



## ACCOUNTABILITY BOARD

<b>09:00</b>	<b>Friday, 17 July 2015</b>	<b>High House Production Park, Vellacott Close, Purfleet, RM19 1RJ,</b>
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### Membership

Mr Geoff Miles  
Cllr Kevin Bentley  
Cllr Paul Carter  
Cllr Rodney Chambers  
Cllr Keith Glazier  
Cllr John Kent  
Cllr Graham Longley

Chairman  
Essex County Council  
Kent County Council  
Medway Council  
East Sussex Council  
Thurrock Council  
Southend Borough Council

**For information about the meeting please ask for:**

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

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**AGENDA ITEM 2**

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 17 <sup>th</sup> July 2015 <b>Date of report:</b> 8 <sup>th</sup> July 2015	
<b>Title of report:</b> Ways of Working	
<b>Report by</b> David Godfrey, Director of the SELEP	
<b>Enquiries to</b> david.godfrey@kent.gov.uk	

**1. Purpose of report**

- 1.1 The purpose of this paper is to establish a light touch, but effective way of working for the new Accountability Board.

**2. Recommendations**

- 2.1 The Board is asked:
- 2.1.1 To endorse the approach outlined below.
  - 2.1.2 To note **£100,000** funding allocation in the SE LEP budget for 2015/16 to support the establishment of federal area structures and rigorous local monitoring processes.
  - 2.1.3 To endorse a request from the Secretariat that each county/unitary authority nominate a responsible officer for their programmes or projects
  - 2.1.4 To note the later papers providing further detail on reporting and operation.

**3. Background**

- 3.1 The SE LEP Accountability Board is the main performance management structure within the LEP and its establishment has been critical to the flexibility of Government funding.

**Role**

- 3.2 Working through federal area accountability arrangements, the SE LEP Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the SE LEP Strategic Board. By

doing so, SE LEP satisfies the accountability processes for the Accountable Body and the Government's national LEP Assurance Framework.

3.3 As defined by the SE LEP Assurance Framework, the Accountability Board's role includes:

- Appraisals and approvals (eg of business cases and investment) in accordance with SE LEP Strategic Board recommendations
- Monitoring project assessment/implementation and delivery
- Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible S151 officer)
- Approving variations to schemes
- Quarterly performance reporting on an exceptions (to tolerance levels) basis to the Strategic Board
- Reporting on progress to central government
- Any other accountability or assurance function required by central government or recommended by the Partnership's auditors or the Chief Finance Officer of the Partnership's Accountable Body.

### **Operation**

3.4 With 6 voting and 3 non-voting members, the Chairman's (non-voting) role will be one of facilitator as reports are considered, with the aim of delivering consensus wherever possible.

3.5 The major item on each quarterly meeting agenda will be the monitoring report drawing together monitoring information from each of the four federal areas through their county or unitary authorities for all local schemes for which funding has been devolved. Any schemes or programmes for which funding has been provided directly (such as Skills Capital or SEFUND) will also be included.

3.6 Discussion will primarily be through exception reporting of those schemes or programmes (if any) specifically highlighted for discussion through the monitoring process described below. However, Accountability Board members – through the Chairman – retain the ability at all times to consider the detail of any individual scheme or programme they may wish to discuss.

3.7 Following the Accountability Board meeting, decisions will be reported to Government through the Accountable Body as part of SE LEP's quarterly monitoring obligation.

### **Discussion**

3.8 Monitoring reports will be presented to the Accountability Board for discussion by way of exception reporting and with clear recommendations.

- 3.9 Individual schemes or programmes will be “RAG rated” (red, amber, green) for the Board to indicate those that may warrant most consideration by virtue of their performance against funding or output profile or other relevant factors.
- 3.10 Scheme sponsors may be requested to present as appropriate.
- 3.11 Additional items will be presented to the Board as indicated on the agenda for decision, endorsement or information.

### **Monitoring Cycle**

- 3.12 Federal area reporting will be through a shared template to be agreed by the Accountability Board.
- 3.13 To establish and embed federal area structures and monitoring systems and provide support to complete this template and provide rigorous monitoring at federal area level, as agreed at the SE LEP Strategic Board meeting in March, a provision of £100,000 was made in the SE LEP Budget for allocation through the county/unitary authorities. This will be split per capita and detailed as an addendum to the Service Level Agreements already in place. SUZANNE, I WILL SEND OVER %s
- 3.14 It is expected that scheme promoters will be providing funding for project monitoring and evaluation in their business cases and will commit to how the scheme monitoring and evaluation will be done
- 3.15 The monitoring cycle will produce the Accountability Board report and enable exception reporting including:
- Scheme monitoring by scheme sponsors
  - Programme monitoring (built on above) by federal areas
  - LEP-wide programme consideration by a small officer preparation group consisting of one nominated responsible officer (transport or economic development as appropriate) from each county/unitary
  - Officer group above to propose exception reporting to Accountability Board taking into account tolerance levels of 10% per scheme (official level) and 10% per federal area programme (advisory level) against profile, with details of all schemes provided
  - Accountability Board papers and details of all schemes and any proposed changes to be copied to all federal area members
  - Accountability Board endorses (or rejects) any changes to local programmes within tolerances, consider wider exceptions as defined above
  - Details to inform Monitoring & Evaluation Framework as required by Government
- 3.16 Federal area reporting will be signed off by the nominated statutory S151 (Finance) Officer.

## **Reporting**

- 3.17 A Summary report will then be sent to Government by Accountable Body advising of any changes made to the capital programme and the change register held and updated by the SE LEP Secretariat.
- 3.18 Federal areas will be advised formally of decisions which will be published on the SE LEP website and be circulated to all federal area members.

## **4. Financial Implications**

- 4.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no financial implications to be considered.

## **5. Legal Implications**

- 5.1 This report is for information only and there are no decisions required of the Board, therefore there are no legal implications to be considered at this stage.

## **6. Staffing and other resource implications**

- 6.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no staffing or other resource implications to be considered.

## **7. Equality and Diversity implications**

- 7.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The report contains no decisions and therefore has no impact.

## **8. List of Appendices**

8.1 None

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

**9. List of Background Papers**

9.1 None

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

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  <b>Suzanne Bennett</b>  <b>On behalf of Margaret Lee</b>	  10/07/15





<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 17 <sup>th</sup> July 2015 <b>Date of report:</b> 8 <sup>th</sup> July 2015	
<b>Title of report:</b> Membership & Terms of Reference	
<b>Report by</b> David Godfrey, Director of the SELEP	
<b>Enquiries to</b> <a href="mailto:david.godfrey@kent.gov.uk">david.godfrey@kent.gov.uk</a>	

**1. Purpose of report**

1.1 The purpose of this paper is:

1.1.1 To set out the membership for the Joint Committee, known as the Accountability Board; and

1.1.2 To set out the Terms of Reference under which the Accountability Board will operate.

**2. Recommendations**

2.1 The Board is asked:

2.1.1 To note the membership of the Accountability Board; and

2.1.2 To note the contents of the Joint Committee Agreement.

**3 Background**

3.1 The Establishment of the Joint Committee enables the SE LEP to continue to strengthen its governance arrangements in accordance with the promises made to Government in the Assurance Framework.

3.2 The full details of the framework under which the Accountability Board will operate is set out in the attached Joint Committee Agreement (the 'Agreement'), and this report highlight some of the key points.

3.3 The Joint Committee will manage the distribution of funding from Government managed by the LEP (by way of grants and loan funding) in accordance with the provisions contained in sections 101 and 102 of the Act, the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation.

- 3.4 Each of the Upper Tier Authorities have delegated to the Joint Committee the responsibility for the Assurance Framework, decision making for the approval of bids against funding from Government and distribution of that funding by way of grant or loan arrangements, which will enable the Joint Committee to carry out the functions set out in paragraph 10 of the Agreement and set out below.
- 3.5 The vision and aim of the Joint Committee will be to support the distribution of funding from Government and will assist in securing the delivery of outcomes set out in the same. Each distribution of funding will have in place a Service Level Agreement between the Accountable Body and the receiving Partner Authority.
- 3.6 The Joint Committee shall consist of nine members.
- 3.6.2 One executive member from each Upper Tier Authority;
- 3.6.3 One member of the Higher Education Sector;
- 3.6.4 One member of the Further Education Sector; and
- 3.6.5 The Vice Chairman of the SELEP Strategic Board.
- 3.7 Each Partner Authority shall have one vote at meetings of the Joint Committee with all voting to be done by a show of hands. For the avoidance of doubt, Co-opted Members set out in paragraph 3.6.3 – 3.6.5 above shall not be allowed to vote.
- 3.8 The Joint Committee shall exercise and be responsible for;
- 3.8.1 The implementation of the Partnership’s Accountability and Assurance framework and all processes by which bids are assessed, risks considered, approvals made and performance managed;
- 3.8.2 Appraisals and approvals of grants and loans, in accordance with Board recommendations;
- 3.8.3 Monitoring project assessment and delivery;
- 3.8.4 Ensuring accountability from each of the federated areas relating to expenditure and programme delivery;
- 3.8.5 Approving variations to schemes;
- 3.8.6 Quarterly performance reporting on an exceptions basis to the Strategic Board;
- 3.8.7 Reporting on progress to central government;
- 3.8.8 Any other accountability or assurance function required by central government or recommended by the Accountable Body’s auditors or the S.151 Officer of the Accountable Body;
- 3.8.9 Approving an Annual Report to be made available to the Partner Authorities; and
- 3.8.10 Agreeing all new, or revised processes, including the Assurance Framework.
- 3.9 The Quorum for meetings of the Joint Committee is one third of the Committee Members, including at least two voting members.

## **4 Financial Implications**

- 4.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no financial implications to be considered.

## **5 Legal Implications**

- 5.1 The Accountability Board is established as a Joint Committee, and therefore it is governed by the requirements set out in local authority legislation. It is important to ensure that decisions taken are in accordance with those provisions in order to avoid the decisions being challenged by way of a Judicial Review in the High Court.

## **6 Staffing and other resource implications**

- 6.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no staffing or other resource implications to be considered.

## **7 Equality and Diversity implications**

- 7.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The report contains no decisions and therefore has no impact.

## **8 List of Appendices**

- 8.1 Joint Committee Agreement

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

## **9 List of Background Papers**

- 9.1 None

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

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  <b>Kim Mayo</b>  <b>On behalf of Margaret Lee</b>	  10 July 2015  

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 17 <sup>th</sup> July 2015 <b>Date of report:</b> 8 <sup>th</sup> July 2015	
<b>Title of report:</b> Business Case Sign Off and Payment Profile	
<b>Report by</b> David Godfrey, Director of the SELEP	
<b>Enquiries to</b> <a href="mailto:david.godfrey@kent.gov.uk">david.godfrey@kent.gov.uk</a>	

**1. Purpose of report**

1.1 The purpose of this paper is:

- 1.1.1 To agree business cases for any schemes brought forward through the Independent Technical Evaluator (ITE) process for funding to be devolved to federal areas; and
- 1.1.2 To receive an updated payment profile.

**2. Recommendations**

2.1 The Board is asked:

- 2.1.1 To note if the Sittingbourne Town Centre Regeneration scheme had met the conditions set by the SE LEP Board for release of funding through the ITE process – an update will be provided
- 2.1.2 To note the final 2015/16 schemes to be agreed for funding to be devolved to federal areas
- 2.1.3 To receive an updated Growth Deal payment profile for 2015/16

**3 Background**

3.1 Following recent approval by written procedure and by previous SE LEP Board agreement, Growth Deal funding for all local schemes commencing in 2015/16 going through the ITE process has been devolved in accordance with the agreed federal model of SE LEP with the exception of:

- Sittingbourne Town Centre Regeneration: revised business case expected to meet conditions set by SE LEP Strategic Board

- North Deal Transport Improvements: Gate 1 review to commence on receipt of Outline Business Case
- Development of Growth Hubs (Kent and Medway): Gate 1 review to commence on receipt of Outline Business Case
- Eastbourne & South Wealden LSTF Walking and Cycling Package: Revised business case for 2016/17 now being assessed following local funding switch
- Beaulieu Park Station: One of the original LTB funded schemes, it will not draw down LGF in 2015/16 due to modifications to the funding profile following updated advice from Network Rail and the renegotiation of the S106 agreement linked to Network Rail's project delivery process.
- Southend SCAAP - (£0.1m funding to spend on Growth Hub in 2015/16 of a total £6.7m funding for the project): Work currently being progressed locally to establish if £0.7m of the £6.7m (inclusive of the £0.1m) could be re-profiled for spend in 2015/16. The £0.7m was initially a revenue request to Government, though recent progress on the Growth Hub (in the SCAAP area) has brought forward a capital requirement which aligns with the allocation. Business case in development; consideration to be brought to the September Accountability Board.

3.2 The SE LEP Secretariat working with federal areas, including private /public sectors, is in discussion to extend the Independent Technical Evaluation contract with Steer Davies Gleave (to March 2016) to ensure schemes commencing in 2016/17 can begin the ITE process to give federal areas maximum flexibility in management of local capital programmes.

3.3 The payment profile for 2015/16 details the payments made to federal areas through their county/unitary authorities for local delivery and management.

#### **4 Financial Implications**

4.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no financial implications to be considered.

#### **5 Legal Implications**

5.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no legal implications to be considered.

#### **6 Staffing and other resource implications**

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## **7 Equality and Diversity implications**

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- 7.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The report contains no decisions and therefore has no impact.

## **8 List of Appendices**

- 8.1 Appendix 1: SE LEP Strategic Board paper and decision – Approval by Written Procedure
- 8.2 Appendix 2: Local Growth Fund 2015/16 – Status as at July, 2016

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

## **9 List of Background Papers**

- 9.1 None

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

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>	
<b>Suzanne Bennett</b>	10/07/15
<b>On behalf of Margaret Lee</b>	





**Release of funding for next tranche of Growth Deal schemes:**

**Devolution of a further £16,650,000 to federal areas**

Executive Board Member Agreement was sought by electronic procedure with a deadline of **6pm on Friday 19<sup>th</sup> June 2015.**

In total 16 responses were received representing a quorate. All were in support of the proposal.

**Voting outcomes:**

Essex Business Reps	5 Votes
East Sussex Business Reps	5 votes
Kent Business Reps	2 Votes
HE Rep	1 Vote
Local Authority – Essex County Council	1 Vote
Local Authority – East Sussex County Council	1 Vote
Local Authority – Southend Borough Council	1 Vote

**Quorate Requirements as per SELEP Governance**

14 members of the board - of which it must include:

- 3 from county/unitary councils
- 1 business rep from each of the following greater Essex, Kent and Medway and East Sussex (i.e. 3 greater county areas)







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Prepared for:

South East Local Enterprise Partnership  
c/o Essex County Council

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# 1 Introduction

- 1.1 This document sets out the Monitoring and Evaluation Framework for the South East Local Enterprise Partnership to cover its Growth Deal with Government, and more broadly to support evaluation of its Strategic Economic Plan. All Local Enterprise Partnerships have been required by Government to develop a Monitoring and Evaluation Framework in line with guidance issued. The framework provides an opportunity for each Local Enterprise Partnership, and their partners, to demonstrate the efficiency and effectiveness of certain schemes, and make inferences about the wider Growth Deal and Strategic Economic Plan. Monitoring and evaluation will also inform local decision making by building the understanding of what works to drive economic growth locally in the context of local challenges and opportunities.
- 1.2 The work to the framework has been in three parts:
- The first has been to understand the Strategic Economic Plan and the key economic questions that Monitoring and Evaluation can answer. Steer Davies Gleave and SQW met with the Local Enterprise Partnership Secretariat to identify key evaluation questions and to identify key schemes for evaluation.
  - The second has been to develop evaluation plans for key schemes. These were selected in response to the principal objectives, and challenges and opportunities, of the Strategic Economic Plan and Growth Deal. The logic chain between the scheme and its intended impacts was developed as part of the evaluation planning process.
  - Finally, monitoring – what is evaluated drives what is then monitored in detail; however, Government requires monitoring of all schemes in addition to the key schemes. A first action in following the framework will be to develop a consistent template for monitoring with a shared definition of metrics, units, and collection methodologies and frequencies. Other components of monitoring are also outlined with actions and timescales.
- 1.3 Project level evaluation plans for the following South East Local Enterprise Partnership Growth Deal funded projects have been developed:
- A13 Widening (to be determined with the Department for Transport as a fully ‘retained scheme’)
  - A127 Corridor Improvements (will require further development as a partially ‘retained scheme’ / ‘portfolio scheme’ by the Department for Transport)
  - Joint Colchester Transport Packages (Colchester LSTF / Colchester Town Centre / Colchester Integrated Transport Package / Colchester Park & Ride and Bus Priority Measures)
  - Hastings and Bexhill Road Schemes (Queensway Gateway Road / North Bexhill Access Road)
  - Thanet Parkway
  - Southend and Rochford Growth Area – Southend Central Area Action Plan (tbc)
  - Sittingbourne Town Centre Regeneration
  - Rochester Airport Advanced Manufacturing Employment and Innovation Space
  - Development of Growth Hubs
  - Skills Capital Programme
- 1.4 The evaluation plans have been developed with evaluation questions in mind – developed to generate useful evidence for the South East Local Enterprise Partnership in relation to its Strategic Economic Plan.

- 1.5 The remainder of this document reviews processes for monitoring, introduces evaluation principles, and then considers each scheme in turn. For each evaluation plan, there is a project overview, initial intervention logic; monitoring metrics required for evaluation; a suitable methodology and indicative timings to generate relevant evidence in relation to the evaluation questions; a broad-brush estimate of resourcing<sup>1</sup> (where appropriate); and how the evaluation will be used.
- 1.6 The framework is a 'living' document and will be refreshed on a frequent *ad hoc* basis.

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<sup>1</sup> These are indicative only and they are made at 2015 prices. They exclude the on-going costs of gathering monitoring data and relate only to the analysis of data for evaluation purposes. No provision is made in the costings for client meetings, familiarisation, etc., all of which would need to be factored in if the evaluations were to be outsourced to third party organisations.



