# Capital Project Business Case
# SELEP Coastal Communities – Housing Led Economic Regeneration 14/10/2016

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

**The process**

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the LGF process. Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government.

**Local Board Decision**

- Consideration of **long list** of projects, submitted with a short strategic level business case
- **Sifting/shortlisting process**, with projects either discounted, sent back for further development, directed to other funding routes such as SEFUND, or agreed for submission to SELEP

**SELEP**

- Pipeline of **locally assessed projects submitted to SELEP** Board for information, with **projects supported by outline business cases - i.e., partial completion of this template**
- Pipeline prioritised locally, using top-level common framework
- Locally prioritised lists **submitted by SELEP to Government** when agreed

**SELEP ITE**

- **Full business case, using this template** together with appropriate annexes, developed when funding decision made.
- FBC taken through **ITE gate process**
- Funding devolved to lead delivery partner when it is available and ITE steps are completed

**Funding & Delivery**

- Lead delivery partner to commence internal project management, governance and reporting, ensuring **exception reporting mechanism back to SELEP Accountability Board** and working arrangements with SELEP Capital Programme Manager.

In the form that follows:

- **Applicants for funding for non-transport projects should complete the blue sections only**
- **Applicants for funding for transport projects should complete both the blue and the orange sections**

| **Version control** | |
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| **Document ID** | SELEP Coastal Communities LGF Business Case |
| **Version** | Revised SELEP Submission Document October 2016 |
| **Author** | Chris Cobbold, Wessex Economics |
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| **Authorised by** | Andrew Palmer, Head of Housing and Planning, Head of Housing and Planning Hastings BC |
| **Date authorised** | 14th October 2016 |
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| 1. PROJECT SUMMARY | |
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| **Note: To assist the appraisal team, revisions made to this document since the October 2016 Submission are highlighted.** | |
| **1.1. Project name** | **SELEP Coastal Communities – Housing Led Economic Regeneration**<br>**Overall Project Summary** |
| **1.2. Project type** | Strategic Housing Interventions in SE LEP Coastal Communities as described in the SELEP SEP |
| **1.3. Location (inc. postal address and postcode)** | **Jaywick (Tendring District)**<br>**Cliftonville West/Margate Central (Thanet District)**<br>**St Leonards, (Hastings Borough)** |
| **1.4. Local authority area** | **Hastings Borough Council (HBC)**<br>**Thanet District Council (TDC)**<br>**Tendring District Council (TeDC)** |
| **1.5. Description (max 300 words)** | HBC, TDC and TeDC have taken on a leadership role within the SELEP Coastal Communities Group to pilot new approaches to regeneration and economic development. The three authorities are focusing on the strategic role that housing interventions have to play in changing the perceptions of the SELEP Coastal Communities particularly in reversing decades of selective migration that have led to a loss of skilled people and the inward migration of households with fewer skills and much lower prospects of securing well paid, secure employment. As result there has been a loss of competitiveness in these areas as business locations.<br><br>The three lead authorities[1] are implementing intervention strategies to address areas of intense deprivation associated with particular neighbourhoods dominated by poor quality private rented housing, high levels of benefit dependency, and social problems. A common theme across all the strategies is a need to improve housing and neighbourhood management, action to improve housing standards, and the need for tenure diversification as a means to reduce the concentration of disadvantaged groups and to encourage new patterns of employment and private sector investment into central locations within coastal town centres.<br><br>Each of the authorities has developed project proposals that meet the particular needs of their locality that require capital investment, to turn these neighbourhoods around and to change perceptions so that the normal processes of private sector investment in improvement and new building are re-established. |
| **1.6. Lead applicant** | Andrew Palmer, Hastings Borough Council<br>apalmer@hastings.gov.uk<br>Tel: 01424 131645 |

[1] Each of the authorities works in partnership with the County Councils on economic development issues. In Thanet, the District Council and Kent County Council are working in partnership on the housing regeneration initiative. In Jaywick, Essex County Council is making a significant investment in improving the highway network and Tendring District Council is in negotiation with the County Council regarding development of a large-scale Older Persons Housing scheme on land acquired by the District Council. Hastings Borough Council has works closely with ESCC on economic development initiatives.

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| **1.7. Total project value** | £8,522,777<br><br>This figure excludes the acquisition cost of the properties that Thanet DC intend to convert from HMOs to self-contained flats since this expenditure has already been incurred. However these acquisition costs have been included in the Economic Appraisal.<br><br>The figure also excludes other projects in the intervention areas by the lead authorities and other partners that does not involve any LGF. For example it excludes the Coastal Space 2 programme in Hastings; the acquisition of land by Tendring Borough Council; and other HMO acquisitions and conversions in Thanet. It therefore significantly understates total investment being made in the intervention areas. |
| **1.8. SELEP funding request, including type (e.g. LGF, GPF etc.)** | LGF £2,000,000 (23.4% of total investment programme) |
| **1.9. Rationale for SELEP request** | Shortfall from other funds to deliver the scale of intervention required to secure sustainable regeneration; |
| **1.10. Other funding sources** | Organisations in italics are investing in the priority areas but are not directly funding the projects for which LGF is being sought<br><br>**Jaywick, Clacton on Sea**<br>Tendring DC (HRA) - confirmed<br>*Essex CC (Highways) – confirmed*<br>*Essex CC (Housing investment) in negotiation*<br>**Cliftonville, Margate**<br>Thanet DC (HRA investment) – confirmed<br>*Kent CC – ongoing investment through No Use Empty Programme*<br>*KCC – ongoing commitment to regeneration in the intervention area*<br>**St Leonards, Hastings:**<br>Hastings BC (General Fund investment - confirmed)<br>AmicusHorizon (equity and borrowing) (awaiting Board Approval)<br>Parity Trust – (private/social enterprise investment - confirmed) |
| **1.11. Delivery Partners** | Organisations in italics are investing in the priority areas but are not directly funding the projects for which LGF is being sought |

| Partner | Nature and/or value of involvement (financial, operational etc) |
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| AmicusHorizon (Hastings) | Strategic Partner with HBC in the Coastal Space Programme over the past 5 years. In the Coastal Space 3 programme planned investment of £1.9 million in redevelopment of [redacted] for new homes. |
| Parity Trust (Hastings) | Administration of home improvement and empty property loan programme. Investment of £20,000 of its own resources including recycled empty property and home improvement loans |

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| | *Kent County Council (Thanet)* | KCC will manage the Home Improvement Loan programme on behalf of Thanet DC, through the No Use Empty programme. Will continue to provide Empty Property Loans through No Use Empty programme.<br>*Other complementary investment in regeneration in the intervention area.* |
| | *Essex County Council (Tendring)* | *Committed funding of £5 million for highways improvement in the intervention area, to bring roads (some unadopted) up to standards appropriate to a residential area.* |
| | *Essex County Council (Tendring)* | *TeDC are in negotiation with ECC regarding development of land in TeDC ownership; and possible contribution to the Mermaid development* |

**1.12. Key risks and mitigations**

In each area the proposals that form part of this bid are part of long-term, multi-year strategic interventions. The interventions have been running for a number of years and are progressing well. The specific risks are those typical of development projects in areas with historically low values. The specific risks vary across the three areas:

**Jaywick, Tendring:** TeDC now owns the great majority of available development land in Jaywick, though properties will still have to be acquired and redeveloped to complete the regeneration programme. The principal risks are around securing development on the sites acquired and the timing of such development. TeDC is looking to create confidence by initiating its own new build development in the heart of Jaywick using LGF and Council resources.

Simultaneously TeDC is pursuing negotiations with Essex CC to develop Independent Living units or key worker schemes, and with the private sector to develop new market properties. Two planning applications for blocks of flats have now been submitted by the private sector reflecting renewed confidence in development viability in the area. The costs of development in the area are high because of the need for flood protection measures. Changes to the financial regime under which Registered Providers (RPs) operate have made it difficult for RPs to develop affordable rented property.

**Cliftonville West, Thanet**: TDC has a pipeline of residential development/ improvement projects made up of properties already in TDC ownership and those that will be focus of acquisition through negotiation or CPO. LGF is to be used to convert two former HMOs in TDC ownership into self-contained flats. There are timing and costs risks in appointing contractors to undertake works, particularly since the majority of the schemes entail refurbishment. There is not a significant sales risk since properties will be developed for a mix of affordable housing and will remain, for the time, being in TDC ownership.

**Hastings St Leonards:** the key risks surrounding the proposed investment project is the requirement to complete a CPO [redacted]

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| | [redacted] There is not a significant sales risk since properties will be developed for a mix of affordable housing. The changing operating and financial environment within which Registered Providers operate is another risk factor. It is anticipated that the Board of AmicusHorizon will approve investment in the project, once SELEP funding has been confirmed.<br><br>Given that LGF funding only amounts to £2 million out of a programme spend of £8.52 million in 2016/17 and 2017/18, the bulk of the risk is being taken by the project partners – so there is a strong incentive for the partners to manage risk. The multi-dimensional aspects of the intervention programme mean that there is scope for funding to be redeployed to other aspects of the intervention programmes if there is slippage in individual projects. |
| **1.13. Start date** | As soon as funding approval is received from SELEP |
| **1.14. Practical completion date** | 31st March 2021 for those projects being funded as part of this programme though the intervention programmes are likely continue in years beyond 2021. |
| **1.15. Project development stage** | *Inception, option selection, feasibility, detailed design, implementation*<br><br>The intervention strategies adopted in each of the three authorities have each been in place since around 2010, supported by Strategic Studies which analysed the issues, considered options for regeneration, developed strategy and set out the appropriate delivery strategy. The programmes have been adapted as the availability of funding has changed and in the light of experience gained in implementation.<br><br>In each of the areas the authorities have their own procedures for assessing feasibility, preparing detailed designs and implementation. In every case the authorities have committed, and are committing, substantially greater funds than is expected to be invested by SE LEP via the LGF. |
| **1.16. Proposed completion of outputs** | LGF funding to be used by 31st March 2018<br>Outputs to be fully delivered by 31st March 2021 |
| **1.17. Links to other SELEP projects, if applicable** | Growing Places Funding has been used in the Cliftonville West Intervention Area. If the South East Fund as described in the SELEP Growth Deal and SEP is taken forward in due course it can be expected that each of the areas will be a focus for investment.<br><br>It is expected that the proposed opening of a new Thanet Parkway Station by 2020, will significantly improve perceptions of Thanet as a place to live, by bring the headline rail journey time from Thanet to London down to just over 1 hour. The scheme is likely to rely on an element of public sector funding. |

## 2. STRATEGIC CASE

*The strategic case determines whether the scheme presents a robust case for change, and how it contributes to delivery of the SEP and SELEP's wider policy and strategic objectives.*

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| **2.1. Challenge or opportunity to be addressed** | *Describe the key characteristics of the challenge to be addressed and the opportunity presented. Provide an overview of the evidence supporting this and the impact of not progressing the scheme. What is the need? Why now?*<br><br>The South East LEP has identified the Coastal Communities of the LEP area as the worst performing parts of the SE LEP area in economic terms. Poor economic performance is associated with high levels of disadvantage, which in turn makes it harder to attract the business investment that would lead to catch-up economic growth. The SE LEP Growth Deal and Strategic Economic Plan identifies the SE LEPs Coastal Communities as priority areas for investment.<br><br>Hastings Borough Council, Tendring District Council and Thanet District Council have taken on a leadership role within the SE LEP Coastal Communities Group. The three authorities are working together to pilot new approaches to economic development and regeneration, with a focus on the strategic role that housing interventions have to play in changing the perceptions of the SE LEP Coastal Communities, particularly in reversing decades of selective migration that have led to a loss of skilled people and the inward migration of households with fewer skills and much lower prospects of securing well paid, secure employment. As result there has been a loss of competitiveness in these areas as business locations.<br><br>Each of the three lead authorities[2] has developed and started to implement intervention strategies to address areas of intense deprivation associated with particular neighbourhoods dominated by poor quality private rented housing, high levels of benefit dependency and social problems. A common theme across all the strategies is a need to improve housing and neighbourhood management, action to improve housing standards, and the need for tenure diversification as a means to reduce the concentration of disadvantaged groups and to encourage new patterns of employment and private sector investment into central locations within coastal town centres.<br><br>Each of the authorities has developed project proposals that meet the particular needs of their locality that require capital investment, to turn these neighbourhoods around and to change perceptions so that the normal processes of private sector investment in improvement and new building are re-established.<br><br>The projects being undertaken by the authorities focus on acquisition of strategically important buildings or sites, where refurbishment or new development will provide a spur to private investment by eliminating what are perceived to be 'problem properties' (eg Category C and D Houses in Multiple Occupation), and large abandoned properties or sites, particularly those in prominent locations which have a negative impact on perceptions of the locality visually and/or because they attract anti-social behaviour.<br><br>This approach supports and complements a range of local authority and community |

[2] Each of the authorities works in partnership with the County Councils on economic development issues. In Thanet, the District Council and Kent County Council are working in partnership on the housing regeneration initiative. In Jaywick Essex County Council is making a significant investment in improving the highway network and Tendring District Council is in negotiation with the County Council regarding development of a large-scale Older Persons Housing scheme on land acquired by the District Council. Hastings Borough Council has worked over many years on interventions to improve road and rail accessibility to Hastings and projects in the Higher Education Sector.

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| | led interventions aimed at enhancing the retail and tourism offer in these areas. Given the prominent seaside location and/or the quality of the historic building and heritage offer of each of the intervention areas they present potentially attractive opportunities for inward investment and regeneration.<br><br>These strategic investments are supported by a common programme of action across all three of the local authorities to bring individual empty properties back into beneficial use, and the provision of home improvement loans to low income and elderly home owners as part of action to create confidence in the target neighbourhoods and the wider community.<br><br>Each of the authorities has committed, and continues to commit, significant levels of their own resources to these programmes. This reflects the fact that delivering these programmes are major corporate priorities for each Council. The three authorities are working in partnership in recognition of the fact that they are grappling with similar problems, there is a need to share expertise, and because of the need to ensure that the significant need for coastal regeneration across many of the SE LEP's coastal communities (and coastal communities across the country) is recognised. |
| **2.2. Description of project aims and SMART objectives** | *Please outline primary aims and objectives*<br><br>*Please present the SMART (specific, measurable, achievable, realistic and time-bound) benefits and outcomes on the local economy that will arise following delivery of the scheme in terms of numbers of jobs, new homes, GVA).*<br><br>Hastings, Thanet and Tendring have well-established strategies for intervention in their priority areas, and have invested significant resources of their own in these areas. It is important to maintain the pace of investment to secure a lasting impact and return on the investment made to date.<br><br>In each of the three communities, turning the priority neighbourhoods around is important to the overall economic strategy for the area, since constant negative press about these areas deters not just investment in the neighbourhood but deters investment in the wider area.<br><br>This Coastal Communities project has four components, which will be implemented in each of the three geographies:<br>A. Strategic Housing Interventions – these being major housing schemes (rehabilitation or new build) – capable of securing major change over time in the priority areas<br>B. Empty Property Loans – designed to bring smaller single empty properties back into occupation. Both landlords and First Time Buyers are/will be eligible for loans.<br>C. Home Improvement Loans – focused on helping low income and elderly owner occupiers (and possibly First Time Buyers) make essential repairs and improvement to their homes.<br>D. Programme Management and Dissemination of Good Practice – resource to manage the cross-authority programme and support dissemination of good practice across the SE LEP Coastal Communities. |

In view of the reduced level of LGF on offer following submission of the original bid in November 2014, the indicative budgets for programmes B and C have been rolled together, so they can be managed for maximum impact in each of the relevant intervention areas.

