

ACCOUNTABILITY BOARD

10:00	Friday, 10 June 2016	High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ
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Membership

Mr Geoff Miles
Cllr Kevin Bentley
Cllr Paul Carter
Cllr Rodney Chambers
Cllr Keith Glazier
Cllr Rob Gledhill
Cllr John Lamb
Angela O'Donoghue
Myroulla West

Chairman
Essex County Council
Kent County Council
Medway Council
East Sussex Council
Thurrock Council
Southend Borough Council
FE & Skills
HEI's

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For information about the meeting please ask for:

Ian Myers
(Secretary to the Board)
ian.myers@essex.gov.uk
Tel: 03330134575

Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

		Pages
1	Welcome and Apologies for Absence	
2	Minutes	5 - 8
3	Finance Update - Provisional Outturn - Financial position for SELEP 2015/16 To receive attached report	9 - 16
4	Finance update - Growing Places Fund - update on year-end position To receive attached report	17 - 22
5	Business Case Approvals, including Independent Technical Evaluation To receive attached report	23 - 38
6	Capital Programme Management Update To receive attached report	39 - 74
7	Skills - Agreeing the process for Skills Capital Round 4 applications following changes made on 8 April and approvals for funding allocations carried forward from previous meetings To receive attached report	75 - 100
8	Pubic Questions Policy To receive the attached report	101 - 106
9	Local Growth Fund Round 3 and Large Major Schemes Fund To receive a verbal update from Adam Bryan	
10	SEFUND To receive a verbal update from Adam Bryan	
11	Date of Next and Future Meetings To note that the next meeting, an extraordinary meeting, will be held at 9.00am on Friday 24 June 2016, with future meetings on 16 September and 18 November 2016.	

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Urgent Business

To consider any matter which in the opinion of the Chairman 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)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

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Urgent Exempt Business

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

**MINUTES OF THE MEETING OF THE SOUTH EAST LOCAL ENTERPRISE
PARTNERSHIP ACCOUNTABILITY BOARD HELD AT HIGH HOUSE
PRODUCTION PARK, PURFLEET, AT 10.00AM ON 8 APRIL 2016**

Present:

Members

Mr Geoff Miles	Chairman
Cllr Matthew Balfour	Kent County Council
Cllr Kevin Bentley	Essex County Council
Cllr Rodney Chambers	Medway Council
Cllr Rupert Simmons	East Sussex Council
Cllr John Kent	Thurrock Council
Carol Anson-Higgs	FE & Skills (FEDEC)

Also in attendance:

Adam Bryan	SELEP
Stephanie Mitchener	Essex County Council
Sarah Nurden	Kent and Medway Economic Partnership
Suzanne Bennett	Essex County Council
Edmund Cassidy	Steer Davies Gleave
Steven Bishop	Steer Davies Gleave
Jennie Rothera	Steer Davies Gleave
Paul Dodson	Essex County Council
Tim Rignall	Thurrock Council
Steve Hewlett	Medway Council
John Shaw	Sea Change Sussex
Ben Hook	East Sussex County Council
Richard Dawson	East Sussex County Council
Lucy Spencer-Lawrence	SELEP
Ian Myers	Essex County Council

1. Apologies for Absence

Apologies were received from Cllr Paul Carter, Cllr Ron Woodley, Cllr Keith Glazier, Angela O'Donoghue and Myroulla West

2. Minutes

The minutes of the meeting held on Friday 12 February 2016 were agreed as a correct record and signed by the Chairman.

Members agreed that Highways England and Railtrack funding be kept on the agenda and discussed at future meetings.

3. Finance Update – SELEP core budget

Members received a report from Suzanne Bennett which presented the Secretariat budget for 2016/17.

Members were informed that a letter to the Minister concerning the overall SELEP operating budget had not yet been sent but would now be finalised and signed by

Christian Brodie, the newly appointed SELEP Chairman, and would be sent in support of SELEP's position in the new competitive process for operating revenue. Members noted and welcomed this.

Members **AGREED** the SELEP Secretariat revenue budget for 2016/17 as set out at table 1 of the report.

4. Skills Capital Process and Round 4 allocations

The Board received a report from Adam Bryan which presented recommendations regarding the recent Skills Equipment bidding round to inform the Board's decisions about whether or not to accept the applications for funding, to consider a variation to Colchester Institute's project and approve a new process for distributing the remaining Skills Capital Funding.

Following discussion the following projects were **AGREED** as recommended by the Assessment Group

- An allocation of £235,062.89 from the Skills Equipment Fund to MidKent College, Health Science Laboratory, Medway. This money will support delivery of courses in the emerging growth sector of life sciences for the area.
- An allocation of £1,360,000 from the Skills Equipment Fund to East Kent College, Extension to construction centre and related equipment.
- A variation to the project from Colchester Institute which reduces the LEP grant from £4m to £3.640m.

Members agreed that the reasons for the recommendation to decline the MidKent College, Swale Skills Centre equipment bid of £198,500 were unclear and that provision was needed in the area. Members were informed the College is receiving support and would be submitting a further bid in the future.

Therefore, Members agreed to **DEFER** their decision for future consideration and to take further information at the June 10th meeting.

Members **AGREED** the new process for distributing the remaining skills capital funds that devolves significant responsibility to the Employment and Skills Boards, as set out in Appendix B of the report, will be re-submitted to the Board for approval at its next meeting. This to reflect the exclusion of notional funding allocations per area and to ensure that it is fully reflective of the newly agreed requirement for both Employment and Skills Boards and federal boards to work

together in the prioritisation process and in the submission of bids to the SELEP Accountability Board.

5. Business Case Approvals, including Independent Technical Evaluation

The Board received a report from Adam Bryan which outlined the value for money assessment of business cases for schemes having been through the Independent Technical Evaluator (ITE) process to enable funding to be devolved to scheme sponsors (county and unitary councils) as part of our capital programme management.

Members **AGREED** the business cases for the following schemes which had been assessed as presenting high value for money and medium to high certainty of achieving this within the timescales:

- West Kent LSTF: Tackling Congestion (**£4.2m**)
- Eastbourne Town Centre Movement & Access Package (**£3.0m**)
- Thurrock Cycle Network (**£1.8m**)
- Kent Rights of Way Improvement Plan (**£0.8m**)
- Kent Strategic Congestion Management Programme (**£0.7m**)

Members **AGREED** the following scheme which presents high value for money with low to medium certainty of achieving this:

- Kent Sustainable Interventions Programme (**£0.5m**)

Member **AGREED** the following scheme that had not been subject to Independent Technical Evaluation:

- A13 Widening – Project Development (**£5m**)

6. Capital Programme Management Update

The Board received a report from Adam Bryan which detailed the latest position for 2015/16 the Local Growth Deal Capital Programme, presented the proposed future year allocations for the programme and gave an update on the delivery risk currently sitting on the programme.

Members were informed that the Secretary of State, Greg Clark MP, has recently announced details of the Local Growth Fund: Round 3

Members received a presentation and update from Steer Davies Gleave noting the following:

- The Quarter 4 2015/16 Forecasts including details of the slippage to projects
- The current net underspend of £23.3m
- The 2015/16 final position and details of mitigations
- The recommendation of no further reprofiling at this stage

Following a detailed discussion on deliverability and risk assessment Members:

- **NOTED** the provisional Quarter 4 position of the Local Growth Deal Capital Programme (as detailed in Appendix 1)
- **NOTED** the changes to project for managing the forecast variances as set out in the latest position (as detailed in Appendix 2)
- **NOTED** the unmitigated underspend in relation to the Skills element of the Local Growth Deal Capital Programme
- **AGREED** the proposed future years indicative allocations (as detailed in Appendix 4)
- **NOTED** the update on LGF Round 3 and the inclusion of recommendations on the allocation the headroom on the programme to become part of that process.
- **NOTED** the deliverability assessment that has been undertaken on future years of the programme (As detailed in Appendices 5 & 6)

7. Financial Delegations to the Secretariat

The Board received a report from Adam Bryan which provided clarification on the financial delegations to Officers of the South East Local Enterprise Partnership (SELEP).

Members **NOTED** the delegations to the Executive Director for Corporate and Customer Services at Essex County Council and the Managing Director of the SELEP as set out in the report.

8. Award Contract following ITE procurement

The Board received and noted the report and **AGREED** the recommendation of the evaluation process and awarded the contract for Independent Technical Evaluation Services to the winning bidder for a period of 3 years, plus an optional extension of two further years, at a maximum total value of £450,000.

9. Any Other Business and Date of Next Meeting

Members noted:

- SELEP Managing Director interviews are due to be held on Monday 11 April 2016.
- The LEP had not yet received further information concerning the £2bn available through the Home Building Fund
- The next meeting of the Board would take place on Friday 10 June 2016 at 10.00am at which Christian Brodie would attend.

The Chairman thanked Adam Bryan for his support and the meeting closed at 11.20am

AGENDA ITEM 3

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting:	10th June 2016
Date of report:	24th May 2016
Title of report:	2015/16 – Provisional Finance Outturn Report
Report by:	Suzanne Bennett
Enquiries to:	suzanne.bennett@essex.gov.uk

1. Purpose of report

- 1.1 The purpose of this paper is to present to the Accountability Board the provisional financial outturn position for the South East Local Enterprise Partnership for financial year 2015/16.

2. Recommendations

- 2.1 Board is asked to:
- Note the provisional outturn for 2015/16 as at Tables 1,2 and 3;
 - Note the grant position as at 31st March 2016; and
 - Note the proposed approach to the reserves.

3. Background

- 3.1 This report presents the provisional financial outturn position for financial year 2015/16. Statements of Accounts have been created by the Accountable Body and these will be submitted to external audit scrutiny. Following the audit there may be changes to the position required by the auditors. Following external audit sign-off, the full accounts will be submitted to Strategic Board.

3.2 **Table 1** shows the provisional outturn position for the South East LEP as a whole. Also included is the previous financial year (2014/15) as a comparator.

Total South East LEP - Income and Expenditure		
2014/15	2015/16	
£000	£000	£000
Income		
(995) Revenue grants	(2,166)	
(196) Other Local Authority contributions	(200)	
(181) External interest received	(216)	
(1,372) Total income		(2,582)
Expenditure		
427 Staffing (including recharges from Accountable Body)	624	
59 Office costs and events	184	
283 Consultancy	305	
- Local Area Support	100	
397 Grants awarded	1,562	
1,166		2,775
(206) (Surplus)/Deficit		193

3.3 The total accounts are made up of the following elements:

- The Secretariat budget, which contains all the day-to-day costs of the Secretariat;
- The Growing Places Fund revenue budget, which consists of the administration costs of the GPF and any revenue grants awarded; and
- Various grant accounts where Essex County Council either acts as Accountable Body for revenue grants awarded directly to the LEP or as a conduit for grants to be awarded on to partners. Detailed tables of the grant accounts can be found at Annex A.

3.4 Both income and expenditure have increased significantly this year. This is mainly due to an increased number of revenue grants awarded by Central Government to support Local Growth Deal delivery across the South East. There has also been a slight pick-up in the amount of external interest earned despite the ongoing low interest rates offered by the market. This is due to an increase in cash balances as a result of both the increased revenue and capital grants. However, the bulk of the £70.9 million capital grants awarded for the Local Growth Fund were reallocated to partners on projects receiving approval from Accountability Board and therefore interest that could be earned on those balances was limited.

3.5 The deficit of £193,000 this year was £152,000 lower than the planned deficit of £345,000. The accounts were planned to run at a deficit so as to utilise some of the £444,000 of reserves that were held at March 2015. Part of the increased spend was

to provide financial assistance to federal areas as the Partnership put into place arrangements to ensure the delivery of the Local Growth Deal.

3.6 **Table 2** shows the detail for the Secretariat budget for the year.

Secretariat Budget 2015/16			
	Actual £000	Budget £000	Variance £000
Income			
Revenue grants	(500)	(500)	-
Other Local Authority contributions	(200)	(200)	-
External interest received	(153)	-	(153)
Total income	(853)	(700)	(153)
Expenditure			
Staffing (including recharges from Accountable Body)	574	662	(88)
Office costs and events	67	63	4
Consultancy	305	220	85
Local Area Support	100	100	-
Grants awarded	-	-	-
Total expenditure	1,046	1,045	1
Net expenditure	193	345	(152)
Contribution from reserves	-193	-345	152
Net position	-	-	-

3.7 The expenditure incurred in year is in line with budgeted expectations. The increase in income is due to the external interest receipt. It was originally assumed that LGF monies would be passported to Federal Boards and that Growing Place Fund (GPF) monies would transfer to SEFUND early in the financial year and therefore there would be insufficient cash balances to accrue any significant amount of external interest. However, delays in projects coming forward for ITE and Accountability Board approval for LGF project funding and the uncertainties around the suitability of the SEFUND model have meant cash balances have been higher than assumed.

3.8 There has been underspend on staffing due to delays in filling vacancies. The Strategic Board Chair, Business Engagement Manager and Capital Programme Manager posts were all vacant for significant periods of the year. Consultancy costs increased due to measures put into place to cover these vacancies such as employing SDG to act as Capital Programme Manager for part of the year and the provision of more support on marketing and PR to cover the Business Engagement Manager.

3.9 The deficit of £193,000 has been funded through a withdrawal from reserves. The SELEP useable reserve value at 31st March 2016 is £251,000. More information on reserves can be found at paragraph 3.18.

3.10 **Table 3** shows the detail for the Growing Places Revenue budget for the year.

Growing Places Revenue Budget			
2014/15	2015/16		
	Actual	Budget	Variance
	£000	£000	£000
Income			
Revenue grants	(368)	(100)	(268)
Other Local Authority contributions	-	-	-
External interest received	(63)	-	(63)
Total income	(431)	(100)	(331)
Expenditure			
Staffing (including recharges from Accountable Body)	50	50	-
Office costs and events	13	-	13
Consultancy	-	50	(50)
Local Area Support	-	-	-
Grants awarded	368	-	368
Total expenditure	431	100	331
Net expenditure	-	-	-

- 3.11 The consultancy spend budgeted in the year was to support the establishment of SEFUND. The uncertainties surrounding the implementation of SEFUND have meant that no consultancy or interim programme management costs were incurred.
- 3.12 The staffing cost is the recharge of the Accountable Body support for the Growing Places Fund and costs were in line with budget. Due to the external interest received it has not been necessary to make a withdrawal from the GPF revenue grant to support the administration costs. Please note that the external interest received actual income is not representative of the interest attributable to holding GPF funds specifically. External interest is provided as a single amount by ECC Treasury Management and only that sufficient to cover administration costs is transferred to the GPF budget. The total value of interest received was £216,000 and the £153,000 balance was transferred to the Secretariat budget.
- 3.13 The grant awarded in year is the revenue support for Harlow Enterprise Zone. This revenue support was agreed in March 2013 for the following five years to a total of £1 million. As at 31st March 2015, Harlow DC had drawdown £545,000 of the grant and two further financial years are remaining for the remainder of the grant to be spent.

Revenue Grants

- 3.14 During the course of 2015/16 SELEP received a number of revenue grants, alongside those revenue grants that have been carried forward from previous years. Annex A gives the detail for each grant. Some grants are not restricted and can be carried forward without the authorisation of the awarding body and the Accountable Body advises the Secretariat to utilise the grants with restrictions in advance of those that can be carried forward.

3.15 The following grants will be carried forward to 2015/16.

- LEP Transport Grant - £33,000
- Transport Delivery Excellence Grant - £43,000
- GPF Revenue Grant - £2,941,000

3.16 The £800,000 Growth Hub Revenue Grant has not been fully utilised in local areas and discussions are on-going with BIS as to how that underspend can be treated. The grant is required to be submitted to audit scrutiny and that is underway at time of publication.

Reserves

3.17 **Table 4** shows the movement on useable reserves to 31st March 2016.

South East LEP - Useable Reserve	
	£000
General Fund opening balance 1st April 2015	(444)
Deficit on provision of services	193
(Increase)/decrease in 2015/16	193
Balance as at 31st March 2016	(251)

3.18 Following the recent round of recruitment and to consider the impact of SELEP appointing employees on direct contracts rather than through secondments, a review of the potential staffing severance costs has been carried out. These are estimated to be in the region of £70,000. The Accountable Body advises that £100,000 should be held in reserves to cover any potential severance or closure costs should the Partnership cease to function.

3.19 The Accountable Body is working with the Secretariat to identify a suitable approach for the remaining funds. There is a risk in the current financial year around potential external interest receipts and sufficient funds should be held to cover any gap that could occur.

4. Financial Implications

- 4.1 The Accountable Body will continue to support the Secretariat in ensuring strong financial controls are in place for all the budgets, including ensuring that there are sufficient reserves to cover any unforeseen costs and circumstances.

5. Legal Implications

- 5.1 None at present.

6. Staffing and other resource implications

- 6.1 None at present.

7. Equality and Diversity implications

- 7.1 None at present.

8. List of Appendices

- 8.1 Annex A shows the detail of grants brought forward, received, utilised and carried-forward in 2015/16.

9. List of Background Papers

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

Role	Date
Accountable Body sign off	
Suzanne Bennett	31/05/16
On behalf of Margaret Lee	

Grants 2015/16

South East LEP - Revenue Grants

Name of Grant	Description	£000's			
		B/fwd	Awarded in Yr	Spend in Yr	Closing Bal
Core Grant	Grant from BIS to support running costs	-	500	500	-
Growth Hub Grant	Grant from BIS to support the Growth Hubs agenda	-	800	800	-
SEEDA Legacy Grant	Allocation of SEEDA legacy funds to support Growth Hubs agenda	-	441	441	-
LEP Transport Grant	Awarded by DfT to support admin costs of development of transport work	33	-	-	33
Transport Delivery Excellence Grant	Awarded by DfT to support LEP teams in building processes to ensure delivery	-	63	20	43
Digital Capability Grant	Grant from BIS to support local areas working with businesses to build digital capability	-	37	37	-
GPF Revenue Grant	To support revenue admin costs of running GPF and to be awarded for revenue projects	3,309	-	368	2,941
Total Revenue Grants		3,342	1,841	2,166	3,017

South East LEP - Capital Grants

Name of Grant	Description	£000's			
		B/fwd	Awarded in Yr	Spend in Yr	Closing Bal
GPF Capital Grant	Grant to establish GPF revolving fund (please note that because loans are made the grant isn't drawdown unless agreements are in default)	45,477	-	-	45,477
Local Growth Fund	General LGF pot awarded by DCLG - carrying balance is remaining amounts of skills allocation	-	69,450	68,374	1,076
Local Authority LTP Major Projects	Grant from DfT for projects they are funding directly for Growth Deal, including retained schemes	-	1,500	1,500	-
Total Capital Grants		45,477	70,950	69,874	46,553

Notes:

1. The spend of the Growth Hub and SEEDA Grants is reflective of the spend position of the Accountable Body – this does not reflect the spend position of the partner organisations that have had these grants awarded from the Accountable Body.
2. The SEEDA grant has been awarded across those areas that formerly fell under the remit of SEEDA, no monies have been passed to authorities north of the Thames.
3. GPF capital funds have been awarded as loans rather than grants and therefore are treated differently for accounting purposes. For detail on the value of loans awarded please refer to the GPF Update Report later in the pack.
4. Further detail on the closing balance of the LGF Grant can be found in the Capital Programme Management report.

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting:	10th June 2016
Date of report:	31st May 2016
Title of report:	Growing Places Fund Update
Report by:	Suzanne Bennett
Enquiries to:	suzanne.bennett@essex.gov.uk

1. Purpose of report

- 1.1 The purpose of this paper is to present an update to the Board on the Growing Places Fund.

2. Recommendations

- 2.1 Board is asked to:
- Note the financial position for the fund as at 31st March 2016; and
 - Note the current repayment schedule for the fund.