## 2 Monitoring

### Overview

- 2.1 Government requires all schemes to be monitored, broadly in line with the metrics identified in the Autumn 2014 BIS monitoring template. These have been reviewed as part of this process and form Appendix A. Government has identified transport schemes above a certain value which will require additional monitoring (i.e. transport schemes over £5 million of Local Growth Fund allocation) and evaluation (i.e. transport schemes over £20 million of Local Growth Fund allocation), the exact details of which will be identified in due course and integrated into this framework.

### Method

- 2.2 Monitoring is required to measure the delivery and performance of schemes – to measure progress against a plan or benchmark. Monitoring can be expensive and, therefore, scheme promoters and partners have worked together to identify ways of making best use of secondary data sources (e.g. Office for National Statistics), integrating monitoring into existing data collection processes, and making sure collection methodologies are consistent. Only where strictly necessary will additional primary data collection be specified and every effort will be made to ensure ‘joined up’ data collection between scheme promoters and partners.
- 2.3 Benchmarking is also required for some schemes and metrics. Further work is required to conduct the benchmarking which can identify a baseline from which performance can be measured. The benchmark may be based on historic trend data, a measured starting point, a plan, and /or a baseline trajectory for the schemes delivery and without delivery.

### Reporting

- 2.4 Data should be collected and reported for monitoring in a consistent format. A template will be developed and used by all scheme promoters. A central reporting tool will also be developed to coordinate all data electronically.
- 2.5 Essex County Council, as Accountable Body for the South East Local Enterprise Partnership, will also stipulate that scheme promoters must collect and validate their own data as a condition of use of any grant funding from the Local Growth Fund.

**Table 2.1: Monitoring Framework Actions**

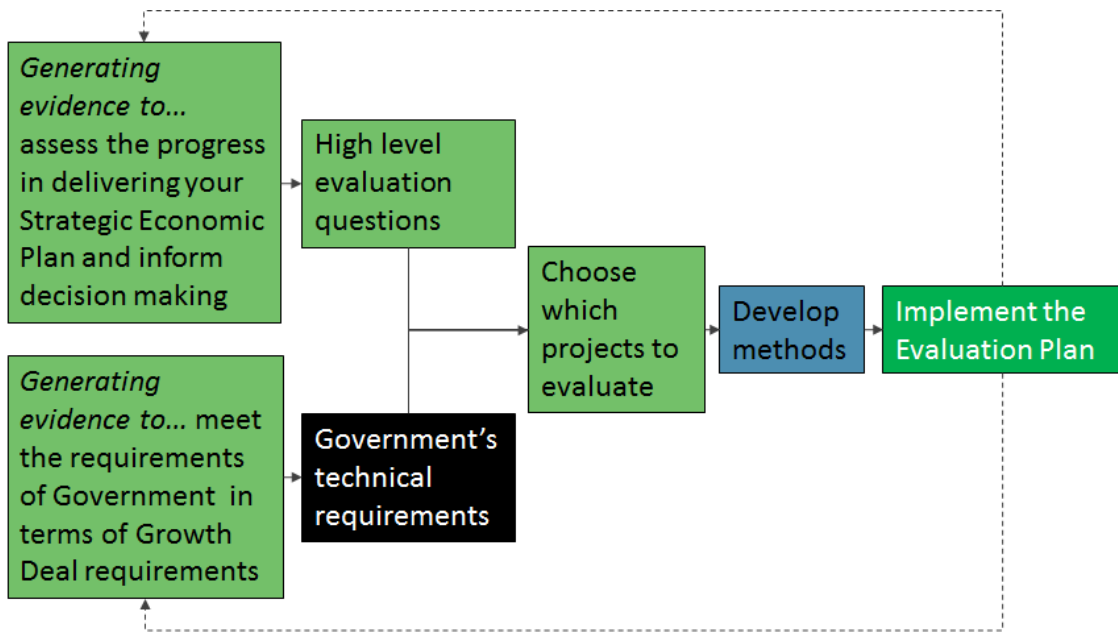
Action	Who?	Timescales
Define monitoring metrics and data collection methods	Scheme promoters	End July 2015
Develop baseline methods	Scheme promoters	End July 2015
Complete baselining for all 2015/16 starting schemes	Scheme promoters	At least three months before scheme construction
Develop monitoring reporting template	South East Local Enterprise Partnership	End July 2015
Specify monitoring and evaluation collection and validation requirements of scheme promoters as part of the legal agreement on conditions of use of grant.	Accountable Body (Essex County Council)	As per grant funding approval and allocation.

# 3 Evaluation

## Evaluation Process

3.1 Evaluation serves two key purposes in this framework, as per Figure 3.1 below. The first is to generate evidence to assess the progress in delivering the South East Local Enterprise Partnership’s Strategic Economic Plan, and the second it to generate evidence to meet Government’s requirements as part of the Growth Deal on the effectiveness of scheme delivery and performance.

Figure 3.1: Evaluation Purpose and Process



Source: SQW

## Strategic Economic Plan priorities and evaluation questions

3.2 From reviewing the Strategic Economic Plan, six areas of economic focus across the four area deals have been identified for evaluation in line with its economic priorities:

- The economic relationship with London, including ports, logistics, transport and logistics functions.
- Investing in transport corridors.
- Garden Cities, accelerating delivering of housing in the Thames Gateway, and populations growth and housing.
- Coastal and peripheral communities, building confidence in coastal housing markets, and creative and cultural industries.
- Improving skills, addressing poor productivities, and supporting Small and Medium Sized Enterprises (SMEs).
- Major universities, promoting innovation, and knowledge based sectors.

- 3.3 From analysis of the Strategic Economic Plan and its economic priorities, the following evaluation questions have been identified. The extent to which schemes are likely to be able to shed light on these questions was a factor in the choice of the immediate evaluation priorities. Are schemes and interventions funded through the Growth Deal:
1. exploiting the area's national and international gateway functions as a route to economic growth?
  2. helping to accelerate housing delivery?
  3. enabling a strengthening of the knowledge economy across the local geography?
  4. helping to regenerate coastal communities as places to live, work and visit?
  5. improving workforce skills and enabling SMEs to perform better?
  6. helping to realise the potential of the area's principal transport corridors (in terms both of connectivity and as a focus for jobs and housing growth)?
- 3.4 Not all evaluation questions will be answered through the first tranches of evaluation priorities and plans. However, as further schemes are funded, they can be selected to fill gaps in evaluation evidence.

Table 3.1: Evaluation Questions and Key Schemes

Are schemes and interventions funded through the Growth Deal...	exploiting the area’s national and international gateway functions as a route to economic growth?	helping to accelerate housing delivery?	enabling a strengthening of the knowledge economy across the local geography?	helping to regenerate coastal and estuarine communities as places to live, work and visit?	improving workforce skills and enabling SMEs to perform better?	helping to realise the potential of the area’s principal transport corridors (in terms both of connectivity and as a focus for jobs and housing growth)?
Schemes / Initiatives						
A13 Widening	✓					✓
A127 Corridor Improvements	✓	✓		✓		✓
Joint Colchester Transport Packages		✓				
Hastings and Bexhill Road Schemes		✓				✓
Thanet Parkway		✓		✓		
Southend and Rochford Growth Area - Southend Central Area Action Plan				✓		
Sittingbourne Town Centre Regeneration		✓		✓		
Rochester Airport Advanced Manufacturing Employment and Innovation Space			✓	✓		
Kent & Medway Growth Hubs			✓		✓	
Skills Capital Programme					✓	

Source: Steer Davies Gleave and SQW

# 4 A127 Corridor Improvements

## Project overview and context for evaluation

- 4.1 The A127 corridor is an important primary route for the South Essex area and connects the M25 with Basildon and Southend (including London Southend Airport). At peak periods, the A127 carries traffic volumes which exceed those on many urban motorways elsewhere in the UK. The route is therefore heavily congested and sensitive to incidents and accidents resulting in unreliable journeys.
- 4.2 Improved travel to and from the Thames Gateway South East region is envisaged to improve perceptions of the area and support the area in actually becoming more vibrant and well-connected, attracting new investment and increasing employment opportunities for local residents.
- 4.3 Along the A127 corridor there is potential to directly enable the creation of 8,775 jobs and 1,450 new homes by 2021, and a further 48,927 jobs and 32,655 homes through proposed transport schemes post-2021.
- 4.4 A package of improvements to the corridor have been proposed to support the realisation of this potential growth, as follows.

### *Capacity Enhancements, Road Safety and Network Resilience*

- Capacity improvements to a grade separated junction at the A132 Nevendon interchange.
- Signals upgrade at the A129 Rayleigh Weir interchange.
- Installation of signals on slip roads at the B186 Warley interchange.
- Signing improvements on the A127.

### *Kent Elms Corner Junction Improvement*

- An at-grade improvement / approach to provide capacity improvements.
- Accessibility improvements by removal of stepped pedestrian over-bridge and replacement with Toucan crossings.

### *Essential Highways Maintenance*

- Resurfacing eastbound carriageway from Borough Boundary to Progress Road.
- Core testing, ground penetrating radar surveys, falling weight deflectograph surveys and drainage surveys.
- Renewal of street lighting ducting, cabling and wiring, drainage improvements, carriageway and footway reconstruction works.

### *Fairglen Interchange*

- A slip road between the eastbound A127 and the northbound A130, providing an improved link to Chelmsford, Colchester and the North. As the site is heavily constrained by Morbec Farm, if the scheme were to go ahead, then two structures would require alteration, one of which is a Network Rail bridge.

*The Bell Junction Improvement*

- An at grade improvement to increase capacity of the junction and reduce the level of queuing currently experienced on both the A127 eastbound and westbound approaches. Removal of stepped footbridge.
- Improved pedestrian / cycling crossing facilities.

4.5 Preliminary work on the capacity enhancement, maintenance and Kent Elms Corner schemes are due to commence in 2016/17. The capital cost of the full package of improvements is estimated to be £43.0m. An indicative funding profile is shown in Table 4.1.

**Table 4.1: A127 Corridor Improvements Funding Profile (£m)**

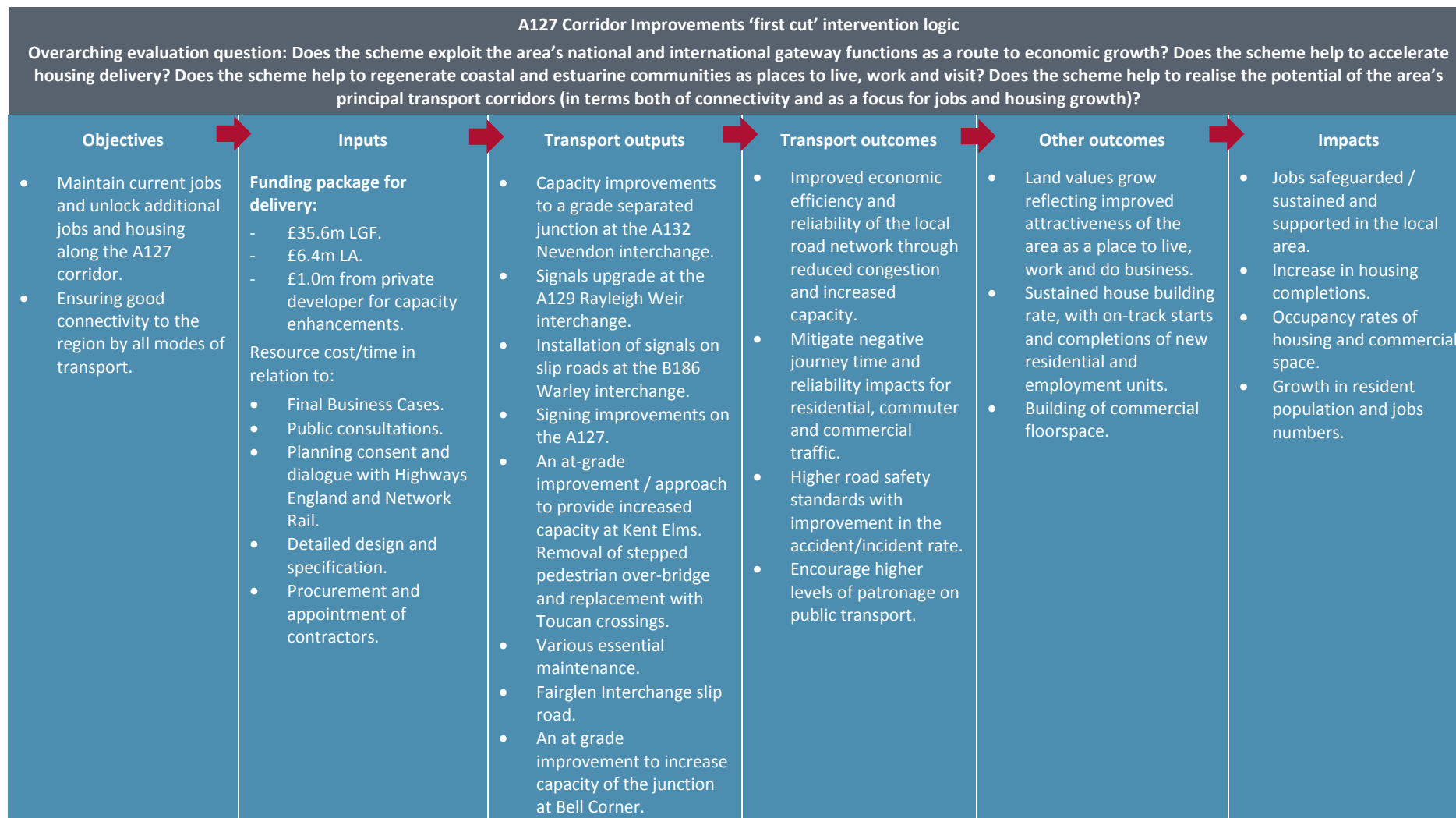
Funding Profile	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Local Growth Fund	1.5	5.2	1.7	4.8	9.4	13.0	35.6
Local Authority	3.7		0.7		2.0		6.4
Private Sector		1.0					1.0
<b>Annual Total</b>	<b>5.2</b>	<b>6.2</b>	<b>2.4</b>	<b>4.8</b>	<b>11.4</b>	<b>13.0</b>	<b>43.0</b>

Source: South East Local Enterprise Partnership Transport Schemes Financial Progress

## Intervention logic

4.6 Figure 4.1 overleaf sets out an initial intervention logic and theory of change for the A127 Corridor. As part of the evaluation, this will need to be further developed based on scoping consultations with Essex County Council and Southend-on-Sea Borough Council and local partners.

Figure 4.1: A127 Corridor Improvements Intervention Logic



## Monitoring metrics

- 4.7 Monitoring data will provide a key resource in evaluating the scheme. Table 4.2 sets out a suite of metrics which will capture some of the inputs, outputs, and outcomes outlined. They will ultimately need to be tested with the relevant parties responsible for collecting them to determine feasibility/practicality.

**Table 4.2: A127 Corridor Improvements Monitoring Metrics**

Metrics	Frequency	Source
<b>Inputs:</b>		
Total expenditure (against plan)	Quarterly during construction	Local Highway Authorities
Funding breakdown (against plan)	Quarterly during construction	Local Highway Authorities
In-kind resources provided (against plan)	Quarterly during construction	Local Highway Authorities
<b>Transport Outputs:</b>		
Total length of resurfaced roads (against plan)	Quarterly during construction	Contractors
Total length of newly built roads (against plan)	Quarterly during construction	Contractors
Total length of new cycle ways (against plan)	Quarterly during construction	Contractors
Type of infrastructure	Once upon completion	Local Highway Authorities
Type of service improvement	Once upon completion	Local Highway Authorities
<b>Transport Outcomes:</b>		
Journey time reliability	Annual (before and after)	Surveys and transport model / DfT
Decreasing congestion	Annual (before and after)	Surveys and transport model / DfT
Traffic accidents and incidents	Annual (before and after)	Surveys and transport model / DfT
PT patronage and modal share	Annual (before and after)	Surveys and transport model / DfT
Improved air quality and reduced noise	Annual (before and after)	Pollution and noise levels at receptor locations
Accessibility (# of households with access to specific sites within threshold times)	Annual (before and after)	Modelling of network
<b>Economic Outcomes:</b>		
Land value growth	Annual (during and after)	Estate agents, Land Registry
Commercial rental price growth	Annual (during and after)	Estate agents, Land Registry
Housing unit starts	Annual (before and after)	Developer surveys against Masterplan
Commercial floorspace built	Annual (before and after)	Developer surveys against Masterplan
<b>Economic Impacts:</b>		
Housing units completed	Annual (before and after)	Developer surveys against Masterplan
Occupancy rate of housing	Annual after construction	Estate agents, surveys, planning team
Occupancy rate of floorspace	Annual (before and after)	Estate agents, surveys, planning team
Direct jobs from interventions	Annual (before and after)	Developer surveys
Resident population growth	Annual after construction	Estate agents, surveys, planning team
Employees population growth	Annual after construction	Estate agents, surveys, planning team

Source: Steer Davies Gleave and Government's Growth Deal Monitoring Template



- 4.8 The metrics outlined above will be tracked over time from 2015/16. The timeframes over which many of the outcomes identified above will come to fruition will vary substantially. The South East Local Enterprise Partnership will need to identify who is best placed to collect the data and with what frequency (e.g. quarterly, annually).

### **Approach and methodology: process and outcomes evaluation**

- 4.9 The outputs, outcomes and impacts of the A127 Corridor Improvements will be monitored over two main components:

- the construction component: for the monitoring of inputs and transport outputs during which time the transport infrastructure will be built; and
- the opening component: following completion of the transport infrastructure work, where the first economic impacts will be measured and evaluated.

#### **Component I**

- 4.10 Component I will involve Essex County Council and Southend Borough Council monitoring the inputs going into the infrastructure programme on a quarterly basis once preliminary works begin in 2015/16. Before construction commences, any necessary baselining work will be conducted by the scheme promoter, or by a third party partner if primary data is already or better collected by them (and with their agreement).
- 4.11 Metrics will include total expenditure and the breakdown of in-kind resources. At a high level, spending should be compared against a detailed funding profile of the full business case, summarised in Table 4.1. Data on the transport outputs (measured in terms of hard infrastructure added and/or enhanced) will be collected quarterly from the appointed contractors, monitored against the agreed contractual arrangements, and verified through site visits by the Local Highway Authority, and compared against the full business case.