The proposals that fall under each element of the Strategic Housing Interventions are described separately for each of the relevant Housing and Planning Authorities, since the needs of each area differ to some degree, and this is reflected in the local strategies and planned interventions.

The Intervention Strategy in each of the three areas has elements of Programmes A, B, C and D, though the resourcing given to Programmes B and C varies between the authorities. The Strategic Housing Interventions (Programme A) in each of the three Authorities are separately summarised below.

**Jaywick/Clacton on Sea (Tendring DC)**

The strategic housing intervention in Tendring focuses on three areas – Grasslands, Brooklands and lower Jaywick village – which are collectively referred to as 'Jaywick' in this document. Jaywick has around some 1,000 homes including 110 derelict and uninhabitable properties.

The area was originally built as a seaside resort for Londoners in the 1930s with small wooden chalets built on private unadopted roads. Over many years it has gradually changed from a holiday village to an established residential community. Because the chalets were never designed to be lived in all year round, the southern parts of Jaywick lack many of the basic services and facilities that would be expected as part of a modern housing development.

This southern part of Jaywick is the most deprived area in England and apart from problems such as high unemployment, low skills, and long-term illness, the physical environment is very poor with a significant proportion of homes being substandard and vulnerable to fire and the increasing risk of tidal flooding.

For more than 40 years, Tendring District Council (TeDC) has considered various approaches to tackling the problems to be found in Jaywick. Previous Local Plans has tried to use planning policies to prevent continued decline and bring about positive changes. There have been many improvements in the area in that time, including significant investment in sea defences, the introduction of mains sewerage, selective road improvements and the construction of a new spine road, enterprise centre and community resource centre.

However, deprivation has increased because the area continues to be dominated by poor-quality low-cost housing, and has got even worse since the economic downturn of 2008. Jaywick has become a place to which people with significant personal problems gravitate because of the availability of accommodation, despite the poor quality of the homes; and perhaps because of the appeal at some times of the year of living next to the sea. The presence of such large numbers of people in need is a massive drain on public sector resources. Equally many of the residents are unable to be economically active because poor housing contributes to poor health, inadequate education and substantially reduced chances of economic employment.

TeDC have embarked on a major programme to restructure the housing market in

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| | Jaywick. Over the past year TeDC has acquired a total of 28.4 ha of land and expects to acquire a further 1 ha of land by end of FY 2016/17. TeDC expect 108 new homes to be built by end March 2018, with a further 300 homes built in the period up to March 2021, a total of 448 new homes. Overall TeDC anticipates the regeneration of Jaywick will entail the development of some 900 new homes overall.<br><br>TeDC have been successful in securing funding of £200,000 from the HCA's Starter Homes programme to deliver 10 Starter Homes on part of the site.<br><br>The new development to be undertaken in the early phases will comprise mixed tenure homes (high quality flood resistant units). The strategy is to relocate residents from substandard, poor quality and flood susceptible properties, with follow on demolition, clearance and new build on sites from which residents have been rehoused.<br><br>LGF is required to support the assembly or a site in the heart of Jaywick and the development of 38 new homes for affordable housing. Some of the new homes are likely to be used to accommodate key workers. The local school has difficulty recruiting younger teachers, and other planned developments will generate demand for care workers. The development of this particular site, comprising an old social club, vacant plots and poor condition housing is seen as being of considerable importance as a statement of intent by TeDC and it will lend credibility to the regeneration proposals as a whole. LGF of £666,666 will be matched by £2.76 million of funding from TeDC, with the possibility of Essex County Council funding also being used.<br><br>Simultaneously TeDC is in negotiation with potential development partners to secure investment in new development of mixed tenure, high quality, flood resistant homes. Negotiations are underway with Essex County Council in connection with the possibility of a development of a large Independent Living scheme on one of the TeDC owned sites. Interest has also been expressed by private developers, and a private developer has recently submitted an application for a private development of two blocks of flats on a site with sea views.<br><br>The challenge in this next phase of the Jaywick intervention strategy is that, at present, private development is marginal and confidence weak. Over time this can be expected to change as development of good quality new homes changes perceptions of Jaywick as a place to live, and values rise to a level more appropriate to a location with sea views and immediate access to an attractive beach.<br><br>Overall TeDC has committed £10 million of HRA funding to fund site acquisition and development, and ECC £5 million for highways improvements. An investment of £11.0 million is being discussed by TeDC in connection with a proposed ECC Independent Living development. These figures indicate the scale of commitment by local partners to the regeneration of Jaywick. By the end of 2015/16 the partners had invested in the area around £5.2 million, with only £1.3 million from central government (Empty Homes Cluster Funding).<br><br>This proposed development programme for 2016/17 to 2017/18 will deliver the 38 new homes to be part funded by LGF, with plans for a further 200 new homes to be built in the years 2018-21 (not funded by LGF). It is anticipated that a further 60 new homes will be enabled in the period 2016-18, and another 100 homes enabled in the period 2018-21. This represents 238 new homes directly provided and a |

further 160 new homes enabled, a total of 398 homes in all in the next 5 years.

TeDC are in negotiation with various developers, including Essex County Council and private developers. There are a variety of options in terms of tenure mix including an element of for sale property, Starter Homes, social and affordable rent properties, shared ownership, and older persons housing.

There will be further phases of development in subsequent years. Over the next 15 years, it is anticipated there will be a need to deliver some 900 new homes (including the 398 identified above). Work is already underway with landlords who hold large stock holdings (60-120 properties) with a view to obtaining agreement to purchasing property / land to facilitate further redevelopment. It is envisaged that ultimately, as viability improves in the area, private sector investment will be attracted as normal market conditions take over from public sector intervention in the longer term. Planning applications for private development have been received in the past 6 months for development of two blocks of flats.

This programme of major investment in Jaywick will be supported by a programme of Empty Property Loans and Home Improvement Loans in other priority locations in the District. These programmes will be run by TeDC, using its own resources. TeDC's revolving home improvement loan fund that has been operational for a number of years. The revolving nature of the fund ensures ongoing investment for many years.

**Cliftonville West - Margate Central**

Margate has suffered along with other coastal towns from the disappearance of what used to be its economic mainstay – tourism. The collapse of the domestic tourist trade was followed by the wholesale conversion of many properties into privately rented flats and HMOs; and, over time, whole neighbourhoods such as Cliftonville West and Margate Central have come to be dominated by private renting, with a very large proportion of residents in receipt of some form of benefit.

Thanet District Council and Kent County Council have been working in partnership for many years to promote the economic development of the town. The promotion of Margate as a new tourist destination and as a centre for the creative industries is a core element of the economic development strategy. The opening of the Turner Contemporary Gallery in 2011 and improvements in Margate Old Town have started to make a difference. Dreamland re-opened in June 2015 as a heritage theme park. However in June 2016 the operating company went into administration, though theme park is still open to the public. Kent County Council is promoting the development of a new hotel on the Rendezvous site next to the Turner Contemporary Gallery.

Cliftonville West - Margate Central has been a strategic priority for Thanet District Council for a number of years, reflected in the designation in 2005 of a Renewal Area covering these neighbourhoods. A new strategy for regeneration was put in place in 2010 by TDC and Kent County Council (KCC), recognising the worsening circumstances in the area and the changing funding environment.

At the same time a pioneering initiative, known as the Margate Task Force was set up as part of the Total Place Initiative established by the then government, and then continued as part of the focus on joint agency working by local partners. This approach was aligned with the Coalition Government's emphasis on community budgeting. The Task Force works to ensure the effective co-ordination of all public services in the priority area to address the high level of need.

The strategy that TDC and KCC have been pursuing entails a combination of enforcement action to ensure tenanted properties are improved, undertaken in conjunction with a Selective Licencing Scheme (SLA), which has recently been renewed for another 5 years; combined with the purchase and improvement of 'problem' properties, be they empty or abandoned properties or Category 3 or 4 HMOs which have been a focus of anti-social behaviour. These interventions are focused on changing perceptions of Cliftonville West - Margate Central and creating the conditions where owner occupiers will look to take advantage of low property values and invest in improvement, thus re-balancing the local population.

Significant investment has occurred over the past four years under the new strategy. Kent County Council acquired the notorious [redacted] a Category 3 HM0, and has the property to 5 high quality units. Thanet District Council has acquired two other HMOs, [redacted] where the property has been converted back into two conventional dwellings, and [redacted] a 13-bed HMO which has been converted into three family units completed in March 2015.

£666,666 of LGF funding will be used to continue the programme of converting empty or problem properties to family accommodation, creating 12 additional homes. TDC will commit £612,400 to this element of the programme. TDC will also commit £150,000 of its own funding to be used for programme of Home Improvement Loans to be offered to low income and vulnerable households, focused on the intervention area. This programme of action will be supplemented by the ongoing provision of Empty Property Loans by the KCC supported No Use Empty Project.

The priority of securing the improvement of Cliftonville West and Margate Central has been re-emphasised by the focus on the creative sector, and reinventing Margate as a tourism destination. Cliftonville West and Margate Central are the parts of Margate that are the focus of Margate's tourism offer.

Cliftonville West is located on the landward site of the main cliff top road, just up the hill from the Turner Contemporary Gallery. The Winter Gardens, Margate's main event venue, is located in Cliftonville; so too is the historic Lido and Grade II Listed Baths, which require full refurbishment, but represent another opportunity to boost the visitor economy and the appeal of Cliftonville West as a place to live. The open spaces along the cliff tops to the east of the Turner Contemporary Gallery are also part of the visitor appeal of Margate. Improving Cliftonville West therefore complements the tourism strategy.

At the same time there is potential to rebalance Cliftonville West by encouraging creative artists and entrepreneurs to live and work in the area. The built environment of the area is very grand; it is located close to the town centre, to open space along the cliffs, the pedestrian routes along the sea wall, and is not far from the station. Already a former furniture depository has been turned into shared workspace for a number of people involved in the creative industries. The link between housing-led regeneration in West Cliftonville and economic development is clear.

The local economy and the housing market has been boosted since the opening of

HS1 and the start of the Southeastern Javelin service in 2009 Margate which has a delivered a much improved rail service to London (St Pancras). Further improvements in accessibility are to be delivered by 2020 through investment in the Ashford to Ramsgate railway and the development of a new Thanet Parkway Station. These will improve still further the accessibility of Margate and the rest of Thanet to London.

**St Leonards, Hastings**

The St Leonards area has been a strategic priority for Hastings Borough Council for many years reflecting the high level of deprivation in the area, associated with poor housing conditions, particularly linked to: high levels of private renting; a large population of people on benefit; a wide range of social needs; and high levels of anti-social behaviour and crime. The area was declared a Renewal Area in 2004 and HBC have recently extended Renewal Area designation for a further five years in recognition that there is still significant need for physical renewal and social regeneration.

The regeneration programme is being taken forward with the active support and involvement of the whole community. A town team has been established which brings local businesses and retailers together. The Gensing & Central St Leonards Community Forum provides a sounding board for a wider group of residents and local activists in support of the unique St Leonards offer.

HBC has partnered with AmicusHorizon (a Registered Provider) in a major intervention programme (known as CoastalSpace) involving the acquisition and refurbishment of properties in St Leonards. By the end of March 2015 this innovative programme had delivered 38 homes for affordable rent in refurbished properties (mostly in formerly multi-occupancy blocks). The partners have invested some £5.0 million with the split of contributions as follows: AmicusHorizon 55%; Hastings Borough Council 25% in a mix of loan and equity investment; and HCA Affordable Housing Grant 21%.

A further £4.9 million of funding for further investment in the programme has being secured for the period 2015-18 which will deliver an additional 30 affordable homes through refurbishment of properties in St Leonards. The proposed funding mix for this next phase of investment is AmicusHorizon 64% (including 6% of Recycled Capital Grant); Hastings Borough Council 14%, in the form of equity investment; and HCA Affordable Housing Grant 22%.

Delivery of the programme is overseen by a multi-agency project board chaired by the Leader of HBC together with senior representation from key partners including East Sussex County Council, the HCA and the Police.

Local Growth Fund moneys will be used to fund new build development on the site of a former prominent and large problem property in the St Leonards intervention area [redacted] AmicusHorizon is seeking to acquire the site by negotiation, but if this is not possible at reasonable cost, CPO action may be renewed. AmicusHorizon and HBC are also seeking alternative investment opportunities. Assuming [redacted] scheme is progressed a total investment of £3.2 million is to be made funded in the following proportions:

AmicusHorizon 59%, HBC 20% and LGF funding of £666,666 being 21% of anticipated total costs (comprising both acquisition and build costs). The development will deliver 17 new affordable homes.

The major works programme is to be supplemented by the continuation and expansion of the successful programme of Empty Property Loans and Home Improvement loans run by Parity Trust, a social investment agency that works with around 16 local authorities in southern England to deliver these programmes (see below under C. Home Improvement Loans for more details).

The housing led regeneration will complement other elements of HBC's economic development strategy. The Council and its partners have ambitious plans for the regeneration of the economic and social value of the seafront and the town centres that lie behind the seafront. New life has been bought to the eastern end of the seafront with the Jerwood Gallery, performance space and fishing fleet providing the platform for a new type of tourist and visitor. Of particular note is the funding package that bought the Gallery into the town (>£11m) and the EU funds (c£2m) secured to support the strengthening and diversification of the fishing industry.

At the St Leonards end of the Borough over £15m of HLF and other funding has been used to restore the structure of Hastings Pier which re-opened in May 2016 bringing visitor activity up towards St. Leonards. Investment by the Foreshore Trust, HBC and East Sussex County Council has matched private investment (total c£2m) to allow the cavernous and long abandoned White Rock Baths to be developed as a centre for international and national BMX and skateboarding competitions, bringing a new, young, sporting (and European) offer to the seafront with lots of spin off for the local music and creative media sectors. This facility opened in February 2016. The 1066 Cultural Leaders Group is spearheading work to build on the existing cultural programme to attract and increase numbers of domestic and international visitors to the Hastings and Rother travel to work area.