3. Background

- 3.1 Government first established the Growing Places Fund programme in 2012. The purpose of the programme is to unlock housing and job growth through the provision of enabling infrastructure via revolving infrastructure funds that would be funded through Government Grant.
- 3.2 Government recognised that whilst the bulk of funding would be capital, there was a revenue impact of managing the programme and in some cases revenue funding would be required and therefore a mixture of funding was awarded. The totals for SELEP are:

	£000
Capital	45,477
Revenue	3,733
Total	<u>49,210</u>

- 3.3 As at 31st March 2016, £48.7 million of the fund is allocated to projects, of which £34.4 million has been invested and £2.8 million of repayments have been made. Full details per project can be found at Annex A.

- 3.4 Following the grant awards, a process was agreed with the SELEP Board of the time for the allocation of loans. This process included the following principles:
- that no interest would be charged on the loans except where required by State Aid regulations;
 - that an independent review of projects would be carried out to offer assurance to the Board on approval of investments; and
 - that all project funding would flow via the appropriate upper tier Authority.
- 3.5 Following a review of the Fund performance in March 2014, the Board agreed that the Growing Places Fund would bear the risk of default on the loans made from the Fund rather than the upper tier authority to which the funding had flowed.
- 3.6 Since the agreement that the fund should bear the risk of non-repayment, the majority of the approved investments have been finalised, however there are three projects that have not yet reached final completion of their credit agreements. This is due to the more complex nature of these projects; their repayment proposals; and one project is under-going a significant change of scope and requiring further authorisation from the Board. Every effort is now being made to bring these projects to conclusion so that focus can be given to the future of the fund.
- 3.7 In October 2015, East Sussex County Council confirmed that that the additional £715,000 allocation to the Sovereign Harbour Project in Eastbourne was no longer needed and the allocation was released. A full breakdown of the remaining allocations can be seen in Annex A.
- 3.8 In addition to capital loans, in March 2013 the SELEP Board agreed that £1.2 million of revenue funding would be made to Harlow District Council to support the Harlow Enterprise Zone. This revenue funding was made on a grant rather than a loan basis. This was made as a grant as local authorities are unable to borrow to support revenue spending. A yearly breakdown of grant awarded, and that remaining to Harlow DC, can be found at Annex B.
- 3.9 A number of projects have now completed and are in repayment phase and some projects have completed repayment (details can be found in Annex A). In September 2015 the Strategic Board selected to delay any further investment rounds until a final decision had been made on SEFUND. A paper on SEFUND is being taken to Strategic Board later this month (June) and the future of GPF will form part of that paper.
- 3.10 Details of planned repayments can be found at Annex C.
- 3.11 It is calculated that due to awarding the loans on an interest free basis, £1.1 million of interest has been forgone for the fund to 31st March 2016. Whilst this represents a loss for the fund itself, it is a saving for the delivery organisations; in the majority of cases this has been a partner organisation of SELEP.

4. Financial Implications

- 4.1 There is now a significant balance of repaid funds being held and these funds should be reinvested as soon as possible. The Accountable Body has been working with the Secretariat to support the developing picture on SEFUND and will continue with that support.
- 4.2 It should also be noted that continuing to offer investments on an interest-free basis will begin to erode the true value of the fund over time.

5. Legal Implications

- 5.1 None at present.

6. Staffing and other resource implications

- 6.1 None at present.

7. Equality and Diversity implications

- 7.1 None at present.

8. List of Appendices

- 8.1 Annex A – Detailed list of projects
- 8.2 Annex B – Revenue grant information
- 8.3 Annex C – Cashflow for the Fund

9. List of Background Papers

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

Role	Date
Accountable Body sign off	
Lorna Norris	02/06/16
On behalf of Margaret Lee	

Growing Places Fund Project Detail

Name of Project	Area	Status	£000's		
			Total Allocation	Invested to Date	Repaid to Date
Priory Quarter - Phase 3 Hastings	East Sussex	Investment	7,000	7,000	-
North Queensway, Hastings	East Sussex	Repayment	1,500	1,500	1,000
Rochester Riverside	Medway	Investment	4,410	4,410	-
Chatham Waterfront	Medway	Investment	2,999	2,999	-
Bexhill Business Mall	East Sussex	Repayment	6,000	6,000	25
Parkside Office Village	Essex	Investment	3,250	3,250	540
Chelmsford NE Urban Expansion	Essex	Repaid	1,000	1,000	1,000
Grays Magistrates' Court	Thurrock	Repayment	1,400	1,400	200
Sovereign Harbour	East Sussex	Investment	4,600	4,600	-
Workspace Kent	Kent	Investment	1,500	1,437	-
Enterprise West Essex	Essex	Working to agreement	3,500	-	-
Discovery Park	Kent	Working to agreement	5,315	-	-
Live Margate	Kent	Working to agreement	5,000	-	-
Harlow EZ Start Up Grant	Harlow	Grant awarded	244	244	-
Harlow EZ - Revenue Grant	Harlow	Grant awarded	1,000	544	-
Administration support drawdown			2	2	-
Total			48,720	34,386	2,765

Growing Places Fund – Revenue Grants

Name of Grant/Drawdown	Allocation - £000s	Drawdowns - £000s					Total	£000s
		2011/12	2012/13	2013/14	2014/15	2015/16		
Total Revenue Funds from Govt								3,733
Harlow EZ - Start Up Fund	244				244		244	455
Harlow EZ - Admin Costs	1,000				177	368	545	
Admin support	2	2					2	
Allocation Remaining for Harlow EZ								
Remaing Revenue Grant								2,487

Repayment Schedule

Name of Project	£000s													
	To Date	Q1 - 16/17	Q2 - 16/17	Q3 - 16/17	Q4 - 16/17	Q1-17/18	Q2 - 17/18	Q3 - 17/18	Q4 - 17/18	2018/19	2019/20	2020/21	2021/22	2022/23 +
Priory Quarter - Phase 3 Hastings	-				400				400	400	400	5,400		
North Queensway, Hastings	1,000				500									
Rochester Riverside	-								110	130	1,650	2,520		
Chatham Waterfront	-										2,999			
Bexhill Business Mall	25				200				300	500	4,975			
Parkside Office Village	540				1,080				1,630					
Chelmsford NE Urban Expansion	1,000													
Grays Magistrates' Court	200				300				300	300	300			
Sovereign Harbour	-				25				200	300	475	400	3,200	
Workspace Kent	-		147	74		74		74		447	507	114	63	
Enterprise West Essex*	-								1,500	500	500	500	500	
Discovery Park*	-													5,315
Live Margate*	-									1,000	1,000	1,000	1,000	1,000
Total	2,765	-	147	74	2,505	74	-	74	4,440	3,577	12,806	9,934	4,763	6,315
Cumm - Total	2,765	2,765	2,912	2,986	5,491	5,565	5,565	5,639	10,079	13,656	26,462	36,396	41,159	47,474

*Indicative repayments - final agreements not yet reached

Report to Accountability Board	Forward Plan reference number: FP/AB/041, FP/AB/042, FP/AB/043, FP/AB/040
Date of Accountability Board Meeting:	10th June 2016
Date of report:	27th May 2016
Title of report:	Business Case Approvals
Report by:	Adam Bryan
Enquiries to:	adam.bryan@essex.gov.uk

1. Purpose of report

- 1.1 The purpose of this paper is to make the Board aware of the value for money assessment of business cases for schemes having been through the Independent Technical Evaluator (ITE) process to enable funding to be devolved to scheme sponsors (county and unitary councils) as part of our capital programme management.

2. Recommendations

- 2.1 The Board is asked to **approve** the business cases for the following schemes which have been assessed as presenting high value for money and demonstrate medium to high certainty of achieving this:
- Purfleet Centre (£5.0m)
 - Rochester Airport (£4.4m)
 - A127 Kent Elms Corner Junction (£4.3m plus £0.8m vired from A127 Essential Highways Maintenance)
 - Southend Central Area Transport Scheme (S-CATS) (£1.0m)
- 2.2 The Board is asked to **note** that the following schemes are due to be considered at the next Accountability Board on 24th June 2016:
- Sturry Link Road (£5.9m)
 - Tunbridge Wells Junction Improvement Package (previously A264 / Hall's Hole Road / Blackhurst Lane Junction Improvement) (£1.2m)
 - Westenhanger Lorry Park to Ashford Spurs reallocation (£3.0m)
- 2.3 The Board is asked to **approve** a minor change to the project approvals made at the April Accountability Board.

£4.2m was approved for West Kent LSTF when the correct figure should be £4.1m (in addition to the £0.8m approved for 15/16 – a £4.9m programme overall).

Conversely, £0.7m was approved for Kent Strategic Congestion Management, where £0.8m is documented through the ITE material. In seeking approvals for a £100k decrease to the West Kent LSTF profile and a corresponding £100k increase for Kent Strategic Management, it is evident that the changes have nil overall impact on the Kent programme, and therefore also the overall SELEP capital programme. This amendment is therefore recommended for approval.

3. Background

3.1 This report brings forward, for release of funding, projects that have successfully completed the Independent Technical Evaluation process, a condition of our Assurance Framework agreed with Government. The projects are, according to the scheme promoters:

- **Purfleet Centre**

The Purfleet Centre project seeks to secure the comprehensive redevelopment of a 140 acre site to provide a new town centre for Purfleet featuring : c.2,500 new homes a 600,000 sq ft film and television studio complex, and supporting infrastructure including a new primary school, health centre, supermarket and community spaces within a high quality public realm. In total it is anticipated that the development will create around 2,700 new jobs (direct and indirect, but excluding construction jobs).

- **Rochester Airport**

“This project provides airport improvement works, which will release land in Medway Council’s ownership for development. Additional funding will provide enabling infrastructure for Phases 2 and 3, which represents the principal land development opportunity allowing for significant employment creation. This will lead to large productivity gains in Medway, supported through concerted inward investment activity to promote Rochester Airport Technology Park as a prime business location.

- **A127 Kent Elms Corner Junction**

The A127/A1015 Kent Elms Junction currently carries 44,000 vehicles (between 7am - 7pm), serves London Southend Airport, Airport Business Parks, a proposed development site adjacent to the Airport and the Town Centre and eastern Southend. The improvements will provide greater capacity through the junction as well as providing improved cycling and walking facilities.

It should be noted that this scheme is funded under a separate Local Growth Fund (LGF) grant agreement from the Department for Transport (DfT) rather than from the wider LGF grant which is allocated by the Department for Communities and Local Government (DCLG).

The business case for this project requires an additional £0.8m of funding than had originally been allocated by the DfT; it is proposed to vire this funding from the A127 Essential Highway Maintenance Scheme (also funded by the DfT grant

agreement). Whilst this virement is within the tolerance level set out in the Assurance Framework for local partner decision making, the Secretariat and the Accountable Body will need to confirm approval for this change from the DfT.

- **Southend Central Area Transport Scheme (S-CATS)**

The package of transport measures includes junction improvements to support the wider objective of delivering an improved and appealing gateway to the centre of Southend-on-Sea for residents and tourists, and to unlock a housing site at the South East Essex College Site, and for the expansion of the library car park.

4. Financial Implications

- 4.1 Approval can be provided to the four schemes in principle as they meet the requirements of the agreed SELEP Assurance Framework.

5. Legal Implications

- 5.1 None at present.

6. Staffing and other resource implications

- 6.1 None at present.

7. Equality and Diversity implications

- 7.1 None at present.

8. List of Appendices

- 8.1 In support of this paper is the Report of the Independent Technical Evaluator.

9. List of Background Papers

- Purfleet Centre Business Case
- Rochester Airport Business Case
- A127 Kent Elms Corner Junction Business Case
- Southend Central Area Transport Scheme (S-CATS) Business Case

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

Role	Date
Accountable Body sign off	
Lorna Norris	02/06/16

On behalf of Margaret Lee	
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Independent Technical
Evaluator – Growth Deal
Business Case Assessment
(Late Q1 2016/17 for Q2
2016/17 starting schemes)

Accountability Board Report
June 2016

South East Local
Enterprise Partnership

Our ref: 22790505

Prepared by:
Edmund Cassidy
Steer Davies Gleave
28-32 Upper Ground
London SE1 9PD

+44 20 7910 5000
www.steerdaviesgleave.com

Prepared for:
Adam Bryan
South East Local Enterprise Partnership
Secretariat
c/o Essex County Council
County Hall
Market Road
Chelmsford
Essex
CM1 1QH

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1 Independent Technical Evaluation of Q2 2016/17 starting Growth Deal Schemes

Overview

- 1.1 Steer Davies Gleave and SQW were reappointed by the South East Local Enterprise Partnership in April 2016 as Independent Technical Evaluators. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and decisions on investment to independent scrutiny.
- 1.2 This report is for the review of Full Business Cases for schemes which were allocated funding through the Growth Deal process during 2014/15 and are seeking funding in the second quarter (Q2) of 2016/17. Recommendations are made for funding approval on 10th June 2016 by the Accountability Board and the Section 151 Officer at Essex County Council as Accountable Body, in line with the South East Local Enterprise Partnership's own governance.

Method

- 1.3 The review provides comment on the Full Business Cases submitted by scheme promoters, with a focus on the strength of the business case, the value for money being provided by the scheme, as set out in the business case and the certainty of value for money assessment provided.
- 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 information to the South East Local Enterprise Partnership Board to make such decisions based on independent, technically expert, 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.
- 1.5 The assessment is based on adherence of scheme business cases to Her Majesty's Treasury's *The Green Book: Appraisal and Evaluation in Central Government*¹, and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the Homes and Communities Agency's *The Additionality Guide*. The Green Book, WebTAG and The Additionality Guide 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, and WebTAG. Assessment criteria were removed or substituted if not relevant for a non-transport scheme.
- 1.7 Individual criteria were assessed and the given a 'RAG' (Red – Amber – Green) rating, with a summary rating for each case. 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 cases of a government business case are, typically:

¹ Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

- **Strategic Case:** 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 Case:** demonstration that the scheme optimises public value to the UK 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 Case:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
- **Financial Case:** 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 Case:** 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.

1.9 In addition to a rating for each of the five cases, comments have been provided against Central Government guidance on analytical 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 were conducted by a team of transport and economic planning professionals, and feedback and support has been given to scheme promoters throughout the process through workshops, meetings, telephone calls and emails in April/May 2016.

2 Evaluation Results

Gate 2 Results

- 2.1 Table 2.1 below provides the results of our independent and technical evaluation of each scheme seeking funding approval on 10th June 2016 by the South East Local Enterprise Partnership Accountability Board. It includes both our interim assessment ('Gate 1 Assessment') of each Outline Business Case and the subsequent final assessment of the Full Business Case ('Gate 2 Assessment'). More detailed feedback has been issued to each scheme promoter and the secretariat of the South East Local Enterprise Partnership using a standard transport and non-transport assessment pro forma.

Summary Findings and Considerations for the Board

- 2.2 The following list contains recommendations to the Accountability Board, including key findings from the evaluation process and any issues arising.

Business Case Development

- 2.3 The **strategic case** continues to be well made, but we would ask scheme promoters to give greater consideration to the powers and consents required for the implementation of the works. This may include, planning permission for dependent housing developments, required land take or Transport Works Act Orders.
- 2.4 Scheme promoters are often carrying out well considered **economic appraisals** to assess the value for money of the scheme. However, in order to show the resilience of the value for money, sensitivity testing is a requirement that is often overlooked, as well as explicit consideration of optimism bias and contingency (informed by experience and/or a quantified risk assessment).
- 2.5 The **management case** is often lacking a full benefits realisation plan and more consideration should be given to monitoring and evaluation plans.

Recommendations

- 2.6 The following schemes achieve high value for money and medium to high certainty of achieving this:

- Purfleet Centre (£5.0m)
- Rochester Airport (£4.4m)
- A127 Kent Elms Corner Junction (£4.3m plus £0.8m vired from A127 Essential Highways Maintenance)
- Southend Central Area Transport Scheme (S-CATS) (£1.0m)

Other Considerations

- 2.7 Gate 1 and Gate 2 reviews have been carried out for the following schemes and there is further information required before assurance can be provided that schemes achieve high value for money and medium to high certainty. The scheme promoters have opted to bring the schemes to the extraordinary Accountability Board on the 24th June 2016.
- Sturry Link Road (£5.9m)
 - Tunbridge Wells Junction Improvement Package (previously A264 / Hall's Hole Road / Blackhurst Lane Junction Improvement) (£1.2m)
- 2.8 Gate 1 review has been carried out for the following schemes and there is further development of the business case required before assurance can be provided that schemes achieve high value for money and

medium to high certainty. The scheme promoters have opted to bring the schemes to the Accountability Board on the 16th September 2016.

- Coastal Communities Housing-led Regeneration (£2.0m)
- Ashford International Rail Connectivity (£2.0m)

Table 2.1: Gate 1 & 2 Assessment of Growth Deal Schemes seeking Approval for Funding for Q1 2016/17

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Purfleet Centre	5.0	Gate 1: 6.1	Green/ Amber	Amber	Green	Amber	Amber	Reasonable methodology has been employed	The assumptions framing the economic case need to be updated to reflect changes in Government guidance.	A few inaccuracies within the economic case reduced the certainty provided by the business case..
		Gate 2: 5.6	Green	Green	Green	Green	Green	Reasonable methodology has been employed	Economic case has been updated and accurate methodology has been employed.	Clarification of the economic case was provided. The analysis is reliable.
Rochester Airport	4.4	Gate 1: 1.7	Green/ Amber	Green/ Amber	Green/ Amber	Amber	Green/ Amber	Reasonable methodology employed with improvement required in the financial case	More clarity required over the allocation of benefits in the economic case due to the fact that this is phase one of a multiphase scheme.	There are minor inaccuracies in the business case which reduce certainty.
		Gate 2: 2.2	Green	Green	Green	Green	Green	Methodology followed is reasonable and proportionate throughout.	Clarity has been provided resulting in robust analysis being carried out in this business case.	Inaccuracies have been cleared up and the business case provides a high level of certainty.
A127 Kent Elms Corner Junction	4.3 plus 0.8 vired from A127 Essential Highways Maintenance	Gate 1: 6.0	Green/ Amber	Red/Amber	Green	Red/Amber	Green	Reasonable and proportionate method, some more analysis required.	There is some confusion over the economic case. Clarification is required.	There is some uncertainty, particularly around the financial and economic cases.
		Gate 2: 4.5	Green	Green	Green	Green	Green	Reasonable and proportionate method followed throughout.	Additional analysis has ensured that the analysis is robust.	Additional analysis has provided a good degree of certainty and assurance.

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Southend Central Area Transport Scheme (S-CATS)	1.0	Gate 1: 21.3	Amber	Red/Amber	Green	Red/Amber	Green	Reasonable methodology with a need for a more detail in the economic case.	More clarity required over the assumptions used in the economic case	Further clarity is required around the economic and financial cases.
		Gate 2: 24	Green	Green	Green	Green	Green	Reasonable and proportionate method followed.	Robust analysis has been carried out.	The analysis gives a good degree of certainty.