#### **Component IIa**

- 4.12 Component IIa will involve Essex County Council and Southend-on-Sea Borough Council working in close cooperation with the Department for Transport in order to collect data on the direct transport outcomes of the scheme. The planned improvements aim to improve journey time reliability and congestion. As a consequence, the broader package aims to make travel by public transport (as well as walking and cycling) a more attractive option. Environmental outcomes such as CO<sub>2</sub> emissions, noise levels, nitrous oxides, and particulate matter will be assessed as part of a broader route management strategy, jointly developed by the two councils.
- 4.13 The baseline data collected (and profiles forecast where appropriate) by the councils and their partners will be compared to post-construction traffic data (e.g. AM peak journey times, journey time reliability, mode share). The net effect will be compared to the full business case, and inform cost benefit analysis comparing against *ex-ante* appraisal analysis.
- 4.14 Modelling of travel times around the network will also be undertaken to estimate pre- and post-construction accessibility (i.e. the number of households with access to specific sites, by mode, within threshold times).

**Component IIb**

- 4.15 Component IIb will seek to test the economic outcome assumptions stated in the A127 Corridor Improvements business cases. It will involve annual surveys with developers to assess progress in the other expected outcomes, with a particular focus on measuring the rate of house-building, progress made in completing the wider development, and direct job numbers (safeguarded or supported). These results should be monitored against the *A127 Corridor for Growth: An Economic Plan* document as well.

**Component III**

- 4.16 Finally, after completion of the A127 Corridor Improvements, the economic impacts of the package will be considered. Key indicators in this context include the growth in both resident population and jobs and the occupancy rate of newly built residential and commercial spaces.
- 4.17 Drawing on Land Registry data, steps will be taken to monitor changes in the value of land at sites anticipated to receive a boost from the improvements, including the Basildon Enterprise Corridor, the Saxon Business Park adjacent to London Southend Airport, the London Gateway Port, the Rochford growth area and Southend Central area. Here the expectation is that land values grow at least in line, if not faster, than the council average. Slower growth in land values might imply that the improvements have not been effective, as buyers will price congestion into the value of land. This will need to be considered against other developments, comparing house prices for neighbourhoods with similar housing stock and other parameters.
- 4.18 Similarly to the transport outcomes, monitoring of economic outcomes will involve data collection both before, during and after construction. In addition, interviews will be conducted with the key stakeholders (Essex County Council and Southend-on-Sea Borough Council's development control and planning officers and members, developers, house builders, other investors, and businesses) to understand qualitatively the impact of the scheme versus other factors on investment decisions, including the effect on business location choices.

**Timings and resourcing for evaluation**

- 4.19 The largest share of costs will be incurred at regular intervals, mainly annually (A) and quarterly (Q), as per Table 4.3 overleaf, in the process of data gathering and collection necessary for the monitoring phase (surveys, interviews, questionnaires). There may be synergies between these activities and the Department for Transport's monitoring requirements which should be explored further. Baseline surveys will be expected for all transport and economic outcome metrics.
- 4.20 Whilst the individual elements of the improvements package are expected to be delivered by 2020/21, the impacts will not be fully realised for a number of years. Therefore, the transport and economic metrics will need to be monitored until at least 2024/25, and coincide with a final report at that time. Interim analysis and findings will be conducted at three-year intervals, culminating in the final report.
- 4.21 The cost of additional evaluation work for interviews and bringing this together with wider monitoring is £25,000 (including cost benefit analysis). Cost estimates are made in broad-brush terms and are not the full costs of commissioning consultants to conduct the work.

**Table 4.3: A127 Corridor Improvements Indicative Timescales**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 onwards (final year)
<b>Construction</b>							
Transport infrastructure and improvements	Q	Q	Q	Q	Q	Q	
<b>Baseline, transport outputs and transport outcomes data collection</b>							
Transport output metrics	Q	Q	Q	Q	Q	Q	
Transport outcome metrics		A	A	A	A	A	A (2024/25)
Building rate statistics		A	A	A	A	A	A (2024/25)
Direct jobs statistics		A	A	A	A	A	A (2024/25)
Land values		A	A	A	A	A	A (2024/25)
<b>Outcome and impacts data collection</b>							
Occupancy rates			A	A	A	A	A (2024/25)
Residents and jobs population			A	A	A	A	A (2024/25)
<b>Analysis and reporting</b>							
Interim analysis and findings				A			A (2021/22)
Final report							A (2024/25)

## Use of evaluation

- 4.22 The evaluation will inform the assessment of the scheme's ability to deliver the expected outcomes. It will be used by Essex County Council, Southend-on-Sea Borough Council and the Local Enterprise Partnership to comply with Government's requirements on Monitoring and Evaluation. It will also provide a useful contribution to the evidence base around the relationship between local transport schemes and economic development.

## 5 Joint Colchester Transport Package schemes

### Programme overview and context for evaluation

5.1 Four packages of transport improvements for Colchester have been put forward by Essex County Council for Local Growth Fund support. They are:

- Colchester Local Sustainable Transport Fund (LSTF);
- Colchester Integrated Transport Package (ITP);
- Colchester Town Centre; and
- Colchester Park and Ride and Bus Priority Measures

5.2 The broadest objectives for each of the packages as described in their Strategic Cases are set out in Table 5.1 below.

**Table 5.1: Colchester Scheme Objectives**

Objectives	LSTF	ITP	Town Centre	Park and Ride
To support housing and job growth	✓	✓	✓	✓
To promote cycling and other sustainable journeys	✓		✓	✓
To improve air quality	✓	✓	✓	✓
To reduce carbon emissions	✓	✓	✓	✓
To reduce traffic and congestion	✓	✓	✓	✓
To improve existing and new public transport services		✓	✓	
To introduce an integrated package of improvements		✓		
To promote healthy and active lifestyles			✓	
To make best use of the existing highway network				✓

#### Colchester Local Sustainable Transport Fund Programme

5.3 The purpose of the Colchester LSTF package of measures is to upgrade sustainable travel (mainly pedestrian and cycling) infrastructure and improve the connectivity of key attractors in the North Colchester growth area. This is intended to supplement developer contributions with the aim of enabling coherent sustainable growth in housing and employment in the area. In addition, the package is intended to ensure that the cycle culture developed through the Colchester Cycling Town project continues to gain momentum and influence travel behaviour for local trips within Colchester.

#### Colchester Integrated Transport Package

5.4 The schemes associated with the Colchester Integrated Transport Package (ITP) focus on traffic and congestion reduction, traffic management measures, and replacement of highway infrastructure, with the aim of improving the economic vitality of the town centre while delivering operational improvements across the wider town centre area.

- 5.5 This package of schemes will deliver a range of initiatives to encourage and improve access for all modes travelling along and across the A133 corridor, particularly to the east and south-east of the town centre. The package is also intended to help to reduce general traffic in the town centre as it is often used as an alternative to the congested A133 route.

#### Colchester Town Centre

- 5.6 This package of five schemes will deliver initiatives to encourage (and make the most of) sustainable public transport, cycling and walking transport modes in Colchester, aimed particularly at corridors on an east-west axis across and through the town centre. The package focuses on traffic and congestion reduction, bus priority and traffic management measures with the aim of improving the economic vitality of the town centre and delivering operational improvements across wider Colchester.

#### Colchester Park & Ride and Bus Priority Measures

- 5.7 The Colchester Park and Ride & Bus Priority Measures scheme is expected to unlock capacity between a key growth area in the North of Colchester and Colchester Station and town centre to enable sustainable growth in housing and employment within the town and enable increased access to Colchester from a wide catchment area through the creation of a high quality public transport corridor. This scheme is a key part of the North Colchester Growth Area package of transport measures. The total Local Growth Fund allocation requirement for the four packages of work is shown in Table 5.2 below.

**Table 5.2: Joint Colchester Transport Packages Local Growth Fund funding profile (£m)**

Funding Profile	2015/16	2016/17	Total
Colchester LSTF	2.00	-	2.00
Colchester Integrated Transport Package	2.20	2.80	5.00
Colchester Town Centre	5.00	-	5.00
Colchester Park and Ride and Bus Priority Measures	5.90	-	5.90
<b>Total</b>	<b>15.10</b>	<b>2.80</b>	<b>17.90</b>

Source: South East Local Enterprise Partnership

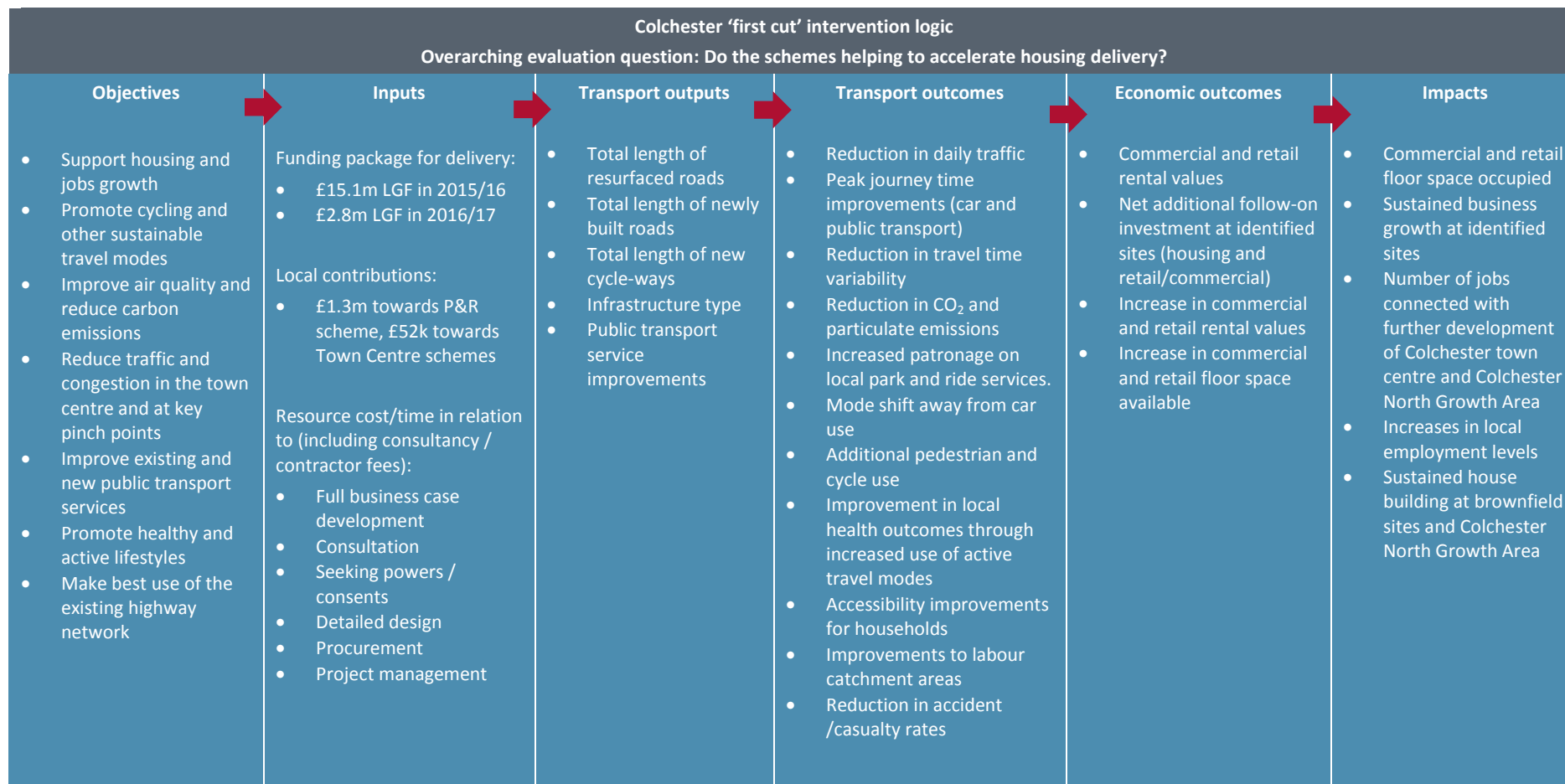
### Intervention logic

- 5.8 Figure 5.1 sets out an initial intervention logic and theory of change for the range of schemes proposed for Colchester. As part of the evaluation, this will need to be further developed based on scoping consultations with the South East Local Enterprise Partnership, Essex County Council, the Borough of Colchester, local business and developers, and local transport operators.

### Monitoring metrics

- 5.9 Monitoring data will provide a key resource in evaluating the schemes. Table 5.3 sets out a suite of metrics which will capture some of the inputs, outputs, and outcomes outlined in Figure 5.1. They will ultimately need to be tested with the relevant parties responsible for collecting them to determine feasibility / practicality.

Figure 5.1: Joint Colchester Transport Packages Intervention Logic



Source: Steer Davies Gleave

**Table 5.3: Joint Colchester Transport Packages Monitoring Metrics**

Metrics	Frequency	Source
<b>Inputs:</b>		
Total expenditure	Quarterly during construction	Essex County Council, contractor
Funding breakdown	Once upon completion	SELEP, Essex County Council, contractor
In-kind resources provided	Quarterly during construction	Essex County Council
Essex CC resource costs	Quarterly during construction	Essex County Council
<b>Transport Outputs:</b>		
Length of cycle paths constructed (km)	Once upon completion	Contractors
Length of roads constructed (km)	Once upon completion	Contractors
Length of roads resurfaced (km)	Once upon completion	Contractors
Sustainable mode facilities delivered	Once upon completion	Contractors
<b>Transport Outcomes:</b>		
Journey times (and reliability / variability)	Baseline and one year following completion	Essex County Council, TrafficMaster data, timetables, DfT, site visits
Access times	Once upon completion	Transport modelling
Catchment areas	Once after construction	Modelled (e.g. TRACC)
Public transport passenger numbers	Baseline and one year upon completion	Passenger surveys, bus operator
Active modes journey numbers	Baseline and one year upon completion	Site counts and surveys
Public transport service improvements	Baseline and one year upon completion	Journey planner, public timetables
Mode shift and trip generation	Baseline and one year following completion	Surveys
Air quality and emissions	Annual after construction	National Atmospheric Emissions Inventory, Essex County Council AQMA
Health impacts (admission rates)	Annual after construction	Local NHS data
<b>Economic Outcomes:</b>		
Land and rental values	Annual after construction	Property agents, Land Registry
Net additional investment	Annual after construction	Developer surveys
Housing unit starts	Annual after construction	Developer surveys against Masterplan, Land Registry
Commercial/retail floor-space built	Annual after construction	Developer surveys against Masterplan, Land Registry
Occupancy rate of floor-space	Annual after construction	Property agents, surveys, planning team
<b>Economic Impacts:</b>		
Housing unit completions	Annual after construction	Developer surveys against Masterplan, Land Registry
Direct and indirect jobs from interventions	Annual after construction	Developer surveys, BRES
Employment levels	Annual after construction	National statistics, dependency rates
Productivity (% skilled workers)	Annual after construction	Labour Force Survey
Economic output	Annual after construction	National accounts

Source: Steer Davies Gleave and Government's Growth Deal Monitoring Metric Template

- 5.10 The metrics outlined above should be tracked over time from 2015/16, with baseline data gathered as soon as practicable. The timeframes over which many of the outcomes identified above will come to fruition will vary substantially. The South East Local Enterprise Partnership will, in partnership with Essex County Council, the Borough of Colchester, and local delivery partners (including contractors and the local transport operator) need to identify who is best placed to collect these data and with what frequency (e.g. quarterly, annually).

### **Approach and methodology: process and outcomes evaluation**

- 5.11 The outputs, outcomes and impacts of the Colchester transport improvement schemes scheme will be monitored over two main components:
- the construction component, during which the new transport infrastructure will be delivered and which will support the monitoring of inputs and transport outputs; and
  - the opening component following completion of the transport infrastructure work where the first transport outcomes, economic outcomes and economic impacts will be measured and evaluated.

#### **Component I**

- 5.12 Component I represents the ‘process evaluation’ in which the delivery of the portfolio of transport interventions is considered. In addition to monitoring the financial metrics summarised in Table 5.3, the process evaluation could be extended to cover wider aspects of project delivery including quality, timeliness, scope alongside softer factors including project controls and governance. Financial metrics should be compared against the profile set out in the final business cases (financial case) and their supporting documentation, output metrics should be compared to the programme plan (management case) and both contracted and delivered projects should be compared against the specification (strategic case). For the Park & Ride and Bus Priority Measures these activities should commence immediately, with any lessons learned taken forward into the evaluation of the ITP, LSTF and City Centre packages.
- 5.13 Data on the nature and quality of public transport service improvements should include enhancements to public transport frequencies, improved journey times and reduced journey time variability across all modes, as well as improvements to local park and ride capacity and service levels. On the basis of this information, the widening of catchment areas for jobs and key services e.g. surgeries, schools should be estimated using accessibility modelling software (e.g. TRACC).
- 5.14 A full catalogue of infrastructure (e.g. an asset register) delivered by the programme should be gathered including building of new roads, delivery of bus priority measures (including enhanced signalling) and the delivery of cycle and walking provisions supporting sustainable journeys to and from the town centre.

#### **Component II**

- 5.15 Component II is intended to explore the demand response to the change in transport supply delivered by the portfolio of interventions in and around Colchester town centre. Following the delivery of the schemes, transport outcomes will need to be monitored frequently (ideally quarterly) for a period of one to two years.