Together these initiatives link St Leonards firmly into a strategy for a strong and reinvented visitor economy throughout the Borough, and surrounding parts of East Sussex and Romney Marsh. The main shopping streets in St Leonards (London Road and Kings Road) have become an established as a visitor destination. However, addressing the failed housing market is essential to create a sustainable area capable of participating in and benefitting from this work. Encouraging a broader range of residents including those with higher disposable incomes will reinforce the local service sector presence.

**B. Empty Property**

**Note: Programmes B and C are amalgamated under the Revised Bid so funding can be used flexibly for Empty Property or Home Improvement Loans. Given the reduced level of funding from the original bid this gives the partners flexibility in programme management. However in this document the two programmes are described separately. LGF will not be used as part of these programmes following recent advice from SELEP that LGF cannot be used to fund revolving loan funds.**

Both Tendring DC and Hastings BC have experience of running programmes of empty property loans, providing loans to help property owners improve long-term empty properties and bring them back into use, normally as rented properties.

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| | In Kent this programme is run by Kent County Council through its No Use Empty team and loan funding will continue to be available for projects in Cliftonville West and Thanet through this programme without recourse to LGF funding.<br><br>Each authority will draw upon best practice as established in their own area and from the partner authorities. This is an area of work where the partner authorities are keen to share experience across the SE LEP Coastal Communities Group.<br><br>Kent County Council has been running the successful New Use Empty (NUE) project since 2006. The scheme has brought over 3,465 empty properties across the whole of Kent back into use and lent £11 million. Of this total lending, £5 million of loans have been repaid and recycled into making further loans.<br><br>The average investment (loan) made by NUE per unit is close to £20,000, with on average a further £25,000 of private sector funding levered in to the improvement.<br><br>In Hastings and elsewhere along the South Coast, Parity Trust, a FCA regulated social investment company, has established a different model for providing loans to landlords to bring empty properties back into use in Hastings. This includes securing private sector investment.<br><br>These programmes will complement the strategic interventions and enable empty properties to be brought back into use in Tendring and Hastings; with Thanet continuing to steer applicants from within the District to the No Use Empty team, without recourse to TDC funding.<br><br>Loans will be targeted on owners of empty property in the priority areas of Hastings and Thanet, but the ability to lend to owner occupiers in other parts of the local authority area is an important flexibility in managing the programme. It is proposed that as loans are repaid they should be recycled to enable continued investment in the renewal priorities of the local authorities.<br><br>In Tendring many of the properties in the intervention area are scheduled for clearance, but there are areas of better quality property which may be suitable for improvement. A relatively high proportion of loans in Tendring are likely to be focused on other parts of Clacton-on-Sea with some available in other parts of the District; politically it is important when such large sums are being invested by the Council in Jaywick to ensure that other areas in need are not forgotten.<br><br>It is anticipated that most of the loans will be to landlords, but the Coastal Communities are keen that loans could be extended to first time buyers wishing to refurbish properties to live in themselves. Parity Trust has experience of supporting buyers acquiring property on a shared ownership basis. The extension of provision of loans to home owners willing to take on the refurbishment of long term empty homes will contribute to the objectives of tenure diversification to a greater extent than renewal of long-term empty properties for private renting.<br><br>For the avoidance of doubt, it is anticipated that loans will be provided both for improvement of existing empty homes, but also for conversion of non-residential properties in the target areas to residential use or mixed residential and commercial or community use. Exceptionally it may be appropriate to provide loans to permit properties to be brought back into use for commercial use. |

Under the No Use Empty programme loans have been provided at 0%, while under the Parity Trust scheme they are provided at a subsidised interest rate (5.49%). Given the precedent set in Thanet and Hastings it is anticipated that each would continue with their own arrangements, allowing comparisons to be made between the two schemes in terms of value for money and effectiveness. Parity Trust has experienced no defaults in their lending programme; and No Use Empty has only experienced one bad debt.

Under both schemes loans repayments are recycled to provide further loans.

**C. Home Improvement Loans**

**Note: Programmes B and C are amalgamated under the Revised Bid so funding can be used flexibly for Empty Property or Home Improvement Loans. Given the reduced level of funding from the original bid this gives the partners flexibility in programme management. However in this document the two programmes are described separately**

Programme C of the Coastal Communities Round 2 Local Growth Fund Bid is for funding to provide home improvement loans to owner occupiers to undertake essential repair and renewal work to their homes. Loans may also be used to help leaseholders fund their contribution to common parts improvements in leasehold blocks of flats.

The programme is built on the very successful programme developed by Hastings Borough Council in conjunction with Parity Trust, a FCA regulated social investment company and charity and by the respective local authorities in Tendring and Thanet. The Parity Trust programme has been running for 5 years, and is a proven model for providing a quality service particularly to elderly and low income owner occupiers to secure improvements to their own home.

As part of the overall programme the local authorities are increasing their own funding for these programmes. In Thanet the District Council is committing new funding to re-start this programme after some years; and has appointed the Kent County Council No Use Empty team to administer the Home Improvement Loan scheme to be funded by TDC. In Hastings Council funding will enable continuation of this programme. A parallel programme funded and administered by the local authority's own resources will be operated in Tendring.

Loans will be targeted on owner occupiers in the priority areas of Hastings, Thanet, and Tendring but the ability to lend to owner occupiers in other parts of the local authority area is an important flexibility in managing the programme. It is proposed that as loans are repaid (and Parity Trust has not experienced any loan defaults) they should be recycled to enable continued investment in the renewal priorities of the local authorities.

As noted previously Tendring District Council is utilising a substantial fund of repaid loans to funds its future programme of Home Improvement Loans to match LGF funding. Thanet District Council is investing its own funds; while funding for this programme in Hastings is coming from HBC and Parity Trust.

In some instances it is likely that Home Improvement Loans will help households secure grant aid from English Heritage's Townscape Heritage Initiative towards part of the element of the works that the householder has to fund themselves.

Parity Trust has found that around 1 out of every 3 people who have a financial assessment do not chose to take up a loan, but most proceed to have the work undertaken, often with assistance from family members. The Home Improvement Loan scheme will therefore generate a higher value of works than that paid for by the Loans. In addition Home Improvement Loans are repaid, frequently within relatively short timescales, which allows the loans to be recycled to support further lending to home owners.

Parity Trust always meets with applicants in their own homes, and makes an assessment of the applicant's personal finances, and identifies the works the applicant wants to undertake. Parity Trust and the partner local authorities will tailor the loan to what suits the client. Options are repayment loans, interest only loans, or interest roll-up. As a charity, Parity Trust is focused on what works best for the client.

**D. Programme Management and Dissemination of Good Practice**

The final element of the programme is the allowance made by the three authorities and AmicusHorizon to recognise their leadership role for the SE LEP Coastal Communities Group. The authorities and Amicus Horizon expect to commit at least £300,000 of their own resource over the period 2016/17 to 2020/21, largely in the form of staff time, to ensure effective delivery and to ensure there is a resource available to assist other coastal authorities and to disseminate good practice.

**Objectives**

The specific objectives of each of the strategic intervention programmes has been set out above. In each area the objectives to improve housing standards, reduce the concentration of deprivation and to stimulate private investment.

The outcomes are measurable against objective standards used to assess homes, deprivation and private sector investment namely:

- the Housing Health and Safety Standard
- local authority data on the number of people in receipt of specific benefits in an area
- planning applications and completed developments
- changes in house prices and rents of commercial properties

The objectives are achievable and have been scrutinised by the respective local authorities. In each case the three authorities are bearing the majority of the risks and the strategies have therefore been subject to internal scrutiny. The HCA has committed funding to support the regeneration strategies in each of the areas, though HCA funding is not involved in funding any of the projects and programmes that are the subject to this bid.

The authorities have worked in partnership with others and have already delivered significant outcomes, which reinforce the assessment that the strategies being pursued are both achievable and realistic.

The strategies being pursued by each authority are long-term in nature, but for the purposes of this exercise the time frame is up to end March 2021, and are therefore

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| | time-limited.<br><br>Outcomes in terms of new and improved homes and jobs are set out later in this document. |
| **2.3. Strategic fit** | The South East LEP has set out the challenges facing the Coastal Communities in its area in the South East in the Growth Deal and Strategic Economic Plan. Paragraphs 2.87 to 2.93 set out the issues and opportunities associated with restoring confidence in coastal communities housing markets. Paragraphs 3.100 and 3.101 set out in full the housing asks in relation to the SE LEP's Coastal Communities.<br><br>Paragraph 3.101 starts by setting out the LEP's proposal to establish a Coastal Property Renovation Fund to draw in new owner occupiers to our coastal areas to renovate and improve key properties. By doing so, and investing their own funds alongside, the fund would act as a catalyst to attract private sector investment for the improvement of whole streets and neighbourhoods<br><br>The Coastal Communities LGF bid is designed to address the key housing issues and related economic challenges that face coastal communities across the SE LEP area in varying degrees. The issues are not identical in the three priority areas being targeted by three lead authorities in the SE LEP Coastal Communities Group.<br><br>In St Leonards (Hastings) and Cliftonville West - Margate Central the aim is to build investor confidence by tackling poor condition prominent properties that are either an eyesore and/or a focus for anti-social behaviour and encouraging tenure diversification, and linked to this higher levels of private sector investment in home improvement and new housebuilding. In both areas there is an intrinsic quality to the built environment that is a positive asset.<br><br>In Jaywick the focus is on redevelopment of homes that were never intended for permanent occupation. This requires an initial focus on developing new homes to allow existing residents to be re-housed. Addressing the housing issues of Jaywick is an essential first step to addressing the deep-seated economic and social issues of Jaywick and working towards rebalancing the housing market and creating the investment environment for development and providing work for local residents. |

**2.4. Summary outputs (3.2 will contain more detail)**

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| | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Totals |
|---|---|---|---|---|---|---|
| **1. Additional Homes created by refurbishment** | 0 | 12 | 0 | 0 | 0 | 12 |
| ***2. No. of Additional Homes above created from formerly long term vacant properties*** | 0 | 12 | 0 | 0 | 0 | 12 |
| **3. No. of New Homes delivered** | 0 | 0 | 0 | 17 | 38 | 55 |
| **4. No. of New Homes enabled (not involving any of funding regarded as part of this bid)** | | | 50 | 50 | 60 | 160 |
| **5. Property brought back into residential use with Empty Property Loans** | 0 | 0 | 1 | 1 | 1 | 3 |
| **6. Repairs and improvements to existing dwellings through Home Improvement Loans** | 0 | 8 | 12 | 10 | 2 | 32 |

Note: Outputs under 5 and 6 have been reduced pro-rata on the basis of the reduced funding allocated to the programme of Empty Property and Home Improvement Loans following advice from SELEP that LGF cannot be used to fund revolving loan funds.

**2.5. Planning policy context, consents and permissions**

The authorities have in place planning policies that support the regeneration of the priority neighbourhoods.

The majority of the projects under this programme will require planning permission, since they involve new building; conversion of properties to change the mix of dwellings within an existing building; demolition of inappropriate extensions; or external works in a conservation area. Only the home improvement loans programme will generally avoid the need for planning permission; and some empty property loans.

All the participating authorities have established planning policies designed to seek to ensure that any changes to the built form of their priority areas contribute to their strategic objectives regarding tenure diversification and reducing the concentration of disadvantaged people in these areas.

Schemes requiring planning permission will clearly take longer to implement than those that do not. All the participating authorities are aware of the importance of timely planning decision in ensuring programme deadlines for delivery are met.

The planning status of the various elements of the overall programme are set out below for each authority.

In Jaywick, the major task of assembly of land for development of new homes is complete. However, the scheme specifically identified for LGF funding does require

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| | land assembly. Negotiations are well advanced with landowners. LGF will be applied to site acquisition or development costs. This releases TDC's funding for build costs, Planning permission will be required for the proposed development to be funded by LGF, so that funding can be used by March 2018 at latest. In terms of the wider development programme (not LGF funded) planning permission will be required for preparatory works – flood protection etc – and new development. The major proposals for an Independent Living Scheme are in negotiation but have not reached the stage of seeking planning consent.<br><br>In Cliftonville West (Margate) both [redacted] are already in TDC ownership. Planning consent is in place for [redacted] and detail design is underway. Detailed design work is being undertaken on [redacted] prior to seeking planning consent. Securing planning consent for [redacted] is not expected to be controversial.<br><br>In St Leonards Hastings, the Stage 2 Coastal Space programme (not the subject of LGF funding) is significantly advanced in terms of property acquisition with an offer accepted on a large multi-occupancy property. AmicusHorizon anticipate a start in site in March 2017 and completion around March 2018.<br><br>[redacted]<br><br>[redacted] HBC as planning authority will has a major interest in ensuring that planning consent is granted speedily. AmicusHorizon has been working with HBC over the past 4 years in delivery of the programme, and both AmicusHorizon and HBC understand the importance of timely decisions on planning issues.<br><br>Works on individual empty properties or where home improvement works may or may not require planning consent depending on whether they entail internal re-ordering or are in a Conservation Area.<br><br>In all areas, the planned programme of works are being undertaken by the local authorities themselves or their partners; planning can be expected to be secured quickly unless there are local objections. |
| **2.6. Delivery constraints** | *High level constraints or other factors which may present a material risk to delivery*<br><br>The potential constraints on the programme are linked essentially to the key stages of any capital investment programme involving property:<br>• Delays in acquisition of land or property for development and renewal<br>• Blockages in the planning process resulting in delays or possible non-implementation of particular schemes<br>• Issues around the issue of contracts to build or improve dwellings, be that |

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| | associated with cost or quality issues<br>• Delivery delay which may be related particularly to unforeseen works and associated costs<br>• Changes in funding arrangements requiring investor business plans to change – an issue for both Registered Provider and private investors<br><br>These sort of risks are mitigated by the fact that the proposed investment has considerable flexibility which will aid delivery. This flexibility arises from:<br>• The fact that the investment programme in each area is underway, with considerable work in progress and established mechanisms for delivery.<br>• In each area there is a pipeline of activity with schemes at different stages, so there is scope to utilise LGF funding even if particular components of the proposals are delayed<br>• The Strategic Interventions in each of the three authorities are at the top of each authority's Corporate Priorities, so there is political commitment to push ahead with the proposals. |
| **2.7. Scheme dependencies** | *Please provide details of any related or dependent activities that if not resolved to a satisfactory conclusion would mean that the full economic benefits of the scheme would not be realised.*<br><br>The programme in each of the authorities has its own distinctive scheme dependencies.<br>• In Tendring the Council now owns the great majority of development land in Jaywick (28.4 ha). However, the specific scheme identified for LGF is only partly in TeDC ownership though negotiations are well advanced with owners of the properties and sites that need to be acquired. In terms of the wider intervention programme (non LGF funded) the next steps for the intervention entails securing development of the developments now in TeDC ownership for a mix of new homes for sale and new affordable housing. To take the renewal programme to its next stage, existing low income residents will need to be rehoused into newly built affordable homes. The market homes are needed to cross-subsidise the affordable housing development. LGF funding is making a valuable contribution to scheme viability.<br><br>• In Thanet the properties for which LGF funding will be used are in TDC ownership; planning consent has been granted for one of the two properties, and is being progressed on the other property. Detail design work is being undertaken on both schemes. There are timing and planning risks entailed in the programme. In terms of the wider intervention programme (non LGF funded) there are elements of the programme which entail further property acquisition by negotiation or CPO; there is sufficient flexibility in the programme to ensure that if problems arise in progressing with one scheme then the funds can be reapplied to another scheme in the programme. The investment programme funded by LGF is not dependent upon Kent County Council investment in other schemes in the intervention area, but the long term success of the regeneration of the area does require KCC to fulfil its commitments.<br><br>• In Hastings, the key requirements for delivery of the strategic intervention are linked with property acquisition [redacted] |

