfall in the city centre, creating a quality environment where visitors will be likely to stay longer and support the retail and leisure offer of the City Centre. • New investment – creation of 4 new restaurants/shops in the Shire Hall building, creating an estimated 100 new jobs. • Construction jobs during build – 50 jobs supported for a 6 month period. • Creation of a new space for events – the City's first Festival of Arts and Culture in 2018 generated an economic impact of £1.1m supporting 16 FTE jobs. The project will add a further City Centre space for similar events in the coming years. • Reduction in motorised traffic and from this part of the City Centre, lowering carbon emissions and improving air quality. • Retaining a key link in the City Centre's cycle network to encourage increased cycling in the city centre. <p>Essex County Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.</p>
Additionality offered by the additional GBF funding	<p>In advance of the Accountability Board meeting in November 2022, Chelmsford City Council committed to bridging the funding gap on the Tindal Square project through provision of an additional financial contribution of £118,181. Provision of this funding would have ensured that the full project scope, as per the approved Business Case, could be delivered safeguarding the forecast project benefits and delivering maximum benefit to the City Centre.</p>

	The provision of additional GBF funding will allow the release of the funding committed by the funding committed by Chelmsford City Council, ensuring that this funding can be invested in alternative projects which will allow wider benefits to be realised in Chelmsford.		
Financial Information			
	Funding Source	Funding Package (November 2022) £m	Updated Funding Package £m
	Getting Building Fund	1.082	1.200
	Community Infrastructure Levy	2.243	2.243
	S106 Contributions	0.685	0.685
	Chelmsford City Council Capital Programme	0.278	0.160
	Total	4.288	4.288
Risks to project delivery	<p>The project is progressing on site but the increased cost impacts are placing pressure on the need for the de-scoping of scheme elements.</p> <p>Remaining risks include statutory undertakers delivering the required diversions, availability of labour and lead in times for remaining key materials and supplies.</p>		
Delivery programme	<p>It was expected that the majority of the project would be completed in advance of Christmas 2022, with the remaining works required to cease over the Christmas period so as not to impact on the City Centre during the busy period. Due to the poor weather experienced in the lead-up to Christmas, progress has been slower than hoped.</p> <p>It has been confirmed that the construction programme is due to complete in early 2023, and therefore the additional GBF funding will be spent in full by 31 March 2023 in accordance with the current expectations of Government.</p>		
Outcome of ITE Review	The project has sought to apply Value for Money Exemption 1. The ITE has confirmed that the project meets the requirements of this exemption.		
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.		
Link to Project webpage	Tindal Square, Chelmsford - The South East Local Enterprise Partnership (southeastlep.com)		

Appendix D – Getting Building Fund Project Background Information

Name of Project	Jaywick Market and Commercial Space Brooklands Avenue, Jaywick Sands, Clacton-on-Sea, Essex CO15 2JE
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Tendring District Council in partnership with Essex County Council
Getting Building Fund value	Original GBF funding allocation: £1,972,000 Additional GBF funding allocation (awarded November 2022): £300,879 Additional GBF funding allocation (to be considered at this meeting): £118,181 Total GBF funding allocation: £2,391,060
Project Description	<p>The Jaywick Market and Commercial Space project will build and operate 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.</p> <p>The proposal was to construct 13 affordable rent business units offering 9,500sq. ft. lettable area and a covered local market of 10 affordable pitches. Following a redesign, the project is also now delivering a further 11 flexible units and a meeting/training room. 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.</p>
Need for Intervention	<p>Jaywick Sands includes the most deprived Lower Super Output Area in the country, with 6 out of the 7 domains ranked in the bottom 10% nationally, including income, employment and health and wellbeing. The community, comprising around 5,000 people, experiences very high unemployment and low skills levels, and there are significant barriers to accessing training and employment due to the geographical isolation of the community.</p> <p>As a coastal community, residents work predominantly in the leisure and care sectors which have been hardest hit by COVID-19 and have lower than average incomes, exceptionally poor-quality housing, and struggle with everyday living. The project aligns with the objectives of the Government to 'level up' these deprived coastal communities, creating opportunities and aspiration which will result in economic and social benefits.</p> <p>Employment and training issues, access to affordable healthy food and low-cost everyday necessities, access to affordable housing, public realm and environmental</p>

	quality, market failure and COVID-19 are all contributing factors in the need for this project.
Reasons for seeking additional GBF funding	<p>Between confirmation of the original GBF funding award and undertaking the contractor procurement, construction costs doubled. This was due to the market conditions resulting from the COVID-19 pandemic, Brexit and high inflation levels. These extra costs have been covered by Essex County Council and Tendring District Council.</p> <p>Within the agreed budget there is a contingency to cover unexpected costs arising from the build and a small proportion of the budget was set aside for issues relating to ground conditions. The ground conditions survey that accompanied the planning permission was positive and gave a low risk of asbestos contamination. The volume of contamination and the amount of ground obstructions found during excavation of the buildings foundations far exceeded expectations. The additional cost incurred at the time of applying for additional GBF funding was £219,060 and this used all contingency placed in the budget. Further contamination was found during the early excavation of the car park area. Therefore, additional GBF funding is sought to cover the unexpected contamination and ground obstructions costs incurred. The amount of GBF funding sought is based on an estimate of the total likely cost associated with these works.</p> <p>In addition, during the detailed design and procurement phase of the project, and more recently due to budget pressures, elements of the original scope of works have been removed. This is due to the increase in construction costs due to the COVID-19 pandemic, Brexit and high inflation. There is no budget currently available to re-introduce these items. Therefore, if the full value of the additional GBF funding sought is not required to fund the costs associated with the contamination and ground obstructions, it will be used to reintroduce some of the removed elements.</p>
Project benefits	<ul style="list-style-type: none"> • Keeping spend local by creating space for local independent businesses • Increased footfall through improved walkability of the area, incentivising active travel and improving health and wellbeing • Creating space for community events • 44 FTE jobs created • Increasing the job density within Jaywick Sands from 1 job per 14 residents to 1 job per 8 residents. • 842sqm lettable floorspace (B1) • 3,700sqm Improved public realm, including community garden <p>As indicated above, the project benefits have increased since submission of the approved Business Case.</p>
Additionality offered by the additional GBF funding	<p>Additional funding will ensure that the project can deliver in accordance with the current project scope. This will have a positive impact in changing the perception of the area. This is particularly important with Jaywick being the most deprived area as it will improve the quality of the offer to residents and provide a pride of place which is desperately needed.</p> <p>Completing the project and installing tenants into the building will also enable regeneration, improve the skills in the area and provide low cost starter units for new and emerging local businesses which will reduce</p>

	<p>unemployment, bring an income into the area and enable a full business support offer to be put in place.</p> <p>Reinstating the omitted items will enhance the offer to future tenants and visitors to the site increasing footfall and income to the area.</p> <p>The award of additional GBF funding will release the £118,181 funding committed by Tendring District Council in November 2022, allowing this funding to be used to support delivery of other projects in the local area ensuring that additional wider benefits are felt in the local area.</p>																		
Financial Information	<table><tr><th>Funding Source</th><th>Funding Package (November 2022) (£m)</th><th>Updated Funding Package (£m)</th></tr><tr><td>Getting Building Fund</td><td>2.273</td><td>2.391</td></tr><tr><td>Essex County Council</td><td>2.005</td><td>2.005</td></tr><tr><td>Tendring District council</td><td>0.548</td><td>0.430</td></tr><tr><td>Total</td><td>4.826</td><td>4.826</td></tr></table>			Funding Source	Funding Package (November 2022) (£m)	Updated Funding Package (£m)	Getting Building Fund	2.273	2.391	Essex County Council	2.005	2.005	Tendring District council	0.548	0.430	Total	4.826	4.826	
Funding Source	Funding Package (November 2022) (£m)	Updated Funding Package (£m)																	
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Tendring District council	0.548	0.430																	
Total	4.826	4.826																	
Risks to project delivery	<p>The main risks identified in the application for additional GBF funding are:</p> <table><tr><th>Risk</th><th>Mitigation</th></tr><tr><td>Additional funding not received – the car park element of the project will need to be paused, the area will need to be redesigned and revised planning permission sought</td><td>To seek further funding and to explore options to reduce the project scope further</td></tr><tr><td>Overspend on the current budget – the building will not be opening which will have a number of implications for the area</td><td>To seek further funding and to explore options to reduce the project scope further</td></tr><tr><td>Reduced demand for commercial space and market pitches – some units and market pitches may remain vacant</td><td>Net scheme benefits will be realised even if occupancy is lower than projected.</td></tr><tr><td>Construction risks – which will impact on the project budget and programme</td><td>Risks during the construction programme will be shared between the scheme promoters and the contractor.</td></tr><tr><td>Unexpected or worse than expected ground conditions or contamination – leading to cost increases and programme delays</td><td>Continue to review ground conditions and contamination. Continue to review design and impact on project budget.</td></tr><tr><td>Community opposition</td><td>Ongoing community and stakeholder engagement and project adaptation to reflect community feedback</td></tr><tr><td>Running costs higher than anticipated</td><td>Sensitivity analysis shows that costs can increase by a quarter without affecting ability</td></tr></table>			Risk	Mitigation	Additional funding not received – the car park element of the project will need to be paused, the area will need to be redesigned and revised planning permission sought	To seek further funding and to explore options to reduce the project scope further	Overspend on the current budget – the building will not be opening which will have a number of implications for the area	To seek further funding and to explore options to reduce the project scope further	Reduced demand for commercial space and market pitches – some units and market pitches may remain vacant	Net scheme benefits will be realised even if occupancy is lower than projected.	Construction risks – which will impact on the project budget and programme	Risks during the construction programme will be shared between the scheme promoters and the contractor.	Unexpected or worse than expected ground conditions or contamination – leading to cost increases and programme delays	Continue to review ground conditions and contamination. Continue to review design and impact on project budget.	Community opposition	Ongoing community and stakeholder engagement and project adaptation to reflect community feedback	Running costs higher than anticipated	Sensitivity analysis shows that costs can increase by a quarter without affecting ability
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Community opposition	Ongoing community and stakeholder engagement and project adaptation to reflect community feedback																		
Running costs higher than anticipated	Sensitivity analysis shows that costs can increase by a quarter without affecting ability																		