Our offices

Bogotá, Colombia

+57 1 322 1470

colombiainfo@sdgworld.net

Bologna, Italy

+39 051 656 9381

italyinfo@sdgworld.net

Boston, USA

+1 (617) 391 2300

usainfo@sdgworld.net

Denver, USA

+1 (303) 416 7226

usainfo@sdgworld.net

Leeds, England

+44 113 389 6400

leedsinfo@sdgworld.net

London, England

+44 20 7910 5000

sdginfo@sdgworld.net

Los Angeles, USA

+1 (213) 337 6790

usainfo@sdgworld.net

Madrid, Spain

+34 91 541 8696

spaininfo@sdgworld.net

Mexico City, Mexico

+52 (55) 5615 0041

mexicoinfo@sdgworld.net

New York, USA

+1 (617) 391 2300

usainfo@sdgworld.net

Rome, Italy

+39 06 4201 6169

italyinfo@sdgworld.net

San Juan, Puerto Rico

+1 (787) 721 2002

puertoricoinfo@sdgworld.net

Santiago, Chile

+56 2 2757 2600

chileinfo@sdgworld.net

São Paulo, Brazil

+55 (11) 3151 3630

brasilinfo@sdgworld.net

Toronto, Canada

+1 (647) 260 4860

canadainfo@sdgworld.net

Vancouver, Canada

+1 (604) 629 2610

canadainfo@sdgworld.net

AGENDA ITEM 6

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting: 10 th June 2016 Date of report: 31 st May 2016	
Title of report: Capital Programme Management Update	
Report by: Adam Bryan	
Enquiries to: adam.bryan@essex.gov.uk	

1. Purpose of Report

1.1. The purpose of this paper is to:

- Update the Accountability Board on the final end of year position for the 2015/16 Local Growth Deal Capital Programme;
- Update the Accountability Board on the current position for the 2016/17 Local Growth Deal Capital Programme;
- Present the proposed future year spend for the programme; and
- Update the Accountability Board on the risk assessment of schemes in the programme, implications for LGF spend in 2016/17 and deliverability of the 5-year LGF programme.

2. Recommendations

2.1. The Board is asked to:

- **Note** the final Quarter 4 position of the Local Growth Deal Capital Programme (see Appendix 1 for dashboard position);
- **Note** the changes to projects as detailed in Appendix 2 for managing the forecast variances as set out in the latest position;
- **Note** the proposed future years indicative allocations (see Appendix 4);
- **Note** the deliverability assessment that has been undertaken on future years of the programme (see Appendix 5);
- **Note** the changes made under the 10% tolerance approach that do not require Accountability Board sign off (see Appendix 6); and
- **Note** the proposed approach to deliverability and risk assessment moving forward (see Appendix 7),
- **Note** the skills capital programme update (Appendix 8)

3. Supporting Detail

In support of this paper, appendices contain:

- Appendix 1: Programme summary dashboard, including headline summary of 2015/16 final underspend and risk;
- Appendix 2: Table showing movement in variances from last reported position (April 2016)
- Appendix 3: Detail of current position for all Local Growth Fund schemes
- Appendix 4: Schedule showing updated profile for 2016/17 following final application of option 4 swaps and indicative profiles for future years to note
- Appendix 5: Deliverability assessment
- Appendix 6: Changes made under the 10% tolerance level
- Appendix 7: Deliverability and Risk Assessment approach
- Appendix 8: Skills Capital Programme update

4. SELEP Capital Programme

4.1. At the November 2015 Accountability Board it was agreed that the options shown below in Table 1 2015/16 LGF Underspend Mitigation Options would be used to manage variances on the Local Growth Deal Capital Programme.

4.2. At the February 2016 Accountability Board the Board provided approval for additional underspends materialising in Q4 of 2015/ 16 to be treated as slippage through Option 4.

Table 1: 2015/16 LGF Underspend Mitigation Options

Option	Description	Implications for SELEP
Option 1 - Bringing forward LGF spend on schemes in the 15/16 capital programme	<ul style="list-style-type: none"> • Bring forward spend where delivery can be advanced and additional spend incurred in 15/16 • Re-profiling of spend between funding sources and years for LGF projects in 15/16 programme. Total project cost and LGF cost unchanged and • LGF funding brought forward to spend in 15/16 	<ul style="list-style-type: none"> • Bringing forward spend is appropriate programme management measure at LA / FA level. • For re-profiling there would need to be a process / assurance in place to ensure that equivalent non-LGF money deferred is recycled into LGF programme. • Low risk option as ITE approval exists, and schemes generally are in delivery phase.
Option 2 – Bringing forward of 16/17 LGF schemes to spend in 15/16	<ul style="list-style-type: none"> • Advancing delivery of projects due to start in 16/17 to 15/ 16. 	<ul style="list-style-type: none"> • Fits with principle of devolution to Federal Areas • New schemes would be subject to ITE / approvals (as exception). No release of LGF funding prior to ITE assessment. • Limited scope for Promoters to do this at this point in the programme. • Medium risk, as required to go through ITE approval and spend in remainder of 15/16.

Option	Description	Implications for SELEP
Option 3 - Transfer of LGF spend on schemes between Partner authorities.	<ul style="list-style-type: none"> LGF spend directed to Local Authorities with schemes that could spend over and above the 15/16 allocation. Could either be within FAs or across FAs. 	<ul style="list-style-type: none"> Option would demonstrate collaborative working across LEP. Option would include a mechanism for 'payback' in future years so the pot for each FA / LA unchanged. Low risk option as ITE approval exists, and schemes generally are in delivery phase.
Option 4 – Re-profiling of spend between LGF projects and Capital Programme projects	<ul style="list-style-type: none"> LGF funding would be spent on non-LGF capital programme projects. The Promoter would recycle its deferred funding back to the LGF pot, such that total LGF allocation unchanged (over the programme) 	<ul style="list-style-type: none"> Need process / assurance in place to ensure that equivalent non-LGF money deferred is recycled into LGF programme. Low risk, as Capital Programme not subject to ITE process, and schemes generally in delivery phase.

4.3. Through Steer Davies Gleave (acting in this case as Interim Capital Programme Manager), meetings have been held with scheme promoters. At each meeting, scheme by scheme consideration was undertaken, with the risk of spend slippage identified and possible mitigations discussed. The meetings covered the final 2015/16 position, the proposed 2016/17 programme and the future year programme.

4.4. A Programme Consideration Session was held on 8th April to:

- Confirm the final spend of 2015/16 LGF grant on schemes in flight in that year;
- Consider any implications of 2015/16 re-profiling on the 2016/17 programme, recognising the need to report both on the 2015/16 spend and provide confidence in the level of funding allocated and ability to deliver in 2016/17;
- Answer questions on particular schemes and the level of certainty in the short-term programme and hence ability to spend in 2016/17;
- Discuss the LGF schemes that each Promoter is looking to spend on in 2016/17, the planned quarterly spend profile for 16/17 and the annual spend profiles thereafter; and develop recommendations for the Accountability Board based on the above.

4.5. The final summary position for the 15/16 Programme can be seen in Table 2 below. Further detail can be found in the Dashboard at Appendix 1 (please note the Dashboard does not include Skills Capital monies).

Table 2: 2015/16 Final Position – Summary

Local Growth Schemes 2015/16 Final Position - Summary			
	Original Allocation	Actual Spend	Variance
	2015/16	2015/16	2015/16
	£	£	£
Round 1 Schemes - 2015/16 Start			
Skills Capital Programme	11,000,000	9,923,360	(1,076,640)
Non Transport Schemes	2,050,000	518,494	(1,531,506)
Transport Schemes	56,400,000	35,224,520	(21,175,480)
Position as at start of Quarter 1 16/17	69,450,000	45,666,374	(23,783,626)
Future year projects with spend to be brought forward	-	10,044,848	10,044,848
Revised position as at start of Quarter 1 16/17	69,450,000	55,711,222	(13,738,778)

4.6. The net final position for 2015/16 is an underspend of £23.78 million, equivalent to 33% of the grant allocation for the year. This includes an underspend of £1.1 million on the Skills Capital Programme. In the majority of cases this is due to slippage in the projects and the spend will be picked up in 2016/17. Details on the individual projects can be found in Appendix 3. Nine projects with future year starts brought forward spend of £10.04m into the 15/16 financial year. These projects each received a recommendation of approval from the Independent Technical Evaluator and subsequently gained approval from Accountability Board.

4.7. The underlying position for the Programme, excluding the Skills variance, is an underspend of £12.66m. Local partners have carried forward this amount using Option 4 whereby LGF monies are swapped out into local capital programmes in a given financial year and local partners fund the spend in next year. **This figure is £0.865m higher than presented in April** and is primarily due to further slippage on Kent schemes, in particular the M20 Junction 4 Overbridge and the Maidstone Gyratory Bypass. The underspend on the Skills Capital Programme element of LGF remains unchanged since April.

4.8. The Accountability Board is asked to note the individual changes from April as detailed in Appendix 2, and to note the £12.66m additional spend on 2016/17 or later starts, again with a reduction in spend in future years (Option 4).

5. 2016/17 and Future Years

5.1. Discussions have been held with local partners to develop the spend profile for future years based on the LGF allocations and the latest Promoter programmes for each project. This has been used to inform the development of a revised LGF programme, based on Promoters' programmes.

5.2. In 2016/17, Promoters expect to spend £84.74m of LGF funds. This number exceeds the annual allocation (£82.27m) by approximately £2.47m, as shown in

Table 3 below and at a scheme level in Appendices 3. Total expenditure on LGF projects is £98.48m, which includes ‘recycled’ spend that was swapped out of LGF into capital programme in 2015/16 (Option 4).

- 5.3. Approximately a third of LGF spend in 2016/17 (35%) will be undertaken by Kent. Forecast spend by Essex in 2016/17 is lower than previous indications as the authority has deferred spend on several projects until later years.

Table 3: 2016/17 Forecast Spend (£m)

Promoter/Scheme	Total Planned Spend in 2016/17 (as at Q1)	Of Which, Option 4 Recycle / Skills Carry Forward	LGF 2016/17 Spend	Confirmed 2016/17 LGF Allocation	Over / underspend
East Sussex	16.88	1.59	15.30		
Essex	9.70	6.36	3.34		
Kent	34.00	4.14	29.86		
Medway	5.77	0.00	5.77		
Southend	5.10	0.57	4.53		
Thurrock	12.95	0.00	12.95		
<i>Skills</i>	<i>12.08</i>	<i>1.08</i>	<i>11.00</i>		
<i>Housing Regeneration</i>	<i>2.00</i>		<i>2.00</i>		
Sub-Total	98.48	13.74	84.74	82.27	2.47
Centrally Held and Retained	5.20	0.00	5.20	5.20	
Total	103.68	13.74	89.94	87.47	2.47

- 5.4. The level of over-programming in 2016/17 is comparatively small (3.0% of the grant allocation) and given that there are likely to be changes in forecast spend profile during 2016/17, we do not recommend that any re-profiling is necessary or appropriate at this stage. Indeed, the risk assessment (covered under section 7) suggests that there is a degree of risk in the ability of Promoters to spend the LGF allocation. There is sufficient funding for all projects over the life of the programme.

- 5.5. The detailed profile for the future years of the programme can be found in Appendix 4.

- 5.6. The future year indicative profiles have also been discussed with Promoters. Currently the programme is funded on an annual basis with no multi-year agreement from Government. Therefore, each year will require sign-off on an annual basis but Accountability Board is asked to note the profiles for future years.

5.7. In addition to the over-programming in next financial year, it is currently thought that there may be approximately £8.3m headroom in the indicative allocations over the full course of the programme. The headroom is not available for allocation until the later years of the programme. Currently the risk of any overspends sits with the promoting authorities. Accountability Board may choose to hold the headroom to allow for increases in prices, especially those projects that are planned in later years. Given the announcement on LGF 3 it is now proposed that recommendations on how the headroom is allocated is considered as part of that process.

7. Deliverability and Risk Assessment

7.1. At the February Accountability Board it was requested that further information was provided to the Board on the deliverability and risk of all schemes in the LGF programme.

7.2. The risk assessment is intended to help SELEP and Federal Areas to understand the realism of the programme and key programme risks, and to manage the programme accordingly. The purpose is not to affect the priority or status of any particular scheme (many of the schemes that are higher risk may also be higher priority in their ability to deliver key policy outcomes). Rather, the exercise is intended to provide an overview, at a programme level, of the scale and nature of potential deliverability risks, and hence the consequent risk around the ability of SELEP (and Partners) to spend LGF funding to the planned profile. It is not intended to replace the internal risk assessments completed by Promoters for the purposes of their own programme management.

7.3. The risk assessment is updated quarterly, forms part of ongoing discussions with Promoters and is integrated into the SELEP programme management work.

7.4. Ongoing assessment of overall deliverability risk is being undertaken by the SELEP programme management team. This judges the deliverability risk associated with each scheme, and considers:

- *Specific project risks* - these relate to Public and Stakeholder Acceptability, Feasibility, Planning Risk, Cost Risk / Affordability / Funding, Value for Money, Complexity / Dependence, Flexibility of Scheme. A 'RAG' assessment has been made against each of these deliverability criteria.
- *Risk outcomes* - The impact of individual risks on overall deliverability risk in terms of key outcomes - these are also RAG rated:
 - Programme risk - what is the risk / likelihood that the scheme will be delivered later than planned?
 - Showstopper risk - what is the risk / likelihood that the scheme could be either cancelled or delayed beyond the LGF programme period - i.e. drop out of the programme?

7.5. In respect of programme risk, a material consideration for the Board is whether the 2016/17 LGF allocation is likely to be spent in the current financial year. Our assessment therefore looks at the individual project risks, and the profiling of expenditure within 2016/17 (specifically to identify whether spend is back-loaded in Q3 and Q4), to inform the programme risk.

7.6. The most recent Deliverability Risk assessment is presented in Appendix 6.

The headline results of the risk assessment are:

- Of the 54 schemes with forecast spend in 2016/17, 3 (6%) present a high programme risk, 28 (52%) present a medium programme risk and 23 (43%) present a low programme risk.
- Of the 13 schemes in the programme that are yet to spend, 2 (15%) present a high programme risk, 2 (15%) present a medium programme risk and 9 (70%) are a low programme risk.
- The schemes currently deemed high risk are:
 - 16/17 start
 - > **Ashford Spurs** (Kent) – funding gap
 - > **Dover Western Dock Revival** (Kent) – unresolved additionality issue
 - > **A28 Sturry Link Road** (Kent) – Developer match funding and planning risks
 - 17/18 start¹
 - > **Thanet Parkway** (Kent) – funding gap
 - > **Beaulieu Park Railway Station** (Essex) – complex rail project with several stakeholders

Figure 1, overleaf, shows the forecast spend associated with all schemes, split by programme risk level (Low, Medium, High) and quarter in 2016/17. It highlights that the majority of spend on all projects is weighted towards the end of the year.

¹ Since April Accountability Board, Westhanger Lorry Park has been removed from the programme. The DfT has confirmed that a larger lorry park option will be considered instead, in response to 'Operation Stack'.

Figure 1: Forecast scheme spend by programme risk level – 2016/17 split by quarter

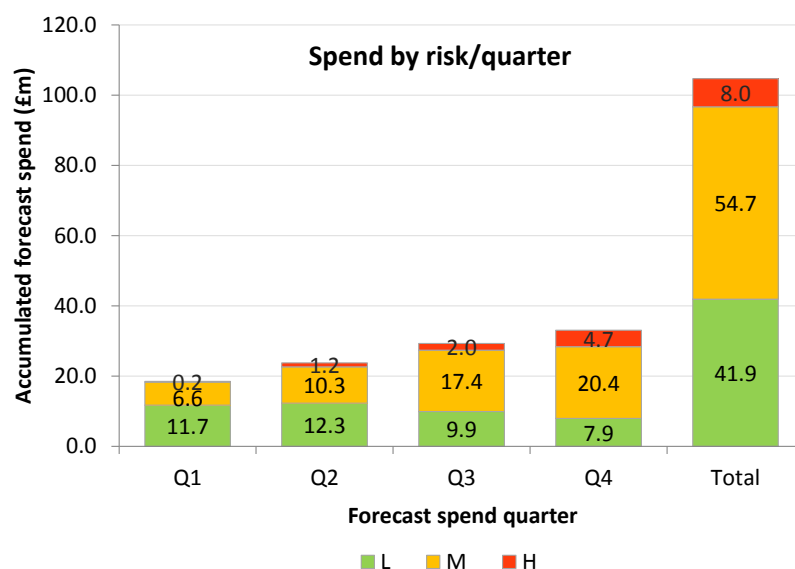


Figure 2, below, shows the forecast spend associated with all schemes, split by programme risk level (Low, Medium, High) and promoter. It shows that Kent is the only promoter with forecast spend on high risk schemes in 2016/17.

Figure 2: Forecast scheme spend by programme risk level – 2016/17 split by promoter

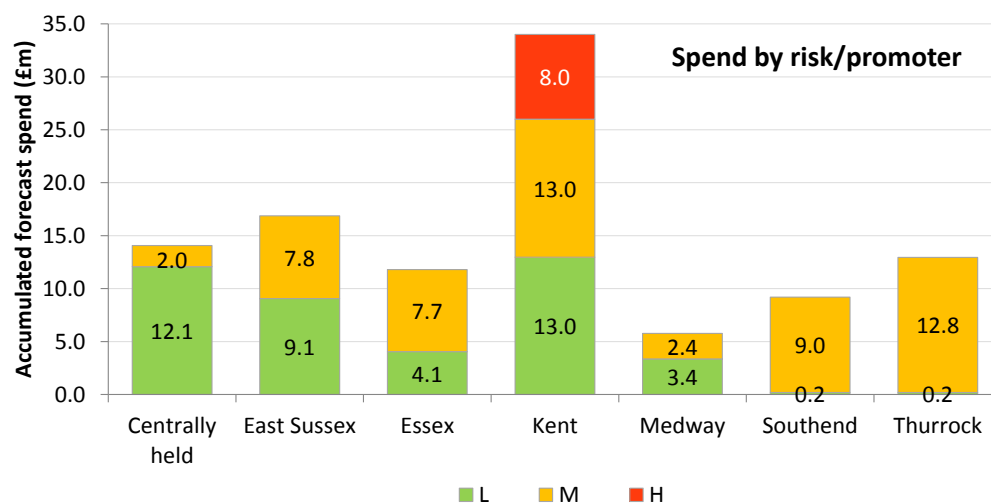
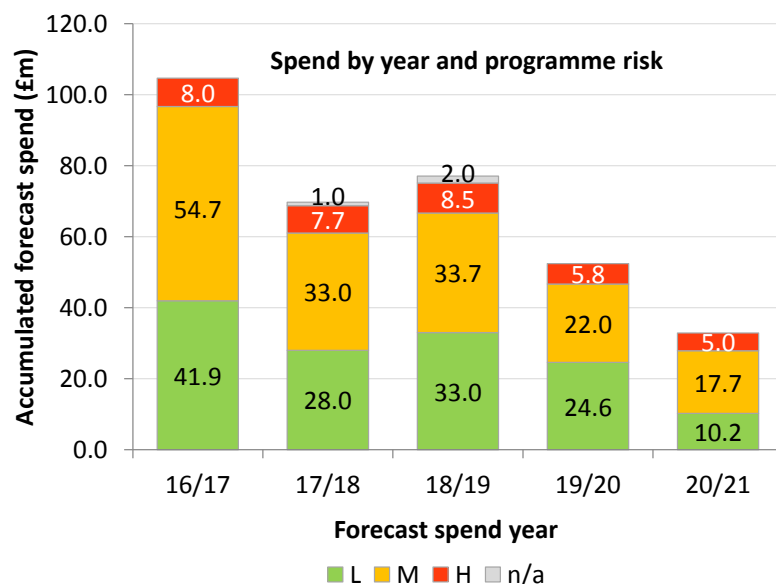


Figure 3, overleaf, shows the forecast spend associated with schemes in the overall programme, split by programme risk level (Low, Medium, High) and year.

Figure 3: Forecast scheme spend by programme risk level - 2016/17 to 2020/21



8. Financial Implications

8.1. There are some concerns as to the level of the slippage that has been incurred in year. In total, after mitigations, the slippage is equivalent to 19.8% of the original grant agreement. Whilst some projects have been brought forward there is a risk that the level of slippage will continue to accumulate in 2016/17, potentially creating a delivery risk in later years as the levels of activity stack up.