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| | [redacted] HBC is therefore working with Amicus Horizon to identify alternative development projects in the intervention area that would meet the strategic objectives. The outputs associated with the scheme rely on implementation and completion of the scheme. The other elements of the programme are not subject to the same dependencies, involving continuation of existing programmes for repair and renewal of vacant properties and those occupied by low income households in poor condition. The wider elements that support the regeneration of St Leonards (eg tourism initiatives etc) are being progressed; for example Hastings Pier is re-opened to the public in May 2016. A world class Skateboard and BMX facility opened in the former White Rock Baths in February 2016, following investment of some £1.2 million. |
| **2.8. Scope of scheme and scalability** | *Please summarise what the scope of the scheme is. Provide details of whether there is the potential to reduce the projects costs but still achieve the desired outcomes – or increase projects costs for much improved outcomes.*<br><br>The original bid to SELEP for LGF sought in excess of £10 million to support the regeneration of the priority areas in each of the three local areas. Therefore the ambitions of the authorities have already had to be scaled back significantly with implications in terms of the integrity of the strategies being pursued.<br><br>Without LGF funding the outputs set out in this document will not be delivered, or other elements of the overall intervention strategy could not be funded.<br><br>Increased funding would enhance the certainty of delivering the comprehensive regeneration of the areas being targeted, by increasing the certainty of getting each are to a position where privately funded investment in renewal is self-sustaining. |
| **2.9. Options if funding is not secured** | *Please summarise what would happen if the funding for the scheme was not secured - would an alternative solution be implemented and if so please identify how it differs from the proposed scheme and how it would be funded. Is doing nothing an option?*<br><br>The authorities would each be in a different position. Tendring DC has no option but to continue to invest; people are living in sub-standard accommodation in an area where a major flood would be likely to cause significant fatalities. National and Local Government is aware of the absolute requirement to ensure the safety of residents in Jaywick<br><br>In Thanet and Hastings, the authorities would continue to pursue their strategy, but with constrained resources (including those of RP partners, particularly in the light government policy on rent regimes and the Right to Buy), there is the risk of not achieving the critical mass of improvement that changes perceptions of these neighbourhoods which will underpin, self-sustaining private sector led renewal. |

| **3. ECONOMIC CASE** | |
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| *The economic case determines whether the scheme demonstrates value for money. It presents evidence on the impact of the scheme on the economy as well as its environmental, social and spatial impacts.*<br><br>*For projects requesting over £5m of SELEP directed funding, a separate economic appraisal should be undertaken and supplied alongside this application form. This should provide:*<br>• *A calculation of Benefit Cost Ratio according to Government guidelines*<br>• *Proper inclusion of optimism bias and contingency linked to a quantified risk assessment*<br>• *Inclusion of deadweight, leakages, displacement and multipliers*<br>• *An appraisal spreadsheet with clearly identified, justified and sensitivity-tested assumptions and costs*<br><br>This Project Proposal seeks £2 million of SE LEP funding; and there is therefore no requirement for provision of a full Economic Appraisal as described above. An economic appraisal is presented as Annex 2 to this document focusing on assessing the longer term impacts of the interventions. | |
| **3.1. Impact Assessment** | *Please provide a description of the impact assessment of the scheme with some narrative as to why other options have been discounted. This should include a list of significant positive and negative impacts and a short description of the modelling approach used to forecast the impact of the scheme and the checks that have been undertaken to ensure that the approach taken is fit for purpose.*<br><br>Each of the strategic intervention programmes has been in place for a number of years, following significant strategic studies into options, and identification of the preferred option to turn each of the priority neighbourhoods around.<br><br>The regeneration of Jaywick is a corporate priority for Tendring Council, recognising the major issues facing the community as the most deprived areas in England, and a residential area at very significant risk of serious flooding. Given the poor condition and lack of flood protection for existing dwellings, the strategic approach adopted is one of land acquisition, new building of flood protected homes, and acquisition of existing properties that are not fit for purpose and cannot be rendered safe from flooding to allow further phases of redevelopment.<br><br>Work was undertaken in 2010 on the strategic options for the Cliftonville West - Margate Central area through a study jointly commissioned by Thanet District Council, Kent County Council and the HCA. Significant work was undertaken in order to establish a Selective Licencing Area covering Cliftonville West, and the SLA has recently been renewed for a further 5 year period to 2021.<br><br>The pilot Coastal Space initiative in St Leonards in Hastings was launched in 2011, and has progressed significantly in recent years, in terms of investment and associated improvements. A review of progress in achieving the Renewal Area objectives in St Leonards was undertaken in 2013 and Renewal Area designation extended for a further 5 years. A Selective Licencing Area has also be put in place.<br><br>The positive outcomes associated with the strategic interventions are many and differ in terms of the mix of beneficial outcomes. Key positive outcomes are expected to be:<br>• Bringing vacant properties and development land back into use<br>• Ensuring good management of privately rented properties<br>• Ensuring privately rented and owner occupied properties are well maintained<br>• Eliminating problem properties (HMOs) through conversion to self-contained accommodation |

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| | • Delivery of new homes suited to meeting the needs of current residents<br>• Demolition of properties not capable of cost-effective improvement to modern standards<br>• Delivery of new homes<br>• Reductions in anti-social behaviour<br>• Reducing the number of people at risk of death due to flooding<br>• Enhanced effectiveness of support to vulnerable persons<br>• Reduced property vacancies<br>• More people housed in self-contained accommodation<br>• Reduced turnover among local residents<br>• Reduced concentration of disadvantaged households<br>• Move towards mixed and balanced local communities<br>• Enhanced community spirit<br>• Increase in private sector investment in housing<br>• Jobs created in construction<br>• Enhanced local expenditure with local service providers<br>• Enhanced investment in tourism and leisure projects close to the target areas<br>• Creation of additional jobs<br>• Enhanced viability of new development as values increase<br><br>Given that each of the intervention areas is characterised by poor quality housing and high levels of socio-economic disadvantage, the list of potential negative impacts of the intervention is much shorter than the list of positive impacts :<br>• Displacement of disadvantaged people to other locations<br>• Rising house prices causing affordability issues<br>• Loss of a sense of community if there is significant in-migration of higher income groups |

| **3.2. Outputs** | *Identify jobs, floor space and housing starts connected to the intervention, quantify the outputs in tabular format and provide a short narrative for each theme (i.e. jobs/homes/floorspace) explaining how the project will support the number identified.* ***Please describe the methodology used for calculating jobs and homes numbers.*** |
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| | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Totals |
|---|---|---|---|---|---|---|
| **1. Additional Homes created by refurbishment** | 0 | 12 | 0 | 0 | 0 | 12 |
| ***2. No. of Additional Homes above created from formerly long term vacant properties*** | 0 | 12 | 0 | 0 | 0 | 12 |
| **3. No. of New Homes delivered** | 0 | 0 | 0 | 17 | 38 | 55 |
| **4. No. of New Homes enabled (not involving any of funding regarded as part of this bid)** | | | 50 | 50 | 60 | 160 |
| **5. Property brought back into residential use with Empty Property Loans** | 0 | 0 | 1 | 1 | 1 | 3 |
| **6. Repairs and improvements to existing dwellings through Home Improvement Loans** | 0 | 8 | 12 | 10 | 2 | 32 |
| Note: Outputs under 5 and 6 have been reduced pro-rata on the basis of the reduced funding allocated to the programme of Empty Property and Home Improvement Loans following advice from SELEP that LGF cannot be used to fund revolving loan funds. | | | | | | |

Only outputs directly associated with the specific schemes which are to receive LGF funding are included in the table above. It is important to appreciate that the schemes in receipt of LGF funding are part of much larger scale intervention programmes; and that the overall intervention can be expected to yield greater benefits than arise simply from the sum of the different elements of the programme. The wider impacts and long term impacts of each strategic intervention are set out in Annex 2, the Economic Appraisal.

Information on the number of refurbished/new homes delivered (1&3) represent the homes provided in connection with each of the development proposals which are to receive LGF funding. In a number of cases existing properties are being acquired; since these properties are either empty properties or not considered fit for purpose the improved properties are assumed to be net additions to the housing stock, in the same way as a new property on a greenfield site would be regarded as a net addition to the stock of housing.

It is assumed that Empty Property Loans provide a net increase in the stock of housing by bringing a long term empty property back into use. The principal output of Home Improvement Loans is improved housing for low income households housing, but such schemes have a number of wider benefits, including leverage of additional funding and reduced pressure on public services.

Each of the Coastal Communities authorities has experience of operating programmes involving

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| | provision of Empty Property Loans and Home Improvement Loans, and are well placed to judge likely take up and average costs. Estimated outputs in terms of improved homes and empty homes brought back into use are based on past experience.<br><br>While the primary output of the SE LEP Coastal Communities Bid submitted to SE LEP for Appraisal in November 2016 are housing outputs, a capital expenditure programme entailing total expenditure of £8.5 million (including £2 million of LGF) will also create significant numbers of construction jobs. Construction jobs have not been calculated as part of this submission, since this may not be regarded as useful in the overall appraisal. However they can be calculated if required. The approach used in estimating the scale of construction employment is set out below differentiated in terms of the types of housing output secured.<br><br>**New Homes:** Various organisations have undertaken analysis to estimate the number of jobs created by the construction of each new dwelling. The Government itself has used the rule of thumb that for every new home built, up to two jobs are created per year (quoted in Laying the Foundations: A Housing Strategy for England, CLG, November 2011, para 11 of the Executive Summary). The document references work the Scottish Government and English Partnerships as the source for these figures.<br><br>The HBF reference a study undertaken in October 2005 by Professor Michael Ball, 'The Labour Needs of Extra Housing Output', that indicates that 1.5 jobs are created per annum for each new home built. This estimate is based on an estimate of the number of people employed in the housebuilding sector and the average annual output of new homes. It excludes jobs associated with the supply chain.<br><br>The HBF estimate that a similar number of jobs as created directly in the construction of a new home as are created in the housebuilding supply chain. The HBF are on record therefore as estimating that around 2.4 jobs are created in connection with the building of a new home.<br><br>For the purposes of this study, Wessex Economics has assumed that for every new home built two person years of employment will be created – the assumption widely used in Government circles. This SE LEP project appraisal form recommends that 1 person year of employment be counted as 1 job (see para 2.4), so this is the convention used in this appraisal.<br><br>However, it is more usual to regard a 5 or 10 person years of employment as the equivalent to a FTE job. As set out above, the applicants are willing to undertake analysis of construction employment if required.<br><br>**Housing Rehabilitation:** There is no generally accepted method for estimating how many jobs are associated with housing rehabilitation and improvement. This is unsurprising since the scale and nature of works involved in housing repair and improvement will vary considerable. The approach which the applicants would adopt if this information is required is as follows:<br><br>*Step 1:* Establish the total expenditure on housing repair and improvement is based on the project costs of the major elements of the programme involving housing improvement. In the case of Empty Property Loans and Home Improvement Loans it would be assumed on the basis of evidence from existing schemes that every £1 loaned levers in another £1 of investment by the property owner.<br><br>*Step 2:* It would be assumed that 50% of overall costs associated with major housing renewal schemes are labour costs, the balance being materials costs. Housing renewal is clearly significantly more labour intensive that new housebuilding since the existing structure of the building exists along with all essential infrastructure to the building (eg utilities, roads etc). |

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| | Works such as rewiring, re-plumbing, installation of new electrics, re-roofing, painting and decorating etc are tasks where the bulk of costs are labour costs not material costs. Using this assumption that 50% of total repair and renewal costs of labour costs it is possible to estimate expenditure per dwelling on labour.<br><br>*Step 3:* Data from the Annual Survey of Hours and Earnings would be used to identify the average gross annual pay of those working in the construction sector in the South East of England and the East of England region. It is reasonable to expect that those working in the repair and improvement of homes will be less well paid than those in the many specialist areas of construction, so benchmarking has been based on median gross pay rather than mean gross pay. The 2014 weighted median gross annual pay of construction workers in the South East and East of England has been calculated to be £28,477.<br><br>*Step 4:* Wage levels in the Clacton, Hastings and Margate, Ramsgate and Sandwich Travel to Work areas are around 20% less than in the South East and East of England regions as a whole. It would be reasonable to assume that wage levels of construction workers in the intervention areas will be lower than the regional average. Therefore the average annual gross pay of construction workers in the three local authority districts would be calculated as 80% of the median gross annual pay of construction workers at the regional level.<br><br>*Step 5:* The total expenditure on labour costs (Step 2) would be divided by the median gross annual pay of construction workers in the study area (Step 4), to derive the average years of employment of construction workers associated with the renovation and renewal of housing in Hastings, Tendring, and Thanet.<br><br>*Step 6:* This estimate of employment would be likely to be an under-estimate of the employment impacts of the scheme. No allowance has been made for local multiplier effects, or of investment stimulated by improving confidence in the local housing market, or the impact that effective enforcement action against landlords stimulates expenditure on rented properties to bring them up to legally required standards.<br><br>To make some allowance for multiplier effects on employment, the employment figures generated for construction employment through steps 1-5 above, would be uplifted by 10% to take account of local multiplier effects in supporting jobs. The 10% uplift in consistent with the figure identified in the HCA's Additionality Guide for purely local multiplier impacts. |
| **3.3. Wider benefits** | *Please describe below any wider economic benefits that the scheme will achieved that will help to contribute to the overall value for money of the scheme.*<br><br>The wider benefits essentially arise from the strategic intervention programme of which the LGF funded projects are a part. Key benefits include:<br><br>Delivery of essential flood protection to Jaywick that will guard against financial claims of loss of life, property and possessions in the event of flood. In the winter of 2013 the North Sea storm surge is reported as coming within 6 inches of overtopping the sea defences at Jaywick. 2,500 people were evacuated.<br><br>Provision of new homes to kick start a programme of demolition of unsuitable housing and rehousing of occupants (Jaywick). In the long term it is anticipated that 900 new homes will be delivered in Jaywick. TeDC already own 24 ha of development land, and planning applications have been submitted by private developers for new build homes.<br><br>In Margate and in Hastings there is the potential to bring back into use around 420 empty |