Page 72 of 111

		to provide a net surplus by year 5.
Delivery programme	<p>The steel frame for the main building has been constructed and it is expected that the project will be completed and the building open for use in March or April 2023.</p> <p>The full programme is set out below.</p>	
	Milestone	Expected completion date
	Construction completed	February 2023
	Business Support	Ongoing
	Marketing and letting	September 2022 to February 2023
	Scheme opening	March/April 2023
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.	
Link to Project webpage	https://www.southeastlep.com/project/jaywick-market-and-commercial-space/	

Appendix E – Getting Building Fund Project Background Information

Name of Project	Tendring Bikes and Cycle Infrastructure Jaywick and Clacton
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Essex County Council
Getting Building Fund value	Original GBF funding allocation: £2,300,000 Additional GBF funding allocation: £300,200 Total GBF funding allocation: £2,600,200
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>
Need for Intervention	Both Jaywick and Clacton, like many seaside towns, have suffered significant and ongoing decline, despite their substantial natural assets and Clacton's large conurbation. Employment within the village and town are very reliant on the tourist industry, which, over recent years, has suffered huge economic losses due to the increase in low cost package holidays and changing consumer need. The advent of the COVID-19 pandemic has exacerbated this problem
Reasons for seeking additional GBF funding	<p>At the time of Business Case submission, it was intended that £1.7m of the GBF allocation would be used to deliver the cycle infrastructure, with the remaining £0.6m being used to purchase the required bikes.</p> <p>The application for additional GBF funding indicates that the cycle infrastructure can be delivered within the available £1.7m budget but that fewer bikes than anticipated can be purchased for £0.6m. It is noted that bike availability has been severely affected by the COVID-19 pandemic and Brexit and that this has impacted on supply chain costs.</p> <p>It was originally expected that up to 1,620 bikes could be purchased using the £0.6m GBF allocated, however, in reality the funding has only been sufficient to purchase 1,300 bikes (including GPS tracker, stand, helmet and lock).</p> <p>The bike loan scheme has proved to be very popular and, after issuing the majority of the bikes, there remain in excess of 200 eligible applicants in Clacton and Jaywick who would benefit from a bike. Unless additional funding is awarded, it will not be possible to provide bikes to all eligible applicants. In addition, some applicants with disabilities have requested</p>

	<p>adapted bikes as this would help them to ride more safely and would allow them to gain access to jobs and other opportunities. Furthermore, some applicants have requested e-bikes as this would expand the area available to them when seeking job and training opportunities.</p> <p>If awarded, the additional GBF funding will be used to mitigate the cost increases experienced in purchasing the bikes to date and will allow additional bikes to be purchased ensuring that the scheme has a wider reach across the community. At the time of submitting the application for additional GBF funding, it was proposed that the funding would be spent as follows:</p> <table><tr><th>Type of bike</th><th>Quantity of bikes</th><th>Per unit cost</th><th>Total</th></tr><tr><td>Standard</td><td>362</td><td>£600</td><td>£217,200</td></tr><tr><td>Adapted</td><td>10</td><td>£2,300</td><td>£23,000</td></tr><tr><td>E-bikes</td><td>50</td><td>£1,200</td><td>£60,000</td></tr><tr><td>Total</td><td>422</td><td></td><td>£300,200</td></tr></table> <p>The additional GBF funding would allow 102 additional bikes to be provided, compared to the 1,620 forecast at the outset of the project.</p>	Type of bike	Quantity of bikes	Per unit cost	Total	Standard	362	£600	£217,200	Adapted	10	£2,300	£23,000	E-bikes	50	£1,200	£60,000	Total	422		£300,200
Type of bike	Quantity of bikes	Per unit cost	Total																		
Standard	362	£600	£217,200																		
Adapted	10	£2,300	£23,000																		
E-bikes	50	£1,200	£60,000																		
Total	422		£300,200																		
Project benefits	<ul style="list-style-type: none">• Provision of an upgraded seafront/road cycle route• Provision of a bike loan scheme• Tackling deprivation and inequality in Jaywick and Clacton• Provision of access to wider employment opportunities• Creation of skills and training opportunities for local residents• Provision of access to wider training and up-skilling opportunities• Supporting economic growth in Jaywick• Addressing health inequalities by supporting active travel.																				
Additionality offered by the additional GBF funding	<p>If additional GBF funding is not awarded, it will not be possible for the project to be delivered in accordance with the scope set out in the original Business Case. The cycling infrastructure will be delivered as planned, however, due to increased costs, the number of bikes purchased for inclusion within the loan scheme will be lower than forecast.</p> <p>The additional GBF funding will allow the purchase of a further 422 bikes, which will bring the total number of bikes purchased to 1,722 compared to an original forecast of 1,600.</p> <p>In addition to providing extra standard bikes, the GBF funding will allow the purchase of e-bikes and adapted bikes which will allow the project to reach a wider section of the community offering even greater access to jobs, training and other opportunities.</p>																				
Financial Information	<table><tr><th>Funding Source</th><th>Original Funding Package £m</th><th>Updated Funding Package £m</th></tr><tr><td>Getting Building Fund</td><td>2.300</td><td>2.600</td></tr><tr><td>Essex County Council/Active Essex</td><td>0.100</td><td>0.405</td></tr><tr><td>Total</td><td>2.400</td><td>3.005</td></tr></table>	Funding Source	Original Funding Package £m	Updated Funding Package £m	Getting Building Fund	2.300	2.600	Essex County Council/Active Essex	0.100	0.405	Total	2.400	3.005								
Funding Source	Original Funding Package £m	Updated Funding Package £m																			
Getting Building Fund	2.300	2.600																			
Essex County Council/Active Essex	0.100	0.405																			
Total	2.400	3.005																			

Risks to project delivery	<p>The identified risks to project delivery are as follows:</p> <ul style="list-style-type: none"> • Extended lead in times for the new bikes – this risk has been mitigated through agreement with the cycle supplier to pre-order a bulk order of bikes for Pedal Power (the cycle loan scheme) through a consortium approach with other providers. • Increasing costs of the selected standard bikes – a fixed price has been negotiated for further orders and therefore this risk has been mitigated. • Increasing costs of the selected e-bike and adapted bikes – should this risk materialise, the options will be to either reduce the number of e/adapted bikes purchased or, if costs increase significantly, use of the funding to purchase standard bikes instead. Noting that this will impact on the breadth of the scheme and will adversely impact on certain sectors of the community.
Delivery programme	Construction of the new cycle infrastructure is expected to complete in February 2023. It has also been confirmed that it will be possible for the new bikes to be purchased immediately following confirmation of funding award.
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.
Link to Project webpage	Tendring Bikes and Cycle Infrastructure – The South East Local Enterprise Partnership (southeastlep.com)

Forward plan reference number: FP/AB/607,
FP/AB/608, FP/AB/610 and FP/AB/611

Report title: Getting Building Fund funding decisions and extension requests	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 27 January 2023	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: East Sussex, Essex and Kent	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the award of £1,826,024 Getting Building Fund (GBF) to four projects in accordance with the new GBF prioritised project pipeline.
- 1.2. Three of the projects detailed in this report are seeking additional GBF funding to help mitigate the impact of cost increases experienced as a result of the impacts of the COVID-19 pandemic, Brexit or current high inflation levels and to support delivery of the approved Business Case. The final project is seeking GBF investment to deliver a further phase of the existing GBF project.
- 1.3. The Board will also be asked to consider whether the projects outlined in this report meet the conditions agreed by the Board in July 2021 for retention of their respective GBF allocations beyond 31 March 2022.
- 1.4. Decisions outlined in this report are dependent upon the Board agreeing the removal of the Swan Modular Housing Factory project from the GBF programme (as set out under Agenda Item 5).

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Agree** the award of an additional £84,100 GBF to East Sussex County Council for the Seven Sisters Country Park Visitor Infrastructure Uplift project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.
 - 2.1.2. **Agree** the award of an additional £250,000 GBF to Kent County Council for the Discovery Park Incubator project, subject to Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against

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

- 2.1.3. **Agree** the award of £765,000 GBF to Kent County Council for the Techfort Phase 2 project which has been assessed as offering High value for money with High to Medium certainty of achieving this, subject to Government approval of project inclusion within the GBF programme and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.
- 2.1.4. **Agree** the award of £85,000 GBF to Kent County Council for the Techfort Phase 2 project which has been assessed as offering High value for money with High to Medium certainty of achieving this, subject to Government approval of project inclusion within the GBF programme, Government approval of GBF spend beyond 31 March 2023 and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 15 months to 30 June 2023.
- 2.1.5. **Agree** the award of an additional £641,924 GBF to Essex County Council for the Enterprise Centre for Horizon 120 Business and Innovation Park project, subject to receipt of S151 Officer sign off from Essex County Council, Government approval of the increase in GBF funding allocation and agree that the GBF funding can be retained against the project beyond March 2022 for a maximum period of 12 months to 31 March 2023.

3. Background

- 3.1. 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 £2.5275m GBF for reallocation to alternative projects. In addition, in September 2022, the Board agreed the removal of the Laindon Place project from the GBF programme as it was unable to deliver in accordance with the Business Case within the required timeframe. This released a further £0.79m GBF for reallocation to alternative projects, bringing the total available for reallocation to £3.3175m.
- 3.2. As the Board are aware, following the removal of the Fast Track Business Solutions for the Hastings Manufacturing Sector project from the GBF programme and the subsequent reallocation of the funding to alternative projects, there was no pipeline remaining.
- 3.3. A new GBF prioritised project pipeline has now been agreed and this pipeline was used to reallocate the £3.3175m GBF returned to SELEP at the Accountability Board meeting on 25 November 2022.
- 3.4. Since the last Board meeting, SELEP have been advised that the Swan Modular Housing Factory project will no longer be delivered (as set out in Agenda Item 5) and therefore a further £4.53m GBF will be released for reallocation to alternative projects.