8.2. A lack of proven delivery ability may also adversely affect allocations made under the latest round of Local Growth Fund. A detailed report has been made available to the Accountability Board in this paper, updating on the final slippage carried forward from 2015/16.

9. Legal Implications

9.1. None at present

10. Staffing and other resource implications

10.1. None

11. Equality and Diversity implications

11.1. None

12. List of Appendices

- Appendix 1: Programme summary dashboard, including headline summary of 2015/16 final underspend and risk;
- Appendix 2: Table showing movement in variances from last reported position (April 2016)
- Appendix 3: Detail of current position for all Local Growth Fund schemes
- Appendix 4: Schedule showing proposed profile for 2016/17 and indicative profiles for future years to note
- Appendix 5: Deliverability assessment
- Appendix 6: Changes made under the 10% tolerance level
- Appendix 7: Deliverability and Risk Assessment approach
- Appendix 8: Skills Capital Programme update

(available at www.essex.gov.uk if not circulated with this report)

13. List of Background Papers

13.1. None

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

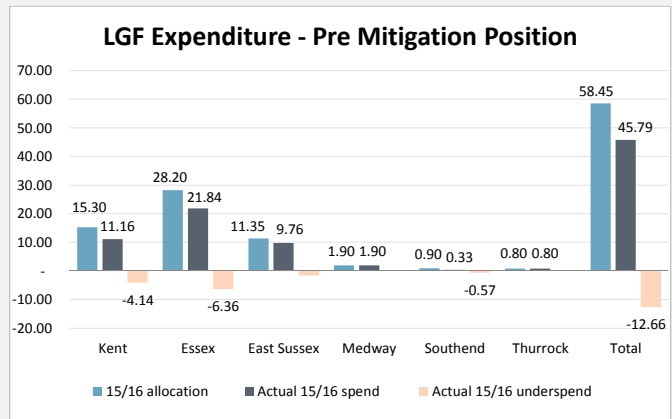
Role	Date
Accountable Body sign off Suzanne Bennett On behalf of Margaret Lee	31 st May 2016

LGF Expenditure - Pre Mitigation 2015/16 Position (Final)

	15/16 allocation	Actual 15/16 spend	Actual 15/16 underspend	Percentage underspend
Kent	15.30	11.16	- 4.14	-27.1%
Essex	28.20	21.84	- 6.36	-22.6%
East Sussex	11.35	9.76	- 1.59	-14.0%
Medway	1.90	1.90	0.00	0.0%
Southend	0.90	0.33	- 0.57	-63.5%
Thurrock	0.80	0.80	-	0.0%
Total	58.45	45.79	- 12.66	-21.7%

Commentary and Risk

Underspend vs. 15/16 allocation (£m)	12.662
Percentage of underspend vs. allocation	-21.7%

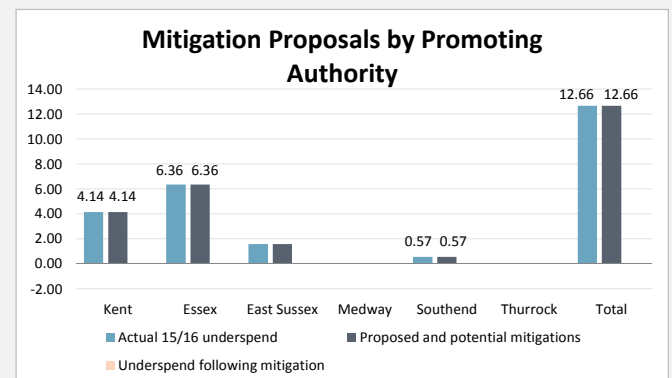


Proposed and Potential Mitigations, by Promoting Authority

	Actual 15/16 underspend	Proposed and potential mitigations	Underspend following mitigation	Mitigation vs forecast underspend
Kent	4.14	4.14	0.00	100%
Essex	6.36	6.36	0.00	100%
East Sussex	1.59	1.59	0.00	100%
Medway	0.00	0.00	0.00	0%
Southend	0.57	0.57	0.00	100%
Thurrock	0.00	0.00	0.00	0%
Total	12.66	12.66	0.00	100%

Commentary and Risk

Promoting authorities have sought to mitigate underspend within LA area. Forecast underspend fully mitigated based on Promoter proposals.

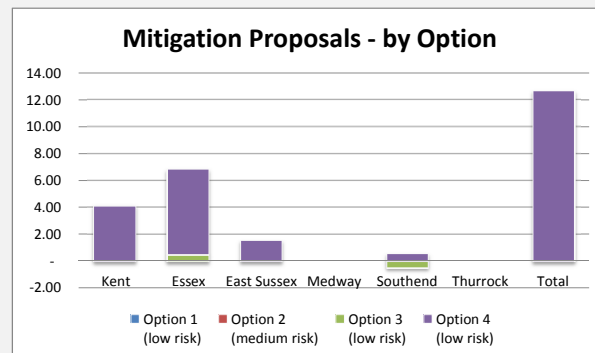


Breakdown of LGF Mitigation Proposals by Option (Q4)

	Option 1 (low risk)	Option 2 (medium risk)	Option 3 (low risk)	Option 4 (low risk)	Total
	Bringing forward LGF spend on schemes in the 15/16 capital programme	Bringing forward of 16/17 LGF schemes to spend in 15/16	Transfer of LGF between Partner Authorities	Re-profiling of spend between LGF projects and Capital Programme projects	
Kent	-	-	-	4.14	4.14
Essex	-	-	0.49	6.36	6.85
East Sussex	-	-	-	1.59	1.59
Medway	-	-	-	-	-
Southend	-	-	0.49	0.57	0.08
Thurrock	-	-	-	-	-
Total	-	-	-	12.66	12.66

Commentary and Risk

Slippage of LGF mitigated through transfer to Local Authority Capital Programme (to be returned to LGF next financial year)



Appendix 2

Local Growth Schemes Changes from Q4 Forecast to Actual

	Forecast variance Q4	Actual Variance	Movement
	2015/16	2015/16	2015/16
	£	£	£
2015/16 Starts with variances			
Newhaven Flood Defences	(450,000)	(450,000)	-
Southend Growth Hub (SCAAP)	(70,000)	(81,506)	(11,506)
Kent and Medway Growth Hub	(1,000,000)	(1,000,000)	-
Tonbridge Town Centre Regeneration	(192,000)	(167,379)	24,621
Sittingbourne Town Centre Regeneration	(2,155,000)	(2,155,493)	(493)
M20 Junction 4 Eastern Overbridge	(1,255,000)	(1,712,032)	(457,032)
A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells	(396,000)	(396,729)	(729)
Kent Thameside LSTF	(310,000)	(348,612)	(38,612)
Maidstone Gyratory Bypass	40,000	(295,714)	(335,714)
Kent Strategic Congestion Management programme	-	62,878	62,878
North Deal transport improvements	(400,000)	(400,000)	-
Kent Rights of Way improvement plan	-	(6,844)	(6,844)
Kent Sustainable Interventions programme	(336,000)	(356,738)	(20,738)
West Kent LSTF	4,000	-	(4,000)
Folkestone Seafront : onsite infrastructure and engineering works	-	33,000	33,000
Strood Town Centre Journey Time and Accessibility Enhancements	10,000	-	(10,000)
Chatham Town Centre Place-making and Public Realm Package	(139,000)	(129,000)	10,000
Medway Cycling Action Plan	129,000	129,000	-
Colchester LSTF	(990,000)	(1,089,000)	(99,000)
Colchester Integrated Transport Package	(916,000)	(673,000)	243,000
Colchester Town Centre	(3,861,000)	(4,045,000)	(184,000)
TGSE LSTF - Essex	(403,000)	(269,000)	134,000
A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	(1,934,000)	(1,230,000)	704,000
Chelmsford Station / Station Square / Mill Yard	(1,100,000)	(1,091,000)	9,000
Basildon Integrated Transport Package	863,000	545,980	(317,020)
Queensway Gateway Road	(8,317,000)	(8,580,797)	(263,797)
Colchester Park and Ride and Bus Priority measures	1,000,000	1,000,000	-
	(22,178,000)	(22,706,986)	(528,986)
Future schemes bought forward			
North Bexhill Access Road	6,410,000	6,410,000	-
Swallows Business Park	505,000	504,998	(2)
Sovereign Harbour Innovation Park	440,000	530,000	90,000
Maidstone Sustainable Access to Employment Areas	230,000	130,746	(99,254)
A28 Chart Road	1,000,000	885,143	(114,857)
A28 Sturry Road Integrated Transport Package	6,000	22,174	16,174
Rathmore Road Link, Gravesend	1,740,000	1,561,787	(178,213)
Maidstone Integrated Transport	50,000	-	(50,000)
	10,381,000	10,044,848	(336,152)
	(11,797,000)	(12,662,138)	(865,138)

Notes: Q1 Baseline provides starting point for 16/17 CPM
Expected - to be based on end Q1 returns.

SCHEME_SUMMARY

Centrally Held Schemes - Skills Capital

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline. Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE1	Skills Capital Programme	Held centrally	n/a		22.00	9.92	12.08	46%	12.08	0.0	

Centrally Held - Non-Transport & Retained Transport Schemes

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE37	A127 Fairglen Junction Improvements	DfT Retained Scheme	Essex	17.00	15.00	0.0	0.00	0%	0.0	0.0	
LGFSE40	A127 The Bell	DfT Retained Scheme	TGSE	5.02	4.30	0.0	0.00	0%	0.0	0.0	
tb23	M20 Junction 10a	Ashford BC	Kent & Medway	35.90	19.70	0.0	0.00	0%	0.0	0.0	
tb21	Housing Regeneration Project (Coastal Group)	Centrally held			2.00	0.0	2.00	50%	2.0	0.0	
SUMMARY				57.92	41.00	-	2.00	50%	-	-	

East Sussex Projects

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE2	Newhaven Flood Defences	East Sussex CC	East Sussex	9.000	1.500	0.300	0.800	50%	0.800	0.00	Led by EA
LGFSE23	Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	East Sussex CC	East Sussex	3.530	2.100	0.000	0.000	0%	0.000	0.00	
LGFSE24	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex CC	East Sussex	10.560	8.600	0.600	0.750	100%	0.750	0.00	
LGFSE35	Queensway Gateway Road (formerly A21 Barslow Link)	East Sussex CC	East Sussex	15.000	15.000	1.419	4.581	62%	4.581	0.00	
LGFSE51	North Bexhill Access Road	East Sussex CC	East Sussex	16.700	9.000	6.410	6.190	58%	6.190	0.00	Potential for any slippage to be spent on this scheme
LGFSE49	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex CC	East Sussex	1.400	1.400	0.505	0.895	36%	0.895	0.00	
LGFSE50	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex CC	East Sussex	1.700	1.400	0.530	1.170	0%	1.170	0.00	
tbcb2	Hastings and Bexhill junction capacity improvements package	East Sussex CC	East Sussex	7.450	6.000	0.000	0.000	0%	0.000	0.00	
tbcb3	Hastings and Bexhill LSTF walking and cycling package	East Sussex CC	East Sussex	7.700	6.000	0.000	0.000	0%	0.000	0.00	
tbcb4	Eastbourne town centre LSTF access & improvement package	East Sussex CC	East Sussex	10.900	6.000	0.000	2.495	50%	2.495	0.00	
tbcb5	A22/A27 junction improvement package	East Sussex CC	East Sussex	4.000	4.000	0.000	0.000	0%	0.000	0.00	
SUMMARY				83.940	51.000	9.764	16.881	51%	16.881	-	0.00

Essex Projects

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE4	Colchester Broadband Infrastructure	Essex CC	Essex	-	0.200	0.200	0.000	0%	0.000	0.00	
LGFSE25	Colchester LSTF	Essex CC	Essex	2.000	2.000	0.911	1.089	45%	1.089	0.00	
LGFSE26	Colchester Integrated Transport Package	Essex CC	Essex	13.000	5.000	1.527	0.000	0%	0.000	0.00	
LGFSE27	Colchester Town Centre (Formerly Integrated Transport Package A)	Essex CC	Essex	5.000	5.000	0.955	4.045	48%	4.045	0.00	
LGFSE28	TGSE LSTF - Essex	Essex CC	TGSE	5.000	3.000	2.131	0.869	0%	0.869	0.00	
LGFSE31	Harlow A414 Enterprise Package (A414 Pinch Point [First Avenue & Cambridge Rd junction] plus Harlow Enterprise Zone)	Essex CC	Essex	15.105	10.000	5.870	2.130	67%	2.130	0.00	
LGFSE32	A414 Maldon to Chelmsford RBS	Essex CC	Essex	3.990	2.000	1.000	1.000	50%	1.000	0.00	
LGFSE33	Chelmsford Station / Station Square / Mill Yard	Essex CC	Essex	7.900	3.000	0.409	1.566	50%	1.566	0.00	
LGFSE34	Basildon Integrated Transport Package	Essex CC	TGSE	13.000	9.000	1.546	0.000	0%	0.000	0.00	
LGFSE36	Colchester Park and Ride and Bus Priority measures	Essex CC	Essex	7.500	5.800	6.800	-1.000	0%	-1.000	0.00	
LGFSE38	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex CC <i>[Note funds held centrally by DfT]</i>	Essex	8.500	4.000	0.513	1.100	55%	1.100	0.00	
Transfer between ECC & Southend						0.490	0.000	0%	0.000	0.00	
tb8	A131 Chelmsford to Braintree	Essex CC	Essex	7.320	3.660	0.000	0.000	0%	0.000	0.00	
tb9	A414 Harlow to Chelmsford	Essex CC	Essex	7.320	3.660	0.000	0.000	0%	0.000	0.00	
tb10	A133 Colchester to Clacton	Essex CC	Essex	5.480	2.740	0.000	0.000	0%	0.000	0.00	
tb11	A131 Braintree to Sudbury	Essex CC	Essex	3.680	1.800	0.000	0.000	0%	0.000	0.00	
tb19	Chelmsford City Growth Area Scheme	Essex CC	Essex		10.000	0.000	0.000	0%	0.000	0.00	
tb20	Chelmsford Flood Alleviation Scheme	Essex CC	Essex		0.800	0.000	0.000	0%	0.000	0.00	
tb22	Beaulieu Park Railway Station	Essex CC	Essex	34.000	12.000	0.000	0.000	0%	0.000	0.00	
SUMMARY				138.795	83.660	22.352	10.799	45%	10.799	-	
										0.00	

Kent Projects

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE3	Kent and Medway Growth Hub	Kent CC	Kent & Medway	-	6.000	0.000	2.000	26%	2.000	0.00	
LGFSE6	Tonbridge Town Centre Regeneration	Kent CC	Kent & Medway	6.680	2.400	1.833	0.567	31%	0.567	0.00	
LGFSE7	Sittingbourne Town Centre Regeneration	Kent CC	Kent & Medway	4.500	2.500	0.345	2.155	74%	2.155	0.00	
LGFSE8	M20 Junction 4 Eastern Overbridge	Kent CC	Kent & Medway	4.810	2.200	0.488	1.712	21%	1.712	0.00	
LGFSE9	A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells	Kent CC	Kent & Medway	2.050	1.800	0.603	0.197	51%	0.197	0.00	
LGFSE10	Kent Thameside LSTF	Kent CC	Kent & Medway	7.650	4.500	2.051	0.849	87%	0.849	0.00	
LGFSE11	Maidstone Gyrotory Bypass	Kent CC	Kent & Medway	5.740	4.600	0.704	3.896	61%	3.896	0.00	
LGFSE12	Kent Strategic Congestion Management programme	Kent CC	Kent & Medway	4.800	4.800	0.863	0.737	41%	0.737	0.00	
LGFSE13	North Deal transport improvements	Kent CC	Kent & Medway	1.550	0.800	0.000	0.800	63%	0.800	0.00	
LGFSE14	Kent Rights of Way improvement plan	Kent CC	Kent & Medway	1.300	1.000	0.193	0.207	48%	0.207	0.00	
LGFSE15	Kent Sustainable Interventions programme	Kent CC	Kent & Medway	3.000	3.000	0.143	0.538	68%	0.538	0.00	Spend reduced on this scheme to fund overspend on Folkestone Seafront
LGFSE16	West Kent LSTF	Kent CC	Kent & Medway	9.060	4.900	0.800	1.400	86%	1.400	0.00	
LGFSE17	Folkestone Seafront : onsite infrastructure and engineering works	Kent CC	Kent & Medway	0.500	0.500	0.533	0.000	0%	0.000	0.00	See KSIP
LGFSE47	Maidstone Sustainable Access	Kent CC	Kent & Medway	3.000	2.000	0.131	1.869	59%	1.869	0.00	
LGFSE46	A28 Sturry Rd Integrated Transport Package	Kent CC	Kent & Medway	0.550	0.300	0.022	0.024	100%	0.024	0.00	Location of works moving
LGFSE42	A28 Chart Road	Kent CC	Kent & Medway	32.800	10.200	0.885	1.115	50%	1.115	0.00	
LGFSE44	A28 Sturry Link Road	Kent CC	Kent & Medway	28.600	5.900	0.000	1.000	55%	1.000	0.00	
LGFSE45	Rathmore Road	Kent CC	Kent & Medway	9.500	4.200	1.562	2.638	52%	2.638	0.00	
LGFSE43	Maidstone Integrated Transport	Kent CC	Kent & Medway	15.800	8.900	0.000	1.300	69%	1.300	0.00	
LGFSE48	Ashford Spurs	Kent CC	Kent & Medway	10.500	2.000	0.000	2.000	100%	2.000	0.00	
tbcl	Thanet Parkway	Kent	Kent & Medway	26.000	10.000	0.000	0.000	0%	0.000	0.00	
tbcl5	Dover Western Dock Revival	Kent	Kent & Medway		5.000	0.000	5.000	82%	5.000	0.00	
tbcl6	Westhanger Lorry Park	Kent	Kent & Medway		3.000	0.000	0.000	0%	0.000	0.00	Request for funds to be transferred to Ashford
tbcl8	Folkestone Seafront (non-transport)	Kent	Kent & Medway		5.000	0.000	4.000	50%	4.000	0.00	
tbcl24	A226 London Road/B255 St Clements Way	Kent	Kent & Medway		4.200	0.000	0.000	0%	0.000	0.00	
SUMMARY				178.390	99.700	11.156	34.004	61%	34.004	-	0.00

Medway Projects

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE18	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	Kent & Medway	18.600	11.100	0.500	1.100	77%	1.100	0.00	Delayed planning application
LGFSE19	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	Kent & Medway	10.000	9.000	0.200	1.250	30%	1.250	0.00	
LGFSE20	Chatham Town Centre Place-making and Public Realm Package	Medway	Kent & Medway	6.900	4.000	0.871	0.818	19%	0.818	0.00	
LGFSE21	Medway Cycling Action Plan	Medway	Kent & Medway	3.000	2.500	0.229	1.000	50%	1.000	0.00	
LGFSE22	Medway City Estate Connectivity Improvement Measures	Medway	Kent & Medway	2.000	2.000	0.100	0.300	18%	0.300	0.00	
tbcl7	Rochester Airport	Medway	Kent & Medway		4.400	0.000	1.300	100%	1.300	0.00	Coming to June AB
SUMMARY				40.500	33.000	1.900	5.768	49%	5.768	-	
										0.00	

