

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

### 1. Context

- 1.1. On 7 July 2023 the Strategic Board agreed the process for the development of a new GBF prioritised project pipeline. This pipeline will provide the opportunity for new shovel ready projects to seek GBF funding to support delivery. The funding round is open to all capital projects which meet the criteria set out in this note, however, it should be noted that projects which were not on the long list of potential GBF projects submitted to Government in June 2020 (Appendix C) may be subject to more stringent Government approval processes, potentially including the requirement for Ministerial approval.
- 1.2. The Board agreed that the available GBF funding should not be used to support delivery of previously approved GBF Business Cases but applications for funding to support further phases of existing Local Growth Fund (LGF) and GBF projects will be considered.
- 1.3. There is currently **£2.049m** GBF funding available for reinvestment through the new GBF prioritised project pipeline. It is not expected that further GBF funding will be returned to SELEP for reallocation but it is intended that the new GBF prioritised project pipeline will be used to enable the reallocation of any returned LGF funding following the exhaustion of the current LGF project pipeline.
- 1.4. The current LGF project pipeline is under review and it is expected that an update on the status of each project remaining on the pipeline will be provided at the Accountability Board meeting in September 2023, with any decisions concerning the removal of projects from the pipeline expected to be taken by the Strategic Board in October 2023.

### 2. Criteria

- 2.1. For projects to be considered for receipt of GBF funding, scheme promoters must demonstrate:
  - 2.1.1. **that the project supports the activities outlined in the [SELEP Economic Recovery and Renewal Strategy](#).** This strategy outlines the clear opportunities and needs of the SELEP area and the actions that need to be taken to drive the South East into new economic growth as the country recovers from the COVID-19 pandemic and establishes new ways of working internationally following the EU transition and therefore aligns with the purpose of the GBF funding stream as stated by Government.
  - 2.1.2. **that the project is shovel ready and subject to a short delivery programme.** The Business Case must demonstrate that full spend of the GBF funding can be achieved within 12 months of receipt of funding approval from the Accountability Board.
  - 2.1.3. **that there are no barriers to delivery, such as outstanding permissions or consents.** Experience of managing the LGF and GBF programmes has highlighted how outstanding permissions and consents can significantly delay delivery programmes. In addition, any land or property which is required to enable project delivery should be in the ownership or control of the delivery organisation and organisations should have sufficient resource in place to support project delivery. Any remaining barriers to delivery will render the project ineligible for receipt of GBF funding.
  - 2.1.4. **a robust need for investment in the project.** The original purpose of the GBF funding was to help support economic recovery following the COVID-19 pandemic and therefore, it is



important that each Business Case makes reference to the project specific challenges created as a result of the COVID-19 pandemic.

- 2.1.5. **that the project offers High value for money.** Scheme promoters should be able to produce a strong Green Book compliant Business Case for the project, which demonstrates High value for money or compliance with one of the exemptions outlined within the [SELEP Assurance Framework](#) (page 52).
- 2.1.6. **that a full funding package is in place to support project delivery.** The sources of any required match funding must be identified and the funding secured prior to Business Case submission.
- 2.1.7. **that consideration has been given to the impact of high inflation and interest rates on forecast costs.** Given recent cost increases reported across the LGF and GBF programmes, it is important that reliance is not placed on out-of-date project costs and that consideration is given to the impact of high inflation and interest rates on forecast costs.
- 2.2. The Business Case template must be fully completed for each project and should include a signed letter of support from the relevant Upper Tier Local Authority Section 151 Officer as set out in the appendices to the Business Case template (Appendix A – Transport scheme Business Case/Appendix B – Non-transport scheme Business Case).
- 2.3. Projects which have previously been removed from the GBF programme cannot apply for funding. All projects removed from the programme have either been subject to significant deliverability challenges or have reported that the need for investment has been eliminated. The reinstatement of these projects into the GBF programme would not comply with the considerations set out above.
- 2.4. No upper limit has been placed on the amount of GBF funding which can be requested to support project delivery. However, scheme promoters are asked to be mindful of the size of the GBF funding pot when developing their applications.
- 2.5. Projects seeking additional GBF funding must be considered by the Accountability Board in early Q4 2023/24 to ensure that all GBF funding is allocated, the award of funding is formalised through Variation Agreements and the funding is issued to relevant Upper Tier Local Authorities by the end of the current financial year.

### **3. Next Steps**

- 3.1. Scheme promoters are asked to complete the GBF Business Case template, which can be found at Appendix A. This template should be completed for all projects which are seeking GBF investment.
- 3.2. In order to ensure timely investment of the available GBF funding, and to ensure that Federated Boards can make prioritisation decisions based on robust and complete information, it is necessary for these Business Cases to be prepared at risk and with no guarantee of receiving funding.
- 3.3. Completed Business Cases should be submitted to Federated Board leads and the SELEP Capital Programme Manager by **Friday 1 September 2023**.