Getting Building Fund funding decisions and extension requests

- 3.5. At this meeting, the Board are asked to consider the award of £2.481m of the available GBF to alternative projects, in accordance with the agreed pipeline. This report considers the award of £1.826m of the GBF funding, with the award of the remaining balance considered under Agenda Item 6.
- 3.6. In accordance with current Government expectations, the ability of each project to spend additional GBF funding awarded by 31 March 2023 was a key consideration when establishing the new GBF prioritised project pipeline and three of the projects considered in this report have committed to spending their full GBF allocation by this date. The remaining project, Techfort Phase 2, has committed to spending £765,000 of the requested £850,000 GBF funding by 31 March 2023, with the remaining £85,000 forecast for spend in Q1 2023/24. Government advice has been sought in relation to their position on GBF spend extending beyond 31 March 2023.
- 3.7. If the Board agree the award of funding to the projects outlined in this report, delivery of the projects will be closely monitored and any risks with regard to spend of the GBF by the end of 2022/23 (beyond that already identified) will be presented to the Board at the next meeting.
- 3.8. The recommendation of award of additional GBF funding to any of the projects outlined in this report is contingent upon receipt of Government approval for the increase in GBF funding allocation (for all projects except Techfort Phase 2) or the inclusion of the project within the GBF programme (Techfort Phase 2 only). Due to the contingent nature of the recommendations, if Government approval is not forthcoming, the additional funding will not be awarded to the project(s) (for all projects except Techfort Phase 2) or the project will be removed from the GBF programme (Techfort Phase 2 only) with no further Board decision required. The GBF funding will be released for reallocation to alternative projects and these funding decisions will be taken at a future Board meeting.
- 3.9. Change Requests detailing the additional GBF funding sought, any associated changes to the funding package for each project and any expected changes to project benefits have been submitted to Government for all projects set out in this report. A verbal update on the status of these Change Requests will be provided during the meeting. If Government approval is granted in advance of the Board meeting, the recommendations will be updated accordingly.

4. Retention of GBF Funding beyond 31 March 2022

- 4.1. Given the timing of the award of the additional GBF funding considered in this report, spend of the GBF funding (if awarded) will clearly extend beyond March 2022, which marked the official end of the GBF programme.
- 4.2. In July 2021, the Board agreed SELEP's position on the retention of GBF funding against projects beyond 31 March 2022. The Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied. The criteria and conditions were applied to requests for retention of GBF funding beyond March 2022 received between July 2021 and May 2022.

Getting Building Fund funding decisions and extension requests

- 4.3. 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:
- 4.3.1. 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.
 - 4.3.2. All planning requirements must be met by 15 July 2022.
 - 4.3.3. All other (non-planning) required consents and approvals must be received by 15 July 2022.
 - 4.3.4. Contractual commitments must be in place with the construction contractor by 30 September 2022.
 - 4.3.5. 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.
 - 4.3.6. 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.
- 4.4. 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 determining whether funding could be retained beyond 31 March 2022. However, in light of the timing of the funding decisions considered in this report, it was considered prudent to assess the projects against the updated requirements agreed in May 2022, rather than using the original criteria and conditions agreed in July 2021.
- 4.5. Information has been provided to demonstrate how the four projects under consideration meet the requirements agreed by the Board in May 2022 for retention of GBF funding against the project beyond 31 March 2022. This information is set out in Appendix F and is summarised within the report.

5. Seven Sisters Country Park Visitor Infrastructure Uplift

Project information

- 5.1. The South Downs National Park Authority took over responsibility for the Seven Sisters Country Park in Summer 2021 and are in the process of implementing a new Business Plan. Fundamental to this Business Plan is a comprehensive refresh of the visitor offer, including upgraded physical access, new toilets, retail space for local businesses and refurbishment of 3 dilapidated properties. The delivery of the project will allow the Seven Sisters Country Park to open 364 days a year, showcase products from local producers, signpost visitors to local businesses and attractions and provide an accessible welcome for visitors with a year-round events programme. GBF funding has been awarded to support delivery of these improvements at the country park.

Getting Building Fund funding decisions and extension requests

- 5.2. The Board approved the award of £200,000 GBF in February 2022 to support delivery of the Seven Sisters Country Park Visitor Infrastructure Uplift project. At the time of the funding decision, the Board agreed that the GBF funding could be retained against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. The most recent quarterly reporting from East Sussex County Council indicates that the full GBF funding allocation was drawn down in Q2 2022/23 and was therefore spent in accordance with the timeline agreed by the Board.
- 5.3. An additional £84,100 GBF funding has been sought by East Sussex County Council to support delivery of the approved Business Case. Due to other cost increases, there have been other changes to the funding package since the original GBF Business Case was agreed by the Board.
- 5.4. The updated funding package is set out in Table 1 below.

Table 1: Updated funding package for the Seven Sisters Country Park Visitor Infrastructure Uplift project

Funding Source	Original Funding Package £	Updated Funding Package £
Getting Building Fund	200,000	284,100
South Downs National Park Authority	1,700,000	2,070,900
Grant Funding	275,000	295,000
Total	2,175,000	2,650,000

- 5.5. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 2 below.

Table 2: Overview of the Seven Sisters Country Park Visitor Infrastructure Uplift project

Existing GBF funding allocation: £200,000	Total project cost as per approved Business Case: £2,175,000
Additional GBF funding sought: £84,100	Total project cost as per application for additional GBF funding: £2,650,000
Key project benefits as stated in the Business Case (dependent upon GBF funding): <ul style="list-style-type: none"> • Creation and safeguarding of 6.5 FTE jobs • Creation of 1 x 1 bed flat for onsite warden • Creation of 131sqm high footfall retail space • Provision of 1 new superfast Broadband connection • Supporting 100 enterprises through the provision of the new retail space • Increase in visitor spend by adding additional retail space • Increased footfall as a result of people supporting the new retail space 	

- 5.6. East Sussex County Council and the South Downs National Park Authority have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.

Getting Building Fund funding decisions and extension requests

- 5.7. An updated delivery programme has been provided which indicates that the project is expected to complete in March 2023. In light of this, a commitment that the GBF funding will be spent in full by 31 March 2023 has been provided.
- 5.8. Further information on the project is provided in Appendix B.

Reasons for seeking additional GBF funding

- 5.9. The costs detailed in the original project Business Case were based on tenders submitted by contractors in 2020/21. Following award of the GBF funding, the Foxhole Cottages and Pump Barn works (elements of the wider project to be supported by GBF funding) were repackaged into a new phase and procurement of a contractor was undertaken.
- 5.10. Since 2020/21, there have been significant challenges in the construction industry with implications for supply and demand, labour costs, impacts of COVID-19 and Brexit, as well as rising inflation and transportation costs which have all contributed to a significant increase in construction costs. As a consequence, the tender submissions received were significantly higher than anticipated. Cost increases include a 100% increase in the cost of roofing and cladding, 50% increase in the cost of doors – both internal and external and a 50% increase in the price of sanitaryware.
- 5.11. Whilst additional internal funding was secured to assist in covering the cost increase, there remains a shortfall of £84,100 which needs to be bridged if the approved Business Case is to be delivered in full.

Additionality offered by the additional GBF funding

- 5.12. If additional GBF funding is not awarded, it will be necessary to value engineer some elements of the project, resulting in reduced outputs. This value engineering could result in a reduced fit out of the refurbished cottages and the pump barn. This would result in a reduction in tourism opportunities and would have a negative impact on the spend per head outlined in the original project Business Case. Furthermore, fewer units would be ready and available for use by local businesses meaning that fewer enterprises than forecast will be supported by the project.
- 5.13. The additional GBF investment will enable all elements of the original project scope to be delivered thereby safeguarding the forecast project benefits.

Outstanding risks to project delivery

- 5.14. A number of risks have been identified in the application for additional GBF funding submitted. The High likelihood, High impact risks are summarised below:
 - 5.14.1. Risk of COVID-19 lockdown causing delays to project delivery – this risk has been mitigated through early discussion with the contractor to agree the approach to managing the delay and associated cost increases.
 - 5.14.2. Main contractor insolvency – this risk has been mitigated through completion of required due diligence prior to formal appointment of the contractor.

Getting Building Fund funding decisions and extension requests

- 5.14.3. Construction costs significantly higher than expected due to volatile construction market – whilst this risk has been realised, the risk of further cost increases has been mitigated through detailed contractor discussions and use of contract management for cost variations and scope change.
- 5.14.4. Delayed start to works in the Pump Barn as listed building consent required for some of the planned works – this risk has been fully mitigated as listed building consent has now been secured.

Value for Money Exemption 1 as set out in the SELEP Assurance Framework

- 5.15. There is a requirement within the SELEP Assurance Framework for all projects to demonstrate a Benefit Cost Ratio (BCR) of at least 2:1 if funding is to be secured. However, 2 exemptions to this requirement are set out within the Assurance Framework.
- 5.16. If projects are to be considered for investment under Value for Money Exemption 1, all 5 of the following criteria must be met:
 - 5.16.1. the project has a Benefit Cost Ratio greater than 1.5:1, or the project benefits are notoriously difficult to appraise in monetary terms; and
 - 5.16.2. the funding sought from the SELEP Ltd is less than £2m; and
 - 5.16.3. to conduct further quantified and monetised economic appraisal would be disproportionate to the capital funding ask; and
 - 5.16.4. there is an overwhelming strategic case (with minimal risk in the other cases of the Business Case); and
 - 5.16.5. there are qualitative benefits which, if monetised, would most likely increase the Benefit Cost Ratio above 2:1.
- 5.17. The Seven Sisters Country Park Visitor Infrastructure Uplift project applied this Value for Money exemption at the time of the award of the existing £200,000 GBF funding and have sought to continue their reliance on this exemption in relation to award of additional GBF funding. Continued compliance with the above criteria has been considered by the Independent Technical Evaluator as part of their assessment as set out below.