- 5.16 The use of this new infrastructure across all relevant modes should be monitored on a regular basis in order to effectively gauge mode share impacts, trip volumes and to deliver insights into the reasons for travel behavioural change. Monitoring should be conducted on a routine basis, on the same day of the week in order for direct comparisons to be made.
- 5.17 Specific monitoring efforts should be made to track patronage levels on the new Park and Ride services. The provision of data by the bus operator should, ideally, be contractualised although we would not expect this to be necessary. It will be particularly important to gather evidence on the previous and current travel patterns of park and ride customers, with a particular focus on the morning and evening peak periods. On-board surveys are likely to provide the most effective way of gathering such evidence.
- 5.18 Where possible counts of individuals using active modes should be made, both along the new transport corridors and at key attractors within Colchester town centre. Resources permitting, additional on-site survey data collection regarding previous and current travel patterns for those using active modes should be gathered.

### **Component III**

- 5.19 Component III covers the evaluation of local and regional economic outcomes and impacts. This tranche of work focuses upon the release and development of brownfield sites to permit housing, retail and commercial growth both within Colchester town centre and the Colchester North Growth Area. In gathering metrics regarding residential starts/completions, retail and commercial footprint delivered and occupied, land and rental values it will be essential for Essex County Council to develop strong relationships with property agents and developers. Where necessary, Essex County Council may be required to adhere to confidentiality arrangements with respect to private property transactions. Limited supplementary data may be available through administrative sources such as the Land Registry, although further exploration of the granularity and timeliness of this data is required.
- 5.20 Estimates of net additional jobs and companies supported by the interventions should be taken from national statistics e.g. the Business Register and Employment Survey and Annual Business Enquiry. While there is a time lag before data from these surveys is published, they represent the most comprehensive sources available and do not require any additional data collection costs to be incurred by Essex County Council.
- 5.21 Similar data regarding output, productivity and economic activity should be gathered from administrative sources, although the extent to which changes in these indicators can be attributed to the package of transport interventions is likely to be limited. Furthermore, such data are often only available for larger geographic units than required to understand the impacts for the economy of Colchester.
- 5.22 Finally, existing measures for monitoring air quality (and particularly for the Air Quality Management Area identified within the business case) should continue to be used. It is unlikely that accurate estimates of CO<sub>2</sub> equivalent emissions can be identified and therefore a suitable proxy e.g. vehicle km, number of vehicles entering Colchester town centre, average speeds etc. should be identified.

## Timescales and resourcing for evaluation

- 5.23 The largest share of costs will be incurred undertaking counts and survey activities at regular intervals, mainly annually (A) and quarterly (Q) as per Table 5.4. As far as possible existing administrative data should be exploited (e.g. Department for Transport journey time measurements). These sources should be explored in detail before committing expenditure to gather information regarding transport outputs. Data gathering regarding transport outcomes is likely to require a programme of on-site survey work, while data on economic outcomes is best sourced through developing strong stakeholder relationships. Evidence on economic impacts is likely to be best gathered through existing data sources, although the granularity of such evidence is unlikely to be sufficient to draw meaningful linkages between the transport interventions and data regarding their ultimate economic impacts.

**Table 5.4: Joint Colchester Transport Packages Indicative Timescales**

	2013 /14	2014/ 15	2015/1 6	2016/1 7	2017/1 8	2018/1 9	2019/2 0	2020 /21
<b>Construction / transport outputs</b>								
Transport scheme construction			Q	Q				
<b>Baseline and transport outcomes data collection</b>								
Transport baseline metrics		A	A					
Other baseline metrics		A	A					
Transport outcomes metrics					A	A	A	A
<b>Outcomes and impacts data collection</b>								
Economic outcomes metrics					A	A	A	A
Impact metrics					A	A	A	A
Environmental Impact Assessment					A	A	A	A
<b>Analysis and reporting</b>								
Interim analysis and findings					A		A	
Final report								A

- 5.24 We anticipate that the resources required in order to specify and deliver the programme of on-site surveys and to monitor trip-making habits on a quarterly basis for two years following delivery of the interventions is likely to be in the order of £25,000. In addition, wider support to collate data from a range of stakeholders and administrative sources is likely to require an additional £10,000 budget.

## Use of evaluation

- 5.25 The evaluation will inform the assessment of the range of scheme's ability to deliver the anticipated outcomes and to identify any unintended consequences. Any lessons learned will be used to inform best practice and to support future bids for subsequent rounds of Local Growth Fund funding. The evaluation will be used by Essex County Council to comply with the Government's requirements on Monitoring and Evaluation. It will also provide a useful contribution to the evidence base around the relationship between local transport schemes and economic development.

## 6 North Bexhill Access Road and Queensway Gateway Road Schemes

### Project overview and context for the evaluation

- 6.1 Due to the relationship and similarities in both the North Bexhill Access Road and Queensway Gateway Road schemes they will be presented together for monitoring and evaluation due to their proximity, common outcomes and outputs. The indicative Local Growth Fund allocation spending profile is outlined in Table 6.1

#### North Bexhill Road

- 6.2 Bexhill has been identified as one of the priority areas for economic growth and investment in East Sussex County Council. The scheme will help deliver the Bexhill and Hastings Five Point Plan by supporting inward investment in the area. It will also help deliver the East Sussex County Council's promise to 'help make East Sussex prosperous and safe' and 'improve and develop roads and infrastructure'.
- 6.3 The new access road will connect the existing North Bexhill to Hastings Link Road with the A269 Ninfield Road. Building of the North Bexhill Access Road will unlock an area of land identified in East Sussex's Local Plan for housing and employment growth.
- 6.4 Upon completion of the preferred option the scheme has potential to unlock employment space of 28,000m<sup>2</sup> creating 1,585 jobs, and up to 120 housing units.

#### Queensway Gateway Road

- 6.5 Similarly to the North Bexhill Access Road scheme, the area affected by the planned works has been targeted as a priority area for regeneration and investment in South Sussex. The Bexhill and Hastings Five Point Plan supports inward investment and improvement of strategic connectivity in the area.
- 6.6 The Queensway Gateway Road improvement is seen as a complementary measure to construction on the Bexhill Hastings link road which is due to be completed in 2015. The new link road will alleviate congestion on existing routes between North Bexhill and Hastings, improve road safety, decrease accident levels, and open surrounding land to development.
- 6.7 Completion of the new link road will unlock 23,000m<sup>2</sup> of employment space in North Hastings creating 1,500 direct jobs. The access road will also create improved links to areas beyond the immediate vicinity of works, allowing for 75,000m<sup>2</sup> and 2,400 additional indirect jobs available through the A21 corridor.
- 6.8 Both schemes will contribute to Local Transport Plan objectives of improving economic competitiveness and growth; improving safety, health and security and improving accessibility and social inclusion.
- 6.9 Specific transport aims being covered include improvements to strategic and local connectivity, reducing congestion, improving efficiency, improving safety for vulnerable road users, and improving local air quality.

**Table 6.2: North Bexhill Access Road and Queensway Gateway Road Local Growth Fund Funding Profile**

Funding Profile	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)
Queensway Gateway Road	10.0	5.0	-
North Bexhill Access Road	-	-	5.0
<b>Annual Total (£m)</b>	<b>10.0</b>	<b>5.0</b>	<b>5.0</b>

Source: South East Local Enterprise Partnership

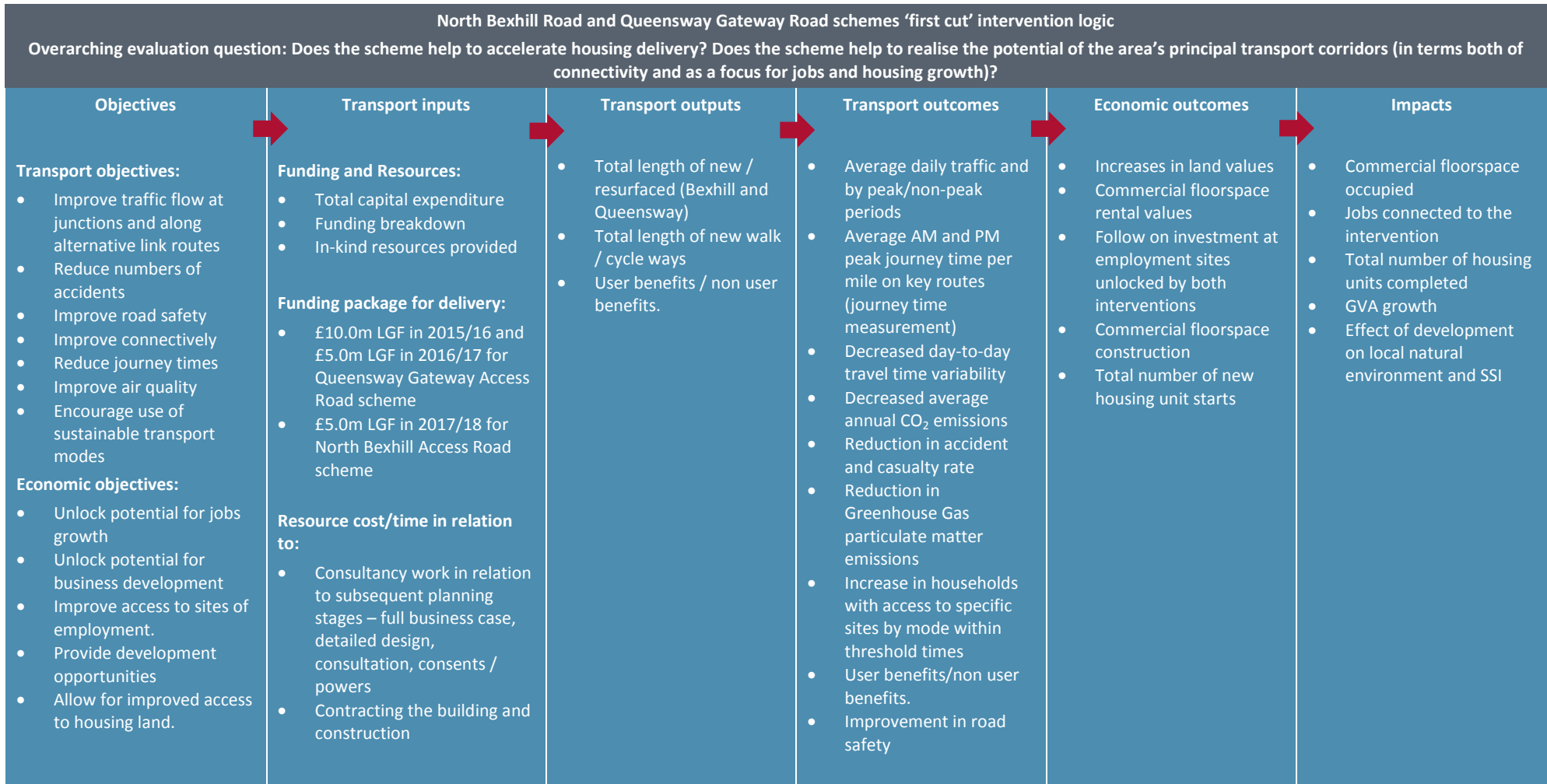
### Intervention logic

- 6.10 Figure 6.1 sets out the intervention logic for the road schemes. The intervention logic should be developed as evaluation scoping is completed based on outcomes from further road development schemes in the area likely to bear impact on these schemes.
- 6.11 The outcomes have been divided into separate sections reflecting the time-scales that are involved in quantifying, monitoring and evaluating the short, medium and long-term effects of the intervention. This will particularly apply to the economic outcomes rather than transport outcomes and outputs.

### Monitoring metrics

- 6.12 Monitoring data will provide a key resource in evaluating the scheme. Table 6.2 sets out a suite of metrics which will capture some of the inputs, outputs, and outcomes outlined in Figure 6.1. They ultimately will need to be tested with the relevant parties responsible for collecting them to determine feasibility / practicality.
- 1.1 The metrics outlined above will be tracked over time from 2015/16 as appropriate. The timeframes over which many of the outcomes identified above will come to fruition will vary depending on the completion dates of the two schemes and subsequent investment into business land.

Figure 6.3: North Bexhill Access Road and Queensway Gateway Road Intervention Logic



Source: Steer Davies Gleave

**Table 6.2: North Bexhill Access Road and Queensway Gateway Road Monitoring Metrics**

Metrics	Frequency	Source
<b>Inputs:</b>		
Total expenditure	Quarterly during construction	Business case (tbc)
Funding breakdown	Quarterly during construction	Business case (tbc)
In-kind resources provided	Quarterly during construction	Business case (tbc)
<b>Transport Outputs:</b>		
Length of roads constructed (km)	Quarterly during construction (against programme)	Site visits, contractor surveys
Length of roads refurbished (km)	Quarterly during construction (against programme)	Site visits, contractor surveys
Length of walk / cycle paths constructed (km)	Quarterly during construction (against programme)	Site visits, contractor surveys
<b>Transport Outcomes:</b>		
Average daily traffic	Annual (before and after)	Surveys (East Sussex County Council)
Average daily traffic by peak	Annual (before and after)	Surveys (East Sussex County Council)
Average AM/PM peak journey time	Annual (before and after)	Surveys (East Sussex County Council)
Travel time variability on key routes	Annual (before and after)	Surveys (East Sussex County Council)
Accident rate (per million vehicle km)	Annual (before and after)	STATS 19 (East Sussex County Council)
Casualty rate (number per year)	Annual (before and after)	STATS 19 (East Sussex County Council)
Households/individuals within journey threshold	Baseline and once upon completions	Department for Transport Analysis against Masterplan / Baseline
Transport emissions – increase in CO <sub>2</sub> (tonnes) and Nitrous Oxides / PM10 (µg/m <sup>3</sup> )	Annual (before and after)	Air Quality Monitoring Survey (East Sussex County Council)
User / non-user benefits	Once upon completion	Cost-benefit analysis (East Sussex County Council)
<b>Economic Outcomes / Impacts:</b>		
Land values growth	Annual (before and after)	Land Registry / surveys
Commercial floorspace rental values	Annual (before and after)	Land Registry / surveys
Follow on investment at employment sites unlocked by both interventions	Annual (after completion)	Developer surveys / planning officers
Commercial floorspace construction	Annual (after completion)	Developer surveys / planning officers
Total number of new housing unit starts	Annual (after completion)	Developer surveys / planning officers
Commercial floorspace occupied	Annual (after completion)	Developer surveys / planning officers
Jobs connected to the intervention	Annual (after completion)	Developer surveys / planning officers
Total number of housing units completed	Annual (after completion)	Developer surveys / planning officers
GVA growth	Annual (before and after)	Government data
Effect of development on local natural environment and SSI	Annual (after completion)	Surveys (East Sussex County Council)

Source: Steer Davies Gleave and Government's Growth Deal Monitoring Metric Template

## Approach and methodology: process and outcomes evaluation

6.13 The inputs, outputs, outcomes and impacts of the two road schemes will be monitored over four main phases:

- baseline data collection;
- the construction stage for the monitoring of transport inputs and outputs;
- the opening stage for the monitoring of transport outcomes; and
- the legacy stage for the monitoring and evaluation of economic impacts.

### Component I

6.14 Component I will involve East Sussex County Council gathering baseline data for metrics surrounding transport outcomes. Data for transport outcomes surrounding journey times and vehicle numbers / flows on the existing local network will need to be collected prior to the start of the interventions where possible in order to establish a baseline for comparisons to be made upon completion. Although this may not be possible for schemes where work has already begun, efforts should be made to check the availability of suitable data for analysis or complete surveys at sites of specific interest.

6.15 Existing data sources, such as Department for Transport traffic count data and TrafficMaster, can be used to establish historic flows of traffic and journey times on key routes. Data can be used to assess the volume of traffic post intervention, however, it would be advisable to compliment this with surveys at:

- The Ridge West and Battle Road Roundabout;
- The Ridge West and Queensway Roundabout; and
- Queensway, near Park Wood in order to assess the volume of new traffic entering from the new link road.

6.16 East Sussex County Council will consider comparing traffic levels to a baseline site outside of the area immediately affected by the works.

### Component II

6.17 This component will be primarily concerned with monitoring of transport inputs and outputs. Monitoring will occur on a quarterly basis and include total expenditure and the breakdown of resources in use. The spending profile will be monitored again that set out in the growth deal.

6.18 Data on the transport outputs, infrastructure added, improved or modified, will be collected from the appointed contractors upon completion of each scheme. Completed works will be verified against the agreed contractual arrangements by the site planning team.

### Component III

6.19 The majority of transport outcome monitoring works will be completed as part of the third component. East Sussex County Council will need to work closely with the Department for Transport in order to collect data on direct transport outcomes of the scheme. As previously indicated in Component I, existing traffic count sites may be used for some evaluation purposes, however, it would be advisable to set up additional counts in key locations or look to capitalise on monitoring efforts of the Department for Transport or other organisations in order to ensure efforts are not duplicated. Additional sources of information to verify savings to travel time may be sought from third parties such as traffic master.

6.20 Despite one of the key objectives of the scheme being to reduce congestion at right turn points along the ridge and Queensway, the creation of the new link will likely intensify traffic volumes along the Queensway and northern roundabout. The effect of additional traffic volume may have consequences on the environmental aspects of the scheme:

- increase road traffic noise;
- increase in quantity of nitrous oxides / particulate matter emitted; and
- increase in CO<sub>2</sub>.

The above two points should be monitored using data from existing monitoring sites and additional data collected from the Defra air quality network by the Council's environmental team.

6.21 The number of households within catchment of the North Hastings development area and land North of Pebsham as identified in policy BX3 of the Local plan will increase upon completion of the schemes. The number of households and individuals should be quantified through drive time analysis using before and after scenarios for the local road network.

#### **Component IV**

6.22 The final component considers the economic outcomes of the road improvement schemes in particular sites unlocked through improved links but also local employment and catchment statistics. Monitoring will include the occupancy rate of newly built residential and commercial spaces, and the growth in both resident population and jobs. Additionally, drawing on Land Registry data, East Sussex County Council will monitor changes in the value of land at the identified sites. Here the expectation is that land values grow at least in line, if not faster, than the council average. Slower growth in land values might imply that the improvements have not been effective instead, as buyers' price congestion into the value of land.

6.23 Similarly to the transport outcomes, monitoring of economic outcomes will involve data collection both before and after construction, as detailed in the table below. In addition, ad-hoc surveys and interviews will be conducted with the key decision makers in the Council, development control and planning officers, developers, house builders, other investors, and businesses) to understand the impact of the scheme on investment decisions, including the effect on business location choices.