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| | homes in the intervention areas. Action to create market demand for these properties combined with financial support (Empty Property Loans) could result in a substantial addition over a period of years to the stock of useable housing; and a corresponding growth in population and a resulting boost to the economy and creation of jobs. (see Annex 2)<br><br>In each of the Coastal Communities there is substantial scope to create the right environment to encourage in-migration to the intervention areas of higher income groups, with consequent benefits in terms of an enhanced skill base for local employers; and increased consumer spending with local suppliers; and enhanced social sustainability as neighbourhoods become increasing mixed income communities.<br><br>Creating confidence that stimulates private sector investment in housing improvement<br><br>Creating confidence that improvement is underway that in turn attracts new owner occupiers into the area<br><br>Support for town centre regeneration, and the retail and leisure sector including hotel operators.<br><br>Significant improvement in streetscapes as abandoned properties and derelict sites are developed.<br><br>Enhancement of the heritage & tourism offer by renovating and improving buildings of architectural value and interest<br><br>Possible provision of Starter Homes and/or Shared Ownership properties (Jaywick, Margate, and Hastings – linked to LA strategies)<br><br>32 vulnerable households directly assisted with essential housing repairs/improvements, with consequent saving in costs to Health and Social Care budgets and improved quality of life<br><br>Recycling of both Empty Property Loans and Home Improvement Loans as repayments are made, to fund further lending. |
| **3.4. Standards** | *Provide details of anticipated standards (such as BREEAM) that the project will achieve.*<br><br>In refurbishment projects undertaken by a Registered Provider (eg AmicusHorizon) and/or Local Authority Landlord (eg Thanet District Council, Tendring District Council), each organisation will have their own standards which they expect to be achieved, taking into account their responsibilities as future landlords of the properties.<br><br>At this stage it is not anticipated that any additional requirements beyond Building Regulation will be obligatory except in Jaywick where new homes will have to be fully secured against future flood risk, which is likely to entail specific design features and higher than average build costs. |
| **3.5. Value for money assessment** | *Please consider value for money in broad terms, e.g.:*<br>• *Cost per job*<br>• *Cost per housing unit*<br>• *Leverage ratio against SELEP investment and as a percentage of total scheme cost* |

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| | Conventional cost per housing unit or cost per job analysis is not meaningful for the programme because each of the intervention areas can be characterised as being areas of market failure; that is, under current circumstances the market will not invest, be that in building new homes, or improving existing homes on a sufficient scale without significant investment by the public sector.<br><br>However, the cost of the strategic interventions in terms of cost per new home or dwelling improved are as follows:<br>– For the Strategic Intervention in Tendring DC, the average cost per dwelling assessed over the period 2016/17 to 2020/21 is £90,300 based on estimated costs of £3.43 million and delivery of 37 new homes. The cost includes the cost of acquiring land.<br>– [redacted] in Hastings is estimated to have a total cost per dwelling including land acquisition of £188,400, based on estimated costs of £3.20 million and delivery of 17 units.<br>– The cost per dwelling for the Thanet DC housing intervention is £106,600 per unit, based on works costs of £1.28 million and delivery of 12 units<br><br>The costs cannot be compared in a meaningful way with unit costs of the HCA Affordable Housing Programme because of particular challenges of the intervention areas. Under the new financial regime for Registered Providers, RPs are unlikely to invest in areas such as those being targeted under the Coastal Communities programme, unless they have existing commitments to a particular local authority partner.<br><br>In terms of overall leverage for every £1 of SELEP funding, the project partners are investing themselves £3.26. SELEP funding accounts for 23% of the total LGF package.<br><br>However, this significantly underestimates future leverage because of the related projects that are linked to the core package, for example proposed private sector development in Jaywick (planning applications received); an given scope for significant private sector to be attracted into Margate and Hastings for improvement of empty dwellings and small sites which have failed to attract development interest for want of confidence is the sales potential for new homes.<br><br>The programme is expected to stimulate at least an equivalent level of private sector investment in housing renewal, as the effect of the renewal programmes restores confidence in the intervention areas.<br><br>The authorities and their partners are also committed to expenditure outside of the two year time frame for LGF funding and the 5 year programme for delivery of outputs. |
| **3.6. Options assessed** | *Please provide a description of at least 4 options (or choices) for investment, together with their relative advantages and disadvantages (a SWOT analysis):*<br>• *Do nothing*<br>• *Do minimum*<br>• *Do something*<br>• *Do optimum*<br><br>*Please bear in mind that:*<br>• *these options may differ in potential business scope, service solution, service delivery, implementation and funding, depending on the nature of the investment*<br>• *Recommended option. How do its impacts compare with the other options considered?* |

a) Do nothing: at the strategic level this puts at risk past investments and would very likely stall the progress of regeneration, at the risk of wasting historic investment. Doing nothing also leaves neighbourhoods blighted by empty homes that often become a focus for anti-social behaviour; and leaves people living in unhealthy conditions. The private sector does not yet have sufficient confidence in any of three areas to undertake the strategic investment that will produce a lasting change in terms of rebalancing the neighbourhood. In Jaywick the 'do nothing' options leaves a substantial residential community at risk of major flooding and significant numbers of deaths associated with a storm surge. In Cliftonville West/Margate Central the do nothing option would probably lead to yet further concentration of low income households with high levels of social disfunction. This is also a significant risk in the core areas of St Leonards.

b) Retention of existing properties. In Jaywick the condition of the existing homes has been rejected as an option, because of the condition of many of the homes, and the need to undertake essential work to ensure that properties are not at risk of flood. Unlike St Leonards and Cliftonville/Margate the original building specification of homes in Jaywick was not high; the homes do not have significant architectural merit, and have been built on individual plots, rather than extensive terraces. In St Leonards the specific scheme identified for funding has experienced a recent fire, and the property has had to be demolished, so redevelopment is the only practical option.

c) Demolition: In Cliftonville/Margate long term empty properties in the intervention area are often terraced property not free-standing properties. Demolition in most cases is impractical since it would involve shoring up adjacent properties. Multiple leasehold ownerships of properties also make it very complex and costly to gain ownership (even through CPO) of the whole of a property. Even where properties are free standing, new development would detract from the streetscape or be expensive to integrate with the existing street scene. Within Cliftonville West some properties also enjoy varying degrees of conservation protection which would prevent their wholesale removal. Similar considerations apply to much of St Leonards but not to the specific scheme proposed.

d) Do minimum: In Jaywick the do minimum strategy might be deemed to abandon Jaywick and rehouse residents elsewhere. However residents have strongly resisted such attempts to relocate them elsewhere, and the practicalities of rehousing a significant number of residents would be extremely challenging. In St Leonards and Cliftonville West – Margate Central areas, the Do Minimum option would be for the local authorities to only fulfil their statutory obligations. The effect of this would be that these two neighbourhoods would continue to attract disadvantaged households and lead to greater concentrations of needy groups of people. In turn this would deter private investment and jeopardise the investments being made in the local visitor economy in both locations.

Each of the three authorities has a well-developed strategy that reflects the particular challenges and opportunities of their priority areas, taking into account the existing built form, the tenure mix, the scope to draw in private investment, and related social issues.

The various options in terms of interventions are assessed against the shared policy objectives of the three authorities in the matrices set out below, with option scored for how well the policy option achieves the objectives of the intervention, with 5 being the best fit and 0 indicating that the option does not meet the policy objectives set.

| Jaywick, Tendring District | Do nothing | LA Action to rehouse population to alternative location | LA Action to Improve Existing Properties | Build New by means of Public Sector Intervention | Build New by means of Private Sector intervention | Build New by means of Public/ Private Sector intervention |
|---|---|---|---|---|---|---|
| Ensure safety from flood risk | 0 | 5 | 1 | 5 | 5 | 5 |
| Create Mixed Income/Tenure Community | 0 | 5 | 1 | 3 | 3 | 5 |
| Reduce Benefit Dependency | 0 | 3 | 1 | 3 | 3 | 5 |
| Improve Housing Standards | 0 | 5 | 1 | 5 | 5 | 5 |
| Increase participation in labour market | 0 | 3 | 1 | 3 | 3 | 4 |
| Improve educational standards | 0 | 3 | 1 | 3 | 3 | 5 |
| Create conditions for private investment | 0 | 3 | 0 | 4 | 4 | 5 |
| Maximise provision of affordable housing | 0 | 3 | 1 | 5 | 3 | 5 |
| Ensure use of previously developed land | 3 | 0 | 3 | 5 | 5 | 5 |
| Support neighbouring town/local centres | 0 | 3 | 1 | 3 | 5 | 4 |
| Secure community support for intervention | 0 | 0 | 2 | 5 | 3 | 4 |
| Deliverability | 5 | 1 | 3 | 4 | 1 | 5 |
| Score | 8 | 34 | 16 | 48 | 43 | 57 |

In Jaywick the do nothing option is not acceptable in that it would leave residents at severe risk of death or injury in the event of a major flood event.  Rehousing people would be possible, but over many years the community has resisted this option; and finding suitable land, servicing and developing such a site would be a 15 year task, so it is not deemed practicable. There is no point spending further money to improve existing dwellings which could not be made flood resistant. The private sector would not initiate redevelopment, but neither would public funds stretch to funding the redevelopment of the area.  The solution is a public-private partnership that will secure the mixed tenure redevelopment of the area.

| Cliftonville West, Thanet District/ St Leonards, Hastings | Do nothing | Enforcement Action only | Redevelopment of worst properties | Improve key problem properties | Build new homes for market sale | Incentivise improvement by home owners |
|---|---|---|---|---|---|---|
| Create Mixed Income/Tenure Community | 0 | 0 | 3 | 3 | 3 | 4 |
| Reduce Benefit Dependency | 0 | 0 | 3 | 3 | 3 | 3 |
| Improve Housing Standards | 0 | 3 | 5 | 5 | 5 | 5 |
| Increase participation in labour market | 0 | 0 | 2 | 3 | 3 | 4 |
| Improve educational standards | 0 | 1 | 3 | 3 | 3 | 3 |
| Create conditions for private investment | 0 | 3 | 3 | 4 | 4 | 4 |
| Maximise provision of affordable housing | 0 | 0 | 3 | 5 | 3 | 2 |
| Ensure use of previously developed land | 0 | 3 | 3 | 5 | 5 | 5 |
| Support neighbouring town/local centres | 0 | 1 | 3 | 3 | 5 | 4 |
| Secure community support for intervention | 0 | 3 | 0 | 5 | 3 | 4 |
| Consistent with conservation objectives | 0 | 2 | 2 | 5 | 2 | 5 |
| Deliverability | 5 | 4 | 1 | 4 | 1 | 5 |
| Score | 5 | 20 | 31 | 48 | 40 | 48 |

Do nothing in Cliftonville West and St Leonards (which are very similar in character) is not a realistic option in that the statutory duties of the Council for enforcement of housing standards mean that if TDC/HDC is to fulfil its legal duties it should be taking enforcement action to ensure that tenants are living in homes that are deemed safe and which do not pose a threat to health. In Cliftonville West with over 50% of the 4,000 dwellings in the ward being privately rented, most to persons in receipt of housing benefit, the enforcement responsibility is a major undertaking. Levels of renting are somewhat less in St Leonards but still high.

For all practical purpose redevelopment of the worst properties in Cliftonville West and St Leonards is not practical because of the built form of much of the areas which comprises long terraces made up of individual buildings containing multiple flats in multiple ownerships. Structurally it would be very difficult to demolish one building, regardless of how bad its condition, because it's structure is integral to the adjacent buildings.

There are also quite extensive Conservation Area designations reflecting the Edwardian past of the dwellings. There are limited sites available for development of new homes in Cliftonville, so changing perceptions of the neighbourhood, which is a precondition to achieving the goal of a mixed income community, depends on improving impressions of the neighbourhood.  There are

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| | somewhat more opportunities for new small housing development in St Leonards, but the market lacks confidence to bring forward new developments.<br><br>The social problems linked to the large number of Category 3 and 4 HMOs in both areas is a major factor in perpetuating the poor image of the neighbourhoods. In terms of both impact and deliverability, conversion of such properties to self-contained flats managed by the Local Authority/RSL addresses the image issues; and it is possible to acquire whole properties by a single CPO whereas most other tenanted property is in since buildings comprising multiple leasehold flats belonging to different landlords. Properties that are in single ownership (ordinary street house) will appeal to home buyers, provided that the image issues that the neighbourhood has suffered from can be addressed. |
| **3.7. Scheme assessment** | *Provide a brief description of a modelling and appraisal methodology – including details of data sources.*<br><br>*Show sufficient information to demonstrate the analysis supporting the economic case fitness for purpose.*<br><br>Each of the three local authorities has made and is making significant financial investment in the intervention strategies in the three target areas. Funding is being drawn largely from the respective District Councils' Housing Revenue Accounts. Projects are therefore being appraised in compliance with Council Standing Orders, and standard appraisal practice for capital expenditure undertaken through the HRA.<br><br>Appraisals examine capital costs, revenues from rent, management costs (including void allowances), and debt service costs etc. In St Leonards, HBC is partnering with AmicusHorizon, who is leading the implementation of the housing elements of the intervention programme. AmicusHorizon in common with all large Registered Providers has its own approach to scheme appraisal and risk analysis.<br><br>The assessment of the economic benefits is set out separately in the separate document *Economic Appraisal of the Coastal Communities LGF Bid,* which is appended to this document. The approach adopted identifies the benefits framework and then estimates on reasonable assumptions the impact on population, household incomes, local expenditure and hence jobs.<br><br>Many of the broader effects of neighbourhood regeneration are not easily quantified but the impact of changing resident composition on the wellbeing of neighbourhoods and on economic activity have been documented particularly through various evaluations. The most relevant is the New Deal for Communities evaluation. |

## 4. COMMERCIAL CASE

*The commercial case determines whether the scheme is commercially viable. It presents evidence on risk allocation and transfer, contract timescales, implementation timescales and details of the capability and skills of the team delivering the project.*

### 4.1. Procurement

*Please provide details of the procurement route and strategy that will be used for the project. This should include details of the procurement mechanism to be used, details of whether it is an existing framework and contract, the timescales associated with the procurements and details of other routes that were considered for delivery and reasons why these were rejected.*

Different approaches are appropriate in each of the intervention areas, reflecting the funding arrangements and partnerships:

In Jaywick, Tendring DC has been negotiating with other landowners of the Mermaid site and have agreed terms for the purchase on the different plots of land that make up the proposed development site. The Council intend to develop the new homes within the Housing Revenue Account; so TeDC will take the scheme through the planning process and then procure the development through a standard local authority building contract. In the wider Jaywick intervention the role of TeDC is as the strategic landowner, programme manager and planning authority.