Outcome of ITE Assessment

- 5.18. As the GBF funding ask for the project continues to be under £2m, Value for Money Exemption 1 has been applied appropriately by the scheme promoter.
- 5.19. Cost increases have been described and disaggregated in detail. They have occurred due to the exogenous impacts of Brexit, COVID-19 and inflation which have affected construction costs. The scheme promoter has also faced unforeseen construction challenges, and the additional funding ask is to cover the shortfall of £84,100 attributable to inflation in contractors' costs and prices. The overall scheme overspend is significantly

Getting Building Fund funding decisions and extension requests

higher than this, at £475,000; however, the remainder has been met from internal contingencies within existing secured funding budgets.

- 5.20. Without additional funding, there will be a need to 'de-scope' the remainder of the scheme by value engineering elements of the project, resulting in a reduction of outputs and outcomes. Other outputs and outcomes, such as spend per head at the park, footfall and subsequently employment opportunities, would also likely decrease due to the de-scoping.
- 5.21. Additional GBF monies can be spent by 31 March 2023 and detailed mitigation is in place for all remaining risks. Most risks have been closed as the majority of project delivery is complete.
- 5.22. The reasons for requesting additional monies are clear and appear to be reasonable. The strategic case for the scheme is highly robust in that it delivers across several areas:
 - 5.22.1. Improving the visitor offer of a natural asset in the region
 - 5.22.2. Leading to direct job creation (6.5 FTE jobs) and safeguarding existing jobs (7.8 FTE jobs)
 - 5.22.3. Enabling learning for approximately 2,000 people per year through events and other opportunities using the new facilities
 - 5.22.4. Supporting up to around 100 local businesses and enterprises by offering a new retail space
 - 5.22.5. Reducing carbon emissions by putting in a heat pump (and electric boilers) to meet on-site needs.
- 5.23. Based on this, it is considered that there is a High certainty of achieving a benefit cost ratio of at least 2:1, which would represent High value for money. The increase in costs is relatively high but from a low initial base, while benefits remain unchanged and qualitatively greater than the overall level of cost. It would be difficult for the scheme promoter to quantify these benefits in a monetised economic appraisal owing to their level of business case experience, ability to resource expertise, the limited amount of time available and the difficulty of monetising a variety of different benefit streams.
- 5.24. Based on the information provided, the ITE is satisfied that the project continues to meet the requirements of Value for Money Exemption 1, as set out in the SELEP Assurance Framework.

Compliance with requirements for retention of GBF funding beyond March 2022

- 5.25. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix F and demonstrates that the project meets all the requirements agreed by the Board.

6. Discovery Park Incubator

Getting Building Fund funding decisions and extension requests

Project information

- 6.1. The project will deliver flexible, collaborative workspace in which life science start-ups and SMEs can establish their operations and grow as part of an innovative community.
- 6.2. The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000sqft of net lettable incubator space. The new facility will include self-contained laboratory units, informal breakout and café space and shared lab support facilities.
- 6.3. As well as additional physical space and high-quality facilities, the project will also offer a package of innovation support to tenants, encouraging collaboration between firms at Discovery Park and with higher education, and linking new and emerging businesses with the access to investment, skills and partners that they need to thrive.
- 6.4. The Board approved the award of £2.5m of GBF funding to support delivery of the Project in November 2020. In February 2022, the Board agreed that the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This extension was required to allow time for a change in approach to delivering the project which was prompted by receipt of significantly higher than anticipated cost estimates.
- 6.5. The most recent quarterly reporting from Kent County Council indicates that the full GBF funding allocation was drawn down by the end of Q2 2022/23 and was therefore spent in accordance with the timeline agreed by the Board.
- 6.6. An additional £250,000 GBF funding has been sought by Kent County Council to support delivery of the approved Business Case. Due to wider cost increases, there have been other changes to the funding package since the original GBF Business Case was agreed by the Board.
- 6.7. The updated funding package is set out in Table 3 below.

Table 3: Updated funding package for the Discovery Park Incubator project

Funding Source	Original Funding Package £	Updated Funding Package £
Getting Building Fund	2,500,000	2,750,000
Discovery Park Limited	3,000,000	3,250,000
Total	5,500,000	6,000,000

- 6.8. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 4 below.

Table 4: Overview of the Discovery Park Incubator project

Existing GBF funding allocation: £2,500,000	Total project cost as per approved Business Case: £5,500,000
Additional GBF funding sought: £250,000	Total project cost as per application for additional GBF funding: £6,000,000
<p>Key project benefits as stated in the Business Case:</p> <ul style="list-style-type: none"> • An increase in the number and survival rate of life science businesses in Kent and Medway • Increased collaboration between start-up and growing firms, larger businesses and academic institutions • Increased investment at Discovery Park (and in East Kent more broadly) as a result of the increase in business activity • Increased investment in start-ups and growing businesses through the opportunity to create a network of investors • Longer term benefits through the growth of the life science cluster as a driver of growth in East Kent, contributing to the greater resilience of the sector and regional productivity growth 	

- 6.9. Kent County Council and Discovery Park Ltd. have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.
- 6.10. It should be noted that the application for additional GBF funding references the recommissioning of a redundant specialist containment Level 3 laboratory facility for hazardous microbiological research activities. These works will no longer be brought forward at this time but remain part of Discovery Park's future plans. These works were not included in the original Business Case and therefore their removal does not impact on the expected project benefits.
- 6.11. Work is continuing onsite, and it is expected that the laboratory space will be commissioned and operational in February 2023. Further refurbishment works will be undertaken in the common areas in Spring 2023, with project completion and full spend of all match funding expected in July 2023. Whilst delivery of the project will extend beyond March 2023, Kent County Council and Discovery Park Ltd. have confirmed that the GBF funding will be spent in full by 31 March 2023 in accordance with the current expectations of Government, with the remaining works being funded through match funding.
- 6.12. Further information on the project is provided in Appendix C.

Reasons for seeking additional GBF funding

- 6.13. Since project inception both labour and materials costs have increased significantly as a result of the impacts of inflation. Whilst work has been undertaken to identify potential savings and to mitigate against cost overruns, the total project cost has increased from £5.5m to £6.0m.
- 6.14. The project team have achieved a number of savings by utilising existing infrastructure and by sourcing alternative materials, however, there are areas of the project scope where it

Getting Building Fund funding decisions and extension requests

has become necessary to consider value engineering or compromising on the quality of the outputs provided due to budgetary constraints.

- 6.15. Additional funding has been committed by Discovery Park Ltd., but there remains a need for an additional £250,000 if the full scope of the Business Case is to be delivered.

Additionality offered by the additional GBF funding

- 6.16. The award of additional GBF funding will allow the project to be delivered in accordance with the scope set out in the original project Business Case. Without the award of additional GBF funding, there is a risk that some of the planned break-out areas and shared laboratory facilities will not be completed. This will impact on the ability of the project to realise the forecast project benefits.
- 6.17. At the time of the original GBF Business Case submission, the BCR was reported to be 4.74:1. An updated BCR was provided in the application for additional GBF funding which indicated that the project continues to offer a BCR of 4.49:1 and therefore continues to offer High value for money.

Outstanding risks to project delivery

- 6.18. Delivery of the project is well progressed and therefore the majority of risks identified in the Business Case have now been addressed. However, there remains a risk of further cost increases due to volatility in the labour and materials markets. Any further cost increases may impact on the ability of the project to deliver all outputs stated in the approved Business Case.

Compliance with requirements for retention of GBF funding beyond March 2022

- 6.19. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix F and demonstrates that the project meets all the requirements agreed by the Board.

7. Techfort Phase 2

Project information

- 7.1. The project seeks to bring the Casemates at The Citadel into beneficial economic use, helping to stabilise the ancient monument and creating jobs in Dover. The Casemates were previously used by the Ministry of Justice but are currently redundant and need refurbishment before they can be re-occupied. Phase 1 of the project was awarded £1.009m GBF funding in February 2022 to support refurbishment of Casemates 51 and 52. Delivery of Phase 1 of the project is ongoing but is expected to complete by the end of March 2023.
- 7.2. Phase 2 of the project specifically seeks to refurbish Casemates 53 and 54, creating 757 sqm of space for small businesses, craft workshops, retail, food and entertainment uses.

Getting Building Fund funding decisions and extension requests

- 7.3. The GBF funding is sought to kick-start the development process at The Citadel, with these works representing the initial phases of a long-term vision for the site.
- 7.4. Kent County Council and Dover Citadel Limited (as delivery partner) are seeking GBF investment of £850,000 to support delivery of Phase 2 of the project. This funding is supplemented by a financial contribution from Dover Citadel Limited, bringing the total project cost to £1,101,417 as set out in Table 5 below.

Table 5: Funding package for the Techfort Phase 2 project

Funding Source	Funding (£)
Getting Building Fund	850,000
Dover Citadel Limited	251,417
Total	1,101,417

- 7.5. At the time of Business Case submission (Summer 2022), Dover Citadel Ltd. committed to spending the full GBF funding allocation by 31 March 2023 in accordance with current Government expectations. However, due to the positioning of the project on the prioritised pipeline and the associated delay in awarding the funding, full spend by 31 March 2023 is no longer achievable. The current spend profile forecasts spend of £765,000 in Q4 2022/23, with the remaining £85,000 forecast for spend in Q1 2023/24.
- 7.6. Advice has been sought from Government as to their position with regard to GBF spend which extends beyond 31 March 2023 but a formal response has not yet been received. As a result, the Board is asked to consider the award of £765,000 and £85,000 GBF under separate decisions. The £765,000 which can be spent in Q4 2022/23 can be awarded to support delivery of the project, subject to the usual conditions in relation to receipt of Government approval for the inclusion of the project in the GBF programme and approval for the funding to be retained against the project to 31 March 2023.
- 7.7. The remaining £85,000 can be awarded to support delivery of the project, but this will be subject to receipt of Government approval for the inclusion of the project in the GBF programme, receipt of Government approval for GBF spend which extends beyond 31 March 2023 and approval for the funding to be retained against the project to 30 June 2023. Kent County Council and Dover Citadel Limited have confirmed that if, following receipt of Government advice, it is not possible to agree the award of the remaining £85,000 GBF that Dover Citadel Limited would seek to secure the funding from alternative sources and if this wasn't possible, value engineering or de-scoping would be considered. Should this situation arise, a further update on the project will be provided to the Board at the next meeting.
- 7.8. If formal Government advice is received in advance of the Board meeting, a verbal update will be provided and the recommendations will be updated accordingly.
- 7.9. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 6 below.