Southend Projects

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE5	Southend Growth Hub	Southend	TGSE	-	6.720	0.018	0.702	87%	0.702	0.00	
LGFSE29	TGSE LSTF - Southend	Southend	TGSE	-	1.000	0.800	0.200	0%	0.200	0.00	
LGFSE39	A127 Kent Elms Corner	Southend <i>[Note funds held centrally by DfT]</i>	TGSE	5.020	4.300	0.500	3.800	79%	3.800	0.00	
LGFSE41	A127 Essential Bridge and Highway Maintenance - Southend	Southend <i>[Note funds held centrally by DfT]</i>	TGSE	8.000	8.000	0.400	0.300	100%	0.300	0.00	Possible virement of £880k from this scheme to Kent Elms
tbcs	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	TGSE	11.900	7.000	0.000	1.000	90%	1.000	0.00	
tbcs14	Southend and Rochford Joint Area Action Plan (Essex project)	Essex CC	Essex		3.200	0.000	3.200	83%	3.200	0.00	
SUMMARY				24.920	30.220	1.718	9.202	73%	9.202	-	
										0.00	

Thurrock Projects

Note: A13 listed under retained schemes

LOGAS Code	Scheme Name	Promoter	Federal Area	Total scheme cost	Total LGF cost	Actual 15/16	Q1 Baseline - Planned LGF spend in 16/17 (£m). Based on Annual Allocation + Spend of Virement	% Spend in Q3 & Q4	Expected / Planned Spend for 16/17 (at early Q1)	Variance	Notes
LGFSE30	TGSE LSTF - Thurrock	Thurrock	TGSE	5.00	1.000	0.800	0.200	0%	0.200	0.00	
tb6	Thurrock Cycle Network	Thurrock	TGSE	6.13	5.000	0.000	1.750	50%	1.750	0.00	
tb67	London Gateway/Stanford le Hope	Thurrock	TGSE	12.05	7.500	0.000	1.000	100%	1.000	0.00	
tb613	Purfleet Centre	Thurrock	TGSE		5.000	0.000	5.000	100%	5.000	0.00	
tb612	A13 Widening - development	Thurrock (retained)	TGSE	90.00	5.00	0.0	5.00	50%	5.0	0.0	Possible abortive costs
SUMMARY				113.180	23.500	0.800	12.950	60%	12.950	0.000	
										0.00	

END

Local Growth Schemes													
All Years Spending Profile - as at 18th May 2016													
			Transferring to	Status	2015/16 - ACT	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Original total	Difference
					£	£	£	£	£	£	£	£	£
SELEP Ref Gov Ref Projects in flight (with adjustments for 15/16 mitigations)													
LGFO0001	LGFS01	Skills Capital Programme	Held centrally	Approved	9,923,360.00	12,076,640	-	-	-	-	22,000,000	22,000,000	-
LGFO0002	LGFS02	Newhaven Flood Defences	East Sussex CC	Approved	300,000.00	800,000	400,000	-	-	-	1,500,000	1,500,000	-
LGFO0003	LGFS03	Kent and Medway Growth Hub	Kent CC	Approved	-	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000	6,000,000	-
LGFO0004	LGFS04	Colchester Broadband Infrastructure	Essex CC	Approved	200,000.00	-	-	-	-	-	200,000	200,000	-
LGFO0005	LGFS05	Southend SCAAP - Non Transport	Southend	Approved	18,494.00	701,506	2,000,000	2,000,000	2,000,000	-	6,720,000	6,720,000	-
LGFO0006	LGFS06	Tonbridge Town Centre Regeneration	Kent CC	Approved	1,832,621.00	567,379	-	-	-	-	2,400,000	2,400,000	-
LGFO0007	LGFS07	Sittingbourne Town Centre Regeneration	Kent CC	Approved	344,507.00	2,155,493	-	-	-	-	2,500,000	2,500,000	-
LGFO0008	LGFS08	M20 Junction 4 Eastern Overbridge	Kent CC	Approved	487,969.00	1,712,032	-	-	-	-	2,200,000	2,200,000	-
LGFO0010	LGFS10	Kent Thameside LSTF	Kent CC	Approved	2,051,388.00	848,612	500,000	400,000	400,000	300,000	4,500,000	4,500,000	-
LGFO0011	LGFS11	Maidstone Gynostory Bypass	Kent CC	Approved	704,286.00	3,895,714	-	-	-	-	4,600,000	4,600,000	-
LGFO0013	LGFS13	North Deal transport improvements	Kent CC	Approved	-	800,000	-	-	-	-	800,000	800,000	-
LGFO0017	LGFS17	Folkstone Seafloor - onshore infrastructure and engineering works	Kent CC	Approved	533,000.00	-	-	-	-	-	533,000	500,000	33,000
LGFO0018	LGFS18	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	Approved	500,000.00	1,100,000	4,500,000	5,000,000	-	-	11,100,000	11,100,000	-
LGFO0019	LGFS19	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	Approved	200,000.00	1,250,000	4,000,000	3,500,000	-	-	9,000,000	9,000,000	-
LGFO0020	LGFS20	Chatham Town Centre Place-making and Public Realm Package	Medway	Approved	871,000.00	818,000	2,311,000	-	-	-	4,000,000	4,000,000	-
LGFO0021	LGFS21	Medway Cycling Action Plan	Medway	Approved	225,000.00	1,000,000	1,271,000	-	-	-	2,500,000	2,500,000	-
LGFO0022	LGFS22	Medway City Estate Connectivity Improvement Measures	Medway	Approved	100,000.00	300,000	800,000	800,000	-	-	2,000,000	2,000,000	-
LGFO0023	LGFS23	Halsham/Polegate/Eastbourne Sustainable Transport Corridor	East Sussex CC	Approved	-	-	2,100,000	-	-	-	2,100,000	2,100,000	-
LGFO0025	LGFS25	Colchester LSTF	Essex CC	Approved	911,000.00	1,089,000	-	-	-	-	2,000,000	2,000,000	-
LGFO0026	LGFS26	Colchester Integrated Transport Package	Essex CC	Approved	1,527,000.00	-	1,615,000	1,858,000	-	-	5,000,000	5,000,000	-
LGFO0027	LGFS27	Colchester Town Centre	Essex CC	Approved	855,000.00	4,045,000	-	-	-	-	5,000,000	5,000,000	-
LGFO0028	LGFS28	TGSE LSTF - Essex	Essex CC	Approved	2,131,000.00	869,000	-	-	-	-	3,000,000	3,000,000	-
LGFO0029	LGFS29	TGSE LSTF - Southend	Southend	Approved	800,000.00	200,000	-	-	-	-	1,000,000	1,000,000	-
LGFO0030	LGFS30	TGSE LSTF - Thurrock	Thurrock	Approved	800,000.00	200,000	-	-	-	-	1,000,000	1,000,000	-
LGFO0031	LGFS31	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex CC	Approved	5,870,000.00	2,130,000	2,000,000	-	-	-	10,000,000	10,000,000	-
LGFO0032	LGFS32	A414 Maidston to Chelmsford RBS	Essex CC	Approved	1,005,000.00	1,000,000	-	-	-	-	2,000,000	2,000,000	-
LGFO0033	LGFS33	Chelmsford Station / Station Square / Mill Yard	Essex CC	Approved	409,000.00	1,566,000	1,025,000	-	-	-	3,000,000	3,000,000	-
LGFO0034	LGFS34	Basildon Integrated Transport Package	Essex CC	Approved	1,545,980.00	-	1,868,000	1,868,000	1,868,000	1,850,020	9,000,000	9,000,000	-
LGFO0036	LGFS36	Queneyway Gateway Road	East Sussex CC	Approved	1,419,203.00	4,580,797	-	-	-	-	6,000,000	15,000,000	(9,000,000)
LGFO0037	LGFS36	Colchester Park and Ride and Bus Priority measures	Essex CC	Approved	6,800,000.00	(1,000,000)	-	-	-	-	5,800,000	5,800,000	-
Total					42,463,897	44,765,173	25,330,000	16,476,000	5,268,000	3,150,020	137,453,000	146,420,000	(8,967,000)
Projects in flight - 1 year approval only													
LGFO0009	LGFS09	A26 London Rd/ Speldhurst Rd/ New Tree Rd/ Tun Wells	Kent CC	Approved - 1st yr only	603,271	196,729	1,000,000	-	-	-	1,800,000	1,800,000	-
LGFO0012	LGFS12	Kent Strategic Congestion Management programme	Kent CC	Approved - 1st yr only	862,878	737,122	800,000	800,000	800,000	800,000	4,800,000	4,800,000	-
LGFO0014	LGFS14	Kent Rights of Way improvement plan	Kent CC	Approved - 1st yr only	193,156	206,844	150,000	150,000	150,000	150,000	1,000,000	1,000,000	-
LGFO0015	LGFS15	Kent Sustainable Interventions programme	Kent CC	Approved - 1st yr only	143,282	537,738	600,000	600,000	586,000	500,000	2,967,000	3,000,000	(33,000)
LGFO0016	LGFS16	West Kent LSTF	Kent CC	Approved - 1st yr only	800,000	1,400,000	700,000	700,000	700,000	600,000	4,900,000	4,900,000	-
LGFO0024	LGFS24	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex CC	Approved - 1st yr only	600,000	750,000	500,000	1,750,000	2,500,000	2,500,000	8,600,000	8,600,000	-
Total					3,202,567	3,828,433	3,750,000	4,000,000	4,736,000	4,550,000	24,067,000	24,100,000	(33,000)
Projects in flight - brought forward for approval early													
LGFO0085	LGFS51	North Beethill Access Road	East Sussex CC	Approved	6,410,000	6,190,000	4,000,000	-	-	-	16,600,000	5,000,000	11,600,000
LGFO0086	LGFS49	Seafloes Business Park	East Sussex CC	Approved	504,996	895,002	-	-	-	-	1,400,000	1,400,000	-
LGFO0067	LGFS60	Sovereign Harbour Innovation Park/Strategic Infrastructure	East Sussex CC	Approved	530,000	1,170,000	-	-	-	-	1,700,000	1,700,000	-
LGFO0095	LGFS47	Maistone Sustainable Access to Employment Areas	Kent CC	Approved	130,746	1,869,254	-	-	-	-	2,000,000	2,000,000	-
LGFO0054	LGFS46	A28 Sturry Road Integrated Transport Package	Kent CC	Approved	22,174	23,626	254,000	-	-	-	300,000	300,000	-
LGFO0038	LGFS42	A28 Chart Road	Kent CC	Approved	885,143	1,114,859	1,000,000	5,999,998	1,200,000	-	10,200,000	10,200,000	-
LGFO0053	LGFS45	Rathmore Road Link, Gravesend	Kent CC	Approved	1,561,787	2,638,213	-	-	-	-	4,200,000	4,200,000	-
LGFO0039	LGFS43	Medstone Integrated Transport	Kent CC	Approved - Feb 1 yr only	-	1,300,000	2,000,000	2,000,000	3,600,000	-	8,900,000	8,900,000	-
Total					10,644,848	15,201,154	7,254,000	7,999,998	4,800,000	-	45,300,000	33,700,000	11,600,000
Later starts not yet brought forward													
LGFO0041		Thurst Parway	Kent CC	Not approved	-	-	4,000,000	6,000,000	-	-	10,000,000	10,000,000	-
LGFO0040	LGFS44	Sturry Link Road	Kent CC	Not approved	-	1,000,000	2,450,000	2,450,000	-	-	5,900,000	5,900,000	-
LGFO0042		Hastings and Beethill junction capacity improvements package	East Sussex CC	Not approved	-	-	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000	6,000,000	-
LGFO0043		Hastings and Beethill LSTF walking and cycling package	East Sussex CC	Not approved	-	-	2,000,000	2,000,000	2,000,000	2,000,000	6,000,000	6,000,000	-
LGFO0044		Eastbourne town centre LSTF access & improvement package	East Sussex CC	Not approved	-	2,495,000	505,000	1,500,000	1,500,000	-	6,000,000	6,000,000	-
LGFO0045		Southend and Rochford SCAAP (Southend Central Area Action Plan) - Transport Package	Southend	Not approved	-	1,000,000	2,000,000	2,000,000	2,000,000	-	7,000,000	7,000,000	-
LGFO0046		Thurrock Cycle Network	Thurrock	Not approved	-	1,750,000	1,750,000	1,500,000	-	-	5,000,000	5,000,000	-
LGFO0047		London Gateway/Stanford le Hope	Thurrock	Not approved	-	1,000,000	2,000,000	3,000,000	1,000,000	500,000	7,500,000	7,500,000	-
LGFO0048		A131 Chelmsford to Braintree	Essex CC	Not approved	-	-	1,830,000	1,830,000	-	-	3,660,000	3,660,000	-
LGFO0049		A414 Harlow to Chelmsford	Essex CC	Not approved	-	-	1,830,000	1,830,000	-	-	3,660,000	3,660,000	-
LGFO0050		A133 Colchester to Clacton	Essex CC	Not approved	-	-	1,370,000	1,370,000	-	-	2,740,000	2,740,000	-
LGFO0051		A131 Braintree to Sudbury	Essex CC	Not approved	-	-	-	-	900,000	900,000	1,800,000	1,800,000	-
LGFO0052		A13 Widening - development	Thurrock	Not approved	-	5,000,000	-	-	-	-	5,000,000	5,000,000	-
LGFO0056		Purfleet Centre	Thurrock	Not approved	-	5,000,000	-	-	-	-	5,000,000	5,000,000	-
LGFO0057		Southend and Rochford Joint Area Action Plan (Airport)	Southend	Not approved	-	3,200,000	-	-	-	-	3,200,000	3,200,000	-
LGFO0058		Dover Western Dock Revival	Kent CC	Not approved	-	5,000,000	-	-	-	-	5,000,000	5,000,000	-
LGFO0059	LGFS48	Ashford International Rail Connectivity (Ashford Spurs)	Kent CC	Not approved	-	2,000,000	-	-	-	-	2,000,000	2,000,000	-
LGFO0060		Westhanger Lorry Park	Kent CC	Not approved	-	-	1,000,000	2,000,000	-	-	3,000,000	3,000,000	-
LGFO0061		Rochester Airport	Medway	Not approved	-	1,300,000	3,100,000	-	-	-	4,400,000	4,400,000	-
LGFO0062		Folkstone Seafloor	Kent CC	Not approved	-	4,000,000	1,000,000	-	-	-	5,000,000	5,000,000	-
LGFO0063		Chelmsford City Growth Area Scheme	Essex CC	Not approved	-	-	1,000,000	3,500,000	5,500,000	-	10,000,000	10,000,000	-
LGFO0064		Chelmsford Flood Alleviation Scheme	Essex CC	Not approved	-	-	800,000	-	-	-	800,000	800,000	-
LGFO0065		Beethill Enterprise Park - now subsumed within North Beethill Access Rd	East Sussex CC	Not approved	-	-	-	-	-	-	2,600,000	(2,600,000)	-
LGFO0068		Havering Regeneration Project (Coastal Group)	Held Centrally	Not approved	-	2,000,000	-	-	-	-	2,000,000	2,000,000	-
LGFO0070		Beaulieu Park Railway Station	Essex CC	Not approved	-	-	1,250,000	-	5,750,000	5,000,000	12,000,000	12,000,000	-
LGFO0071		M20 Junction 10a	Held centrally	Not approved	-	-	8,300,000	11,400,000	-	-	19,700,000	19,700,000	-
LGFO0072		A201 Lewdon Road/RB55 St Clements Way	Kent CC	Not approved	-	-	1,100,000	-	3,100,000	-	4,200,000	4,200,000	-
LGFO0073		A25/A27 junction improvement package	East Sussex CC	Not approved	-	-	-	2,000,000	2,000,000	2,000,000	4,000,000	4,000,000	-
Total					-	34,745,000	31,685,000	43,780,000	28,450,000	11,900,000	150,560,000	153,160,000	(2,600,000)
Grand total					55,711,222	98,479,766	68,076,000	72,255,998	43,254,000	19,600,020	357,380,000	357,380,000	-
Total grant funding (15/16) (indicative funding (future years))					68,450,000	82,270,227	68,175,467	72,365,037	45,002,319	28,422,319	365,685,369		
Funding gaps to local partner programmes (should be net nil)					-12,682,138	12,682,138	-	-	-	-	-	-	-
Skills levy forward					-1,076,640	1,076,640	-	-	-	-	-	-	-
Difference					-	2,475,755	-96,457	-169,039	-1,749,319	-8,822,299	-8,305,349		
Retained Schemes													
LGFO0038	LGFS38	A127 Road Safety and Network Resilience Package	Essex CC	Approved - DfT	513,000	1,100,000	500,000	400,000	1,400,000	-	3,913,000	</	

Deliverability and Risk

Risk & Deliverability Assessment														Overall Risk Assessment				
Project Number	Project Name	Promoter	Public & Stakeholder Acceptability - Assessment	Comment	Feasibility - Assessment	Comment	Planning Risk (securing of powers & consents) - Assessment	Comment	Cost Risk / Affordability / Funding - Assessment	Comment	VFM Risk - Assessment	Comment	Complexity / Dependence / Flexibility of Scheme - Assessment	Comment	Showstopper Risk	Comment	Programme risk	Comment
LGFS1	Skills Capital Programme	Centrally held	L		L		L		L		L		L		L	Being implemented	L	
LGFS2	Newhaven Flood Defences	East Sussex	L		L		L		L		L		L		L	Being implemented	L	
LGFS3	Kent and Medway Growth Hub	Kent	L		L		L		L	Contracts confirmed	L		L		L	To be implemented 16/17	L	Slippage from 15/16 to 16/17, but should be able to spend within 16/17.
LGFS4	Colchester Broadband Infrastructure	Essex													n/a	Complete	n/a	Complete
LGFS5	Southend Growth Hub	Southend	M	Delay due to Clean Air Act	L		L		L		L		L		L	Being implemented	M	Backloaded spend in 16/17
LGFS6	Tonbridge Town Centre Regeneration	Kent	L		L		L		L		L		L		L	Being implemented	L	Slippage from 15/16 to 16/17, but should be able to spend within 16/17.
LGFS7	Sittingbourne Town Centre Regeneration	Kent	L		L		L		L		L		L		L	Being implemented	M	Backloaded spend in 16/17
LGFS8	M20 Junction 4 Eastern Overbridge	Kent	L		L		L		L		L		L		L	Being implemented	L	Slippage from 15/16 to 16/17, but should be able to spend within 16/17.
LGFS9	A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells	Kent	L		L		M	Need to secure land acquisition	L		M	Change to scope may need to go through ITE	L		L	Being implemented	M	Land acquisition and change of scope could delay progress
LGFS10	Kent Thameside LSTF	Kent	L		L		L		M	KCC report that Arney quote is higher than anticipated	L		L		L	Being implemented	M	Backloaded spend in 16/17
LGFS11	Maidstone Gyrotory Bypass	Kent			L		M	Awaiting legal agreement with Maidstone	L		L		L		L	Being implemented	M	Backloaded spend in 16/17
LGFS12	Kent Strategic Congestion Management programme	Kent	L		L		L		L		M	As BCs provided by year, ITE unable to confirm VFM	L		L	Being implemented	L	
LGFS13	North Deal transport improvements	Kent	L		L		L		L		L		L	3rd party delivery	L	Business case not ready for spending in 15/16 - moved back to 16/17 start	M	Backloaded spend in 16/17
LGFS14	Kent Rights of Way improvement plan	Kent	L		L		L		L		M	As BCs provided by year, ITE unable to confirm VFM	L		L	Being implemented	L	
LGFS15	Kent Sustainable Interventions programme	Kent	M	Risk around consultation (cycle elements)	L		L		L		M	As BCs provided by year, ITE unable to confirm VFM	L		L	Being implemented	M	Backloaded spend in 16/17
LGFS16	West Kent LSTF	Kent	L		L		L		L		M	As BCs provided by year, ITE unable to confirm VFM	L		L	Being implemented	M	Backloaded spend in 16/17
LGFS17	Folkestone Seafront : onsite infrastructure and engineering works	Kent													n/a	Complete	n/a	Complete
LGFS18	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	L		L		M	Delay to planning application until June	L		L		L		L	Being implemented	M	Backloaded spend in 16/17. Planning risk.
LGFS19	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	L		L		L		L		L		L		L	Being implemented	L	
LGFS20	Chatham Town Centre Place-making and Public Realm Package	Medway	L		L		L		L		L		L		L	Being implemented	L	
LGFS21	Medway Cycling Action Plan	Medway	L		L		L		L		L		L		L	Being implemented	L	
LGFS22	Medway City Estate Connectivity Improvement Measures	Medway	L		L		L		L		L		L		L	Being implemented	L	
LGFS23	Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	East Sussex	M	Risk around consultation	L		L		L	tbc, but should be scalable	L	VFM uncertain, but probably good VFM	L		L	To be implemented 17/18	L	Some programme risk related to consultation, but planned implementation in 17/18 provides scope to manage programme.
LGFS24	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	L		L		L		L		L		M	New Highways contract > possible timescale risk	L	Being implemented	M	New Highways contract > possible timescale risk. Backloaded spend in 16/17.
LGFS25	Colchester LSTF	Essex	M	Risk around consultation (cycle elements)	L		L		L		L		L		L	Being implemented	L	Slippage from 15/16 to 16/17, but should be able to spend within 16/17.
LGFS26	Colchester Integrated Transport Package	Essex	M	Risk around consultation	L		L		L	tbc, but should be scalable	L		L		L	Being implemented	L	Spend deferred to 17/18, so programme risk should be mitigated through longer scheme development phase
LGFS27	Colchester Town Centre	Essex	H	Delay caused by consultation re: Lexdon Rd Bus Lane element	L		M		L		M		L		L	Some risk around scheme element (Lexden Rd).	M	Potential consultation delay