In Cliftonville West – Margate Central, Thanet District Council is directly managing the intervention strategy, with funding from the HRA. As noted previously the properties to be improved with LGF funding are already in the ownership of TDC and works will be procured using standard local authority building contracts. As noted previously TDC has been managing a large programme of such contracts over the past 4 years. The programme is co-ordinated with TDC's Selective Licencing Scheme covering the intervention area, which also commissions building works where private landlords fail to undertake works required as specified in enforcement notices.

In central St Leonards, HBC has been working in partnership with AmicusHorizon. HBC is using its CPO powers [redacted]; HBC will then sell the site to AmicusHorizon to implement the agreed scheme. AmicusHorizon will specify the works programme, and procure tenders in accordance with their standard procedures. AmicusHorizon has a considerable track record now of working in St Leonards on refurbishment and new build schemes.

With regards to the provision of home improvement loans and empty property loans, each authority has their own arrangements.

In Tendring, TeDC has experience of running home improvement loans and empty property loans and will continue to deliver this aspect of the programme.

In Hastings both programmes are managed by Parity Trust, a social investment company with experience of operating in around 16 authorities in South East England.

In Thanet, Kent County Council's No Use Empty team, which has many years' experience of administering loan funds will deliver the home improvement loans programme. Though not funded through LGF, the KCC No Use Empty team will continue to deliver Empty Property Loans, which may include applicants from the intervention area.

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| **4.2. Commercial dependencies** | The approach being taken in each of the intervention areas is essentially public sector led, because of market failure in the strategic intervention areas. This reflects low property values which, when meshed with the social challenges each area faces, currently deters investment by developers and owner occupiers.<br><br>However significant progress is being made in changing perceptions of each area. In Jaywick, private developers are starting to express interest in development, and recently a developer has submitted a planning application for two new housing developments on a site adjacent the beach.<br><br>In St Leonards, and in Cliftonville West – Margate Central private investment is gathering pace in the area around the disadvantaged core, where public investment has been focused. However, much of the private investment will go un-recorded and may not be observed, because it is the product of action by individual household buying property and improving it; or small builders improving property and selling it on.<br><br>As described above the current strategy for intervention, improvement and development is dependent on public funding. Over time, the aim is to set in train a process where the private sector has confidence to build new homes on vacant sites, and where householders and landlords invest in improving properties. There are signs that previous investment is starting to reshape the local housing market.<br><br>However, the current programme as described in this document is public sector led; there are therefore relatively few commercial dependencies. The most important are the progressing of new development on land owned by TeDC in Jaywick; [redacted] |
| **4.3. Commercial sustainability** | *Please can you identify how the project will be commercially sustainable? Will the project require on going revenue support? If so how will this be funded?*<br><br>All the projects have been appraised by respective partners with a view to revenues, management costs etc. In each of the three areas the properties will be taken into the portfolios of the respective housing bodies (TeDC, TDC and AmicusHorizon).<br><br>*Please verify the project's sustainability by including cash flow projections post-completion.*<br><br>In Jaywick and Cliftonville West, the local authorities are responsible for each of the principal development. Post completion the properties will be taken into the stock owned and managed within the Housing Revenue Account of each authority, and managed as part of the housing portfolio of each authority. AmicusHorizon will similarly take the properties it develops into its portfolio of properties. Each organisation is taking the majority of the delivery risk and the contribution of LGF is a relatively minor component. |
| **4.4. Compatibility with State Aid rules** | *Does funding this scheme constitute state aid?*<br><br>No |

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| **4.5. Commercial viability** | *Please provide:*<br>*1. Evidence to show the risk allocation and transfer between the promoter and contractor and timescales identified in procurement and/or contract management strategy*<br>*2. Definition of approach taken to assess commercial viability*<br>*3. Arrangements for cost overrun*<br>*4. Letter from local authority S151 officer.*<br><br>The nature of this bid is that there are three lead authorities involved in delivery and one Registered Provider partner (AmicusHorizon). The programme in each of the three local authority areas will have similar approaches to risk allocation and transfer between the promoter and contractor. It is now understood that it is likely that SE LEP will contract individually with each of the three County Councils, which then will contract with the respective district council in their county. The relevant documentation can be provided as part of the contractual process. |

| 5. FINANCIAL CASE | |
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| *To be completed in conjunction with the spreadsheet in **Part B*** | |
| **5.1. Total project cost and basis for estimates** | £8,522,777<br><br>The different elements of the overall programme have been separately costed using benchmarks of costs associated with similar recent programmes in the relevant authorities, and using estimates provided by Registered Providers for planned schemes, based on recent experience.<br><br>Estimates for the major strategic interventions have been prepared by respective project partners (AmicusHorizon/HDC, TDC, and TeDC) based on experience of past projects (AmicusHorizon, TDC, TeDC), and professional advice for new schemes (TeDC).<br><br>Estimates for the programme of empty homes loans and home improvement loans based on historic experience of running these programmes in each LA area. |
| **5.2. Total SELEP funding request** | £2,000,000 as Grant |
| **5.3. Other sources of funding** | Local Authorities £4.60m<br>(Tendring £2.96 m, Thanet £0.86m, Hastings, £0.78m)<br>Registered Providers £1.90m (AmicusHorizon)<br>Parity Trust £20,000 |

### 5.4. Summary financial profile – expand as appropriate

| Cost item | Period for LGF Spending | | Period in which LGF funded projects must be completed | | | | |
|---|---|---|---|---|---|---|---|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total 2016/17 - 2020/21 | Total 2016/17 - 2017/18 |
| LGF | 334,167 | 1,665,833 | | | | 2,000,000 | 2,000,000 |
| TDC | 0 | 445,000 | 301,409 | 58,000 | 58,000 | 862,409 | 445,000 |
| HBC | 22,500 | 45,000 | 687,334 | 15,000 | 9,134 | 778,968 | 67,500 |
| TeDC | 52,500 | 80,000 | 316,400 | 1,278,233 | 1,229,867 | 2,957,000 | 132,500 |
| AmicusHorizon | 0 | 0 | 1,904,400 | 0 | 0 | 1,904,400 | 0 |
| Parity Trust | 5,000 | 7,500 | 7,500 | 0 | 0 | 20,000 | 12,500 |
| Total | 414,167 | 2,243,333 | 3,217,043 | 1,351,233 | 1,297,001 | 8,522,777 | 2,657,500 |

| (£m) | | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total |
|---|---|---|---|---|---|---|---|
| **Source of funding –** *List here the amount of funding sought* | | | | | | | |
| | | | | | | | |
| **(£m)** | **Cost estimate status** | **16/17** | **17/18** | **18/19** | **19/20** | **20/21** | **Total** |
| **Costs -** *List here the elements of gross costs, excluding optimism bias.* | | | | | | | |
| It is not practical to provide this information in this format given the multi-project nature of the bid being put forward by the SELEP Coastal Communities. Even the major strategic interventions involve multiple projects eg acquisition and conversion of a number of different properties in Cliftonville West. The partners are happy to discuss with the appraisers what information would be appropriate to provide given the nature of bid and scale of LEP funding. It is understood that SELEP is likely to want to contract with the individual authorities. In the light of this individual authorities will be pleased to respond to requests for additional information. | | | | | | | |
| Procurement | | | | | | | |
| Feasibility | | | | | | | |
| Detailed design | | | | | | | |
| Management | | | | | | | |
| Construction | | | | | | | |
| Contingency | | | | | | | |
| Other cost elements | | | | | | | |
| VAT | | | | | | | |
| **Total** | | | | | | | |

### 5.5. Viability: How secure are the external sources of funding?

*Please provide evidence of the security of the specified third party contributions*

TeDC and Thanet District Council have Council approval to use HRA borrowings of the amount identified. HBC has approved funding for [redacted] It is anticipated that the Board of AmicusHorizon will approve investment in the project, once SELEP funding has been confirmed.

TeDC and Thanet District Council have confirmed their financial commitments to the Empty Property and Home Improvement Loans Commitment. Parity Trust has an confirmed its ongoing commitment to its programme in Hastings.

| Type | Source | How secure? | When will the money be available? |
|---|---|---|---|
| *Public* | SELEP LGF | Subject to appraisal | Assumed to be available with 6 weeks of confirmation |
| | Tendring DC | Secure | Immediately |
| | Thanet DC | Secure | Immediately |
| | Hastings BC – Coastal Space Stage 3 | Council approval in principle April 2016 | Once approved by HBC Cabinet |
| | AmicusHorizon Coastal Space Stage 3 | Awaiting Board approval | Board approval expected once there is clarity on availability of SELEP Funding |
| *Private* | Parity Trust | Agreed | On SLA agreement with HBC |

**5.6. Cost overruns**

*Please describe how cost overruns will be met by other funding sources given that SELEP contributions will be capped at the offer awarded*

The three local authorities and their strategic partners (particularly AmicusHorizon in Hastings) are constantly managing their investment funds to deliver the strategic objectives in each of the intervention area. New opportunities arise and some planned projects are delayed or abandoned. The active management of a large scale regeneration project provides opportunities to accommodate cost overruns on some elements of the overall intervention programme, through cost savings elsewhere in the programme, by securing different and/or additional funding, or not undertaking certain projects.

**5.7. Delivery timescales**

*What are the main risks associated with the delivery timescales of the project? Please identify how this will impact on the cost of the project*

The potential constraints on the programme are linked essentially to the key stages of any capital investment programme involving properties:

- Delays in acquisition of land for development and properties for renewal. This is an issue for the Tendring and Hastings schemes where land or property has to be acquired.
- Blockages in the planning process resulting in delays or possible non-implementation of particular schemes;
- Issues around the issue of contracts to build or improve dwellings, be they associated with cost or quality issues
- Delivery delay which may be related particularly to unforeseen works and associated costs
- Changes in funding arrangements requiring investor business plans to change – an issue for Local Authorities, Registered Provider and private investors
- Political risk: each of the authorities has sustained a long term commitment to invest in the priority areas identified, but this could change with a change in political control.

These types of risks are mitigated by the fact that the proposed investment has considerable flexibility which will aid delivery. This flexibility arises from:

- The fact that the investment programme in each area is underway, with considerable work in progress and established mechanisms for delivery.
- In each area there is a pipeline of activity with schemes at different stages, so there is scope to utilise LGF funding even if particular components of the

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| | proposals are delayed<br>• The Strategic Interventions in each of the three authorities are at the top of each authority's Corporate Priorities, so there is political commitment to push ahead with the proposals.<br>• A contract with SELEP to deliver certain outputs in return for defined funding protects the investment programmes against the political risks identified above. |
| **5.8. Financial risk management** | *Identify key risks to the scheme funding and any mitigation*<br><br>Major components of the overall funding package are secured. The major outstanding risk relates to the need to secure approval in principle [redacted] development from the Board of AmicusHorizon It is anticipated that the Board of AmicusHorizon will approve investment in the project, once SELEP funding has been confirmed. |
| **5.9. Alternative funding mechanisms** | *If loan funding is requested how will it be repaid? Not applicable*<br><br>*Do you anticipate that the total value of the investment will be repaid? If not, how much will be repaid? Not applicable*<br><br>The LGF funding is acting as gap funding, and is therefore not recoverable. |

## 6. DELIVERY/MANAGEMENT CASE

*The management case determines whether the scheme is achievable. It provides evidence of project planning, governance structure, risk management, communications and stakeholder management, benefits realisation and assurance.*

### 6.1. Project management

Hastings Borough Council has hitherto acted as Lead Authority for the development of this bid to SELEP. However the three lead authorities are open to discussion about appropriate management for a pan-SELEP scheme that has relevance to many more communities in the SELEP area than just the three authorities directly involved.

SELEP has communicated to the three authorities that SELEP propose to contract with the respective County Councils in which the three bidding authorities are located; that is with Essex County Council (Tendring), Kent County Council (Thanet) and East Sussex County Council (Hastings). Each County Council will contract with the respective authority in their area. This introduces an additional risk to the programme delivery since it implies the need to agree two sets of contracts – first between the LEP and the County Council and then between the County Council and the District Council. However, separate contracting arrangements between the authorities does mean that any one authority is not delayed in securing funding approval by the need for ongoing discussions with one of the other authorities.

Possible alternative options for oversight of the project which have previously been highlighted are:

- SELEP acting as the accountable body for funding and contracting directly but individually with each of the District Councils. In practical terms this would means that Essex County Council would be responsible for the strategic oversight of the programme with each authority reporting into Essex CC.
- One of the other County Council's acts as the accountable body. Given HBC's leading role to date in the development of the bid, it might be particularly appropriate if East Sussex County Council were to be accountable body.

In terms of project management of the programme in each location this is clearly the responsibility of the respective District/Borough Councils, who have developed the intervention strategies for each of their priority areas and have co-ordinated the work with partners. Each authority has considerable experience of managing major regeneration schemes.

Tendring District Council has demonstrated its project management capabilities through the timely acquisition within budget of some 24 ha of land by negotiation over the past year. It continues to progress the scheme through negotiation with development partners, including the County Council. The Council has run a programme of home improvement loans for a number of years

Thanet District Council has successfully managed a substantial programme of empty property acquisition, managing contracts to improve properties and then taking them into the local authority housing stock. It has also successfully delivered a major programme of improvement of empty properties with HCA Cluster Funding.