Table 6: Overview of the Techfort Phase 2 project

GBF funding allocation: £850,000	Total project cost: £1,101,417
Key project benefits as stated in the Business Case: <ul style="list-style-type: none"> • Creation of 19 jobs and opportunities for 4 trainees • Additional educational opportunities for learners and art/craft participation • Increased footfall and potential for additional events. • Increase in the number of creative businesses in Dover • Increase in Dover's cultural offer through the opening of The Citadel • Increasing the potential for future investment at The Citadel • Improved outlook for The Citadel at the Western Heights 	

- 7.10. A programme has been provided which demonstrates that work is scheduled to commence onsite as soon as the award of additional GBF funding has been confirmed and will complete by the end of June 2023. As indicated in Section 7.5 of this report, GBF spend is also expected to extend beyond March 2023 into Q1 2023/24.

Reasons for seeking GBF funding

- 7.11. If GBF funding is not awarded to support delivery of the project, there will be further structural deterioration through water damage, with intrusion, graffiti and degradation likely to create a negative impact on The Western Heights. In addition, antisocial activity could impact more widely on the area and the Dover region.
- 7.12. In the absence of investment, none of the potential benefits of the project will be realised and the property will become an increasing burden and potential health and safety risk.
- 7.13. It is noted in the Business Case that The Citadel has been unoccupied since 2015. There is a significant reluctance to be the first occupier of land within a large and challenging brownfield site and without external funding the risk remains that the land and buildings will remain fallow for a significant period.
- 7.14. It is expected that the GBF funding will help to kick start development on the wider Citadel site, enabling a wide range of benefits to be realised.

Outstanding risks to project delivery

- 7.15. All required consents have now been secured allowing delivery of the project to progress. In addition, it has been confirmed that the contractor appointed to deliver Phase 1 of the project will also take on responsibility for delivering Phase 2. As a result, the majority of delivery risks have already been mitigated.
- 7.16. It is noted that any delay to the award of the GBF funding will impact on the delivery programme for Phase 2 of the project.

Outcome of ITE Assessment

- 7.17. The strategic case exhibits strong alignment with SELEP's strategic priorities. The scheme aims to supplement private investment in a dilapidated heritage asset and turn it into a

visitor attraction that can stimulate the local economy as a whole, supporting economic recovery. It is identified within the Business Case that the scheme will open up 5 acres of the site to the public and that it will also lead to direct job creation. To improve strategic alignment further, more could have been done in the Business Case to demonstrate how the scheme will be consistent with other important policy goals, such as reducing carbon emissions and ensuring accessibility.

- 7.18. The employment, arts and wellbeing and heritage benefits of redeveloping Casemates 53 and 54 were assessed in a monetised economic appraisal and a benefit cost ratio of 5.85:1 was calculated which represents Very High value for money. Even in a sensitivity test assuming a 50% reduction in employment and the number of visitors, the scheme remained at High value for money. It is considered that the appraisal was carried out appropriately and in a robust manner.
- 7.19. Moderate uncertainties are still present in the Business Case, including there being limited information in the Commercial Case for the scheme, including who the lead contractor is, their experience and why they were selected, and details around the contracting strategy (e.g. what the risk allocation is). Although much of this may be similar to Phase 1, it should also have been provided in the Phase 2 Business Case.
- 7.20. The scheme promoter is confident that the vast majority of GBF funds can be spent by 31 March 2023, but this remains a residual risk unless a solution can be agreed with Government. Consideration of inflation in the non-capital funding profile is needed. In addition, more information around stakeholder engagement and clearer presentation of who the tenants at the site will be would also improve the Business Case.
- 7.21. These factors have prevented the scheme from being assessed as having higher than High to Medium certainty of achieving High value for money despite a reasonably strong strategic rationale, robust monetised economic appraisal, and experience of successfully delivering similar schemes (i.e. Phase 1).

Compliance with requirements for retention of GBF funding beyond March 2022

- 7.22. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix F.
- 7.23. Whilst the project meets the majority of the requirements agreed by the Board, full spend of the GBF funding can no longer be achieved by 31 March 2023 due to the timing of this funding decision. This means that the project cannot meet current Government expectations which, as outlined above, means that in lieu of advice from Government the award of funding to the project will need to be considered under two separate decisions.
- 7.24. If the Board approve the award of funding to the project, progress on the project will be closely monitored and an update will be provided to the Board at the next meeting. This will be accompanied by an update on the advice provided by Government and whether this advice has any implications for the Techfort Phase 2 project.

8. Enterprise Centre for Horizon 120 Business and Innovation Park

Project information

- 8.1. The project has delivered an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth, as well as businesses aiming to stabilise and consolidate their activities. The Enterprise Centre offers a variety of office spaces and a flexible conference space which can be transformed into smaller units.
- 8.2. The Enterprise Centre forms the focal point for the Horizon 120 Business Park and is designed to drive collaboration, encourage idea generation and underpin problem solving.
- 8.3. The Board approved the award of £7m GBF in November 2020 to support delivery of the Enterprise Centre for Horizon 120 Business and Innovation Park project. This funding was spent in full by 31 March 2022 in accordance with the GBF timeline originally specified by Government.
- 8.4. An additional £641,924 GBF funding has been sought by Essex County Council to support delivery of the approved Business Case. The additional GBF funding (if awarded) represents the only change to the funding package since the submission of the original project Business Case.
- 8.5. An overview of the benefits expected to be realised as a result of the GBF investment is provided in Table 7 below.

Table 7: Overview of the Enterprise Centre for Horizon 120 Business and Innovation Park project

Existing GBF funding allocation: £7.0m	Total project cost as per approved Business Case: £16.0m
Additional GBF funding sought: £641,924	Total project cost as per application for additional GBF funding: £16,641,924
Key project benefits as stated in the Business Case: <ul style="list-style-type: none"> • Creation of 160 new jobs • Increase in apprenticeships as some of the SMEs flourish and expand. • Use of new technology to promote the green agenda. • Offering “best in class”, fibre-optic connectivity and Wi-Fi hotspots 	

- 8.6. Essex County Council and Braintree District Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.
- 8.7. It should be noted that the application for additional GBF sought funding to both cover an increase in costs experienced during delivery of the Enterprise Centre and to deliver enabling works for an extension to the existing car park. When the application form was submitted, a commitment was given that the GBF funding would be spent in full by 31 March 2023 and therefore the full value of the GBF ask was included in the agreed project pipeline. However, a programme for the car park works has subsequently been provided and this indicates that 11 months are required to bring forward these works. This means

Getting Building Fund funding decisions and extension requests

that this element of the funding request did not meet the requirements set out in the Getting Building Fund – development of new prioritised project pipeline process note, as it was never going to be possible to complete GBF spend by 31 March 2023.

- 8.8. As a consequence, this element of the funding request has been removed and the Board are being asked to solely consider the award of additional GBF funding to cover increased costs incurred during the construction of the Enterprise Centre.
- 8.9. The Enterprise Centre was completed in September 2022 and is fully operational. As the additional GBF funding will be used to mitigate cost increases encountered during the construction programme, this funding will be drawn down immediately following completion of the required legal processes and therefore will be spent in full prior to 31 March 2023.
- 8.10. Further information on the project is provided in Appendix E.

Reasons for seeking additional GBF funding

- 8.11. The project has experienced cost increases due to the impacts of the COVID-19 pandemic, Brexit and current high inflation levels. These costs increases have arisen as a result of the following factors:
 - 8.11.1. Increased security costs – the commencement of construction of the Enterprise Centre was delayed as a result of construction and supply chain delays. This resulted in the need for site security to be provided for an additional 35 week period incurring additional costs.
 - 8.11.2. Increased costs associated with an extended construction programme – delivery of the project was delayed due to supply chain issues and this resulted in the need for the site office and associated facilities to remain in situ for an additional 10 weeks incurring additional costs.
 - 8.11.3. Costs associated with removal of spoil from the site – the original project budget included provision for the removal of the spoil to a licenced tip, however, due to cost increases arising as a result of the pandemic, this budget provision was eroded during project delivery. In addition, during lockdown, no groundworks sub-contractors were available and as a result, the spoil had to be removed to and retained temporarily on an adjoining vacant plot so as not to further delay the construction programme. Whilst contractors are now available to remove the spoil, this will incur further costs which can no longer be covered under the original budget provision.

Additionality offered by the additional GBF funding

- 8.12. The project has already been delivered in accordance with the approved Business Case, and cost increases during construction were absorbed by Braintree District Council. However, this has resulted in reduced contingency and an eroded budget provision for removal of the spoil from the site.

Getting Building Fund funding decisions and extension requests

- 8.13. If additional GBF funding is not provided, these costs will need to be covered by Braintree District Council, however, this will impact on their ability to bring forward further development on the wider Business Park site jeopardising the creation of 99 new jobs. Furthermore, the investment of further Braintree District Council funding in the project, would impact on their ability to bring forward other employment related projects resulting in the loss of commercial units for start-ups and SME's.

Outstanding risks to project delivery

- 8.14. The project was completed and officially opened in September 2022. The additional funding requested relates to increased costs incurred during the construction period and therefore there are no risks associated with the funding.