6.24 Outcomes spanning Components III and IV should be compared and contrasted to the do nothing/optimum and maximum options as set out in the business case and should include evaluation of the user and non-user benefits and disadvantages with special reference made to the impact on the local landscape and wildlife.

#### **Timings and resourcing for evaluation**

6.25 The largest share of costs will be incurred at regular intervals, mainly annually (A) and quarterly (Q) as per, in the process of data gathering and collection necessary for the monitoring phase (surveys, interviews, questionnaires). There may be synergies between these activities and the Department for Transport's annual monitoring and evaluation requirements which should be explored further. The cost of additional monitoring and evaluation work for interviews and bringing this together with wider monitoring is £25,000.



**Table 6.4: North Bexhill Road and Queensway Gateway Road schemes - indicative cost profile**

	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020 /21
<b>Construction</b>								
North Bexhill Road Scheme		Q	Q	Q	Q	Q		
Queensway Gateway	Q	Q	Q					
<b>Baseline, transport outputs and transport outcomes data collection</b>								
Transport baseline metrics		A	A					
Other baseline metrics		A	A					
Transport outcomes metrics				A	A	A	A	A
<b>Outcomes and impacts data collection</b>								
Economic outcomes metrics				A	A	A	A	A
Impact metrics				A	A	A	A	A
Environmental Impact assessment				A	A	A	A	A
<b>Analysis and reporting</b>								
Interim analysis and findings					A		A	
Final report								A

## Use of evaluation

The evaluation will inform the assessment of the scheme's ability to deliver the expected outcomes. It will be used by East Sussex County Council to comply with Government's requirements on Monitoring and Evaluation. It will also provide a useful contribution to the evidence base around the relationship between local transport schemes and economic development.

# 7 Thanet Parkway

## Project overview and context for evaluation

- 7.1 Thanet Parkway will support new development at the Discovery Park Enterprise Zone, Manston Park, and at EuroKent Business Park – all within three miles of the proposed station location. Rail improvements will also provide significantly improved access to Westwood Cross Retail and Shopping Centre and to Manston Airport site which is earmarked for mixed use redevelopment. Additional car park capacity at the new site will supplement existing Park & Ride provision at Ramsgate station to further improve this service.
- 7.2 The Thanet Parkway passenger rail station will be situated on the Ashford International to Ramsgate line, between the existing Ramsgate and Minster stations. The station will be situated south of the Manston Airport Site and west of Cliffsend Village.
- 7.3 Improved travel to and from Stratford International from early 2019 is envisaged to improve perceptions of East Kent as a well-connected area, attracting new investment and increasing employment opportunities for local residents.
- 7.4 The business case supporting viable operation of Thanet Parkway was approved by Kent County Council in August 2014. Based on demand forecasting and economic appraisal, the commercial viability of the station was appraised for a 30 year period. Results indicated net generated fares incomes of over £630,000 per year or £509,000 per year with free parking. The station development's Benefit Cost Ratio is 2.93:1 with charged parking, and 2.97:1 with free parking.
- 7.5 Thanet Parkway is due to commence in 2016/17. An indicative funding profile is shown in Table 7.1.

**Table 7.1: Thanet Parkway Funding Profile (£m)**

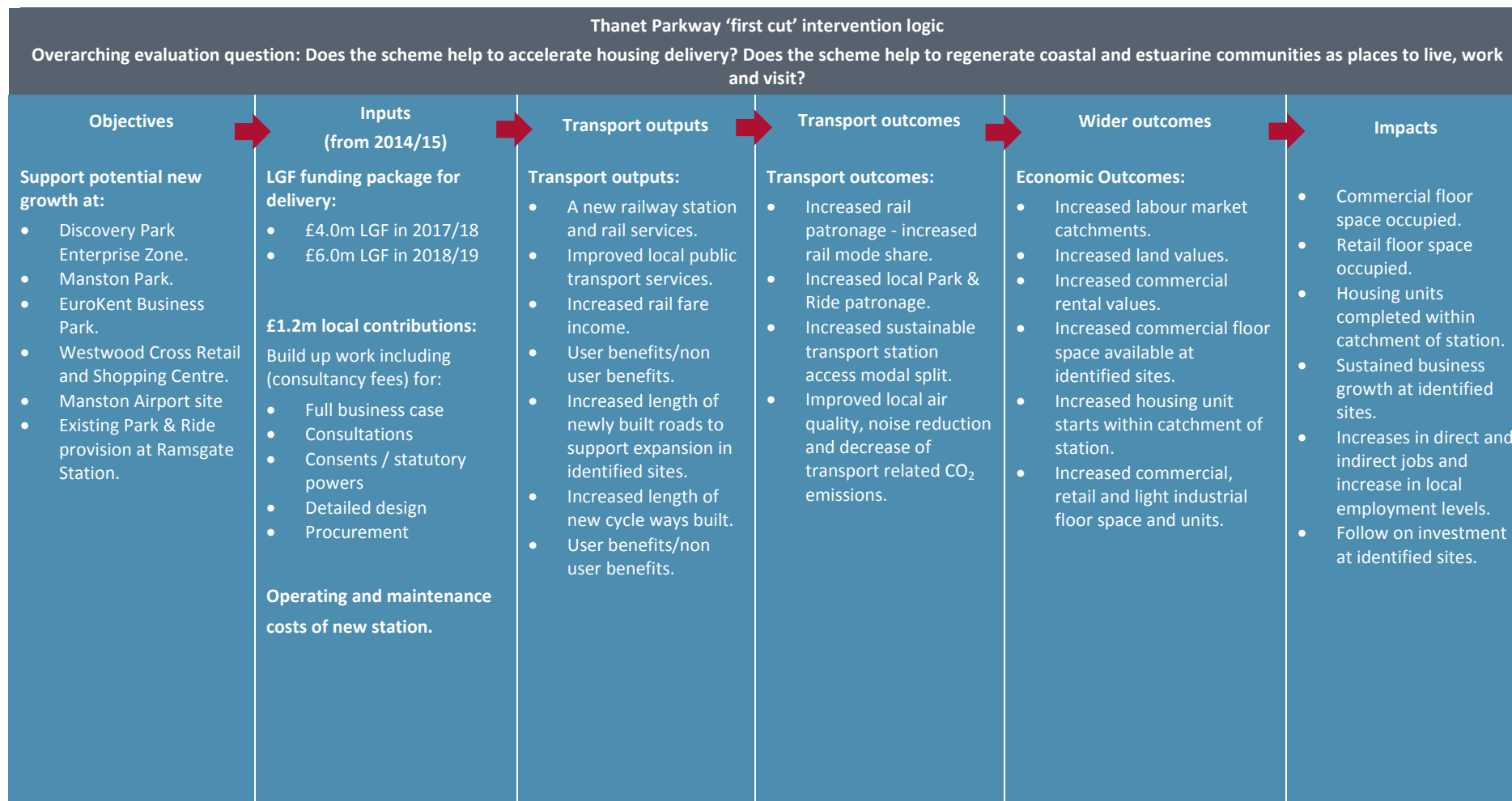
Funding Profile	2015/16	2016/17	2017/18	2018/19	2019/2020
Local Growth Fund	-	-	4.0	6.0	-
Local Authority	1.5	2.0	-	0.5	-
<b>Annual Total</b>	<b>1.5</b>	<b>2.0</b>	<b>4.0</b>	<b>6.5</b>	<b>-</b>

Source: South East Local Enterprise Partnership transport schemes financial progress

## Intervention logic

- 7.6 Figure 7.1 sets out an initial intervention logic and theory of change for Thanet Parkway. As part of the evaluation, this will need to be developed further based on scoping consultations with the South East Local Enterprise Partnership, Kent County Council, Thanet District Council, enterprise parks and developers, businesses, Network Rail, Southeastern, and other local transport operators.

Figure 7.1: Thanet Parkway Intervention Logic



Source: Steer Davies Gleave

## Monitoring metrics

- 7.8 Monitoring data will provide a key resource in evaluating the scheme. Table 7.2 sets out the suite of metrics which will capture some of the inputs, outputs, and outcomes. They ultimately will need to be tested with the relevant parties responsible for collecting them to determine feasibility / practicality.

**Table 7.2: Monitoring Metrics**

Metrics	Frequency	Source
<b>Inputs:</b>		
Total expenditure	Quarterly during construction	Kent County Council, contractor
Funding breakdown	Quarterly during construction	Kent County Council, contractor
In-kind resources provided	Quarterly during construction	Kent County Council, contractor
<b>Transport Outputs:</b>		
New station (infrastructure against programme)	Quarterly during construction	Kent County Council / Network Rail
Length of cycle paths built (km)	Quarterly during construction	Kent County Council
Length of newly built roads to support new sites (km)	Quarterly during construction	Kent County Council
Improved rail services – rail catchment (jobs within one hour – walk / cycle and rail)	Quarterly from operation	Kent County Council / Network Rail
User / non-user benefits	One after construction	Surveys / Cost-Benefit Analysis (Kent County Council)
<b>Transport Outcomes:</b>		
Rail passengers and fares / parking income (# and £m)	Annual from operation	MOIRA, Southeastern
Station access mode share (% sustainable mode)	Annual from operation	Surveys (Kent County Council / Southeastern)
Park & Ride passengers (#)	Annual (before and after)	Local operator
Commuter transport CO <sub>2</sub> emissions (tonnes per annum)	Annual from operation	Department for Transport
Reduction in Greenhouse Gas particulate matter (µg/m <sup>3</sup> )	Annual from operation	Department for Transport
<b>Economic Outcomes:</b>		
Land values growth	Annual (before and after)	Estate agents, Land Registry
Commercial rental price growth	Annual (before and after)	Estate agents, Land Registry
Housing unit starts	Annual (before and after)	Developer surveys against Masterplan
Commercial floorspace built	Annual (before and after)	Developer surveys against Masterplan
<b>Economic Impacts:</b>		
Housing units completed	Annual (before and after)	Developers
Occupancy rate of housing	Annual (before and after)	Estate agents, surveys
Occupancy rate of floorspace	Annual (before and after)	Estate agents, surveys
Direct jobs from interventions	Annual	Developer / business surveys

Source: South East Local Enterprise Partnership and Steer Davies Gleave

- 7.9 The metrics outlined above will be tracked over time from 2017/18. The timeframes over which many of the outcomes identified above will come to fruition will vary substantially.

## Approach and methodology: process and outcomes evaluation

- 7.10 The outputs, outcomes and impacts of the Thanet Parkway scheme will be monitored over two main components:
- the construction component, during which transport infrastructure will be built, for the monitoring of inputs and transport outcomes, and;
  - the opening component following completion of the transport infrastructure work where the first economic impacts will be measured and evaluated.

### Component I

- 7.11 Component I will involve the Kent County Council monitoring the inputs going into the infrastructure programme on a quarterly basis once implementation begins in 2015/16. Metrics should include total expenditure and the breakdown of in-kind resources. Spending should be compared against a detailed funding profile, summarised in Table 7.1. More intensive monitoring will begin once employment and housing work begins in 2017/18.
- 7.12 Data on types and quality of transport service improvements should include monitoring of infrastructure delivery against programme, enhancements to rail services, improved journey times and frequencies, as well as improvements to local Park & Ride capacity and service levels. A full catalogue of infrastructure supporting the new station should also be gathered including building of new roads and development of cycle and walking provisions supporting sustainable journeys to and from the station. Use of supporting 'access infrastructure' should be monitored over a two year period in order to effectively gauge access mode share and trip volumes. Monitoring should be conducted within the same month, each year, for easy direct comparisons to be made.
- 7.13 Specific monitoring efforts should be made to track patronage levels at the new station. Data should be used to test the assumptions made in the business case as well as map trends of in/out passenger volumes.

### Component IIa

- 7.14 Component II will build on the intervention logic developed as part of this document. Assumptions for revenue generated by Thanet Parkway should be evaluated against assumptions made in the business case to reassert the validity of the economic appraisal. Generated demand, quantifying the amount of trips that were not previously made but had been made possible, or more attractive, by the new rail service should be incorporated into the analysis. Cost-benefit analysis will be benchmarked against the assumptions used in the ex-ante business case.

### Component IIb

- 7.15 Component IIb will cover the business outcomes and will fundamentally seek to test the economic outcome assumptions generated as part of the Thanet Parkway business case. Data supporting employment generation and house building as a result of the intervention should be included once the station becomes operational and related infrastructure is built.
- 7.16 The business base and its performance in the Enterprise Zone Discovery Park, Manston Park and EuroKent Business Park will be measured, including business survival and start up rates, to assess overall health, performance and 'direction of travel'. In doing so it will build up a picture of the context within which businesses in local enterprise and business parks are operating, as well as framing the concept of additionality, which will be covered in Component IIb of the evaluation in particular.

- 7.17 It will also involve face-to-face interviews with local authority planning and development control officers, and developers and businesses at surrounding businesses and retail parks will determine the qualitative value of the infrastructure intervention and service improvements. businesses on the site to understand the impact of shorter journey times to and from London, nearer station provision, additionality, deadweight, and displacement will be considered as part of this process,

### Component IIc

- 7.18 Component IIc of the evaluation will focus specifically on the longer term impacts on surrounding business parks including additional investment, expansion and long-term health of businesses. In relation to improved access, the evaluation should account for new jobs created as a results of improved business performance. In the example of Pfizer, data should establish whether the potential for creation of 3,000 additional jobs has been realised and the catchment from which the cohort of new employees is composed. During Component IIc the impacts on redevelopment and the investment decisions made at Manston Airfield site should also be taken into consideration.

### Component IId

- 7.19 Fieldwork in Components IIb to c will be carried out one, two and three years post construction of Thanet Parkway, which is entirely possible given the relatively small number of consultees required although, depending on developments at the airfield site these timeframes may need to be revised.

## Timings and resourcing for evaluation

- 7.20 The largest share of costs will be incurred at regular intervals, mainly annually (A) and quarterly (Q), as per Table 7.2, in the process of data gathering and collection necessary for the monitoring phase (surveys, interviews, questionnaires). There may be synergies between these activities and the Department for Transport's annual monitoring and evaluation requirements which should be explored further. The cost of additional monitoring and evaluation work for interviews and bringing this together with wider monitoring is £25,000.

**Table 7.3: Thanet Parkway station - indicative cost profile**

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020 +
<b>Construction</b>							
Thanet Parkway station			Q	Q	Q		
<b>Baseline, outputs and outcomes data collection</b>							
Transport infrastructure metrics					A		
Transport outcomes metrics					A	A	A
Economic outcomes for identified sites					A	A	A
Land values					A	A	A
<b>Impacts data collection</b>							
Expansion rates					A	A	A
Occupancy rates					A	A	A
Employment rates					A	A	A
<b>Analysis and reporting</b>							
Interim analysis and findings					A	A	
Final report							A

## Use of evaluation

- 7.21 The evaluation will inform the assessment of the scheme's ability to deliver the expected outcomes. It will be used by the Kent County Council to comply with Government's requirements on Monitoring and Evaluation. It will also provide a useful contribution to the evidence base around the relationship between local transport schemes and economic development.

# 8 Rochester Airport Development (Phase 1)

## Project overview and context for evaluation

- 8.1 The Phase 1 development package for Rochester Airport aims to reshape and improve the airport site to enable Phase 2 and 3 development. Site development in Phase 2 and 3 will be funded by the private sector with BAE Systems and the University of Greenwich potentially interested.
- 8.2 The package includes hard surfacing a new runway to close the old (grass) runway and allow access to the commercially developable land at the site; refurbishment of the existing airport hangar infrastructure, providing more and improved space for use of the airport by privately owned aircraft; construction of a new control tower with modern facilities which will be fit-for-purpose for the next 25 years; and finally, the building of a purpose built facility to accommodate a new heritage centre.

## Intervention logic

- 8.3 Figure 8.1 sets out a ‘first cut’ intervention logic for the Phase 1 development.

## Monitoring metrics

- 8.4 A key resource for the evaluation will be monitoring data provided by those undertaking the development of the airport. Table 8.1 sets out a ‘first cut’ set of metrics which will enable the capture of inputs, outputs and outcomes from the project. They will need to be tested with relevant parties tasked with collecting them to determine feasibility/ practicality.