Project Number	Project Name	Promoter	Public & Stakeholder Acceptability - Assessment	Comment	Feasibility - Assessment	Comment	Planning Risk (securing of powers & consents) - Assessment	Comment	Cost Risk / Affordability / Funding - Assessment	Comment	VFM Risk - Assessment	Comment	Complexity / Dependence / Flexibility of Scheme - Assessment	Comment	Showstopper Risk	Comment	Programme risk	Comment
LGFE28	TGSE LSTF - Essex	Essex	L		L		L		M	RTI element may be deemed to be revenue rather than capital (hence not eligible for LGF)	L		L		L	Being implemented	L	Slippage from 15/16 to 16/17, but should be able to spend within 16/17.
LGFE29	TGSE LSTF - Southend	Southend	L		L		L		L		L		L		L	Being implemented	L	
LGFE30	TGSE LSTF - Thurrock	Thurrock	L		L		L		L		L		L		L	Being implemented	L	
LGFE31	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	M		M		M		M		M		M	Delay in procurement. Complex project being procured for Design and Build	M	Risk until tender exercise is completed later in the year (Nov)	M	Backloaded spend in 16/17
LGFE32	A414 Maldon to Chelmsford RBS	Essex	L		L		L		L		L		L		L	Being implemented	L	
LGFE33	Chelmsford Station / Station Square / Mill Yard	Essex	M	Delays due to complexity	L		L		L		L		H	Complex delivery - ECC, NR and TOC	M	Complex project	M	Potential delivery risk due to complexity
LGFE34	Basildon Integrated Transport Package	Essex	L		L		L		L		L		M	Delays to forecourt works	L	Being implemented	L	No LGF spend forecast until 17/18
LGFE35	Queensway Gateway Road	East Sussex	L	Consultation complete	L		L	Judicial review threat no longer present	L		L		L		L	Judicial review threat no longer present	M	Backloaded spend in 16/17
LGFE36	Colchester Park and Ride and Bus Priority measures	Essex													n/a	Complete	n/a	Complete
LGFE37	A127 Fairglen Junction Improvements	Essex (retained)	M	tbc	L		M	tbc	M	Some cost uncertainty	M	VFM uncertain	L	tbc	L	tbc - but unlikely to be showstopper risks	M	DTT / HE processes and planning (tbc) present programme risks
LGFE38	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex (retained)	L		L		L		L		L		L		L	Being implemented	L	
LGFE39	A127 Kent Elms Corner	Southend (retained)	M	Public Consultation ended at beginning of May. Report being produced. A scheme is broadly accepted	L		M	Transferr of private Land to Highway	M	Final cost uncertainty as scheme to be selected	L		L	Scheme option selection underway	L	tbc - but unlikely to be showstopper risks	M	Backloaded spend in 16/17
LGFE40	A127 The Bell	Southend (retained)	M	tbc	L		M	tbc	M	Some cost uncertainty	M	VFM uncertain	L	tbc	L	tbc - but unlikely to be showstopper risks	L	No LGF spend forecast until 17/18
LGFE41	A127 Essential Bridge and Highway Maintenance - Southend	Southend (retained)	M	tbc	L		M	tbc but not expected	M	Some cost uncertainty	M	VFM uncertain	L	tbc	L	tbc - but unlikely to be showstopper risks	M	Backloaded spend in 16/17
LGFE42	A28 Chart Road	Kent	L		L		L		L		L		L		L	Brought forward from 16/17 for 15/16 start	L	Slippage from spend identified in 15/16 but, as scheme brought forward, not perceived to be risk for 16/17
LGFE43	Maidstone Integrated Transport	Kent	L		L		L		L		L		L		L	Brought forward from 16/17 for 15/16 start	M	Backloaded spend in 16/17
LGFE44	A28 Sturry Link Road	Kent	L		L		M	Planning permission required	H	Developer match funding required but risk this may not materialise in 16/17	L		L		M	Risk around match funding	H	Match funding and planning risks
LGFE45	Rathmore Road	Kent	L		L		L	Land acquired end of 15/16	L		L		L		L	Brought forward from 16/17 for 15/16 start	L	
LGFE46	A28 Sturry Rd Integrated Transport Package	Kent	L		L		L		L		M	Change to scope may need to go through ITE	L		L	Brought forward from 16/17 for 15/16 start	M	Backloaded spend in 16/17
LGFE47	Maidstone Sustainable Access to Employment	Kent	L		L		M	Awaiting legal agreement with Maidstone	L		L		M	KCC report problem with route design, possible diversion needed	L	Brought forward from 16/17 for 15/16 start	M	Risk of spending delay due to re-design work. Backloaded spend in 16/17
LGFE48	Ashford Spurs	Kent	M	Subject to detail in BC	M	Project is feasible. However, should seek assurance that HS1 services would stop at Ashford if infrastructure provided.	M	Subject to detail in BC	H	Cost increase from £5m to £10.5m. Currently a funding gap.	M	VFM uncertain	H	Mix of funding parties, NR delivery, and HS1 operator.	H	Funding risk. Request coming to June AB for funds transfer from Westhanger Lorry Park.	H	Funding risk. Request coming to June AB for funds transfer from Westhanger Lorry Park.
LGFE49	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	L		L		L		L		L		L		L		L	
LGFE50	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	L		L		L		L		L		L		L		L	
LGFE51	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	L	Consultation complete	L		L	Judicial review threat no longer present	L		L		L		L		L	
tbc1	Thanet Parkway	Kent	M	Subject to detail in BC. Require positive support of potential operator and/or DfT Rail (as franchisee)	L	Project is feasible	M	Subject to detail in BC	H	Latest cost estimate is significantly above £10m LGF allocation, so currently a funding gap exists. Further design/cost work on-going.	M	VFM uncertain	M	tbc	H	Current funding gap, and VFM uncertain.	H	Key risk issues currently unresolved - implications for programme.

Project Number	Project Name	Promoter	Public & Stakeholder Acceptability - Assessment	Comment	Feasibility - Assessment	Comment	Planning Risk (securing of powers & consents) - Assessment	Comment	Cost Risk / Affordability / Funding - Assessment	Comment	VFM Risk - Assessment	Comment	Complexity / Dependence / Flexibility of Scheme - Assessment	Comment	Showstopper Risk	Comment	Programme risk	Comment
tbc2	Hastings and Bexhill junction capacity improvements package	East Sussex	L	Within highway	L		L		L	tbc, but should be scalable	L	VFM uncertain, but probably good VFM	L		L		L	No LGF spend forecast until 17/18
tbc3	Hastings and Bexhill LSTF walking and cycling package	East Sussex	M	Risk around consultation	L		L		L	tbc, but should be scalable	L	VFM uncertain, but probably good VFM	L		L		L	No LGF spend forecast until 18/19
tbc4	Eastbourne town centre LSTF access & improvement package	East Sussex	M	Risk around consultation	L		L		L		L		L		L		M	Consultation > potential delay risk.
tbc5	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	M	£1m 16/17 mostly highways related amendments	L		L	Subject to detail in BC	L	tbc, but should be scalable	L	VFM uncertain, but probably good VFM	L	tbc	L		M	Backloaded spend in 16/17
tbc6	Thurrock Cycle Network	Thurrock	M		L		L	Subject to detail in BC	L	tbc, but should be scalable	L	VFM uncertain, but probably good VFM	L		L		M	Consultation > delay risk
tbc7	London Gateway/Stanford le Hope	Thurrock	M	Subject to detail in BC	L		L		M	Risk linked to complexity	M	VFM uncertain	L / M	Low for Phase 1. M for Phase 2 (Station refurb)	L		M	Phase 1 planning on spending in Q4 of 16/17 > tight programme. Phase 2 more complex and greater inherent risk.
tbc8	A131 Chelmsford to Braintree	Essex	L	Within highway	L		L		L		L	VFM uncertain	L		L		L	No LGF spend forecast until 17/18
tbc9	A14 Harlow to Chelmsford	Essex	L	Within highway	L		L		L		L	VFM uncertain	L		L		L	No LGF spend forecast until 18/19
tbc10	A133 Colchester to Clacton	Essex	L	Within highway	L		L		L		L	VFM uncertain	L		L		L	No LGF spend forecast until 18/19
tbc11	A131 Braintree to Sudbury	Essex	L	Within highway	L		L		L		L	VFM uncertain	L		L		L	No LGF spend forecast until 19/20
tbc12	A13 Widening - development	Thurrock (retained)	H	Likely to be contentious	L	tbc	M	Subject to detail in BC	M	Large-scale project with risk of cost over-run	M	VFM uncertain	M	VFM uncertain.	M	Approval process for drawing down funds	M	Consultation > delay risk
tbc13	Purfleet Centre	Thurrock	L	Subject to detail in BC	L		L	Subject to detail in BC	L	Subject to detail in BC	M	VFM uncertain	M	tbc	L		M	LGF to fund land acquisition in 16/17. Backloaded spend in 16/17
tbc14	Southend and Rochford Joint Area Action Plan (Essex project)	Southend	M		M		M	Planning consent to implement the wider scheme has yet to be secured?	L		M	VFM uncertain	M	tbc	M	Management risk	M	Management potentially complex between Essex/Southend. Backloaded spend in 16/17
tbc15	Dover Western Dock Revival	Kent	L	Developer led, within developer land.	L	tbc	L	tbc	H	Funding eligibility uncertain, as question whether scheme delivers net additionality (or would have been delivered anyway).	M	VFM uncertain	L		H	Funding eligibility risk	H	Update: planned to spend in 2016/17, but risk that this will now not happen. Additionality issue still unresolved.
tbc16	Westhanger Lorry Park	Kent													n/a	Removed from programme. Request coming to A8 in June to transfer funding to Ashford Spurs	n/a	Removed from programme. Request coming to A8 in June to transfer funding to Ashford Spurs
tbc17	Rochester Airport	Medway	M	Planning decision challenged and under judicial review.	L	tbc	M	Going to planning committee in June 2016. Also has to be permitted by Tonbridge & Malling (subsequent to Medway)	M	tbc	M	VFM uncertain	M	tbc	M	Planning issues	M	Planning issues > uncertainty about ability to spend in 16/17. Backloaded spend in 16/17
tbc18	Folkestone Seafront (non-transport)	Kent	L		L		L		L		L		L		L		L	50/50 spend in Q1-Q2/Q3-Q4
tbc19	Chelmsford City Growth Area Scheme	Essex	M	tbc	L	tbc	L	tbc - but expect to be within highway	L	tbc, but should be scalable	L	VFM uncertain, but probably good VFM	L	tbc	L		L	No LGF spend forecast until 17/18. Consultation > possible delay risk
tbc20	Chelmsford Flood Alleviation Scheme	Essex	M	tbc	M	tbc	M	tbc	M	tbc	M	tbc	M	tbc	L		M	tbc - need to understand risk and cause of recent delay better.
tbc21	Housing Regeneration Project (Coastal Group)	Centrally held	M	tbc	M	tbc	M	tbc	M	tbc	M	Needs to go through ITE	M	tbc	M	tbc	M	Needs to go through ITE before spend in 16/17
tbc22	Beaulieu Park Railway Station	Essex	M	Need to secure stakeholder and political buy-in	M	tbc	M	tbc	H	Complex rail project	M	VFM uncertain	H	Complex delivery - ECC, NR and Developer (MOU signed between parties).	M	Complex. Delay could also mean implementation post-LGF programme period.	H	Complex rail project
tbc23	M20 Junction 10a	Centrally held	M	Road capacity and development proposal may face opposition.	L	tbc	M	Subject to detail in BC	M	HCA centrally held funding (part of LGF). Issue of whether developer contributions can be secured to fund / finance the HCA contribution. Resolution pending.	M	VFM uncertain	M	Funding via HCA to Ashford. HE and Developer involvement. However, funding and delivery route agreed.	M	Subject to HCA funding issue	M	Subject to HCA funding issue
tbc24	A226 London Road/B255 St Clements Way	Kent	L		L		L	Within highway boundary	L	tbc, but should be scalable	M	VFM uncertain	L		L		L	Could be advanced to 16/17
tbc25	A22/A27 junction improvement package	East Sussex	L	tbc	L	tbc	L	tbc	L	tbc	L	tbc	L	tbc	L	tbc	L	No LGF spend forecast until 19/20

END

Local Growth Schemes
Changes made under 10% Tolerance levels

Project Name	Area	Change made
Queensway Gateway Road	East Sussex County Council	Transfer £0.6m of funding to North Bexhill Access Road project in 15/16
Strategic Site Infrastructure	East Sussex County Council	Transfer £0.17m of funding to North Bexhill Access Road project in 15/16
Newhaven Flood Defences	East Sussex County Council	Transfer £0.1m of funding to North Bexhill Access Road project in 15/16
Swallows Business Park	East Sussex County Council	Transfer £0.14m of funding to North Bexhill Access Road project in 15/16
North Bexhill Access Road	East Sussex County Council	Transfer £1.01m of funding into project from lines above
Folkestone Seafront : onsite infrastructure and engineering works	Kent County Council	Overspend on project
Kent Sustainable Interventions programme	Kent County Council	Underspend on project

Value of Project	Value of Change	Value of Change
£	£	%

6,000,000	(600,000)	-10.0%
1,700,000	(170,000)	-10.0%
1,500,000	(100,000)	-6.7%
1,400,000	(140,000)	-10.0%
16,600,000	1,010,000	6.1%
5,000,000	33,000	0.7%
3,000,000	(33,000)	-1.1%
35,200,000	-	0.0%

Please note, whilst the above changes do not require Accountability Board sign off, they must be approved by Central Government under current reporting requirements. The Accountable Body and the Secretariat are working with officials in BIS/DfT to get approval.

1 Deliverability and Risk Assessment

Overview

- 1.1 At the February Accountability Board it was requested that further information be provided to the Board on the deliverability and risk of all schemes in the LGF programme.
- 1.2 An assessment of overall deliverability risk has been undertaken by the SELEP programme management team. A summary of the risk assessment was presented at the April Accountability Board, which had previously been shared with Promoters for comment, and finalised taking account of comments and clarifications as appropriate.
- 1.3 The deliverability risk assessment will form part of the ongoing capital programme management work, and an update will be prepared for each Accountability Board.

SELEP Assessment and Linkage with Promoter Assessments

- 1.4 There has been some discussion about whether the SELEP Risk Assessment should be directly aligned with Promoter's own risk assessments. While there is a need to share a common understanding of the position of, and risks relating to, a specific scheme, there are a couple of key reasons why the SELEP assessment should remain independent. First, the basis upon which each Promoter's assessment is made may differ slightly so consistency between individual Promoter risks would be difficult to achieve. Second, there are specific risks that the SELEP assessment seeks to capture (e.g. risk of LGF allocated funding not being spent in a given year) that are material to SELEP at a programme level, but may be less critical for any individual project. Third, to ensure consistency of approach across the SELEP assessment the view on RAG rating must be independently and transparently made by the Capital Programme Management Team and moderated at that level.
- 1.5 In summary, while the information SELEP uses to support the assessment will be informed by information sought from Promoters, including bespoke risk assessments, the SELEP assessment (and RAG rating) may differ for particular schemes.

Purpose of the Risk Assessment

- 1.6 The risk assessment is intended to help SELEP and Federal Areas to understand the realism of the programme and key programme risks, and to manage the programme accordingly. The purpose is not to affect the priority or status of any particular scheme (many of the schemes that are higher risk may also be higher priority in their ability to deliver key policy outcomes). Rather, the exercise is intended to provide an overview, at programme level, of the scale of nature of potential deliverability risks, and hence the consequent risk around the ability of SELEP (and Partners) to spend LGF funding to the planned profile.
- 1.7 The risk assessment will therefore inform the on-going programme management function of the LEP. The objective is to anticipate where and when programme risks may materialise, and to help ensure that the overall programme (and spend) in given years is populated with a balanced set of schemes, where schemes with higher deliverability risks are counterbalanced by lower risk schemes. There also needs to be sufficient flexibility within the programme to manage risks that materialise.

- 1.8 The identification of scheme specific risks can also be used to help Promoters prioritise effort on measures that could mitigate these risks and, through this manage and mitigate risk at the Federal Area / SELEP level.

Deliverability Risk Assessment - Approach

- 1.9 This assesses the deliverability risk associated with a particular scheme. The deliverability risk considers:

- **Specific project risks** – these relate to public acceptability, feasibility and so on. A ‘RAG’ assessment will be made against each of these deliverability criteria.
- **Risk outcomes** – The impact of individual risks on overall deliverability risk in terms of key outcomes – these will also be RAG rated:
 - **Programme risk** – what is the a risk / likelihood that the scheme will be delivered later than planned, and specifically may not be able to spend the LGF allocation in the planned year? The programme risk would be higher (amber or red) if, for example, there were programme risk issues that presented a likelihood of delay *and* the LGF expenditure was backloaded to quarters 3 and 4 of the financial year.
 - **Showstopper risk** – what is the risk / likelihood that the scheme could be either cancelled or delayed beyond the LGF programme period – i.e. drop out of the programme?

Specific project risks

- 1.10 Below we list the key project specific risks and the considerations that will be taken into account in making the RAG assessment. The RAG rating will be based on an informed judgement taking account of these considerations (rather than through a formulaic approach), and supported by a rationale.