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| | Hastings Borough Council has extensive experience of managing major regeneration projects involving partnership funding over many years, covering economic development, with and through Sea Space, a local economic development company set up by Hastings Borough Council and Rother District Council; and in implementing housing regeneration and tourism and leisure developments as evidenced in the description of the authority's wider regeneration activities set out in Section 2.1.<br><br>Kent County Council's No Use Empty team and Parity Trust have considerable experience in managing empty property loans.<br>• No Use Empty has been in operation since 2008 and has brought over 3,120 empty properties back into use. No Use Empty is run within Kent County Council and operates throughout most of Kent.<br>• Parity Trust has been managing loans for property improvement has for local authorities since 2006. The programme is now in its 10th year and has delivered loans in the region of £3 million across 16 local authorities. Parity Trust has experience of lending to shared owners. Parity Trust is FCA regulated.<br><br>*Please provide details of who will be Senior Responsible Officer for delivering the scheme and the different roles and responsibilities they will play. Please also detail the governance structure for the project identifying how key decisions have or will be made, how the scheme will be monitored and details of the contract management arrangements. Please provide an organogram if available.*<br><br>As indicated above the three lead authorities would like to initiate a discussion with SELEP to agree the most appropriate management arrangements for a pan-LEP coastal regeneration programme. The lead officers for the three lead authorities are as follows:<br><br>Andrew Palmer, Assistant Director Housing & Built Environment, Hastings Borough Council: 01424 451316 APalmer@hastings.gov.uk<br><br>Paul Price, Corporate Director, Tendring District Council: 01255 686430 pprice@tendringdc.gov.uk<br><br>Bob Porter, Interim Head of Housing, Thanet District Council: 01843 577006 Bob.Porter@THANET.GOV.UK |

| **6.2. Outputs** | *Please identify how the outputs for the scheme will be achieved within the programme timescales and details of how the project will be monitored and evaluated. Please also complete the outputs delivery table. Please complete with any baseline information. See Gantt Charts at Annex 3 for major projects* |
|---|---|

| | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Totals |
|---|---|---|---|---|---|---|
| **1. Additional Homes created by refurbishment** | 0 | 12 | 0 | 0 | 0 | 12 |
| ***2. No. of Additional Homes above created from formerly long term vacant properties*** | 0 | 12 | 0 | 0 | 0 | 12 |
| **3. No. of New Homes delivered** | 0 | 0 | 0 | 17 | 38 | 55 |
| **4. No. of New Homes enabled (not involving any of funding regarded as part of this bid)** | | | 50 | 50 | 60 | 160 |
| **5. Property brought back into residential use with Empty Property Loans** | 0 | 0 | 1 | 1 | 1 | 3 |
| **6. Repairs and improvements to existing dwellings through Home Improvement Loans** | 0 | 8 | 12 | 10 | 2 | 32 |

Further homes and jobs are expected to be created in 2021/22 and 2022/23.
In Jaywick, the Council has received applications for private sector development of two new blocks of flats; and negotiations continue with Essex County Council about Extra Care/Retirement Living proposals. Tendring DC is now the major landowner in Jaywick having acquired 24ha of development land.

Thanet District has an ongoing programme of strategic interventions including property on Sweyn Road and the former Fort Hotel. In both Thanet and Hastings there is substantial scope in the intervention areas for households or investors to renovate empty property and for development on small sites. (see Annex 2, the Economic Case)

**6.3. How will outputs be monitored?**

Housing outputs will be monitored by the lead local authorities and their development partners (eg AmicusHorizon, Parity Trust, No Use Empty).

Employment outputs have been estimated on a formula basis linked to construction expenditure. Actual construction expenditure can be monitored and jobs estimates calculated on the same basis as used in this document.

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| **6.4. Milestones** | *Please identify the key milestones and projects stages relating to the delivery of this project in the table below. Please ensure a Gantt chart has been attached to this application form, clearly identifying the milestones for the project, the key construction stages, the critical path and all interdependencies.*<br><br>Different milestones apply to the various strategic housing investment programmes in the three areas. In summary:<br>• The key milestones in Tendring are completion of the negotiated acquisition of the different land parcels on the Mermaid site; design and securing planning consent; contract specification and letting of build contacts. A Gantt chart for the development phase is attached at Annex 3a<br>• In Thanet work the properties identified for improvement are owned by the Council. Design work is underway on both schemes; [redacted] has yet to secure planning consent. Specifications for build works can then be developed and contracts let. A Gantt chart for the development phase is attached at Annex 3b<br>• In Hastings CPO procedures for the identified property have been initiated. The scheme has yet to be designed and planning consent secured for the proposed redevelopment. HBC will work with AmicusHorizon to enable acquisition and securing planning consent. AmicusHorizon will lead on the procurement of a lead contractor and supervise works as for any other new build housing development procured by the Association. A Gantt chart for the development phase is attached at Annex 3c<br><br>With respect to the empty property and home improvement loans, Tendring District Council has experience in the past of delivering home improvement loans and empty property loans and will deliver this element of the programme itself.<br><br>Thanet District Council intend to launch the new Home Improvement Loan programme in November 2016 so as to start to generate interest. KCC's No Use Empty team, which has 9 years of experience of providing Empty Property Loans, will administer the home improvement loans programme.<br><br>In Hastings there are existing systems in place operated by Parity Trust to administer both the empty property and home improvement loans. The additional funding can start to be put to work as soon as contracts are agreed. |
| **6.5. Stakeholder management & governance** | *Please provide a summary of the stakeholder management plan for the scheme. Include any governance arrangements which will materially impact on the delivery of the scheme. Provide brief description of how key statutory stakeholders will be managed and engaged, in line with Communication and Stakeholder Management Strategy. In broad terms consider: supplier, owner, customer, competitor, employee, regulator, partner and management. Specifically consider: local authorities, the Highways Agency, statutory consultees, landowners, transport operators, local residents, utility companies, train operating companies, external campaigns, etc. Identify champion, supporter, neutral, critic, opponent and potential objections. Define stakeholder's involvement (response, accountable, consulted, support, informed)*<br><br>Each of the lead authorities has been through an extensive process of engagement |

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| | with members of the local authority and local communities to deliver the extensive programme of improvements achieved to date; and those same programmes of local engagement will continue with the next phase of the implementation. Specific information on stakeholder engagement can be provided for each area if required, but SELEP should be mindful that LGF funding will account for a small proportion of overall investments being made by the three authorities and their partners. |
| **6.6. Organisation track record** | *Please briefly describe the track record of the organisation in delivering schemes of this type, including whether they were completed to time and budget.*<br><br>See section 2.2 for description of the track record of the respective authorities in delivering regeneration in each of their priority areas. |
| **6.7. Assurance** | *Please provide s151 Officer confirmation that adequate assurance systems are in place. Please also provide evidence of financial performance over 3 years.*<br><br>SELEP has now stated that it will contract with the respective County Councils who will then contract with the District Councils. The authorities are willing to provide written confirmation from s151 officers that appropriate assurance systems are in place and three years of audited accounts. SELEP is asked to confirm if this meets your requirements. If not please specify clearly what information you require. |
| **6.8. Equalities Impact Assessment** | *Please provide evidence of your Equalities Impact Assessment here.*<br><br>Equalities Impact Assessments are standardly part of Committee Report on different elements of the intervention programmes. These Committee Reports can be provided if required. |
| **6.9. Monitoring and evaluation** | *Please explain how you will monitor and evaluate the project, referring to the use of key performance indicators as appropriate. Will an Evaluation Plan be put in place? Will it be standalone; how will it be disseminated; how will lessons learned be incorporated into future projects?*<br><br>The intervention programmes which the LGF funded projects will form part are corporate priorities for each of the authorities involved in this bid. They are therefore subject to regular review, particularly given the level of financial commitment that has been, and is to be made, by each local authority.<br><br>Overall programme evaluation can be expected to be undertaken on a 5 year cycle or when there are key decisions to be made eg extension of Renewal Area status, renewal of Selective Licencing Area designations. For example Hastings BC reviewed the continuing need for Renewal Area designation covering Central St Leonards in 2013. The decision was made in the light of ongoing need to renew designation for a further 5 years.<br><br>In Thanet the Selective Licencing Area in Cliftonville West reached the end of its 5 year life earlier in 2016. A thorough review of progress was undertaken and the Council decided in the light of both the positive outcomes of the SLA but also evidence of need for ongoing action to approve extension of the SLA for a further 5 years. |

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| | Given the commitment of the three Coastal Authorities to use this programme to demonstrate good practice that can be adopted by other Coastal Communities in the SE LEP area (and further afield), the partners would be keen to explore the scope for more formal monitoring and evaluation of the success of programmes by independent researchers, and a parallel programme of dissemination of good practice through the SE LEP Coastal Communities Group. |
| **6.10. Post completion** | *What are the plans for the project on completion? Will there be a change of ownership, will the project be refinanced? How will this be managed?*<br><br>Each of the authorities has embarked on multi-year regeneration strategies that will continue beyond the time frame of LGF funding (2016/17 and 2017/18); and beyond the period in which outputs are to be delivered (by end March 2021). In summary plans regarding the future direction of each strategic intervention are as follows:<br>• The Jaywick regeneration programme will continue well beyond the period of LGF funding given the requirement to rehouse a large proportion of the population of the area who are living in housing that fails the Housing Health and Safety Risk Rating test and in housing that is inadequately protected against tidal flooding.<br>• The Cliftonville-West Margate Central regeneration programme has made a difference to perceptions of the area, particularly through reduction of anti-social behaviour associated with problem properties and better management of privately rented homes achieved through a Selective Licencing Scheme. However the area still has some way to go to achieve self-sustaining programme of private investment in improving housing and a genuinely mixed and balanced community in terms of different socio-economic groups.<br>• In St Leonards, while there is a core area where housing problems persist, the pattern of interventions made in recent years (economic development as well as housing interventions) has started to encourage private investment in the housing stock and a rebalancing of the local community; and related changes such as renewed health of the main shopping streets. With the completion of Coastal Space Phase 3 (the subject of the current bid), HBC anticipate that it will have achieved most of its objectives for the area and is unlikely to continue investing in the area on the scale of the past 4 years. |

## 7. RISK ANALYSIS

**Likelihood and impact scores:**
5: Very high; 4: High; 3: Medium; 2: Low; 1: Very low

| Risk | Likelihood* | Impact* | Mitigation |
|---|---|---|---|
| Delays in securing land ownership<br><br>Tendring/Jaywick | 3 | 3 | TeDC has to acquire the site for the Mermaid development. While negotiations with other landowners have taken place and values agreed, these are not yet contracted. However TeDC has other projects which can be brought forward. |

| | | | |
|---|---|---|---|
| Thanet<br><br><br><br><br><br><br>Hastings/St Leonards | 1<br><br><br><br><br><br><br>4 | 2<br><br><br><br><br><br><br>4 | TDC already own the properties which are to be improved, so the risk is minimal; it also has other properties which could be brought forward for renewal if the planned properties are prevented from progressing<br><br>[redacted] |
| Delays in putting in place the necessary contracts for release of LGF monies | 4 | 3 | SELEP has indicated that it will contract with the County Councils, who will in turn contract with the respective District Councils. This introduced risk that the commencement date for the development programmes will be delayed with the authorities unable to commence work. This may mean that LGF cannot be fully expended by the end of FY 2017/18, and outputs will be delayed. County Councils may prioritise sorting out their own contracts over those with the Districts. |
| Changes in partner finances | 2 | 4 | Changes to the RP financial regime have now been factored in proposals involving RPs (Hastings). Schemes in Thanet and Hastings are LA led and have LA commitment. |
| Delays in securing planning<br><br>Tendring/Jaywick<br><br><br>Hastings/St Leonards<br><br><br>Thanet | <br><br>2<br><br><br>2<br><br><br>2 | <br><br>3<br><br><br>3<br><br><br>3 | The lead authorities are both Planning and Housing Authorities which makes timely delivery of planning consents easier. A key issue is to identify other interested parties and ensure agreement (eg Environment Agency, Utilities). Any impacts are likely to affect the timing rather than the ultimate completion of the schemes. |
| Delays in letting contracts | 2 | 3 | It may be necessary to run procurement processes in parallel with other elements of the project to |

| | | | |
|---|---|---|---|
| | | | ensure timely project starts |
| Unexpected delays during construction | 3 | 4 | It would be wise to over-programme so that LGF can be used in the planned time frame and outputs delivered in a timely manner. It will also be necessary due to delays in the process of securing consent for LGF funding for LGF to be used up front in the development programme and other funding later in the programme |

## 8. DECLARATIONS

| | | |
|---|---|---|
| 8.1. | Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts? | *Not applicable*<br>*Lead bodies are all local authorities* |
| 8.2. | Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors | *Not applicable*<br>*Lead bodies are all local authorities* |
| 8.3. | Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme? | *Not applicable*<br>*Lead bodies are all local authorities* |

If the answer is “yes” to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.

I am content for information supplied here to be stored electronically and shared in confidence with other public sector bodies, who may be involved in considering the business case.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. I also declare that, except as otherwise stated on this form, I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it. I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

| | |
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| 8.4. Signature of Applicant | |
| 8.5. Print Full Names | |

| | |
|---|---|
| | Andrew Palmer (HDC), Paul Price (TeDC), Bob Porter (TDC) |
| 8.6. Designation | Assistant Director Housing & Built Environment |
| 8.7. Date | 13th January 2017 |

# Annex A: Financial Summaries Updated to 6/1/2017

Financial case - THANET DC - CLIFTONVILLE WEST INTERVENTION AREA

TABLE 1: PROJECT COSTS (linked to Part A, Question 4.1)

| | Period for LGF Spending | | Period in which LGF funded projects must be completed | | | | |
|---|---|---|---|---|---|---|---|
| **Cost item** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **Total 2016/17 - 2020/21** | **Total 2016/17 - 2017/18** |
| Programme A - Strategic Intervention - Conversion of Former HMOs to Self Contained Homes | | £1,036,666 | £242,409 | £0 | £0 | £1,279,075 | £1,036,666 |
| Programme B & C - Empty Property & Home Improvement Loans | | £50,000 | £34,000 | £33,000 | £33,000 | £150,000 | £50,000 |
| Programme D - Programme Support | | £25,000 | £25,000 | £25,000 | £25,000 | £100,000 | £25,000 |
| **Total** | £0 | £1,111,666 | £301,409 | £58,000 | £58,000 | £1,529,075 | £1,111,666 |

TABLE 2: PROJECT FUNDING (linked to Part A, Questions 4.3 and 4.4)

| **Funding source** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **Total 2016/17 - 2020/21** | **Total 2016/17 - 2017/18** |
|---|---|---|---|---|---|---|---|
| **Programme A - Strategic Intervention - Acquisition and Conversion of HMOs** | | | | | | | |
| Local Growth Fund | | £666,666 | | | | £666,666 | £666,666 |
| Thanet District Council | | £370,000 | £242,409 | | | £612,409 | £370,000 |
| **Programme B - Empty Property & Improvement Loans** | | | | | | | |
| Local Growth Fund | | | | | | | |
| Thanet District Council | | £50,000 | £34,000 | £33,000 | £33,000 | £150,000 | £50,000 |
| **Thanet District Council Programme Support** | | £25,000 | £25,000 | £25,000 | £25,000 | £100,000 | £25,000 |
| **Total** | £0 | £1,111,666 | £301,409 | £58,000 | £58,000 | £1,529,075 | £1,111,666 |

TABLE 3: ANTICIPATED REPAYMENT PROFILE (if LGF contribution recoverable)

(linked to Part A, Question 4.6)

| **LGF contribution** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **Total 2016/17 - 2017-18** |
|---|---|---|---|---|---|---|
| Drawdown | £0 | £666,666 | £0 | £0 | £0 | £666,666 |
| Repayment | | | | | | £0 |
| **Balance** | £0 | £666,666 | £0 | £0 | £0 | £666,666 |

| | **Total 2016/17 - 2020/21** | **Total 2016/17 - 2017/18** |
|---|---|---|
| TDC | £862,409 | £445,000 |
| LGF | £666,666 | £666,666 |