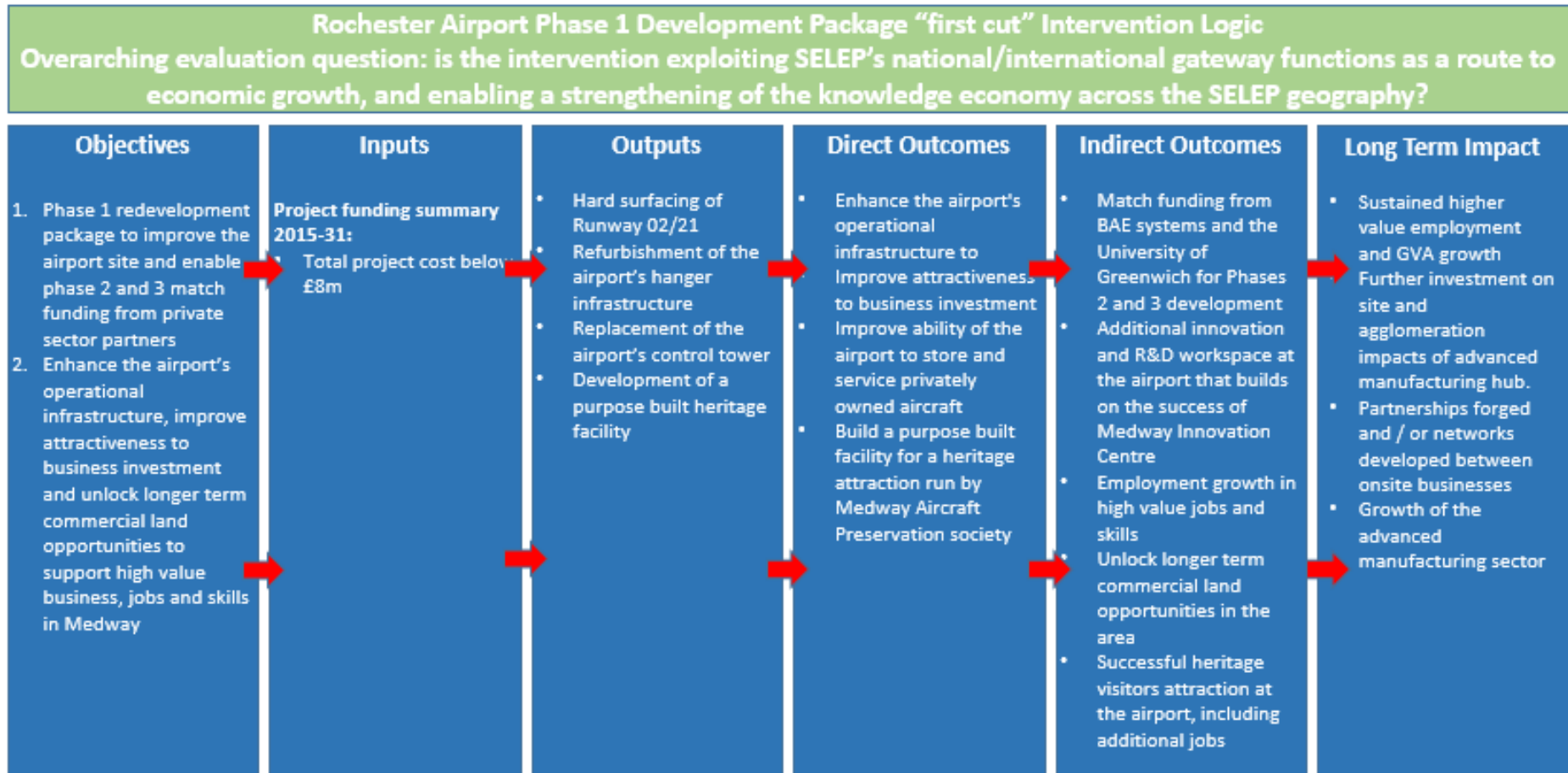
**Table 8.1: Rochester Airport Development (Phase 1) Monitoring Metrics**

Metric types	SELEP Metrics	SQW Suggested Metrics
Inputs	Expenditure	
Outputs		Qualitative assessment of the site redevelopment; secondary data on budgets/ timescales
Outcomes		Private sector match funding secured; No. new units/ floor space occupied & occupancy rates; commercial rental value; No. knowledge intensive businesses moved to the site; direct jobs created; follow on investment at the site; £m R&D spending on site

Source: SQW and Government’s Growth Deal Monitoring Metrics Template



Figure 8.1: Rochester Airport Development (Phase 1) Intervention Logic



Source: SQW

## Methodology and approach: process evaluation

- 8.5 A process evaluation of the Phase 1 development of Rochester Airport is the appropriate methodology for this study. It will seek to answer two key questions:
- to what extent does site preparation and development in Phase 1 secure private sector interest for development of Phases 2 and 3?
  - how effective and efficient is the delivery of Phase 1 development, and what lessons can be learned for Phases 2 and 3, as well as for other similar developments?
- 8.6 Although the desired outcome of Phase 1 is to unlock longer term commercial land opportunities to support high value business, jobs and skills in Medway, the future investments on which these outcomes are based depend on factors other than the attractiveness of the airport's operational infrastructure. Equally, there is a possibility that further investment may take time to be negotiated and put into action. For this evaluation, the construction of commercial space and consequent business growth will be considered an indirect outcome of Phase 1 that will be more pertinent for future evaluations. They are discussed briefly in the section below.

### Private sector interest

- 8.7 The Phase 1 evaluation will generate primarily qualitative data from a series of interviews with the main participants in the intervention, and also those businesses and institutions likely to invest in the site in future. These interviews will be carried out with the aim of ascertaining a broad perspective on how the redevelopment has been carried out, whether the outputs in the business plan have been satisfactorily achieved, and whether the direct outcomes are believed by those both involved in - and associated with - the development to have come about. A survey of private aircraft owners at the airport will be an important part of this.
- 8.8 An important outcome to be tested is the impact on business decision making vis a vis their potential investment in ongoing site development. BAe Systems and Greenwich University are referred to in the business plan as intending to invest in the site, but there may also be other companies wishing to do so; their perceptions on the development will be key to the evaluation, as they will be critical for progress into Phases 2 and 3.

### Scheme delivery

- 8.9 The evaluation proposed here will develop a series of process maps for the various Phase 1 investments. As referred to above, these include: moving and tarmacking the runway, refurbishing the hanger infrastructure, replacing the control tower and building a heritage facility. The study will summarise the views of the main delivery partners and key stakeholders on the effectiveness of the delivery process, whether resources could have been deployed more affectively and whether any activity was found to be detrimental to the delivery. The evaluation will also include analysis of secondary data available from project documentation, such as eventual budgets and timescales compared to those set out in the business plan.

### Further 'indirect outcomes' evaluation

- 8.10 Phases 2 and 3 of development have potential to deliver material outcomes in relation to skills provision, business growth and research and development capabilities. This requires a slightly different focus in evaluation terms, which would analyse the outcomes of Phase 2 and 3 development and make inferences about impact. It would rely on consultations with the

tenants at the airport to understand the impact of relocation to the site on their activities. The extent to which the development of the airport has brought about displacement of business in the local area will be an important aspect of this. Equally, evaluation of these stages will need to include an assessment of the additionality of the development – what is likely to have happened if the investment in the airport had not happened.

### Timings and resourcing for the evaluation

- 8.11 Completion of Phase 1 development is expected in 2017. The process evaluation of the intervention will take place following the completion of this phase. An indicative cost profile for the evaluation is shown below. Further evaluation activity required for Phase 2 and 3 development is not budgeted for here.

**Table 8.2: Rochester Airport Phase 1 Indicative Evaluation Timescale and Costs**

Evaluation activity	2017
Evaluation scoping	2,500
Stakeholder consultations	6,000
Private aircraft owners survey	2,000
Monitoring analysis	500
Reporting	2,000
<b>Total</b>	<b>13,000</b>

### Use of the evaluation

- 8.12 The evaluation will provide evidence on the role of public sector investment in developing suitable land which attracts private sector investment and (re-)location. It will also, through consultations with delivery partners, assess the effectiveness of scheme delivery which will be of use for similar development projects in future.

## 9 Sittingbourne Town Centre

### Project overview and context for evaluation

- 9.1 Sittingbourne town centre has stagnated for a number of years and has seen little investment or growth. Moreover, there is significant competition- in terms of a retail offer - from nearby alternatives, including Maidstone, Canterbury and Bluewater. Access to the High Street from Sittingbourne railway station is currently hampered by the busy A2 road, and poor way finding and signposting, which is creating pedestrian ‘through-flow’ issues. The car park, drop off point and taxi rank in the station forecourt also mean the overall layout of the area leaves valuable land underused. Overall, this confused town centre layout is further undermining Sittingbourne’s attractiveness as a retail centre, particularly in view of the high quality alternatives available nearby.
- 9.2 ‘Spirit of Sittingbourne’ is a venture between Swale Borough Council, Cathedral Group (Holdings) Ltd, Quinn Estates and Essential Land. The consortium has proposed a regeneration scheme, based on enabling transport infrastructure developments, to redesign the area around Sittingbourne station and new retail and leisure activities. ‘The development is divided into two discreet phases:
- **Phase I:** the initial infrastructure work will redesign – and re-route – the A2 to provide a more attractive public realm, allowing free access to the town centre for pedestrians and reducing the impact of traffic around the station. The LGF funding will be used for this part of the scheme, which is intended to allow for further commercial development through the new town centre layout.
  - **Phase II:** the revised layout will release land which will be used for commercial and residential development, including a multiscreen cinema, restaurants and retail units. The investment, funded by the private sector, will create 2,274m<sup>2</sup> of retail space, 1,675m<sup>2</sup> of cinema and 1,204m<sup>2</sup> of restaurant space.<sup>2</sup> The development also includes a new multi-storey car park to replace the spaces that will be lost from the current station forecourt.
- 9.3 This evaluation plan only concerns the first phase of development. Table 9.1 breaks down the funding associated with both phase I and phase II of the development.

**Table 9.1: Sittingbourne Town Centre Regeneration Funding Profile (£m)**

Funding Profile	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	After 2021
PHASE I: Local Growth Fund	2.5	-	-	-	-	-	-
PHASE II: Private Sector	-	9.4	25.5	6.9	-	-	-

Source: South East Local Enterprise Partnership

### Intervention logic

- 9.4 Figure 9.1 sets out an initial ‘first cut’ intervention logic and theory of change for Phase I of the Sittingbourne Town Centre. As part of the evaluation, this will need to be further developed based on scoping consultations with the South East Local Enterprise Partnership, Kent County Council, Swale Borough Council, and the *Spirit of Sittingbourne* representatives.

<sup>2</sup> Spirit of Sittingbourne LLP Business Case

Figure 9.1: Sittingbourne Town Centre Regeneration Intervention Logic

Sittingbourne Town Centre Regeneration					
Overarching evaluation question: is the intervention helping to deliver ambitions for Thames Gateway, particularly in respect of accelerated house building?					
Objectives	Inputs	Outputs	Short Term Outcomes	Medium Term Outcomes	Long Term Outcomes
<p>1. To support the regeneration of Sittingbourne town centre through delivering an integrated transport interchange and public realm improvements at Sittingbourne Railway station</p> <p>2. Support the Kent County Council “Growth without gridlock in Kent and Medway” strategic transport plan</p> <p>3. Support SELEP Strategic Economic Plan and Growth Deal plans to deliver 100,000 new homes, 200,000 private sector jobs and £10 bn investment by 2021</p>	<p><b>Spend breakdown (£m) in relation to planned:</b></p> <ul style="list-style-type: none"> <li>£2.5m LGF in 2015/16.</li> <li>£9.4m private funding in 2015/16</li> <li>£25.5m private funding in 2016/17</li> <li>£6.9m private funding in 2017/18</li> </ul> <p><b>In-kind resources (human, cash or other resources) provided in relation to:</b></p> <ul style="list-style-type: none"> <li>Contracting the building / construction phase</li> <li>Actively marketing / promoting the site to private sector investors</li> <li>Consultancy work in the planning stage</li> </ul>	<p><b>Construction</b></p> <ul style="list-style-type: none"> <li>Construction jobs created / safeguarded</li> </ul> <p><b>Transport</b></p> <ul style="list-style-type: none"> <li>Relocation of traffic signals &amp; rerouting of Station Street</li> <li>A new multi storey car park to replace lost spaces in front of station</li> <li>Creation of new pedestrian link between the Station and the High Street</li> </ul> <p><b>Residential / Public Realm</b></p> <ul style="list-style-type: none"> <li>Creation of new public square</li> <li>Space for new civic offices, library &amp; health centre unlocked by transport improvements</li> </ul> <p><b>Business</b></p> <ul style="list-style-type: none"> <li>Space for retail / leisure developments unlocked by transport improvements.</li> </ul>	<p><b>Transport</b></p> <ul style="list-style-type: none"> <li>Improved modal share in Sittingbourne</li> <li>Traffic through flow maintained or enhanced</li> <li>Improved pedestrian access to the town centre and High Street</li> </ul> <p><b>Residential / Public Realm</b></p> <ul style="list-style-type: none"> <li>215 residential units delivered by developers</li> <li>Improved public realm</li> <li>New civic offices delivered, with library and health centre</li> </ul> <p><b>Business</b></p> <ul style="list-style-type: none"> <li>Delivery of retail and restaurant units including the retail park and cinema</li> <li>Demand for retail / restaurant space in Sittingbourne satiated</li> <li>Restaurant / retail units occupied by “chains” or local businesses</li> <li>Jobs created or safeguarded by new or existing businesses</li> </ul>	<p><b>Residential / Public Realm</b></p> <ul style="list-style-type: none"> <li>Residential units occupied, with rise in Town Centre Population.</li> <li>Reduced leakage of retail to local centres including Maidstone, Canterbury and Bluewater</li> <li>Sittingbourne attracts more day visitors to the town centre</li> <li>Land price impacts from improved public realm</li> <li>Enhanced service delivery from new civic offices</li> </ul> <p><b>Business</b></p> <ul style="list-style-type: none"> <li>Increased spending (retail, food and drink) in Sittingbourne</li> <li>GVA and/or turnover growth maintained or increased for existing / new businesses</li> <li>New products or services introduced</li> </ul>	<p><b>Residential / Public Realm</b></p> <ul style="list-style-type: none"> <li>Improved reputation of Sittingbourne as a retail destination and as a place to live</li> <li>Regeneration scheme acts as a catalyst for further inward investment in Sittingbourne, potentially through Phase II of the regeneration scheme</li> </ul> <p><b>Business</b></p> <ul style="list-style-type: none"> <li>Sustained employment and GVA growth in Sittingbourne over the next 10 years</li> <li>More businesses attracted to the town centre as the retail offer gains traction</li> </ul>

Source: SQW

## Monitoring Metrics

- 9.5 Monitoring data will provide a key resource in evaluating the scheme. Table 9.2 sets out a ‘first cut’ suite of metrics which will capture some of the inputs, outputs, and outcomes outlined in Figure 9.1. It includes the metrics submitted to Government in autumn 2014, and additional metrics required for the optional Component III of the evaluation (see methodology section below). These ultimately, will need to be tested with the relevant parties responsible for collecting them to determine feasibility / practicality.

**Table 9.2: Sittingbourne Town Centre Regeneration (Phase 1) Monitoring Metrics**

Metric Type	SELEP Metrics (Component I and Component II)	SQW Suggestions of Metrics for Component III Evaluation
Inputs	Expenditure, funding breakdown, and in-kind resources provided.	
Outputs	Total Length of resurfaced roads, total length of newly built roads, , Area of site reclaimed, (re)developed or assembled, jobs connected with intervention.	
Outcomes	Housing units starts, housing units completed, follow on investment at site, commercial floorspace occupied, commercial floorspace refurbished commercial rental value, no. of enterprises receiving non-financial support, no. of new enterprises supported, no. of enterprises receiving financial support other than grants, no. of buses using new bus lane, reduction in bus journey time.	<p><b>Transport:</b> Day-day travel time variability on the A2, AM/PM peak journey times, Modal Share.</p> <p><b>Residential / Public Realm:</b> town centre population, town centre footfall, town centre property prices, no. of day visitors to Sittingbourne.</p> <p><b>Business:</b> retail / restaurant jobs created or safeguarded.</p>
Others	Type of infrastructure, type of service inputs, no. of potential entrepreneurs assisted to be enterprise ready, no. of enterprises receiving grant support.	

Source: SQW and Government’s Growth Deal Monitoring Metric Template

- 9.6 The metrics outlined above will be tracked over time from 2015/16, although some will clearly be available earlier than others. The South East Local Enterprise Partnership will need to identify who is best placed to collect these data and with what frequency (e.g. quarterly, annually). The transport metrics suggested above are normally collected through transport surveys carried out by the strategic transport authority. Data collection in Sittingbourne will need to be tested with the authority, as well as cost implications of additional survey work that might be required to generate evidence on the ‘Growth without Gridlock’ theme in the Kent and Medway Local Transport Plan.

## Methodology and Approach: Outcomes evaluation

- 9.7 The Sittingbourne Town Centre regeneration project entails a complex mixture of different elements. Component I is inherently processed based; it is designed to unlock further investment and enhance access to the Town Centre. In this context, there are two clear stages to the evaluation.
- 9.8 This evaluation evidence will be collated and presented in a manner that is consistent with Government’s ‘Green Book’ and ‘Magenta Book’ principles (i.e. Government’s guidelines for appraisal and evaluation). The qualitative survey work will be repeated in a later year (Component III below) to measure ‘distance travelled’ and allow for some of the longer term outcomes to ‘bear fruit’.

- 9.9 **Component I** will further develop and refine the intervention logic outlined above. Material will be gathered through consultations with key personnel at Spirit of Sittingbourne, Kent County Council and Swale Borough Council. This stage will also require a baseline economic assessment of Sittingbourne town centre to understand its current performance on various socio-economic indicators, and the potential for impact from regeneration. Doing so will provide relevant context for the evaluation.
- 9.10 **Component II** will address the process of delivering the regeneration scheme. Consultations will be carried out with local authority representatives, Spirit of Sittingbourne staff, and representatives for the private sector developers. The consultations will seek to gain a consensus on the extent to which LGF funding used for public realm enhancements is a catalyst for investment in the town centre. It will also assess the overall delivery of phase I of the scheme through the use of a comprehensive process map. Process mapping will outline the 'steps' required, and the stakeholders involved in the scheme to understand the effectiveness and efficiency of delivery.

### **Component III (Optional)**

- 9.11 The South East Local Enterprise Partnership may also wish to conduct an evaluation of the Phase II development that will be unlocked by the transport improvements in Phase I. To do so would require a third stage of evaluation. An indicative plan for this is provided below.
- 9.12 Component III would concentrate on the impacts of the investment on the town centre, both through process and outcome methods. This will necessitate the collection of both qualitative and quantitative evidence, which should be used to gauge the full extent of additionality for the project. The evaluation will therefore aim to distinguish between the additional impacts of the project from those that would have occurred without the development. Stage III of the evaluation has three discreet elements – as outlined in Figure 9.1 - to address the different categories of outcomes for the scheme. These are:
- **Transport impacts** – the relevant impact sites for the regeneration scheme are the A2 in the centre of Sittingbourne, and the train station. The assessment will be based on the monitoring data collected as part of the evaluation, and consultations with officers from Kent County Council. It will seek to test qualitatively whether the regeneration scheme, and additional housing, have had any material impact on transport flows or behaviour.
  - **Residential / Public Realm impacts** – a small scale survey of town centre users will be conducted to provide qualitative data on the impacts of the public realm improvements. It will explore behaviour change in the Sittingbourne area in terms of (resident) shopping and spending habits and gain a qualitative sense of attribution to the regeneration scheme.
  - **Business impacts** - this will involve a survey of businesses in the town centre. It will – due to the nature of the regeneration scheme – assess impacts on an ex-post basis. Some businesses may be new for example, some may have relocated from near-by areas, and some may be large chain retailers / restaurants. The dynamic is complex and will need to be understood fully through the evaluation. The survey will also capture information on any immediate changes to employment and turnover by 'looking back' at performance before the regeneration scheme. A full assessment of additionality and displacement will be considered, which for retail schemes of this type are often high.