Outcome of ITE Assessment

- 8.15. As the original application for additional GBF funding included the delivery of works which sat outside the scope of the approved Business Case, the ITE were asked to review the application with a view to providing assurances that the project continued to comply with the requirements of the SELEP Assurance Framework. This review was completed; however, it was subsequently agreed that these additional works (extending the car park) would not be funded through the GBF and that the GBF funding would solely be used to support the works set out in the Business Case.
- 8.16. Due to time constraints a revised BCR was not provided, however, at the time of Business Case submission, the BCR was calculated to be 9.331:1. This was based on a total project cost of £16m. When the additional works are excluded from the project scope, the updated total project cost is £16.642m. As the change to the project cost has been minimal, there is confidence that the BCR remains comfortably above 2:1 and therefore the requirements of the SELEP Assurance Framework continue to be met.

Compliance with requirements for retention of GBF funding beyond March 2022

- 8.17. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix F and demonstrates that the project meets all the requirements agreed by the Board.

9. Next Steps

- 9.1. As set out in Section 3 of this report, the award of any additional GBF funding to any of the projects outlined in this report is contingent upon receipt of Government approval for the increase in GBF funding allocation (for all projects except Techfort Phase 2) or the inclusion of the project within the GBF programme (Techfort Phase 2 only).
- 9.2. If a response from Government is not received in advance of the Board meeting, steps will be taken to secure a response as quickly as possible following the meeting.
- 9.3. Following the approval of the award of additional GBF funding by the Board and Government, there will be a requirement to complete Variation Agreements which update

Getting Building Fund funding decisions and extension requests

the Service Level Agreements in place between the relevant Upper Tier Local Authorities, SELEP Ltd and Essex County Council (as the Accountable Body for SELEP). No funding will be issued to local partners until the relevant Variation Agreements have been completed. Release of the funding is also dependent upon the timely return of the GBF funding originally awarded to the Swan Modular Housing Factory project by Essex County Council.

- 9.4. In accordance with standard reporting processes, each project in receipt of additional GBF funding will be required to provide an update on delivery and spend of the GBF funding at each subsequent Board meeting until delivery of the project has completed. Any risks with regard to spend of the GBF by the end of 2022/23, beyond that already identified on the Techfort Phase 2 project, will be presented to the Board at the next meeting.

10. Financial Implications (Accountable Body comments)

- 10.1. Essex County Council as Accountable Body to SELEP, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant:

10.1.1. GBF was 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.

- 10.2. 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.
- 10.3. All GBF is transferred to the sponsoring authority under the terms of a Funding Agreement or SLA.
- 10.4. The Agreements set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.
- 10.5. Should the Board approve the award of GBF, a variation agreement will be put in place to the existing GBF service level agreement (SLA) in place between the Accountable Body, SELEP Ltd and Essex County Council.
- 10.6. The Accountable Body will not transfer GBF awarded by the Board until the variation agreements are complete and the funding associated with the Swan Modular Housing Project has been returned to the funds held by Essex County Council on behalf of SELEP.

11. Legal Implications (Accountable Body comments)

- 11.1. The terms set out in the grant conditions between the Accountable Body and Central Government for the Getting Building Fund will set out how the GBF is to be administered and used. If the recommendation to award funding to the projects is approved, a variation

agreement will be put into place between the Accountable Body, SELEP Ltd and the lead authority.

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 – Report of the Independent Technical Evaluator (as attached to Agenda Item 6)
- 13.2. Appendix B – Seven Sisters Country Park Visitor Infrastructure Uplift project Information
- 13.3. Appendix C – Discovery Park Incubator project information
- 13.4. Appendix D – Techfort Phase 2 project information
- 13.5. Appendix E – Enterprise Centre for Horizon 120 Business and Innovation Park project information
- 13.6. Appendix F – Compliance with conditions for GBF spend beyond 31 March 2022

14. List of Background Papers

- 14.1. [Seven Sisters Country Park Visitor Infrastructure Uplift – application for additional GBF funding](#)
- 14.2. [Discovery Park Incubator – application for additional GBF funding](#)
- 14.3. [Techfort Phase 2 – project Business Case](#)

Getting Building Fund funding decisions and extension requests

14.4. [Enterprise Centre for Horizon 120 Business and Innovation Park – application for additional GBF funding](#)

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

Role	Date
Accountable Body sign off Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	 18/01/2023

Appendix B – Getting Building Fund Project Background Information

Name of Project	Seven Sisters Country Park Visitor Infrastructure Uplift Exceat, near Seaford, East Sussex
Responsible Upper Tier Local Authority	East Sussex County Council
Delivery Organisation	South Downs National Park Authority
Getting Building Fund value	Original GBF funding allocation: £200,000 Additional GBF funding allocation: £84,100 Total GBF funding allocation: £284,100
Project Description	The South Downs National Park Authority took over responsibility for the Seven Sisters Country Park in Summer 2021 and are in the process of implementing a new Business Plan. Fundamental to this Business Plan is a comprehensive refresh of the visitor offer, including upgraded physical access, new toilets, retail space for local businesses and refurbishment of 3 dilapidated properties. The delivery of the project will allow the Seven Sisters Country Park to open 364 days a year, showcase products from local producers, signpost visitors to local businesses and attractions and provide an accessible welcome for visitors with a year-round events programme.
Need for Intervention	<p>Despite its popularity, the Visitor Welcome at Seven Sisters has not, for many years, met the standards expected for an internationally recognised landscape. The Park has been in County Council ownership since 1971, but increasing visitor demands and tighter Council budgets mean it is now in dire need of investment to meet the needs of current visitors and to provide a marketable tourism proposition.</p> <p>An attractive, listed, former farmstead at Exceat, at the northern end of the Park serves as the main visitor arrival point, but buildings are dilapidated and most are now closed. A former threshing barn has acted as a visitor centre for many years, but is damp, dark and does not offer the facilities expected from a modern visitor centre, with a seasonal welcome desk, a few maps and a hotch-potch of information, some over 20 years old, set across split levels which makes half the barn difficult to access for anyone with restricted mobility. The centre did not open in 2020 (formerly open April-September only) and the small toilet block lacks any disabled access and is wholly inadequate for current visitor numbers.</p> <p>The need for this project has been identified in response to organisational, national and local drivers and local consultation.</p>
Reasons for seeking additional GBF funding	<p>The costs detailed in the original project Business Case were based on tenders submitted by contractors in 2020/21. Following award of the GBF funding, the Foxhole Cottages and Pump Barn works (elements of the wider project to be supported by GBF funding) were repackaged into a new phase and procurement of a contractor was undertaken.</p> <p>Since 2020/21, there have been significant challenges in the construction industry with implications for supply and demand, labour costs, impacts of COVID-19 and Brexit, as well as rising inflation and transportation costs</p>

	<p>which have all contributed to a significant increase in construction costs. As a consequence, the tender submissions received were significantly higher than anticipated. Cost increases include a 100% increase in the cost of roofing and cladding, 50% increase in the cost of doors – both internal and external and a 50% increase in the price of sanitaryware.</p> <p>Whilst additional internal funding was secured to assist in covering the cost increase, there remains a shortfall of £84,100 which needs to be bridged if the approved Business Case is to be delivered in full.</p>															
Project benefits	<p>Project benefits which are dependent upon GBF investment include:</p> <ul style="list-style-type: none">• Creation of 6.5 FTE jobs.• Creation of 1 x 1 bed flat for onsite warden• 131 sqm of high footfall retail space• 1 new superfast Broadband connection• 100 enterprises supported• Contribution towards increasing footfall and increase in visitor spend through the provision of the new retail space <p>East Sussex County Council and the South Downs National Park Authority have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.</p>															
Additionality offered by the additional GBF funding	<p>If additional GBF funding is not awarded, it will be necessary to value engineer some elements of the project, resulting in reduced outputs. This value engineering could result in a reduced fit out of the refurbished cottages and the pump barn. This would result in a reduction in tourism opportunities and would have a negative impact on the spend per head outlined in the original project Business Case. Furthermore, fewer units would be ready and available for use by local businesses meaning that fewer enterprises than forecast will be supported by the project.</p> <p>The additional GBF investment will enable all elements of the original project scope to be delivered thereby safeguarding the forecast project benefits.</p>															
Financial Information	<table><tr><td>Funding Source</td><td>Original Funding Package (£)</td><td>Updated Funding Package (£)</td></tr><tr><td>Getting Building Fund</td><td>200,000</td><td>284,100</td></tr><tr><td>South Downs National Park Authority</td><td>1,700,000</td><td>2,070,900</td></tr><tr><td>Grant Funding</td><td>275,000</td><td>295,000</td></tr><tr><td>Total</td><td>2,175,000</td><td>2,650,000</td></tr></table>	Funding Source	Original Funding Package (£)	Updated Funding Package (£)	Getting Building Fund	200,000	284,100	South Downs National Park Authority	1,700,000	2,070,900	Grant Funding	275,000	295,000	Total	2,175,000	2,650,000
Funding Source	Original Funding Package (£)	Updated Funding Package (£)														
Getting Building Fund	200,000	284,100														
South Downs National Park Authority	1,700,000	2,070,900														
Grant Funding	275,000	295,000														
Total	2,175,000	2,650,000														
Risks to project delivery	<p>A number of risks have been identified in the application for additional GBF funding. The High impact risks are:</p> <ul style="list-style-type: none">• Risk of COVID-19 lockdown causing delays to project delivery – this risk has been mitigated through early discussion with the contractor to															

	<p>agree the approach to managing the delay and associated cost increases.</p> <ul style="list-style-type: none"> • Main contractor insolvency – this risk has been mitigated through completion of required due diligence prior to formal appointment of the contractor. • Construction costs significantly higher than expected due to volatile construction market – whilst this risk has been realised, the risk of further cost increases has been mitigated through detailed contractor discussions and use of contract management for cost variations and scope change. • Delayed start to works in the Pump Barn as listed building consent required for some of the planned works – this risk has been fully mitigated as listed building consent has now been secured.
Delivery programme	Work is progressing onsite, with project completion expected in March 2023.
Outcome of ITE review	The project has sought to apply Value for Money Exemption 1. The ITE has confirmed that the project meets the requirements of this exemption.
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.
Link to Project webpage	Seven Sisters Country Park Visitor Infrastructure Uplift - The South East Local Enterprise Partnership (southeastlep.com)