Risk Area	Key Considerations
<ul style="list-style-type: none"> • Public and Stakeholder Acceptability 	<ul style="list-style-type: none"> • Does the project have public and stakeholder support? • Has public consultation been undertaken? • Does the nature of the scheme mean the proposal is likely to face greater acceptability risk?
<ul style="list-style-type: none"> • Feasibility 	<p>Is the proposal:</p> <ul style="list-style-type: none"> • Technically feasible (engineering feasibility) • Technologically feasible (proven technology) • Legally feasible – can be delivered within regulatory and legal framework (e.g. State Aid)
<ul style="list-style-type: none"> • Planning Risk 	<ul style="list-style-type: none"> • What powers / consents are required? • Have they been secured? • What is the risk that powers / consents may not be granted?
<ul style="list-style-type: none"> • Cost Risk / Affordability / Funding 	<ul style="list-style-type: none"> • What is the risk (how likely) and impact (who bears the risk and could it be absorbed) of a cost over-run? • What is the status of 3rd Party Funding – identified, committed, secured etc.? • Is there an identified funding gap?
<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • What is the VfM case for the scheme? • What is the risk it could fall below the VfM threshold (as per the SELEP Assurance Framework)

Risk Area	Key Considerations
<ul style="list-style-type: none"> Complexity / Dependence Flexibility of Scheme 	<ul style="list-style-type: none"> Does the scheme rely on a range of institutions to deliver the project? Are there significant project dependencies? Is the scheme flexible – can it be re-defined in scope and detail to mitigate certain risks

1.11 The assessment of risk outcomes is informed by the individual project risks.

Deliverability Risk Assessment – Outputs

1.12 The outputs from the deliverability assessment will include:

- A scheme by scheme risk summary, including a summary of the overall risk assessment against each of 'programme risk' and 'showstopper risk', and supporting rationale for the RAG assessment.
- Overall programme-level risks including overall value of schemes, by year, in the low, medium and high risk categories.

Appendix 8: Skills Capital Programme update

Braintree STEM Innovation Centre

Good progress is being made in line with programme. RIBA Stage 2 designs were signed off by the College earlier this month and RIBA Stage 3 designs are now being finalised ahead of a planning application (minor application) submission during week commencing 06 June 2016. Invitations to tender have been sent to six contractors and four contractors have confirmed they will be submitting a bid for the reconfiguration works that are due to commence in early October. Contractor interviews will take place on Monday 06 June. The College anticipates handover prior to the end of March 2017 in accordance with the grant agreement. There are no issues or concerns to report at this time.

Harlow College

The build is currently well under way and the structure now fully up. Because of the additional asbestos finds and time taken to clear the site, the programme is now slightly behind target, with a planned completion and handover date of 23rd December, as opposed to the 9th December originally forecast. No further delays are foreseen. In addition to the build progressing well, internal design, workshop layouts and specialist machine positioning are being finalised.

Hadlow College Ashford Campus

Programme:

The new build programme is progressing well with enabling, remediation, piling, drainage, services, substructures and superstructures works generally in line with the contract programme. Currently one or two weeks behind programme on superstructures but BAM Construction Ltd have confirmed that they will recover this lost time and finish in line with the contract programme being February 2017.

Quality:

The quality is being monitored weekly by the team and is generally in accordance with the appropriate quality standards. The Designers are novated but have a duty to ensure quality is managed through the construction process.

Cost:

Though there have been numerous cost increases due to recent TPI, there have been compensating value engineering savings and the budget is still as the bid documents albeit the project cost is currently a little over budget. This will be continuously reviewed to consider what further savings can be effected.

Sussex Downs

Construction is due to begin end of June/beginning of July.

Report to Accountability Board	Forward Plan reference number: FP/AB/044
Date of Accountability Board Meeting: 10th June 2016	
Title of report: Skills Equipment Fund Approval round 3, and Skills Capital Process	
Report by: Mike Rayner, SELEP Skills Lead	
Enquiries to : mike.rayner@kent.gov.uk	

1. Purpose of report

- 1.1 The purpose of this paper is to present recommendations regarding the recent Skills Equipment bidding round to inform the board's decisions about whether or not to accept the applications for funding, and approve the new process for the distribution of the remaining Skills Capital Funding.

2. Recommendations

The Board is asked to:

- 2.1 **Approve** the recommendation from the Assessment Group for the allocation of £198,500 from the Skills Equipment Fund to MidKent College, Swale Skills Centre Equipment.
- 2.2 **Approve** the revised process for the distribution of the remaining Skills Capital Funding, as set out in Appendix B.

2 Background

- 3.1 The South East Local Enterprise Partnership (SELEP) was awarded £22m for skills capital building projects and equipment in 2015. To date the following allocations have been made:
- Round 1 - £16,099,440
 - Round 2 - £620,540
 - Round 3 - £3,212,905
- 3.3 The SELEP initiated round 3 of bidding for the capital equipment grant in October 2015. Organisations eligible to bid for the grant were defined as further education colleges and approved training organisations within the SELEP area that are on the Register of Training Organisations and hold a direct contract with the Skills Funding Agency to deliver education and training.

- 3.4 Bidders were expected to provide 50% match funding of the total cost of the equipment. Where bidders were only able to provide a lower level of match funding, bids were required to be assessed as compelling (i.e. score greater than 85 out of 96 in the evaluation) in order to be put forward for funding.
- 3.5 Grant sizes were to be normally in the range of £50,000 to £500,000 unless a strong case could be made (Score 85/96 or higher). Bids in excess of £150,000 required an additional financial assessment by the Skills Funding Agency to provide assurance with regard to their financial plan.
- 3.6 Initially MidKent College submitted their bid on the incorrect paperwork, and were allowed to resubmit their bid. However, following a detailed assessment of the resubmitted paperwork it was clear that the College required additional support so as to enable them to submit a full and detailed bid. Accordingly the Accountability Board further deferred the decision on funding allocation on 8th April 2016 so as to allow MidKent College to resubmit their bid for a second time.
- 3.7 All other bids for round 3 Skills capital funding were dealt with at the previous two Accountability Board meetings. The re-submitted bid by MidKent College, Swale Skills Centre is the final bid to be considered as part of round 3.
- 3.8 The re-submitted bid has been assessed by the Skills Funding Agency, and scored 78/96, indicating an acceptable bid meeting local priorities. As the financial and technical aspects of the bid have not changed and already been approved, the Skills funding Agency require no further clarification on the information contained in the bid. Therefore the recommendation is for the funding of £198,000 to be approved.
- 3.9 In April 2016 the Accountability Board considered the draft process round 4 of the distribution the remaining funds to maximise involvement of the federated areas.
- 3.10 The Accountability Board determined that the ring-fenced allocations set out in the draft proposal should be removed and for the process to involve the federated boards. Accordingly the proposal has been updated and all ring-fenced allocations have been removed and a new paragraph 1.4 has been included as follows:

1.4 Involvement of Federated Areas and Employment and Skills boards (ESBs)

In round 4 the Employment and Skills Boards (ESBs) and Federated boards will work together to bring forward projects for the Skills Capital Fund. This is to ensure best fit with local priorities. Providers should therefore engage with their federated areas before developing any projects. Federated areas should:

- Engage with colleges and training providers in their areas to generate the bids.

- Provide a clear set of priorities/criteria for bidders.
- Prioritise projects locally and ensure that bids are submitted to the LEP.

Currently there is £1.868m available. Projects will be endorsed by the federated areas but the final decision will be based on the project merits not a specific allocation by area.

Bids will not be considered by SELEP without endorsement from the relevant Federated Area.

3.11 The full process is available in the attached guidance document (Appendix B).

4. Financial Implications

4.1 SELEP has received a £11m allocation in 2015/16 of Skills Funding as part of the Local Growth Fund (LGF) and a further £11m is has been allocated in 2016/17. Of this total overall amount, £19.932m has been previously allocated and accepted by colleges; the recommendation in this report, if approved, will amend this as follows:

	£m
Unallocated Funding to date	£2.067
Less: Funding for Mid Kent College (Swale)	£0.199
 Total Remaining Unallocated Funding	 £1.868m

4.2 It is expected that all the Skills funding is allocated and defrayed by 31st March 2017.

5 Legal Implications

5.1 All approved allocations will be required to enter into a Grant Agreement with the Accountable Body, which contains the obligations for monitoring and reporting, which will allow for updates to be received going forward.

6 Staffing and other resource implications

6.1 Resources will be required to monitor the spend and the targets to be achieved as agreed with the bidders. This will be delivered within individuals current workloads.

7 Equality and Diversity implications

7.1 None

8 List of Appendices

8.1 Appendix A - Skills Equipment bids collated with recommendations

8.2 Appendix B – ESB Round 4 Application Guidance

(available at www.essex.gov.uk if not circulated with this report)

9 List of Background Papers

9.1 Full bid documents.

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

Role	Date
Accountable Body sign off	
Lorna Norris	02/06/16
On behalf of Margaret Lee	

Appendix A SE LEP Skills Equipment bids collated with recommendations

Scoring Note:

- Compelling – 85/96
- Acceptable – 48/96

Bid recommended for approval

Organisation	Project	Items purchased/Buildings constructed or refurbished	Amount requested (£)	% of project	Score (/96)	Recommendation/Notes
MidKent College	Swale skills centre. Equipment to be used to teach courses in local growth sectors.	Equipment to support: <ul style="list-style-type: none">• Science Lab• Motor Vehicle servicing• Welding and Fabrication• Plumbing• Electrical fitting	198,500	50	78	Allocate the funds. No further Action Necessary.
Total			198,500			

**South East Local Enterprise Partnership
Skills Capital Fund 2016-17
Application Guidance Round 4**

1. Introduction

1.1 The South East LEP (SELEP) has launched its latest round of its Skills Capital Fund (SCF). The skills set of our residents and that within our businesses is vital to the growth ambitions of the area. The skills capital funding will be utilised in a way that supports the delivery of training and qualifications that respond to economic need and serve learners and employer alike. SELEP has a particular focus on supporting science, technology, engineering and mathematics (STEM) based disciplines that underpin our growth sectors. However, in supporting employment more widely SELEP also wishes to see increases in those skilled for and progressing in sectors where there is growing employment demand, such as the health and social care sectors and other sectors named in SELEP's Strategic Plan.

1.2 The main areas of focus for SELEP are –

- a) Improving the talent pool in support of priority sectors, particularly higher level skills
- b) Increasing participation of young people in work, education and training, with a focus on supporting priority sectors and skills gaps
- c) Improving the basic skills and employment of our residents to boost productivity and growth

Skills Capital Funding will be particularly geared at supporting a) and b) and these are more fully articulated in the SELEP Skills Strategy (Annex B of this document). SELEP will also prioritise applications which support delivery in priority sectors as set out in the Strategic Economic Plan

(http://www.southeastlep.com/images/uploads/resources/SECTION_2_South_East_LEP_-_Growth_Deal_and_Strategic_Economic_Plan_WEB-2%281%29.pdf) and local plans produced by member Local Authorities.

1.3 This round of Skills Capital funding is available for either capital (refurbishment/remodelling of buildings) or specialist capital equipment.

The South East LEP is now inviting the submission of applications to the Skills Capital (SCF) from eligible organisations – see 2.1 and 2.3 below. Submitting an application to the SCF does not guarantee that organisations will be awarded funding.

1.4 Involvement of Federated Areas and Employment and Skills boards (ESBs)

In round 4 it The Employment and Skills Boards (ESBs) and Federated boards will work together to bring forward projects for the Skills Capital Fund. This is to ensure best fit with local priorities. **Providers should therefore engage with their federated areas before developing any projects.** Federated areas should:

- Engage with colleges and training providers in their areas to generate the bids.
- Provide a clear set of priorities/criteria for bidders.
- Prioritise projects locally and ensure that bids are submitted to the LEP.

Currently there is £1.868m available but the overall amount may change as the capital programme develops. Projects will be endorsed by the federated areas but the final decision will be based on the project merits not a specific allocation by area.

Bids will not be considered by SELEP without endorsement from the relevant Federated Area.

2. Eligibility to bid

2.1 The SCF is available only to organisations located within SELEP's geographic area of the political geographies of East Sussex, Essex, Kent, Medway, Southend-on-Sea and Thurrock.

2.2 Eligible organisations are defined as FE colleges and approved training organisations that are on the Register of Training Organisations and hold a direct contract with the Skills Funding Agency to deliver education and training.

2.3 Applications for equipment can only be submitted from eligible organisations although eligible organisations may choose to work in partnership and use any award made under this Fund to deliver contractual targets. The asset must remain the property of the applicant.

2.4 Applications are only eligible if the organisation applying can contribute match funding.

2.5 Any application(s) received from an organisation that fails to meet these eligibility criteria will not be considered under any circumstances.

3. Project Eligibility Criteria

3.4 Applications for the capital grant can include:

- the purchase of specialist equipment.
- work to improve delivery and efficiency through digital technologies, including steps to improve technological infrastructure and service resilience. (For clarity, projects in this category should relate to elements such as infrastructure improvements, as opposed to the purchase of computers, electronic tablets and so on.
- enhancing (refurbishment or remodelling) specialist facilities – especially those reflecting LEP priority sectors where an urgent need exists.
- A combination of the above options i.e.: the purchase of specialist equipment and enhancing specialist facilities.

3.6 Applicants are reminded that SELEP will not in any circumstance provide increased capital grant should project costs exceed the approved amount.

3.7 In all cases, applicants must procure consultants and contractors and purchase equipment in accordance with European Commission (EC) Procurement Directives.

3.8 Eligibility of proposed capital works – the project should meet the usual Agency criteria, for example, exclude revenue items and meet the LEP's requirements regarding tenure, including any proposed leasehold arrangements. These include a minimum lease period of normally 20 years with no break clause and the permitted capitalisation of normally 10 years' rent (excluding revenue items such as business rates, service charges and insurance). Applicants should discuss the eligibility of proposed costs with the LEP before submitting funding applications.

4. Definition of Specialist Equipment

4.1 The aim of this Fund is to invest in specialist equipment and is not therefore to be used for standard items that may be provided/replaced from revenue costs. Eligible equipment is defined as any item that an eligible applicant is able to "capitalise" in its year-end accounts.. Examples of eligible equipment are:

- Robotics lab
- Large pieces of equipment to deliver industry related courses
- IT equipment for specialist courses but not generic laptops/tablets/desktops etc. for general purposes.

4.2 In addition, all purchased equipment which receives SELEP grant support is to be used solely or mainly for the delivery of publicly funded education and training. This includes education and training that the Skills Funding Agency and Education Funding Agency fund.

4.3 SELEP will only pay costs of equipment and will not pay for the costs of, for example, procurement of such equipment (i.e. no revenue costs), consumables or related ongoing costs.

5. Skills Capital Funds available

5.1 Approximately £1,833,511 of Skills Capital funding is available across the 2016/17 financial year ending 31st March 2017.

5.2 Where demand exceeds available grant support, we will prioritise projects based on overall score, with consideration given to budget implications. Should we have sufficient funds to cover all bids, they will still have to meet the criteria as set out in the guidance.

5.3 Grant funding is currently not available beyond financial year 2016/17 and therefore organisations must ensure sufficient project expenditure within the financial year 2016/17 to draw down the requested level of grant support.

6. Minimum and Maximum Grants Available

6.1 The minimum grant value for SCF consideration will be £50,000

6.2 The maximum grant value for SCF consideration will be £500,000

6.3 Some small flexibility in this may be considered if a compelling case is presented (Scoring 130/144) and it receives a clear endorsement from the federated areas. The final allocation will be at the discretion of the accountability board as SELEP wishes to fund the best package of projects for the area.

6.4 SELEP reserves the right to negotiate maximum grant values with organisations, according to demand and budget availability.

6.5 Where an applicant is requesting a grant of more than £150,000 and/or the project costs more than £1m a financial plan must be completed. See Annex B for guidance and relevant documents.

6.6 Eligible organisations with more than one site may submit one application per site/geographic location. Applications would not be accepted from different sites within the same localities that are part of the same provider e.g. multiple departments of a provider in different buildings in the same town.

6.7 If an organisation submits more than one bid, the total value must be considered when deciding whether or not a financial plan is required, not the amounts of individual bids.

7. Match Funding

7.1 Normally, we will expect organisations to provide a minimum funding contribution equivalent to one half of project value. That is, for every £1 from SCF, organisations should normally invest an additional £1. Where organisations are unable to provide the required match funding, this should be clearly stated.

7.2 Some small flexibility in this may be considered if a compelling case is presented (Scoring 130/144) and it receives a clear endorsement from the federated areas. The final allocation will be at the discretion of the accountability board as SELEP wishes to fund the best package of projects for the area.

SELEP would typically expect most of the underpinning investment criteria to be met through the provision of, for example:

- A succinct outline of the issue, identified where appropriate by employers and stakeholders, including the Local Enterprise Partnership (LEP), and clear baseline data.
- An explanation of how the project will address the issue, including clear and quantified targets/benefits/measures as appropriate. These should be realistic and achievable.
- How the organisation will work to achieve these targets/benefits, with clear references to how the project will support this.

8. Assessment information

8.1 While bids are generated and endorsed locally they will still have to be assessed by a panel of SELEP representatives and score acceptably. The panel will consist of one representative of each ESB. It is likely that these representatives will be from business. This will be supported by a member of staff from the Skills Funding Agency (subject to availability) and the SELEP Skills Lead. Only the ESB reps will have rights to score.

Scoring Thresholds:

- Acceptable: 72/144
- Compelling 130/144

8.2 We will assess each application on the basis of the information that organisations provide on the application form. Organisations should not assume that the assessor will have any specific knowledge of the establishment and its locality. Assessors will review all assessments at an internal moderation panel to ensure the consistent application of the assessment process. Depending on the demand for the SCF and the quality of the applications submitted, SELEP may decide to adopt one or both of the following: declining some applications or potentially reducing the requested funding allocations to individual projects.

8.3 Applications will need to pass a gateway relating to eligibility, project value threshold, eligibility of project components. This will be assessed by the Skills Funding Agency. Should they pass the gateway; the final decision will be based on their scores in the sections:

- Benefits to Learners and Employers
- Supporting Economic Growth

Other sections are not scored but inform the understanding of the bid and ensure an accurate assessment.

Should the fund be oversubscribed we will also consider the scores from the gateway questions. To ensure that all applications are treated equally, the same criteria will be applied to capital and equipment bids

8.4 We will assess the relative strengths of each proposed project against the criteria summarised in 8.4. All projects will also need to demonstrate how they support the priorities listed in the SELEP Skills Strategy (Annex A).

To score strongly, we would expect applications to contain

- A succinct outline of the issue, identified where appropriate by employers and stakeholders, including SELEP, and clear baseline data.
- An explanation of how the project will address the issue, including clear and quantified targets/benefits/measures as appropriate. These should be realistic and achievable. Increases in delivery should be made clear by including current baseline and projected numbers after the project.
- How the organisation will work to achieve these targets/benefits, with clear references to how the project will support this.

8.5 We will rank/prioritise projects according to the overall number of points scored against the assessment criteria. We would normally expect successful applications to score strongly in each of the sections below. A minimum score of 40% in each section is required for the overall bid to be considered acceptable.

i) Benefits to Learners and Employers (25% weighting) The 6 criteria in this section will score 0, 2, 4 or 6 The maximum score for the section is 36.

ii) Supporting Economic Growth (75% weighting) The 6 criteria in this section will score 0, 6, 12 or 18. The maximum score for the section is 108.

Scoring will be at 4 levels for each criteria:

- 0 points – no or very poor evidence against criteria.

- 2/6 – what you intend to do but little reference as to how this will achieve the desired outcomes. Little data to fully demonstrate the point. Increases in provision not quantified.
- 4/12– what you intend to do with some evidence of how this will meet your objectives supported by data. Any increases in numbers mainly quantified. Most aspects of the criteria met.
- 6/18 – what you intend to do and how this will meet your objectives well supported by data. Any increases in numbers fully quantified showing a current base level and detailing the projected increase against this. All aspects of the criteria fully met.

Applicants must write their case against each criterion. They should not rely on evidence presented elsewhere in the document to demonstrate their case. It would be better to repeat information under each heading than assume those assessing the document will make connections with evidence presented elsewhere.