## Timings and resourcing for evaluation

- 9.13 A detailed evaluation timeline for stage I and II of the evaluation is shown at Table 9.3. The timings will depend on construction / planning processes proceeding to schedule. Indicatively Stages I and II would all start 6 months post construction. If an evaluation of the phase II development were to go ahead, then stage III of evaluation would start in 2018/19. This is not presented in Table 9.3.

**Table 9.3: Sittingbourne Town Centre Regeneration (Phase I) Indicative Evaluation Timescale and Costs**

Evaluation activity	2015/16	2016/17	2017/18	2018/19	Total
Monitoring and baseline	£1,000	£500	£500	£500	<b>£2,500</b>
Framework and scoping		£2,000			<b>£2,000</b>
Comparison to baseline			£500	£500	<b>£1,000</b>
Process evaluation consultations			£3,000	£2,000	<b>£5,000</b>
<b>Total</b>	<b>£1,000</b>	<b>£2,500</b>	<b>£4,000</b>	<b>£3,000</b>	<b>£9,500</b>

## Use of evaluation

- 9.14 The evaluation will demonstrate the effectiveness and efficiency of scheme delivery. Specifically it will look at the role of public sector funding in leveraging private sector development, which will provide valuable evidence for local planning authorities designing similar schemes.



# 10 The Innovation Investment Fund

## Project overview & context for evaluation

- 10.1 The Innovation Investment Fund (IIF) will be a recyclable fund delivered through the Growth Hub offering loan and equity finance to small businesses that show high long-term growth potential. The fund aims to invest in projects that enable firms to create and adopt innovative products, processes and services to improve productivity and deliver employment growth over the long term.
- 10.2 Interest-free loans of between £10,000 and £250,000 - up to 50% of project costs - will be offered as state aid under the General Block Exemption Regulation and the *de minimis* rule. This money will be match funded by private sector investment, with all companies required to demonstrate a leverage ratio of 1:1 at the point of application. The fund plans to provide loans to 58 companies over six years.<sup>3</sup>
- 10.3 The IIF will be financed by a Local Growth Fund grant of £1 million per year, with all loan repayments reinvested in the fund. Loans will be interest free, and, due to the high-risk nature of the investments, the funding profile (see Table 10.1) makes provision for 20% bad debt. Loans will be repaid over a period of 5 years, starting in the financial year following the initial commitment. In addition to this, the local authority will make an annual contribution to operating costs. No new capital from the public sector will be invested beyond 2021, however the IIF will continue contingent on revenue generated by recyclable loan repayments.

**Table 10.1: Innovation Investment Fund funding profile**

Funding Source	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
IIF (initial funds)	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
IIF (repayments)		£160,000	£345,600	£560,896	£810,639	£940,341
IIF (total)		£1,160,000	£1,345,000	£1,560,896	£1,810,639	£1,940,341
Private match	£1,000,000	£1,160,000	£1,345,600	£1,560,896	£1,810,639	£1,940,341
Total Programme value	£2,000,000	£2,320,000	£2,691,200	£3,121,792	£3,621,278	£3,880,682

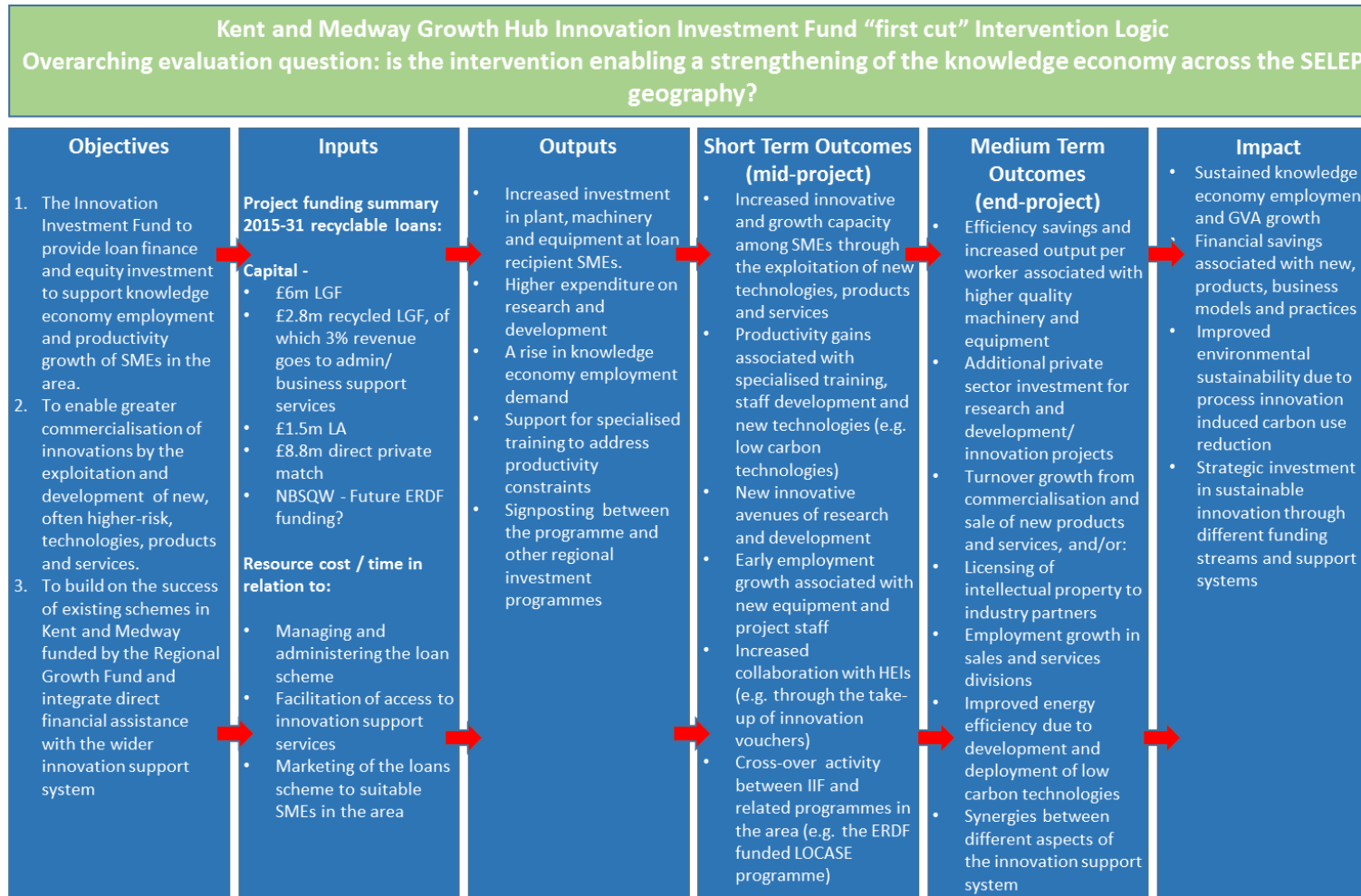
Source: South East Local Enterprise Partnership

## Intervention logic

- 10.4 Figure 10.1 is a 'first cut' intervention logic for the Innovation Investment Fund. The intervention logic will be developed over the course of the evaluation, based on consultations with the South East Local Enterprise Partnership and the Kent and Medway Growth Hub.

<sup>3</sup> Kent and Medway Growth Hub (Capital). Business case to support Local Growth Fund investment in the Kent and Medway Innovation Investment Fund. March 2015

Figure 10-1: Innovation Investment Fund Intervention Logic



Source: SQW

## Monitoring Metrics

- 10.5 Table 10.2 provides a ‘first cut’ set of metrics for evaluating the scheme, which will need to be tested with those parties responsible for collecting them in order to determine feasibility/practicality.

**Table 10.2: Innovation Investment Fund Monitoring Metrics**

Metric Type	SELEP Metrics	SQW Suggestions
Inputs	Capital investment; in-kind resources	Details/characteristics of successful and unsuccessful applicants (business age, size, sector, location); revenue spend on business support services and loan administration;
Outputs		£m investment in plant, machinery and equipment; £m spending on related R&D; no. of new R&D projects per firm; no. of referrals to innovation support services; no. of courses completed; qualitative assessment of ‘knowledge economy’ jobs in the area
Outcomes	Direct jobs created; £m additional private sector investment;	No. of businesses reporting related cost savings; no. of businesses reporting related increased output per worker; £s related productivity gains; turnover growth of loan recipient firms; no. of collaborations with HEIs; % of sales from new products and services; no. of licensing agreements with industry partners; no. of businesses reporting improved energy efficiency; direct GVA growth; no. of patents from related projects; qualitative assessments of productivity gains; qualitative assessment of the level of integration with other business support services;

Source: SQW and Government’s Growth Deal Monitoring Metric Template

## Methodology and approach: impact evaluation

- 10.6 An impact evaluation which seeks to investigate the effect of the loan on individual company’s productivity and employment is appropriate in the context of the Innovation Investment Fund. The evaluation will also compare these effects with changes in the same metrics over the same period in a cohort of unsuccessful applicant companies. To the extent that the companies can be ‘matched’ across the two groups with such a small sample size this will be included in the analysis.
- 10.7 Both qualitative and quantitative evidence will be required in order to assess the impact and additionality of the programme’s investments. Notwithstanding the methodological challenges associated with measuring innovation *per se* at the firm level, the emphasis of the Innovation Investment Fund on ‘knowledge economy’ job creation and increased productivity will guide the evaluation methodology by providing a degree of focus to the assessment of impact.
- 10.8 For the purposes of the evaluation, applications to the Innovation Investment Fund should include a requirement that companies provide baseline figures for relevant metrics for later comparison in the evaluation. This will avoid the need for a preliminary round of data gathering to establish baselines for each company. The evaluation will take place in two stages, with a mid-project evaluation in 2017 and an end-project evaluation in 2020. The surveys will be carried out online, with Stage 1 including all successful year one companies and an equal number of unsuccessful (altogether c.20). The Stage 2 survey will include all companies successful in the first five years and an equal number of unsuccessful (altogether c.100). These are conservative estimates based on the business plan.

- 10.9 Stage 1 (2017) will assess outputs and short-term outcomes with view to determining the IIF programme's early impact on the first round of companies to receive loans. This will involve a survey of the beneficiary businesses also an equivalent number of companies that were not successful in applying for loans. It would be preferable that a condition for acceptance of an application be that both successful and unsuccessful applicants are committed to completing the evaluation survey.
- 10.10 The survey will gather information on each company's Research & Innovation activities and collaborations, levels of engagement with innovation support services, overall productivity and employment, and how these have been impacted on by the receipt of a loan (see Figure 10.1). These core data will then be compared to the baseline figures provided in the applications, and equivalent data from companies that were unsuccessful in applying for a loan. The sectorial make-up of the unsuccessful companies selected for survey will be determined by the sectorial make-up of the successful companies, so as to aid in company 'matching' for the analysis.
- 10.11 A more in-depth qualitative assessment of productivity gains will be achieved through interviews with a sample of businesses. The Stage 1 analysis will also include some process consultations with a number of key stakeholders to gain understanding of how the early stages of loan administration have gone, and the extent to which the repayment schedule is being adhered to.
- 10.12 Stage 2 (2020) will seek to investigate the full spectrum of outputs, short-, medium- and long-term outcomes, as shown in Figure 10.1. Depending on the nature of the company and the innovation being pursued, these different measures of impact will take different amounts of time to be achieved, for example, a medical device will typically take much longer to develop than a web-based product.
- 10.13 This variability in the 'time to impact' will be an important factor in the analysis and justifies the use of a blanket survey of companies, including those that are more recent recipients of the loan. 'Time to impact' will be highly project-specific and no less important than 'time from loan'. For example, acquisition of certain pieces of equipment may have a more direct impact on a company's productivity and employment, whereas investment in longer term Research & Innovation projects for the development of entirely new products will necessarily take longer to 'bear fruit'.
- 10.14 Stage 2 will involve a second survey of all the companies in receipt of a loan (excluding those from 2020) and a further cohort of selected companies unsuccessful in loan applications from each of the different years. The data from Stage 2 can then be compared to company baseline data and Stage 1 survey data, with further comparisons made between the successful and unsuccessful applicant companies.
- 10.15 It would be preferable to have an additional comparison group of companies in no way associated with the Innovation Investment Fund, but it will likely be difficult to obtain a sufficient sample that are willing to provide data. As a best equivalent to this, comparing the successful and unsuccessful applications (and to the extent possible 'matching' them) will provide useful evidence of additionality of the loans.

- 10.16 As with Stage 1, the second stage will include a number of interviews with companies in receipt of a loan in order to gain in-depth insight into the productivity gains associated with the programme. Crucially, the interview will enable the qualitative investigation of engagement with the broader innovation support systems and related funding streams in the area. The consultations will also allow the evaluation to investigate how any process innovation-associated reductions in carbon use may have come about due to involvement in the loan scheme (an aspect of impact which is stressed in the business plan). Interviewees will be targeted on the basis of the replies to the survey, with the aim of achieving a representative sample of companies.
- 10.17 Stage 2 will also include consultations with key stakeholders to investigate whether the loans scheme is meeting its revenue targets (the funding profile in the business plan is dependent on loan repayments meeting specific year-on-year targets), the potential suitability of the additional funding from European Regional Development Funds, and the appropriateness of further integration with other programmes. It will be necessary to speak to a range of stakeholders, some related to the programme and some not, so as to gain broad understanding of the programme and how it may have led to a degree of displacement and how it compares to predecessor funding programmes.

### Timings and resourcing for evaluation

- 10.18 An indicative cost profile for the evaluation is shown in Table 10.3. In line with the Local Growth Fund bid document, the evaluation will take place at two time points, which will enable analysis of the impact of the of loans scheme.

**Table 10.3: Innovation Investment Fund Indicative Timescales and Costs**

Evaluation activity	2017	2020	Total
Baseline analysis	£1,000	£1,000	£2,000
On-line survey and analysis	£3,500	£4,000	£7,500
Interviews	£2,500	£3,500	£6,000
Stakeholder consultations	£1,000	£2,000	£3,000
Analysis	£4,500	£5,500	£6,000
Reporting	£1,500	£1,500	£3,000
<b>Total</b>	<b>£13,000</b>	<b>£13,000</b>	<b>£31,500</b>

### Use of the evaluation

- 10.19 The evaluation will provide evidence on the overarching evaluation question enabling a strengthening of the knowledge economy across the South East Local Enterprise Partnership area geography. It will address this by assessing the measures of impact set out in the intervention logic, with particular interest in productivity gains and employment.

# 11 Skills Capital Fund 2015-17

## Project overview and context for evaluation

- 11.1 The Skills Capital Fund is intended to support the creation of high quality teaching and learning facilities, in order to support economic growth across the area covered by South East Local Enterprise Partnership. Capital investments that receive funding from the Skills Capital Fund will focus on improving provision of training and qualifications that respond to the needs of businesses, particularly those that require science, technology, engineering and mathematics (STEM). The Local Enterprise Partnership has identified qualifications in STEM subjects as key drivers of employment growth, with a key focus on the South East Local Enterprise Partnership's priority growth sectors.
- 11.2 The Skills Capital Fund is particularly concerned with developing talent and higher level skills in priority sectors. It also aims to increase participation of young people in work, education and training to address skills gaps, again with focus on supporting priority sectors. These objectives are intended to support the delivery of the South East Local Enterprise Partnership Skills Strategy.
- 11.3 The 2015-17 SCF has been awarded to five separate colleges:
- **East Kent College:** construction of new technical vocational facilities with a focus on engineering, logistics and service industries to support the Port of Dover.
  - **Colchester Institute:** construction of a new STEM innovation Centre, including six workshops and modern teaching areas with high-tech facilities.
  - **Sussex Downs College:** creation of a new reception for the college STEM centre and refurbishment of its science lab to provide higher quality facilities.
  - **Harlow College:** construction of an Advanced Manufacturing and Engineering Centre, including new labs, robotics, electrical and mechanical equipment.
  - **Ashford College:** construction of a new college campus in Ashford town centre to offer an improved learning environment and up to date teaching facilities.