Appendix C – Getting Building Fund Project Background Information

Name of Project	Discovery Park Incubator Discovery Park, Sandwich
Responsible Upper Tier Local Authority	Kent County Council
Delivery Organisation	Discovery Park Ltd
Getting Building Fund value	Original GBF funding allocation: £2,500,000 Additional GBF funding allocation: £250,000 Total GBF funding allocation: £2,750,000
Project Description	<p>The Discovery Park Incubator project will deliver flexible, collaborative workspace in which life science start-ups and SMEs can establish their operations and grow as part of an innovative community.</p> <p>The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000sqft of net lettable incubator space. The new facility will include self-contained laboratory units, informal breakout and café space and shared lab support facilities.</p> <p>As well as additional physical space and high-quality facilities, the Incubator will also offer a package of innovation support to tenants, encouraging collaboration between firms at Discovery Park and with higher education, and linking new and emerging businesses with the access to investment, skills and partners that they need to thrive.</p>
Need for Intervention	<p><u>Market failure in the supply of lab space to life science SMEs</u></p> <p>There is high demand for lab space, and there is evidence that this demand has been sustained during the COVID-19 crisis. However, there is a lack of available lab space that is ready for the market.</p> <p>The key issue is why the market does not respond by increasing supply to meet levels of likely demand. The issue is not generally an absence of capacity (i.e. available floorspace that could be brought forward if it were economically viable to do so) but is more linked with the nature of demand and the costs of development. Issues include:</p> <ul style="list-style-type: none"> • The lack of financial strength of small firms in the life science sector: the 'start-up' phase for small businesses in the sector can be lengthy, as most firms in the sector are funded by raising capital to finance the next phase of R&D activity: many firms will not generate significant profits for several years. This is incompatible with normal long-term property deals, and in general, small life science businesses are unable to offer the financial guarantees that would conventionally meet landlords' requirements. • The need for flexibility as companies scale up: In their early stages, firms' requirements are likely to change substantially. Ideally, firms will want the flexibility to scale within or close to their existing location, but a lack of quality supply in the market overall tends to

	<p>constrain businesses in smaller units, limiting expansion and preventing churn in the market.</p> <ul style="list-style-type: none"> • Bespoke requirements: Different firms will often have unique wet lab requirements. This can make it challenging to re-let space to new tenants without additional investment and the resources to manage space across a facility in an integrated and coordinated way. • The need for support infrastructure: Typically, innovation/ incubation centres for the sector provide support to businesses to enable them to focus on R&D, while providing access to networks and advisory support that will help them grow. This incurs additional cost, and also requires a level of critical mass to establish a collaborative community and make a support offer viable. • Relatively high costs associated with specialist facilities: Modern lab space is expensive to build and maintain. This is linked with equipment and fit-out costs and the ongoing costs of maintenance and capital reinvestment and the high energy costs generated by lab space. <p>Currently, the market failure appears to be resolved through firms remaining in premises that are too small for their needs or through re-purposing offices or industrial stock. The consensus view is that this is sub-optimal, given the inherent inflexibility of this solution and the isolation to which it tends to lead.</p>
Reasons for seeking additional GBF funding	<p>Since project inception both labour and materials costs have increased significantly as a result of the impacts of inflation. Whilst work has been undertaken to identify potential savings and to mitigate against cost overruns, the total project cost has increased from £5.5m to £6.0m.</p> <p>The project team have achieved a number of savings by utilising existing infrastructure and by sourcing alternative materials, however, there are areas of the project scope where it has become necessary to consider value engineering or compromising on the quality of the outputs provided due to budgetary constraints.</p> <p>Additional funding has been committed by Discovery Park Ltd., but there remains a need for an additional £250,000 if the full scope of the Business Case is to be delivered.</p>
Project benefits	<p>The key benefits of the project are:</p> <ul style="list-style-type: none"> • An increase in the number and survival rate of life science businesses in Kent and Medway, as firms are attracted to the Incubator and are enabled to expand • Increased collaboration between start-up and growing firms, larger businesses and academic institutions at Discovery Park • Increased investment at Discovery Park (and in East Kent more broadly) as a result of the increase in business activity at the Incubator

	<ul style="list-style-type: none">Increased investment in start-ups and growing businesses though the opportunity to create a network of investorsLonger term benefits through the growth of the life science cluster as a driver of growth in East Kent, contributing to the greater resilience of the sector and regional productivity growth. <p>Kent County Council and Discovery Park Limited have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.</p>												
Additionality offered by the additional GBF funding	The award of additional GBF funding will allow the project to be delivered in accordance with the scope set out in the original project Business Case. Without the award of additional GBF funding, there is a risk that some of the planned break-out areas and shared laboratory facilities will not be completed. This will impact on the ability of the project to realise the forecast project benefits.												
Financial Information	<table><tr><td>Funding Source</td><td>Original Funding Package (£m)</td><td>Updated Funding Package (£m)</td></tr><tr><td>Getting Building Fund</td><td>2.500</td><td>2.750</td></tr><tr><td>Discovery Park Ltd</td><td>3.000</td><td>3.250</td></tr><tr><td>Total</td><td>5.500</td><td>6.000</td></tr></table>	Funding Source	Original Funding Package (£m)	Updated Funding Package (£m)	Getting Building Fund	2.500	2.750	Discovery Park Ltd	3.000	3.250	Total	5.500	6.000
Funding Source	Original Funding Package (£m)	Updated Funding Package (£m)											
Getting Building Fund	2.500	2.750											
Discovery Park Ltd	3.000	3.250											
Total	5.500	6.000											
Risks to project delivery	Delivery of the project is well progressed and therefore the majority of risks identified in the Business Case have now been addressed. However, there remains a risk of further cost increases due to volatility in the labour and materials markets. Any further cost increases may impact on the ability of the project to deliver all outputs stated in the approved Business Case.												
Delivery programme	Work is continuing onsite, and it is expected that the laboratory space will be commissioned and operational in February 2023. Further refurbishment works will be undertaken in the common areas in Spring 2023, with project completion and full spend of all match funding expected in July 2023.												
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.												
Link to Project webpage	Discovery Park Incubator - The South East Local Enterprise Partnership (southeastlep.com)												

Appendix D – Getting Building Fund Project Background Information

Name of Project	Techfort – Phase 2 The Citadel, Dover
Responsible Upper Tier Local Authority	Kent County Council
Delivery Organisation	Dover Citadel Limited
Getting Building Fund value	£850,000
Project Description	<p>The project seeks to bring the Casemates at The Citadel into beneficial economic use, helping to stabilise the ancient monument and creating jobs in Dover. The Casemates were previously used by the Ministry of Justice but are currently redundant and need refurbishment before they can be re-occupied. Phase 1 of the project was awarded £1.009m GBF funding in February 2022 to support refurbishment of Casemates 51 and 52. Delivery of Phase 1 of the project is ongoing but is expected to complete by the end of March 2023.</p> <p>Phase 2 of the project specifically seeks to refurbish Casemates 53 and 54, creating 757 sqm of space for small businesses, craft workshops, retail, food and entertainment uses.</p> <p>The GBF funding is sought to kick-start the development process at The Citadel, with these works representing the initial phases of a long-term vision for the site.</p>
Need for Intervention	<p>The Dover Citadel site is a significant heritage asset which is currently closed to the public and is subject to intrusion, graffiti, deterioration and ivy invasion. The site is an attractive proposition to potential private sector tenants however there is a material reticence in being first on a large redundant brownfield site and therefore the need to establish an anchor activity is essential to kickstart the redevelopment of the entire site. Delays in development will lead to increased cost of redevelopment due to further deterioration of the assets within the site.</p> <p>The development of the casemates and opening up the site to the public and potential investors will arrest the decline of an Ancient Monument currently 'At risk' and will enable the future use and economic benefit of the site for Dover and its residents.</p> <p>It is clear that without intervention, no suitable beneficial use will come forward in the short to medium term. The site has been redundant since the Government vacated it in 2015. A catalyst is required to kickstart the development at The Citadel and it is always the first step that is the most challenging for large and complex brownfield sites.</p>

Project benefits	<ul style="list-style-type: none"> • Creation of 19 jobs and opportunities for 4 trainees • Additional educational opportunities for learners and art/craft participation • Increased footfall and potential for additional events. • Increase in the number of creative businesses in Dover • Increase in Dover's cultural offer through the opening of The Citadel • Increasing the potential for future investment at The Citadel • Improved outlook for The Citadel at the Western Heights 								
Financial Information	<table> <tr> <th>Funding Source</th><th>Funding Package £</th></tr> <tr> <td>Getting Building Fund</td><td>850,000</td></tr> <tr> <td>Dover Citadel Limited</td><td>251,417</td></tr> <tr> <td>Total</td><td>1,101,417</td></tr> </table>	Funding Source	Funding Package £	Getting Building Fund	850,000	Dover Citadel Limited	251,417	Total	1,101,417
Funding Source	Funding Package £								
Getting Building Fund	850,000								
Dover Citadel Limited	251,417								
Total	1,101,417								
Risks to project delivery	<p>All required consents have now been secured allowing delivery of the project to progress. In addition, it has been confirmed that the contractor appointed to deliver Phase 1 of the project will also take on responsibility for delivering Phase 2. As a result, the majority of delivery risks have already been mitigated.</p> <p>It is noted that any delay to the award of the GBF funding will impact on the delivery programme for Phase 2 of the project.</p>								
Delivery programme	Work is expected to commence onsite on 28 January 2023 (subject to confirmation of GBF funding award), with project completion expected by 30 June 2023.								
Outcome of ITE Review	<p>The ITE has assessed the project as offering High value for money with a High to Medium certainty of achieving this.</p> <p>Further information is provided in the Report of the Independent Technical Evaluator which can be found at Appendix A (as attached to Agenda Item 6).</p>								
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.								
Link to Project Business Case	Techfort Phase 2								