9. State Aid

9.1 For organisations not covered by the Further and Higher Education Act (1992) there may be State Aid implications. State aid is a European Commission term referring to forms of assistance from a public body or publicly-funded body which is given to organisations engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between Member States of the European Union. State Aid rules are designed to regulate subsidies, and to provide a framework to assist public authorities in ensuring that scarce public resources are targeted where they are most required in an efficient and effective manner.

9.2 An overview of State Aid can be found at

http://ec.europa.eu/competition/state_aid/overview/index_en.html

State Aid is financial support that is provided by the State to business organisations and State Aid rules exist to avoid public funded interventions distorting competition within the European Union. Generally State Aid is prohibited and unlawful. However there are number of exemptions, which if they apply, render the State Aid lawful and permitted.

The relevant exemption in respect of this application is De Minimis Aid. For your application to be successful it must fall within the De Minimis Aid criteria. The relevant regulation is the Commission Regulation (EC) No 1998/2006 (De Minimis Regulations).

Under the De Minimis Aid criteria there is a De Minimis Threshold. Where an applicant, parent company or subsidiary receives aid, over a three year period that exceeds the threshold, they will not be entitled to De Minimis Aid.

To decide whether your application is eligible for De Minimis Aid we need to know if you or any company in your group of businesses have received state aid in the previous 3 financial years or expect to receive state aid in the next 3 financial years.

The De Minimis Threshold is €200,000 (approximately £167,000) over the 3 financial years. If some aid has been received by the undertaking in previous years but this does not exceed the De Minimis Threshold then funding may be granted up to the De Minimis Threshold level. The threshold applies to all aid received by a parent company/group of businesses rather than just a subsidiary.

Where the de minimis aid has been applied incorrectly then recovery will be for the full amount of the aid regardless of whether only part of it exceeds the threshold.

De Minimus Aid cannot be given in certain circumstances, these include:

- Aid to enterprises in road haulage operations for the acquisition of road freight transport vehicles.
- Towards the same costs that are being supported under another block exemption or notified scheme. It is unlawful to provide De Minimis Aid for costs being funded under the State Aid cover of an exemption or notified scheme, if it means the specific allowable aid intensity will be exceeded.
- Aid to enterprises in the agriculture sector (with the exception of those active in processing and marketing of agricultural products);
- Aid to enterprises active in the coal sector;
- Aid to undertakings in difficulty;
- Aid for export-related activities, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity.

You also need to be aware that if the European Commission considers that you are not eligible for De Minimis Aid the amount of aid awarded will be recoverable from you; with interest. It is therefore important that you are confident that you meet the De Minimis Aid criteria.

The following is not a comprehensive list of all possible forms of State Aid. However, it should give you an indication of common forms of State Aid which you may have been given over the past three years. If you are in any doubt as to whether previous assistance received would constitute State Aid, please raise your concerns with us as soon as possible.

- Business rate reliefs on properties elsewhere in England
- State grants
- Interest rate relief
- Tax relief
- Tax credits
- State guarantees or holdings
- Direct subsidies
- Tax exemptions

9.3 Applicants are responsible for taking their own advice as to State Aid implications and must provide evidence to SELEP that State Aid restrictions will not apply to their applications. This is not an eligible cost as part of the application to the SCF

STATE AID DECLARATION

All organisations will be required to submit the state aid declaration found in the form. They should choose the appropriate declaration, copy it on to headed note paper and sign it.

10. Grant payments and project monitoring

10.1 Applicants with projects approved for the SCF will receive a letter from the LEP confirming the funding in relation to the project and setting out the conditions of the grant.

10.2 Applicants will be required to indicate acceptance of the terms by signing and returning a copy of the funding letter within two weeks of receipt.

10.3 Arrangements for payment of the SCF grant and evidence requirements will be confirmed on award of grant. Payment will be made in arrears.

10.4 SELEP will require successful applicants to comply with such funding conditions as it may impose and will undertake random site visits to ensure all conditions are followed.

10.5 SELEP will reserve the right to recover funds in the event that project costs (including VAT savings) are less than originally approved, or have not been used for the agreed purposes.

10.6 We expect applicants to provide updates on the project as requested to the LEP or their nominated representatives

11 Applying for Skills Capital Funding

11.1 Projects must receive local endorsement before they can be considered by SELEP. The application form and related documentation is available on the LEP website (www.southeastlep.com).

11.2 Applicants will need to submit robust project information, covering:

- the rationale for the proposed project and the impact/benefits it will deliver;
- an explanation of how the project will deliver against the priorities listed in the LEP Skills Strategy (Annex A); and the ESB specific priorities/criteria (Annex C).
- evidence that the project represents value for money and the necessary matched funding requirements will be met;
- Before submitting an SCF application, organisations will need to develop proposals up to the stage where they can identify and cost their extent properly. Organisations must be able to commit to a firm budget and demonstrate relevant certainty and ability to deliver the project to timescale. Organisations are reminded that the LEP will not in any circumstance provide increased grant should project costs exceed the approved amount or fall outside the specified LEP financial year. We also expect capital development projects to achieve high levels of environmental performance and to achieve a Building Research Establishment Environmental Assessment Model (BREEAM) 'excellent' rating for new build and 'very good' for refurbishments.

Applicants **must** adhere to the word limit; we will not consider information provided over and above the word limit. Applicants are advised to provide focused and succinct responses, supported by robust, quantifiable and achievable information.

12. Application Process

12.1 The application comprises two forms:

- i. **Form A** relates to projects which comprise solely the acquisition of specialist equipment.
- ii. **Form B** relates to projects which comprise capital development works (refurbishment and remodelling) and can also contain equipment. If applicants have any doubts regarding the correct form to use, they should email the LEP at the following email address: mike.rayner@kent.gov.uk.

12.1 The table below summarises the timescales for the application, submission, assessment and approval processes for SCF SE applications.

Date	Action
25/4/16	Specification launched
25/5/16 Noon.	Deadline for submission of form
26/5/16 – 3/6/16	Local consideration of bids
w/c/ 6/6/16	Endorsed bids formally assessed by LEP
24/6/16	Final decision by SE LEP accountability board.
28/6/16	Target date for announcement of decision.

The Employment and Skills Boards will work with the Federated Boards in each area to endorse bids for submission to SELEP. Those that receive endorsement from these groups will be assessed by the SELEP. Bidders may wish to contact their local contacts to discuss the bids before submission.

Federated area contacts

Kent

Kent Skills Commission: Alan Baillie, Skills & Employability Manager

Tel: 03000 415799

Mob:07786 191543

Allan.Baillie@kent.gov.uk

Kent and Medway Economic Partnership: Sarah Nurden
Strategic Programme Manager (KMEP)
Tel: 03000 416 518
Email: sarah.nurden@kent.gov.uk

Essex
Essex Employment and Skills Board:
Tristan Smith
Commissioner for Employability & Skills and Lifelong Learning
Employability & Skills Unit

- Tel: 03330 130954
- Email: tristan.smith@essex.gov.uk
- Mob. 07780 493386

Lindsey Austin
Commissioner for Employability and Skills, Education and Lifelong Learning

- phone: 0333 013 0940
- email: lindsey.austin@essex.gov.uk

East Sussex
Skills East Sussex: Holly Aquilina, Employability and Skills Strategy Manager

- Tel: 01323 463538
- Mob: 07701 394668
- Email: Holly.Aquilina@eastsussex.gov.uk

See Annex C for ESB criteria for funding documents.

13. SCF Application Requirements

13.1 The SCF application requirements comprise completion and submission of the following items:

- **Application form** – guidance on how to complete the application form is included with the form itself, with applicants required to over-write and delete application guidance information. Incorporate all information into the application form, with the exception of the information requested below. Taking into account the limited time available to carry out assessments and approvals of the applications, applicants are required to keep answers brief

and to the point – the application form contains guidance for length of responses (word limits apply to help keep the process manageable). When forms are submitted, a copy in Microsoft Word format must be included to facilitate the production of papers for the assessment process. You may wish to include a PDF for security purposes. Please **DO NOT** remove criteria or headings from the form as this makes it difficult for those assessing the bids.

- **Programme** – planned completion date of the project.
- **Building cost breakdown analysis form [For capital development projects only]** – the application will need to include one form for the overall project but applicants should provide separate forms to support this where more than one set of building works is proposed. Where projects are in excess of the Agency's cost benchmark, (see SFA's cost model on the SFA's LEP support Page) applicants must provide a detailed explanation to justify the additional costs and to demonstrate that the project still represents value for money. The LEP will **not** provide the SCF to projects which are more than 5% in excess of the SFA's cost benchmark, unless applicants provide adequate justification of the additional costs.
- **Financial Plan/Forecast – required for bids requesting more than £150,000 and/or where the project costs more than £1m**
 - FE colleges – colleges should submit a financial plan using the latest college version which is available to download from the LEP Support page on the SFA's website. The financial plan should be for at least two years after project completion.
 - Non-FE colleges – non-college providers should submit a financial plan using the 'Simplified Financial Plan Template for non-college : training organisations' (for completion by those providers applying for capital grant support and that do not submit a financial plan annually), which is available to download from the LEP support page on the SFA's website. The financial plan should be for at least two years after project completion. This plan is also included in Annex B of this document and there is also a link to some guidance for completing it.
- **Investment appraisal template – for projects over £1 million** – the application will need to include investment appraisals in respect of both the base case (do minimum) and preferred option using the SFA's latest template, which is available to download from the LEP support page on the SFA's website.

- **For projects including “in kind” grant contributions** – applicants should have early discussions with the LEP regarding the use of “in kind” contributions:
 - Donations of specialist equipment – applicants should provide appropriate auditable evidence to confirm the value of the specialist items before the project starts.
 - Waiver of rent – applicants must clearly identify and substantiate the tangible “in kind” contribution. The LEP’s stance will be to allow the capitalisation and use of no more than five years of rent as an “in kind” contribution. Applicants cannot include any rent-free periods that would constitute a normal market concession as part of the contribution. Applicants must submit robust supporting evidence, including written confirmation of the contribution and an independent market valuation which identifies the normal incentives (such as rent-free periods) that the market offers, an open-market rental value and the average annual market rent, net of incentives.

13.3 Assessment of applications will be based only on the information submitted in the required format.

13.4 To be eligible for the SCF, organisations must meet the submission requirements set out below:

Applicants must return electronic copies of the signed and completed application form (Word and PDF format) and the required supporting information mike.rayner@essex.gov.uk **by noon on 25th May 2016**. If you have any difficulties sending the email please contact Mike Rayner on 07540 671663. Applications will be forwarded on to the relevant federated area for consideration.

Please direct any enquiries to Mike Rayner, SELEP Skills Lead (Tel: 07540 671663, email: mike.rayner@essex.gov.uk)

Applicants must use the correct application form downloaded from the LEP website (www.southeastlep.com) and templates published by the SFA (links to which have been included in the relevant sections of the guidance document and application form).

Annex A

South East Local Enterprise Partnership Skills Strategy



SELEP Skills strategy
02 12 14.pdf

Annex B

Financial Plan documents

Financial plan and guidance for colleges available at:

<https://www.gov.uk/government/publications/financial-planning-handbook>

Financial plan for non-college providers:



Simplified_Financial_
Plan_template.xlsx

Guidance for non-college providers available at:

<https://www.gov.uk/government/publications/sfa-capital-funding-support-for-leps/sfa-capital-guidance-for-completing-simplified-financial-plan-template>

Annex C

Federated area criteria for funding:
Kent and Medway

Applications will be judged, in the first instance, by the Kent and Medway Skills Commission in regard to how they respond to the Commission's priorities which are:

- Developing and communicating **excellent labour market intelligence** and making sure this intelligence is used effectively
- Developing a **Careers Education, Information and Guidance (CEIAG) Framework** which reflects labour market trends and raises the profile of the Guilds
- **Increasing the number of apprenticeships**: identify beacon providers and employers in every district
- **Extending the growth of higher education** as a key driver of innovation and productivity
- Developing a new model to inform **14-24 Technical and vocational pathways** with a focus on coastal communities
- **Reform community learning** to support those whom are most distant from learning are supported into work

In responding to these priorities Applicant are recommended to view the following documents:

- 14-24 Learning Employment & Skills Strategy. (Available on KCC Website or from KCC Skills and Employability)
- Adult Learning Employment & Skills Strategy (Available on KCC Website or from KCC Skills and Employability)
- KMEP Workforce Skills Evidence Base (available on KMEP website)

Greater Essex



The Essex Employment and Skills Board (ESB) was established in order to give employers a platform to shape skills provision across Essex. By working with large employers, academic institutions, SMEs and local government, the ESB creates solutions to the skills challenges that industries face and helps to provide opportunities for people to build long-term careers. Further information on the Board can be found at <http://essexpartnership.org/content/essex-employment-and-skills-board>

Priorities for the Essex Employment and Skills Board are as follows:

1. Create a new system of industry led commissioning of provision, supported by an evidence base, which drives growth in those sectors so key to our economy:
 - Advanced manufacturing and engineering
 - Care
 - Construction
 - Finance and insurance
 - Health
 - IT, digital and creative
 - Logistics
2. Improve the perception and understanding of the career pathways within these priority sectors to encourage young people to enter them.
3. Raise the profile of, and increase access to, vocational, professional technical and work-place training, so it has parity with traditional academic routes.
4. Investment in the infrastructure and capability of our post 16 education & training providers in order for them to truly be able to respond to the needs of our economy.
5. Develop a skills system that maximises the opportunities for business-start up and entrepreneurship through access to training, facilities and equipment.
6. Significantly increase the number of technically qualified workers available to industry, particularly with advanced and higher level skills.

An updated version of the Essex Employment and Skills Board Evidence Base has recently been published and can be downloaded from:

<http://essexpartnership.org/content/essex-skills-evidence-base>

East Sussex

East Sussex will look to fund project that match the priorities below.



Statement of priorities **Skills East Sussex** *Employment and Skills Partnership Board*

Skills East Sussex (SES) has used research conducted by ESCC into the skills needs within the East Sussex priority economic sectors, and has held discussions with a range of employers, to identify skills issues to address collectively.

Over its first year of operation, SES will focus on addressing skills issues that affect the following economic sectors:

- Engineering and advanced manufacturing
- Construction
- Health and social care
- Creative and digital
- Land based and visitor economy

The thematic areas that we want to address are:

- Improving the quality and relevance of Careers Information Advice and Guidance for people of all ages
- Helping young people become ready for the world of employment
- Addressing gender imbalance in employment and study in key industries/sectors
- Making sure that the curriculum is shaped by employers wherever there is scope for this to be done
- Helping to stimulate the uptake of Apprenticeships

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting: 10th June 2016	
Title of report: Public Question Policy	
Report by: Kim Mayo, Principal Solicitor and Interim Deputy Monitoring Officer	
Enquiries to : kim.mayo@essex.gov.uk	

1. Purpose of report

- 1.1 To approve the process through which the Accountability Board will receive and consider questions from members of the public on an item on the Agenda for that meeting

2. Recommendations

The Board is asked to:

- 2.1 **Approve** the Policy for Public Questions to the Accountability Board attached at Appendix A

3 Background

- 3.1 The Accountability Board was established on 13th November 2015 as a joint committee in accordance with the provisions contained in sections 101 and 102 of the local Government Act 1972, and the Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2012.
- 3.2 Accordingly, the Accountability Board is considered a committee of its respective partner authorities, and therefore required to ensure that it adheres to the obligations set out within the full range of Local Authority legislation.
- 3.3 Part of those obligations is to ensure access to members of the public to all meetings of the Accountability Board. This includes access to the agenda and reports (unless Schedule 12A Access to Information: exempt Information, applies), but also allows for members of the public to attend the meetings as an observer, and to put questions to members. This is not a new concept, and is one that all partner authorities adhere to in respect of their own Cabinet, Council and Committee meetings.
- 3.4 A short guidance is necessary in order to ensure that members of the public are aware of the provisions applicable to the Accountability Board meetings and assist the administration of the meetings moving forward. Accordingly Appendix A sets out the process to be followed where a member of the public wishes to ask a question of the Accountability Board in respect of an item on the Agenda, and sets out the process by which a response will be provided.

- 3.5 This policy will be placed on the SELEP website, and on the Accountable Body's website so as to ensure that any member of the public is aware of the process to be followed.

4. Financial Implications

- 4.1 None.

5 Legal Implications

- 5.1 None

6 Staffing and other resource implications

- 6.1 None.

7 Equality and Diversity implications

- 7.1 None.

8 List of Appendices

- 8.1 Public Questions Policy

(available at www.essex.gov.uk if not circulated with this report)

9 List of Background Papers

- 9.1 None

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

Role	Date
Accountable Body sign off	
Kim Mayo	02/06/16
On behalf of Margaret Lee	

Policy for Public Questions to the Accountability Board

1.1 General

The SELEP welcomes public interest in its business. Its formal meetings are open to the public, unless confidential business is being discussed, and the papers are published on the SELEP website, as well as the Accountable Body's (Essex County Council) website.

The SELEP welcomes public engagement and has therefore adopted the following procedure for public speaking at Accountability Board meetings.

At the start of every Ordinary meeting of the Accountability Board there shall be a period of up to 15 minutes to enable members of the public to make representations.

1.2 Notice of questions

A question may be asked under this procedure only if it has been sent to the Managing Director of the South East LEP by email at: adam.bryan@essex.gov.uk by no later than 10.30am seven days before the meeting.

A question may be given by post if you do not have access to e mail by writing to the Managing Director of the South East LEP at P O Box 11, County Hall, Chelmsford, Essex CM1 1LX.

Written statements and documents including photographs may not be circulated at the meeting.

1.3 Number of questions

Only one speaker will be permitted to speak on behalf of an organisation. No person may ask more than one question at any meeting and there will be no opportunity for asking a supplementary question.

1.4 Order of questions

Questions will normally be dealt with in the order in which notice of them is received, except that the Chairman may group together similar questions.

Any question must be asked within a 3-minute time limit.

1.5 Scope of questions

The Chairman may reject a question if it:

- (i) is not about a matter for which the Accountable Body has powers or duties;

- (ii) is defamatory, frivolous, vexatious or offensive;
- (iii) is substantially the same as a question put to a meeting in the previous six months;
- (iv) will require the disclosure of confidential or exempt information; or
- (v) is already subject to separate appeal, adjudication, litigation, mediation or dispute resolution.

The Chairman may disallow or terminate any public participation which discloses confidential or exempt information or is inappropriate, abusive, indecent, discriminatory, frivolous, irrelevant or otherwise unacceptable.

1.6 Notification of rejected questions

Notification of rejected questions will be given at the earliest opportunity in the written form in which they were received and include reasons for rejection in accordance with 1.5 above.

1.7 Question paper

The Secretariat shall circulate prior to the meeting a copy of the question(s) submitted by members of the public to those present.

1.8 Asking a question at the meeting

On arrival and before the start of the meeting speakers should register with the member of staff collecting names specifying the agenda item they wish to speak on and the nature of their interest in the matter. The member of staff will explain what will happen and show speakers to the public seating area.

The member of staff will supply a list of speakers and suggested order of speaking to the Chairman at the start of the meeting.

The Chairman will call speakers by name and invite them to formally put the question to the meeting.

If the questioner requires someone to read their question for them, the Chairman will ask the question on their behalf but they must be present at the meeting.

1.9 Response

Responses will be given as part of the consideration of the relevant Agenda item. The response will usually be given by the relevant Accountability Board Member or the Chairman of the meeting.

There will be no opportunity for asking a supplementary question.

1.10 Withdrawal of question

Any question may be withdrawn by the person submitting it at any time.

1.11 Questions not dealt with in the time allotted

Any question of which proper notice has been given but which is not dealt with in the allotted time of 15 minutes will not be held over to the next meeting: after the meeting a written response will be given in the form in which the question was received.