**Financial case - TENDRING DC - JAYWICK INTERVENTION AREA**

**TABLE 1: PROJECT COSTS (linked to Part A, Question 4.1)**

| | Period for LGF Spending | | Period in which LGF funded projects must be completed | | | | |
|---|---|---|---|---|---|---|---|
| **Cost item** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **Total 2016/17 - 2020/21** | **Total 2016/17 - 2017/18** |
| Programme A - Tendring Mermaid Development Site | £339,167 | £387,500 | £250,000 | £1,251,833 | £1,203,500 | £3,432,000 | £726,667 |
| Programme B & C - Empty Property & Home Improvement Loans | £2,500 | £10,000 | £26,400 | £26,400 | £26,367 | £91,667 | £12,500 |
| Programme D - Programme Support | £20,000 | £40,000 | £40,000 | £0 | £0 | £100,000 | £60,000 |
| **Total** | £361,667 | £437,500 | £316,400 | £1,278,233 | £1,229,867 | £3,623,667 | £799,167 |

**TABLE 2: PROJECT FUNDING (linked to Part A, Questions 4.3 and 4.4)**

| **Funding source** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **Total 2016/17 - 2020/21** | **Total 2016/17 - 2017/18** |
|---|---|---|---|---|---|---|---|
| **Programme A - Tendring Mermaid Development Site** | | | | | | | |
| Local Growth Fund | £309,167 | £357,500 | | | | £666,667 | £666,667 |
| Tendring District Council | £30,000 | £30,000 | £250,000 | £1,251,833 | £1,203,500 | £2,765,333 | £60,000 |
| **Programme B - Empty Property & Improvement Loans** | | | | | | | |
| Local Growth Fund | | | | | | £0 | £0 |
| Tendring District Council | £2,500 | £10,000 | £26,400 | £26,400 | £26,367 | £91,667 | £12,500 |
| **Tendring District Council Programme Support** | £20,000 | £40,000 | £40,000 | | | £100,000 | £60,000 |
| **Total** | £361,667 | £437,500 | £316,400 | £1,278,233 | £1,229,867 | £3,623,667 | £799,167 |

**TABLE 3: ANTICIPATED REPAYMENT PROFILE (if LGF contribution recoverable)** 8800

(linked to Part A, Question 4.6)

| **LGF contribution** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **Total 2016/17 - 2017-18** |
|---|---|---|---|---|---|---|
| Drawdown | £309,167 | £357,500 | £0 | £0 | £0 | £666,667 |
| Repayment | | | | | | £0 |
| **Balance** | £309,167 | £357,500 | £0 | £0 | £0 | £666,667 |

| | **Total 2016/17 - 2020/21** | **Total 2016/17 - 2017/18** |
|---|---|---|
| TeDC | £2,957,000 | £132,500 |
| LGF | £666,667 | £666,667 |

Financial case - HASTINGS BC - ST LEONARDS INTERVENTION AREA

NOTE: ONLY FINANCIAL DATA FOR 2016/17 AND 2017/18 USED IN TOTALS: OTHER DATA PRESENTED FOR CONTEXT ON THE INVESTMENT PROGRAMMES

TABLE 1: PROJECT COSTS (linked to Part A, Question 4.1)

| | Period for LGF Spending | | Period in which LGF funded projects must be completed | | | | |
|---|---|---|---|---|---|---|---|
| Cost item | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total 2016/17 - 2020/21 | Total 2016/17 - 2017/18 |
| Programme A - Hastings Strategic Property Interventions | £25,000 | £641,666 | £2,536,734 | | | £3,203,400 | £666,666 |
| Programme B & C - Empty Property & Home Improvement Loans | £7,500 | £12,500 | £22,500 | | | £42,500 | £20,000 |
| Programme D - Programme Support | £20,000 | £40,000 | £40,000 | | | £100,000 | £60,000 |
| | | | | | | £0 | £0 |
| | | | | | | £0 | £0 |
| | | | | | | £0 | £0 |
| **Total** | £52,500 | £694,166 | £2,599,234 | £0 | £0 | £3,345,900 | £746,666 |

TABLE 2: PROJECT FUNDING (linked to Part A, Questions 4.3 and 4.4)

| Funding source | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total 2016/17 - 2020/21 | Total 2016/17 - 2017/18 |
|---|---|---|---|---|---|---|---|
| Local Growth Fund - Strategic Property Intervention | £25,000 | £641,666 | | | | £666,666 | £666,666 |
| Amicus Horizon Coastal Space 3 | | | £1,904,400 | | | £1,904,400 | £0 |
| Hastings Borough Council Coastal Space 3 | | | £632,334 | | | £632,334 | £0 |
| Local Growth Fund - Empty Property & Improvement Loans | | | | | | £0 | £0 |
| Parity Trust | £5,000 | £7,500 | £7,500 | | | £20,000 | £12,500 |
| Hastings Borough Council Empty Property and Imp Loans | £2,500 | £5,000 | £15,000 | £15,000 | £9,134 | £46,634 | £7,500 |
| Hastings Borough Council Programme Support | £20,000 | £40,000 | £40,000 | | | £100,000 | £60,000 |
| **Total** | £52,500 | £694,166 | £2,599,234 | £15,000 | £9,134 | £3,370,034 | £746,666 |

TABLE 3: ANTICIPATED REPAYMENT PROFILE (if LGF contribution recoverable)

(linked to Part A, Question 4.6)

| LGF contribution | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total 2016/17 - 2017-18 |
|---|---|---|---|---|---|---|
| Drawdown | £25,000 | £641,666 | £0 | £0 | £0 | £666,666 |
| Repayment | | | | | | £0 |
| **Balance** | £25,000 | £641,666 | £0 | £0 | £0 | £666,666 |

| | Total 2016/17 - 2020/21 | Total 2016/17 - 2017/18 |
|---|---|---|
| HBC total | £778,968 | £67,500 |
| LGF | £666,666 | £666,666 |

FINANCIAL CASE - SELEP COASTAL COMMUNITIES LGF BID

NOTE: ONLY FINANCIAL DATA FOR 2016/17 AND 2017/18 USED IN TOTALS: OTHER DATA PRESENTED FOR CONTEXT ON THE INVESTMENT PROGRAMMES

| | Period for LGF Spending | | Period in which LGF funded projects must be completed | | | | |
|---|---|---|---|---|---|---|---|
| Cost item | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total 2016/17 - 2020/21 | Total 2016/17 - 2017/18 |
| LGF | 334,167 | 1,665,833 | | | | 2,000,000 | 2,000,000 |
| TDC | 0 | 445,000 | 301,409 | 58,000 | 58,000 | 862,409 | 445,000 |
| HBC | 22,500 | 45,000 | 687,334 | 15,000 | 9,134 | 778,968 | 67,500 |
| TeDC | 52,500 | 80,000 | 316,400 | 1,278,233 | 1,229,867 | 2,957,000 | 132,500 |
| AmicusHorizon | 0 | 0 | 1,904,400 | 0 | 0 | 1,904,400 | 0 |
| Parity Trust | 5,000 | 7,500 | 7,500 | 0 | 0 | 20,000 | 12,500 |
| Total | 414,167 | 2,243,333 | 3,217,043 | 1,351,233 | 1,297,001 | 8,522,777 | 2,657,500 |

**Annex B: Economic Appraisal**

**Sent as a separate document. If required contact Chris Cobbold at**

**chris.cobbold@wessex-economics.co.uk**

**or 0118 938 0940**

## Annex Ca: Project Delivery Timetable:  Mermaid Development Jaywick, Tendring DC

| ID | Task Mode | Task Name | Duration | Start | Finish | Predecessors | Resource Names |
|---|---|---|---|---|---|---|---|
| 1 | | Purchase Mermaid Site | 120 days | Mon 28/11/16 | Fri 12/05/17 | | |
| 2 | | Purchase 31 Bentley | 120 days | Mon 28/11/16 | Fri 12/05/17 | | |
| 3 | | Purchase 27 Bentley | 120 days | Mon 28/11/16 | Fri 12/05/17 | | |
| 4 | | Planning application Work | 262 days | Mon 28/11/16 | Tue 28/11/17 | | |
| 5 | | Planning Submission | 1 day | Mon 06/03/17 | Mon 06/03/17 | | |
| 6 | | LEP Funding approval | 41 days | Fri 23/09/16 | Fri 18/11/16 | | |
| 7 | | Planning consultation and approval | 120 days | Tue 07/03/17 | Mon 21/08/17 | | |
| 8 | | Tender Process | 42 days | Mon 03/07/17 | Tue 29/08/17 | | |
| 9 | | Approvalto let contract | 30 days | Fri 14/07/17 | Thu 24/08/17 | | |
| 10 | | Mobilisation | 60 days | Mon 09/10/17 | Fri 29/12/17 | | |
| 11 | | Build Period | 393 days | Mon 11/12/17 | Wed 12/06/19 | | |

Project: mermaid development
Date: Thu 08/09/16

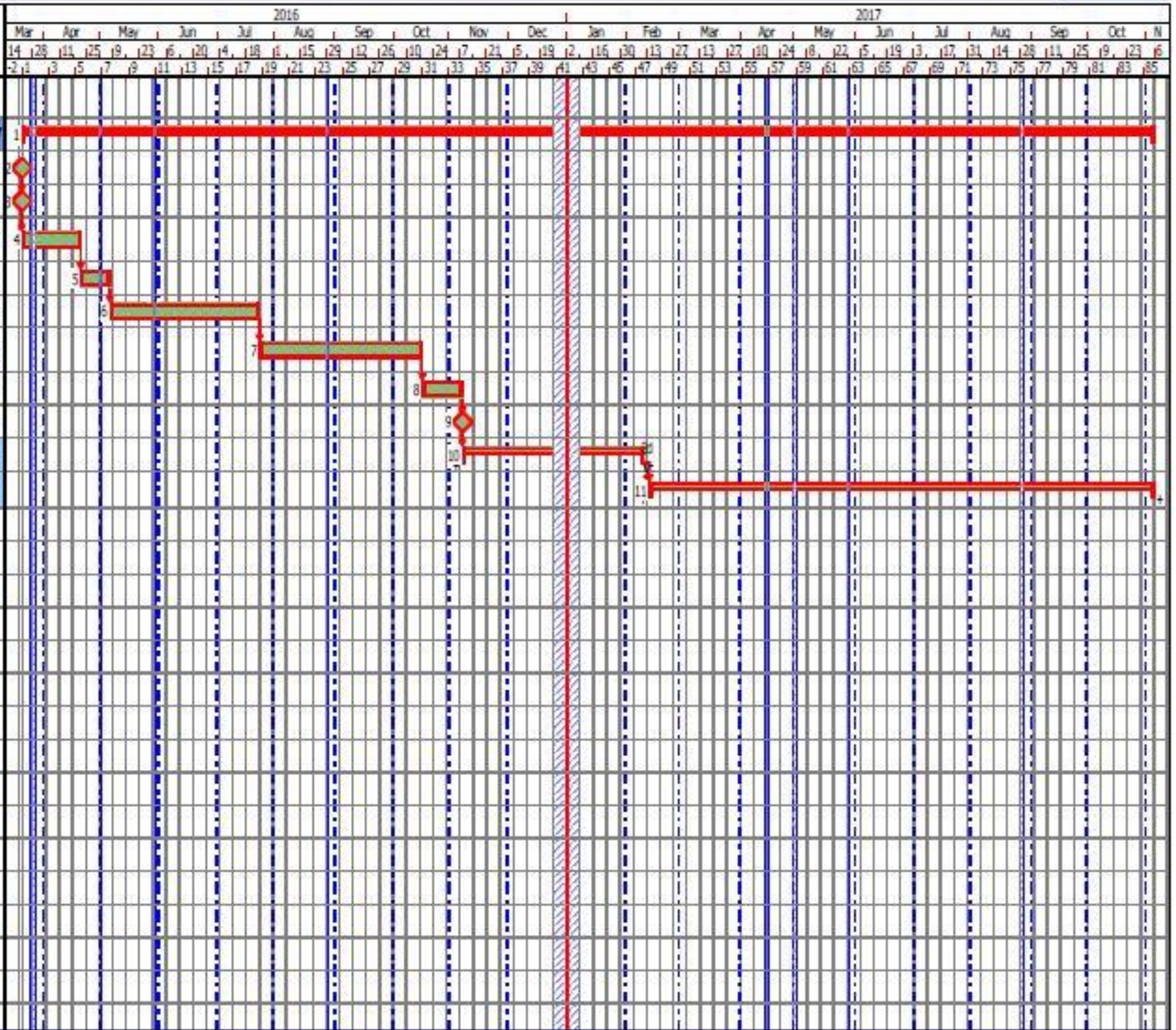
Task | Split | Milestone | Summary | Project Summary | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | External Tasks | External Milestone | Deadline | Progress | Manual Progress

## Annex 3b: Project Delivery Timetable: [redacted] Thanet DC

B7638/24 [redacted] ramme Revision B

Thanet District Council

| Line | Name | Duration | Start | Finish |
|---|---|---|---|---|
| 1 | 24 Ethelbert Crescent | 80w 4d | 22 Mar 16 | 06 Nov 17 |
| 2 | Appraisal (complete) | | 22 Mar 16 | 22 Mar 16 |
| 3 | Design Brief (complete) | | 22 Mar 16 | 22 Mar 16 |
| 4 | Design Approval by TDC (complete) | 4w | 22 Mar 16 | 20 Apr 16 |
| 5 | Planning Submission (complete) | 2w | 21 Apr 16 | 05 May 16 |
| 6 | Planning Approval (complete) | 11w | 06 May 16 | 22 Jul 16 |
| 7 | Preparation of detailed documentation for Tendering | 12w | 25 Jul 16 | 17 Oct 16 |
| 8 | Client Review and changes | 3w | 18 Oct 16 | 07 Nov 16 |
| 9 | Client Approval | | 08 Nov 16 | 08 Nov 16 |
| 10 | Tender Process | 11w 3d | 08 Nov 16 | 10 Feb 17 |
| 11 | Mobilisation and Construction Period | 36w 4d | 14 Feb 17 | 06 Nov 17 |




Date: 09/09/2016

Client: Thanet District Council

[redacted]

365 Days
CPO Decision
196 days
Planning preparation/consultation
125 days
Planning decision
100 days
Tender process and letting build contract
89 days
Mobilisation period
365 days
Build period
2016
2017
2018
2019
Nov
Dec
Jan
Mar
Jun
Oct
Nov
Dec
Jan
Mar
July
Nov
Mar
CPO submission
Planning preparation
Planning submission
Planning decision notice
Build contract let
Start on site
Practical completion