Appendix E – Getting Building Fund Project Background Information

Name of Project	Enterprise Centre for Horizon 120 Business and Innovation Park Braintree
Responsible Upper Tier Local Authority	Essex County Council
Delivery Organisation	Braintree District Council
Getting Building Fund value	Original GBF funding allocation: £7,000,000 Additional GBF funding allocation: £641,924 Total GBF funding allocation: £7,641,924
Project Description	<p>The project has delivered an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth, as well as businesses aiming to stabilise and consolidate their activities. The Enterprise Centre offers a variety of office spaces and a flexible conference space which can be transformed into smaller units.</p> <p>The Enterprise Centre forms the focal point for the Horizon 120 Business Park and is designed to drive collaboration, encourage idea generation and underpin problem solving.</p>
Need for Intervention	<p>In its Plan for Growth, Braintree identifies that to improve the prospects of economic growth, through the creation of more jobs and more high quality jobs, the authority recognises that businesses within the district need to be supported to grow and that new businesses need to be attracted to locate in the district. To that end, the Plan recognises that there is currently a lack of grow-on office space for businesses and general employment premises and sites that are at the point of being delivered.</p> <p>The result of this lack is that businesses already in the district either do not grow in order to remain within their manageable spaces or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree. In order to support this, the Plan specifically identifies the need to provide appropriate business premises as a key issue that needs addressing and that the private and public sector need to intervene by creating employment sites and a range of office accommodation that are fit for purpose for business needs, including targeted support to businesses in our growing and emerging sectors with innovation potential.</p> <p>Braintree District Council commissioned a feasibility study to examine how an enterprise centre at the Horizon 120 Business and Innovation Park would support the delivery of relevant business space and thus help deliver the ambitions within the Plan for Growth. Whilst the feasibility study examines a broad range of sector specific land and premises requirements, the study recognises that there is strong forecast demand for office space in the Braintree district, with an East of England Forecast Model estimate of requirements increasing from the 2020 level of 136,800m² to 163,700m² in 2045 – an increase of nearly 20%. Importantly, the demand for serviced business park B1a office space is also forecast to increase over that period. To that end the feasibility study concludes that for B1a/B1b type office space, the sectoral mix of</p>

	businesses that operate within Braintree leans substantially towards those that would occupy B1a general type office space. The sectors considered relevant for this type of space include Information and communication; Financial and insurance; Professional, scientific and technical; and Administrative and support services (excluding call centre activities).
Reasons for seeking additional GBF funding	<p>The project has experienced cost increases due to the impacts of the COVID-19 pandemic, Brexit and current high inflation levels. These costs increases have arisen as a result of the following factors:</p> <ul style="list-style-type: none"> • Increased security costs – the commencement of construction of the Enterprise Centre was delayed as a result of construction and supply chain delays. This resulted in the need for site security to be provided for an additional 35 week period incurring additional costs. • Increased costs associated with an extended construction programme – delivery of the project was delayed due to supply chain issues and this resulted in the need for the site office and associated facilities to remain in situ for an additional 10 weeks incurring additional costs. • Costs associated with removal of spoil from the site – the original project budget included provision for the removal of the spoil to a licenced tip, however, due to cost increases arising as a result of the pandemic, this budget provision was eroded during project delivery. In addition, during lockdown, no groundworks sub-contractors were available and as a result, the spoil had to be removed to and retained temporarily on an adjoining vacant plot so as not to further delay the construction programme. Whilst contractors are now available to remove the spoil, this will incur further costs which can no longer be covered under the original budget provision.
Project benefits	<ul style="list-style-type: none"> • New jobs: 160 new jobs per a year will be created and this does not include people directed employed by the centre. • 3,100sqm commercial floorspace • Number of new staff – 4 (Business support, Innovation and Broadband) • Virtual environment to support start-ups. • Business Training, leading to professional qualifications provided by an accredited training organisation • Enable nurturing environment to enable start up and grow + SMEs to thrive. • Provide a vibrant innovation ecosystem that brings together business, industry bodies and partners to cultivate innovation. • Offer flexibility for tenant growth. • Better public transport integration

	<ul style="list-style-type: none">• Reductions in carbon emissions <p>Essex County Council and Braintree District Council have confirmed that the forecast project benefits remain unchanged from the original Business Case submission.</p>												
Additionality offered by the additional GBF funding	<p>The project has already been delivered in accordance with the approved Business Case, and cost increases during construction were absorbed by Braintree District Council. However, this has resulted in reduced contingency and an eroded budget provision for removal of the spoil from the site.</p> <p>If additional GBF funding is not provided, these costs will need to be covered by Braintree District Council, however, this will impact on their ability to bring forward further development on the wider Business Park site jeopardising the creation of 99 new jobs. Furthermore, the investment of further Braintree District Council funding in the project, would impact on their ability to bring forward other employment related projects resulting in the loss of commercial units for start-ups and SME's.</p>												
Financial Information	<table><tr><td>Funding Source</td><td>Original Funding Package (£)</td><td>Updated Funding Package (£)</td></tr><tr><td>Getting Building Fund</td><td>7,000,000</td><td>7,641,924</td></tr><tr><td>Braintree District Council</td><td>9,000,000</td><td>9,000,000</td></tr><tr><td>Total</td><td>16,000,000</td><td>16,641,924</td></tr></table>	Funding Source	Original Funding Package (£)	Updated Funding Package (£)	Getting Building Fund	7,000,000	7,641,924	Braintree District Council	9,000,000	9,000,000	Total	16,000,000	16,641,924
Funding Source	Original Funding Package (£)	Updated Funding Package (£)											
Getting Building Fund	7,000,000	7,641,924											
Braintree District Council	9,000,000	9,000,000											
Total	16,000,000	16,641,924											
Risks to project delivery	<p>The project was completed and officially opened in September 2022. The additional funding requested relates to increased costs incurred during the construction period and therefore there are no risks associated with the funding.</p>												
Delivery programme	<p>The Enterprise Centre was completed in September 2022 and is fully operational.</p>												
Evidenced compliance with Assurance Framework?	<p>Yes, the project does meet the requirements of the SELEP Assurance Framework.</p>												
Link to Project webpage	<p>Enterprise Centre for Horizon 120 Business and Innovation Park - The South East Local Enterprise Partnership (southeastlep.com)</p>												

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

Seven Sisters Country Park Visitor Infrastructure Uplift	
Extension requested: To 31 March 2023	
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 programme for the Project is as follows:	
Milestone	Expected date
Detailed scope of works and tender preparation	February 2022 (completed)
Procurement of contractor	March to June 2022 (completed)
Commencement of work onsite	July 2022 (completed)
Completion of works at Foxhole Cottages and the Pump Barn	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	
<p>All funding sources identified to enable delivery of the project are in place.</p> <p>It is expected that the additional GBF funding will be spent in full during Q4 2022/23.</p>	
Written confirmation that all planning requirements were met by 15 July 2022	
All planning requirements have been met.	
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022	
All required consents have been secured.	
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022	
Contractual commitments were in place with the construction contractor prior to 30 September 2022.	
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money	
The total project cost and the project benefits remain as detailed in the application for additional GBF funding.	
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022	
Strategic Board endorsement was provided on 21 October 2022.	

Discovery Park Incubator	
Extension requested: To 31 March 2023	
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	
The programme for the Project is as follows:	
Milestone	Expected date
Getting Building Fund funding decision	January 2023
Laboratory space commissioned and operational	February 2023
Full spend of additional GBF funding	March 2023
Additional refurbishment works to Common Areas	Spring 2023
Full spend of match funding	July 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>All funding sources identified to enable delivery of the project are in place.</p> <p>It is expected that the additional GBF funding will be spent in full during Q4 2022/23.</p>	
Written confirmation that all planning requirements were met by 15 July 2022	
Planning consent is not required	
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022	
No non-planning consents and approvals are required	
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022	
Contractual commitments are 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	
The total project cost and the project benefits remain as detailed in the application for additional GBF funding. This application demonstrates that the project continues to offer High value for money.	
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022	
Strategic Board endorsement was provided on 21 October 2022.	

Techfort – Phase 2		
Extension requested: To 30 June 2023 if Government approval for spend beyond 31 March 2023 received. Otherwise extension requested to 31 March 2023		
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		
The programme for the Project is as follows:		
Milestone	Expected date	
Commencement of works	28 January 2023	
Practical completion	June 2023	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile		
All funding sources identified to enable delivery of the project are in place.		
The GBF spend profile is as follows:		
Q4 2022/23	Q1 2023/24	Total
£765,000	£85,000	£850,000
Written confirmation that all planning requirements were met by 15 July 2022		
Planning consent has been granted		
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022		
All required consents and approvals have been secured.		
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022		
Contractual commitments were in place with the construction contractor before 30 September 2022.		
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money		
The total project cost and the forecast project benefits remain as set out in the Business Case, which demonstrates that the project offers High value for money.		
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022		
Strategic Board endorsement was provided on 21 October 2022.		

Enterprise Centre for Horizon 120 Business and Innovation Park
Extension requested: To 31 March 2023
Responsible Upper Tier Local Authority: Essex County Council
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board
Delivery of the Enterprise Centre was completed in September 2022
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile
<p>All funding sources identified to enable delivery of the project are in place.</p> <p>The additional GBF funding will be spent in full during Q4 2022/23.</p>
Written confirmation that all planning requirements were met by 15 July 2022
All planning requirements have been met.
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022
All required consents and approvals are in place.
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022
Contractual commitments with the construction contractor were put in place before 30 September 2022
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
The total project cost and the project benefits remain as detailed in the application for additional GBF funding (with the exclusion of additional costs and benefits related to the expansion of the car park)
Endorsement from Strategic Board that the funding should be retained against the Project beyond 31 March 2022
Strategic Board endorsement was provided on 21 October 2022.