#### Federated Board actions

- 3.4. Following receipt of the Business Cases, Federated Boards will be asked to agree a local prioritised list of projects. The approach to prioritisation can be determined by each Federated Board but the process must take into account the eligibility criteria set out within this note, local Strategic

priorities and the ability of the project to spend the full GBF funding allocation within 12 months of approval by the Accountability Board.

- 3.5. Business Cases will need to be subject to the usual Independent Technical Evaluator (ITE) review before they can be considered by the Investment Panel for SELEP wide prioritisation. **The cost of this review will need to be covered by either the relevant Upper Tier Local Authority or the scheme promoter** (if different). To inform local prioritisation, the Federated Board lead may wish to seek completion of an initial Gate 1 review by the ITE prior to the Federated Board meeting during which the applications will be discussed. It is required that the relevant officer(s) contact Steer (as SELEP ITE) ([adam.scanlon@steergroup.com](mailto:adam.scanlon@steergroup.com) and [edmund.cassidy@steergroup.com](mailto:edmund.cassidy@steergroup.com)) (cc'ing the SELEP Capital Programme Manager – [helen.dyer@southeastlep.com](mailto:helen.dyer@southeastlep.com)) at the earliest opportunity to discuss the requirements for the ITE review and to agree a timeline and costs. Whilst costs should be agreed directly with Steer, an indicative cost for a full review (two stage) of a small-scale project and a discussion with Steer following their initial review is £1,800 (excluding VAT). The relevant Upper Tier Local Authority will need to contract directly with Steer for this work and, if required, subsequently pass the costs onto the scheme promoter.
- 3.6. Each Federated Board must submit their prioritised list of those GBF projects seeking funding to the SELEP Capital Programme Manager by **Friday 22 September 2023**. These lists will help to inform the prioritisation of projects across the whole of the SELEP area and will assist in the development of the new project pipeline.

#### Investment Panel actions

- 3.7. In **November 2023**, the Investment Panel will be asked to agree a single prioritised pipeline of projects. The focus of the prioritisation will predominantly be on assessing the deliverability of the projects, identifying any remaining risks which may impact on the delivery, cost, benefits or value for money offered by the project and any remaining barriers to delivery (i.e. land acquisition, planning consents or statutory obligations). The outcome of the ITE review will also be a key consideration.
- 3.8. Following the agreement of the pipeline, the top ranked projects to the value of the total amount of GBF funding available in November 2023 will be able to proceed to the Accountability Board for a funding decision.
- 3.9. The prioritised list will be used to determine the next project in line to receive a funding award should additional GBF or LGF (beyond the existing pipeline) be returned to SELEP and made available for alternative investment prior to the end of 2023/24.

#### 4. Timeline for prioritising applications

1 September 2023	• Business Cases for projects seeking GBF funding to be submitted to Federated Board leads & SELEP Capital Programme Manager
1 to 22 September 2023	• Federated Boards to agree their prioritisation of the projects seeking GBF investment in their area
22 September 2023	• Federated Boards to supply prioritised project lists to SELEP Capital Programme Manager. Full ITE review of remaining project Business Cases to be instructed
November 2023	• Investment Panel to agree single GBF prioritised project pipeline

#### 5. Process following Strategic Board prioritisation

- 5.1. Following the agreement of the single prioritised GBF project pipeline by the Investment Panel, award of the GBF funding will be considered by the Accountability Board. It is anticipated that an additional Accountability Board meeting will be scheduled in January 2024 to ensure that the award of the GBF funding can be formalised and the funding issued to the relevant Upper Tier Local Authority prior to 31 March 2024.
- 5.2. Prior to the Accountability Board considering the award of funding to projects, scheme promoters will be required to update their Business Cases to address any comments raised by the ITE during their Gate 1 review. The Business Case will then be subject to a Gate 2 review and the outcome of this review will be set out within the Report of the Independent Technical Evaluator, which will be included within the Accountability Board agenda pack.
- 5.3. Prior to the Investment Panel agreeing the prioritised project pipeline, confirmation will be sought from officials as to the extent of any Government approvals required in relation to the award of GBF funding to new projects. This will ensure that steps can be taken immediately after the Investment Panel meeting to secure any Government approvals required, with the expectation that all required Government approvals will be in place prior to the Accountability Board meeting.
- 5.4. Following the award of GBF funding to projects by the Accountability Board in January 2024, and the receipt of any required Government approvals, it will be necessary for a Variation to the Service Level Agreement to be completed for each Upper Tier Local Authority which is in receipt of additional funding. This will reflect the addition of new projects to the GBF programme, alongside any conditions which may be attached to the award of funding.

#### 6. Appendices

- 6.1. Appendix A – Business Case template (transport and non-transport schemes)
- 6.2. Appendix B – Getting Building Fund – development of new prioritised project pipeline Strategic Board report
- 6.3. Appendix C – Long list submission to Government