Table 11.1: Funding Profile for Skills Capital Fund 2014 to 2017

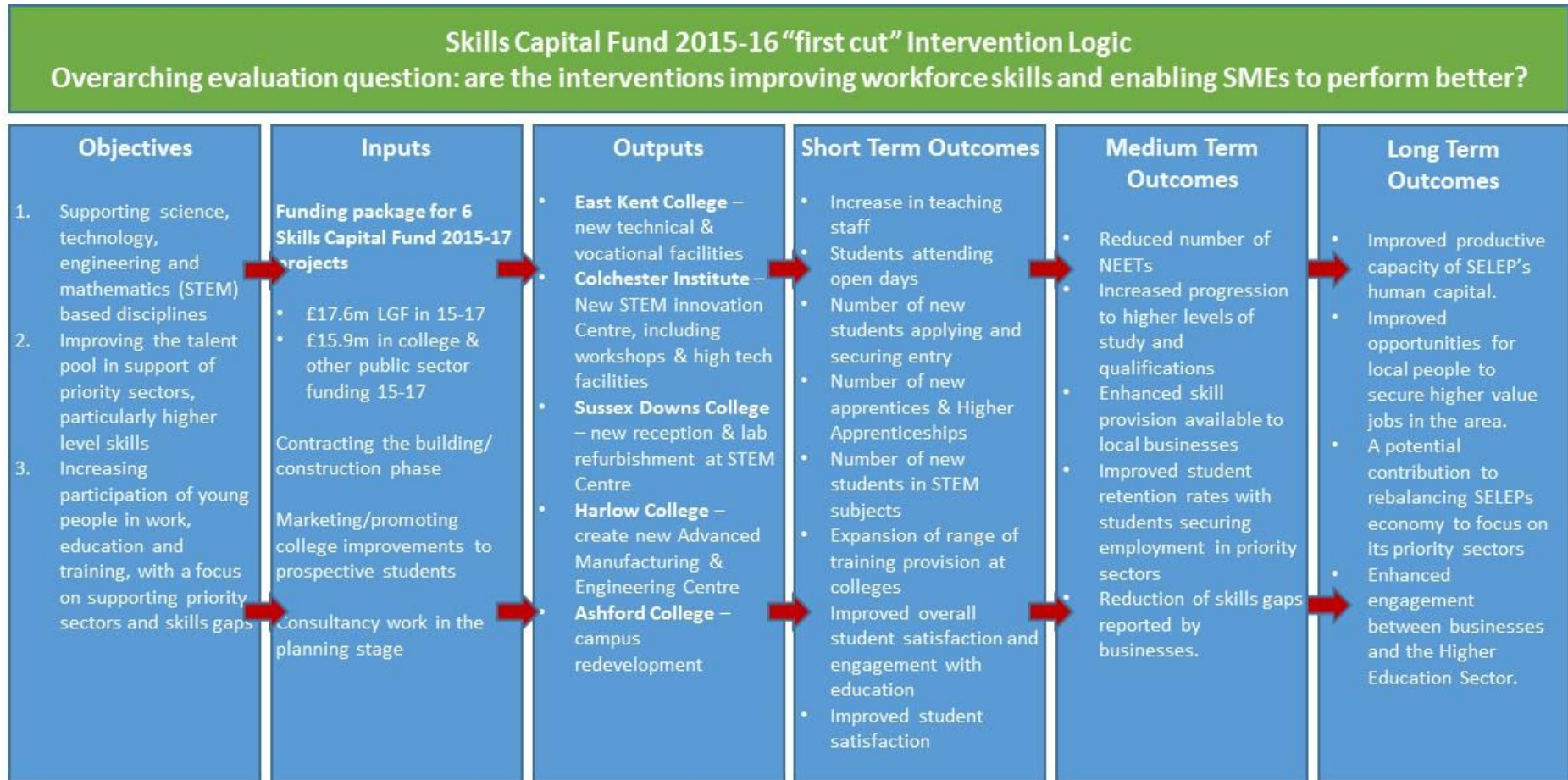
Funding Profile	2014/15	2015/16	2016/17
Local Growth Fund	£2.8m	£8.7m	£6.0m
Other Funding	£2.5m	£7.8m	£5.4m

Source: South East Local Enterprise Partnership Local Growth Fund bid

## Intervention logic

- 11.4 Figure 1.1 sets out an initial 'first cut' intervention logic and theory of change for Skills Capital Fund. This plan is explicitly focussed on the 2015/16 and 2016/17 rounds of funding skills capital funding. As part of the evaluation, this will need to be further developed based on scoping consultations with the South East Local Enterprise Partnership, Skills Funding Agency and college representatives.

Figure 11.1: Skills Capital Fund 2014/15 to to 2016/17



Source: SQW

## Monitoring Metrics

- 11.5 Monitoring data will provide a key resource in evaluating the scheme. Table 11.2 sets out a the metrics which will capture some of the inputs, outputs, and outcomes outlined in Figure 11.1. They ultimately will need to be tested with the relevant parties responsible for collecting them to determine feasibility / practicality.

**Table 11.2: Monitoring Metrics**

Metric Type	SELEP Metrics	SQW Suggestions
Inputs	Expenditure, funding breakdown, and in-kind resources provided	
Outputs	New build training/learning floorspace, Refurbished training/learning facilities, floorspace rationalised	
Medium Term Outcomes	Post codes for new build sites	Number of additional students, number of students studying STEM subjects, number of additional Apprentices, number of additional Higher Apprentices, number of additional students progressing to higher study, number of additional staff.
Long Term Outcomes	Follow on investment at site	Employment in priority sectors, number of people with NVQ 4+ qualifications

Source: SQW and Central Government Growth Deal Monitoring template

- 11.6 The metrics outlined above will be tracked over time from 2015/16, although some will clearly be available earlier than others. The South East Local Enterprise Partnership will identify who is best placed to collect these data and with what frequency (e.g. quarterly, annually).

### Methodology and Approach: Outcomes evaluation

- 11.7 Approved projects for the Skills Capital Fund take in a variety of different capital developments. Assessing these disparate projects as a whole will require a mixture of a process and outcomes evaluation; capturing the full impact of the projects over the long term would be costly and is not therefore proposed. The majority of evidence will be collected through qualitative interviews, although there is scope to triangulate this with survey evidence and secondary data for further analysis. The evaluation will proceed over the following stages.
- 11.8 **Stage I** will involve a series of interviews with key stakeholders to provide an understanding of the design and delivery of the Fund, selection of projects and implementation on the ground. Interviewees will include college leaders, representatives of the Local Enterprise Partnership, the Skills Funding Agency and Sector Skills Councils. This initial stage will establish how the Fund's rationale fits with FE sector priorities, the process of application for funding, and the types of outputs and outcomes expected by colleges. This stage will also involve a review of project documentation, and core strategy documents from the Local Enterprise Partnership.
- 11.9 **Stage II** will focus on data analysis, combining two key datasets to map historic skills provision against forecast skills demand in priority sectors for the South East. Data from the Individual Learner Record (ILR) dataset will be used understand the subject / sector specialisation of colleges in the South East, and provision of higher level skills and apprenticeships. This will be compared to UKCES Working Futures data, which provides labour market projections for future skills demands, in order to assess whether the investments by the Skills Capital Fund will help to increase provision in priority areas.



11.10 **Stage III** will involve several elements to capture some of the outcomes from students, businesses and from the monitoring data:

- **A Student Survey:** this will be conducted with graduates from the five colleges that received funding. The survey will be conducted in 2017/18, assuming that students begin to use the new facilities in 2016/17 and will have completed their courses by this time. This will capture a qualitative assessment of student satisfaction and any material impact new facilities have on overall educational experience.
- **Analysis of the monitoring data:** this stage will also bring in an analysis of the monitoring data, which will contribute to the outcomes assessment. It is worth noting here that the monitoring data will need to be tracked both before and after the individual investments in order to make meaningful conclusions about influence. Setting up data collection will be a priority for projects that are launching imminently.
- **Interviews with employers (face-to-face or via telephone):** these will provide a business perspective on the investments. These interviews will last roughly an hour and suitable businesses will be selected based on recommendations from the Local Enterprise Partnership, Sector Skills Councils and colleges. These will test business responses to priorities for capital investment pursued by Further Education colleges, and provide an indication of likely outcomes from a business perspective. The interviews are likely to take place in 2018/19 in order to capture as many benefits of the developments as possible. It is important to note that the data from the interviews will provide self-reported outcomes, and will not capture the full scale of the project impacts on businesses. Moreover, the interviews will provide a perspective on the broader outcomes of the interventions in relation to businesses, rather than quality of specific improvements to colleges.

11.11 The timings for evaluation are discussed in the following section. The projects have different timescales, with the first scheduled to begin in Q3 2014, and the final project starting in Q2 2016. However, all construction should be completed by Q1 2017.

### **Timings and resourcing for evaluation**

11.12 A detailed evaluation timeline is shown at 11.3. The timings of the stages outlined in the previous section will depend on construction / planning processes proceeding to schedule. Indicatively all evaluation stages outlined above would start in parallel approximately 6 months following the construction / refurbishment of the various colleges. Stage III, including the business consultations, the student survey and the monitoring data analysis will continue into 2018/19.

11.13 The costings below are broad brush and indicative. They exclude the cost of gathering monitoring data and relate only to analytical elements; they exclude many of the elements that would need to be resourced if third party researchers / consultants were to be commissioned.

**Table 11.3: Skills Capital Fund Indicative Monitoring & Evaluation Costs and Timescales**

Evaluation activity	15/16	16/17	17/18	18/19	Total
Stage I - Framework + Scoping	£1,000				£1,000
Stage I - Strategy & policy review	£1,000	£1,000			£2,000
Stage I - Process evaluation consultations	£3,000	£2,000	£2,000	£2,000	£9,000
Stage II - Secondary data analysis	£3,000			£500	£3,500
Stage III - Student Survey	£1,000	£1,000	£1,000	£1,000	£4,000
Stage III - Monitoring data analysis	£1,000	£500	£500	£1,000	£3,000
Stage III - Employer Interviews		£2,000	£2,000	£2,000	£6,000
Synthesis and Reporting	£1,000	£3,000	£3,000	£3,000	£10,000
<b>Total</b>	<b>£11,000</b>	<b>£9,500</b>	<b>£8,500</b>	<b>£9,500</b>	<b>£38,500</b>

Source: SQW estimates

### Use of evaluation

- 11.14 The evaluation will be used to show the links between the project and the outcomes outlined in the intervention logic. It will also provide valuable evidence to the Local Enterprise Partnership, colleges and the Skills Funding Agency to inform the provision of future capital funding for further education in the region, as well as producing intelligence on the fit between demand for skills and provision from colleges in the region.

# A Monitoring Metrics

**For Monitoring metrics please see separate MS Excel document.**

# Control Sheet

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## Distribution

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South East Local Enterprise Partnership	Steven Bishop	Christine Doel
Local Authorities and all Scheme Promoters	Jake Cartmell	Will Verrell
	Sharon Daly	
	Jennie Rothera	
	Tomasz Sawicki	







<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 17 <sup>th</sup> July 2015 <b>Date of report:</b> 8 <sup>th</sup> July 2015	
<b>Title of report:</b> Quarterly Monitoring – Structure of Reporting	
<b>Report by</b> David Godfrey, Director of SELEP	
<b>Enquiries to</b> <a href="mailto:david.godfrey@kent.gov.uk">david.godfrey@kent.gov.uk</a>	

**1. Purpose of report**

- 1.1 The purpose of this paper is to establish an agreed framework for quarterly reporting.

**2. Recommendations**

- 2.1 The Board is asked:
- 2.1.1 To endorse the attached Quarterly Monitoring framework as developed with federal areas.

**3. Background**

- 3.1 In its role of monitoring the Growth Deal capital programme, the SE LEP Accountability Board will receive quarterly reports from federal areas, drawing together monitoring information from each of the four areas through their county or unitary authorities for all local schemes for which funding has been devolved.
- 3.2 Full reporting is required by Government on a series of national monitoring metrics (selected by scheme promoters) which have been incorporated into an overall monitoring framework. Quarterly reporting draws from these metrics and milestone reporting to provide a simple RAG (Red/Amber/Green) rating for schemes as assessed by their federal area monitoring arrangements.
- 3.3 Reports will be signed off by nominated Finance Directors (s151 officers) prior to submission to the Accountability Board.
- 3.4 The Accountability Board will receive summary reporting with clear recommendations on an exceptions basis (ie where any action is recommended). Scheme sponsors may be requested to present as appropriate.

- 3.5 Following the Board meeting, decisions will be reported to Government through the Accountable Body as part of SE LEP's quarterly monitoring obligation advising of progress and any changes made to the capital programme. The SE LEP change register will be updated by the Accountable Body.
- 3.6 Federal Boards will be advised formally of decisions which will be published on the SE LEP website and be circulated to all Federal Board members.
- 3.7 A brief presentation will be made to Board Members by Steer Davies Gleave.

#### **4. Financial Implications**

- 4.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no financial implications to be considered.

#### **5. Legal Implications**

- 5.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no legal implications to be considered

#### **6. Staffing and other resource implications**

- 6.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no staffing or other resource implications to be considered.

#### **7. Equality and Diversity implications**

- 7.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The report contains no decisions and therefore has no impact.



**8. List of Appendices**

8.1 Appendix 3: Monitoring Metrics Template

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

**9. List of Background Papers**

9.1 None

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

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>	
<b>Suzanne Bennett</b>	10/07/15
<b>On behalf of Margaret Lee</b>	



South East Local Enterprise Partnership  
London Gateway/Stanford le Hope  
Monitoring Metrics Template

## LG SH Outputs

Project ID (Provided by SELEP)	Project Name	Programme Area	Senior Responsible Officer	Programme Area	OBC Date	FBC Date	Delivery Route (e.g. Local Planning Authority, Local Highway Authority, Unitary Authority, FE College, Other Private Sector)	Report Date
	London Gateway/Stanford le Hope							

**Project Description:**  
Scope and benefits

**RAG Status:**

Area	Current Period Status	Previous Period Status	Comments
<b>OVERALL</b>			
<b>FINANCIAL</b>			
<b>PROJECT PROGRAMME</b>			
<b>OUTPUT DELIVERY</b>			
<b>RISK</b>			

OVERALL: \*RED\* = Project requires third party intervention or it will not achieve planned outcomes  
 \*AMBER\* = Project requires action from within the project team to achieve planned outcomes  
 \*GREEN\* = Project on track to achieve planned outcomes

FINANCIAL: \*RED\* = More than 10% above budget - no intervention possible or requires third party intervention  
 \*AMBER\* = Between 0% and 10% above budget - requires action  
 \*GREEN\* = Project on budget

PROJECT PROGRAMME: \*RED\* = More than 10% behind schedule - no intervention possible or requires third party intervention  
 \*AMBER\* = Between 0% and 10% behind schedule - requires action  
 \*GREEN\* = Project on schedule

OUTPUT DELIVERY: \*RED\* = Delivery issues which will negatively affect the achievement of the planned inputs / outputs / outcomes - no intervention possible or requires third party intervention  
 \*AMBER\* = Delivery issues with the potential to negatively affect the achievement of the intended inputs / outputs / outcomes - requires action  
 \*GREEN\* = Project on track to deliver planned inputs / outputs / outcomes

RISK: \*RED\* = Likelihood of a risk occurring that would prevent the intended inputs / outputs / outcomes of project from being achieved is greater than 50% - no intervention possible or requires third party intervention  
 \*GREEN\* = Risk management approach in place and being delivered, and no significant risks in terms of impact and likelihood

**Narratives:**  
Progress this Month

**Actions for the Month Ahead**

**Ownership:**

Role	Name
Delivery Director	
Commissioner	
Sponsor	
Project Manager	

**Items for Relevant Board / Sub-Group**

Board / Sub-Group Name	Item Description

**Milestone Performance:**

#	Description	Baseline Date	Forecast Date	Actual Date	Variance to Target	Commentary
1					0	
2					0	
3					0	
4					0	
5					0	
6					0	
7					0	
8					0	
9					0	
10					0	

**Key risks:**

#	Description	Cost Impact £k's	Time Impact (weeks)	Proximity weeks	Owner	Mitigation
1						
2						
3						

**Funding Breakdown:**

Time period	Budget £m	Forecast £m	Actual £m	Variance Budget £m	Variance Forecast £m	Commentary
Prior Years				£0	£0	
Current Quarter				£0	£0	
Year to Date (YTD)				£0	£0	
Year to Go (YTG)				£0	£0	
Full Year 14/15				£0	£0	
Y15/16	£0.0			£0	£0	
Y16/17	£0.0			£0	£0	

**Jobs connected to the intervention:**

Time period	Forecast Jobs (FTE)	Actual Jobs (FTE)	Variance (FTE)	Commentary
Prior Years			£0	£0
Current Quarter			£0	£0
Year to Date (YTD)			£0	£0
Year to Go (YTG)			£0	£0
Full Year 14/15			£0	£0
Y15/16			£0	£0
Y16/17			£0	£0
Y17/18			£0	£0
Y18/19			£0	£0
Y19/20			£0	£0
Y20/21			£0	£0
Y21/22			£0	£0
Y22/23			£0	£0
Y23/24			£0	£0
Y24/25			£0	£0
Y25/26			£0	£0

**Commercial floorspace constructed:**

Time period	Sq m forecast	Sq m constructed	Variance (Sq m)	Commentary
Class	e.g. A1 A2 etc.	e.g. A1 A2 etc.	e.g. A1 A2 etc.	
Prior Years			0.0 0.0 0.0	
Current Quarter			0.0 0.0 0.0	
Year to Date (YTD)			0.0 0.0 0.0	
Year to Go (YTG)			0.0 0.0 0.0	
Full Year 14/15			0.0 0.0 0.0	
Y15/16			0.0 0.0 0.0	
Y16/17			0.0 0.0 0.0	
Y17/18			0.0 0.0 0.0	
Y18/19			0.0 0.0 0.0	
Y19/20			0.0 0.0 0.0	
Y20/21			0.0 0.0 0.0	
Y21/22			0.0 0.0 0.0	
Y22/23			0.0 0.0 0.0	
Y23/24			0.0 0.0 0.0	
Y24/25			0.0 0.0 0.0	
Y25/26			0.0 0.0 0.0	

**Housing Unit starts:**

Time period	Forecast direct starts	Actual direct starts	Variance direct starts	Forecast impact starts	Actual impact starts	Variance impact starts	Commentary
Prior Years			0			0	
Current Quarter			0			0	
Year to Date (YTD)			0			0	
Year to Go (YTG)			0			0	
Full Year 14/15			0			0	
Y15/16			0			0	
Y16/17			0			0	
Y17/18			0			0	
Y18/19			0			0	
Y19/20			0			0	
Y20/21			0			0	
Y21/22			0			0	
Y22/23			0			0	
Y23/24			0			0	
Y24/25			0			0	
Y25/26			0			0	

**Housing Units completed:**

Time period	Forecast direct completed	Actual direct completed	Variance direct completed	Forecast impact completed	Actual impact completed	Variance impact completed	Commentary
Prior Years			0			0	
Current Quarter			0			0	
Year to Date (YTD)			0			0	
Year to Go (YTG)			0			0	
Full Year 14/15			0			0	
Y15/16			0			0	
Y16/17			0			0	
Y17/18			0			0	
Y18/19			0			0	
Y19/20			0			0	
Y20/21			0			0	
Y21/22			0			0	
Y22/23			0			0	
Y23/24			0			0	
Y24/25			0			0	
Y25/26			0			0	

**Change Control Register:**

Ref. No.	Date of Change Request	Description	Person requesting change	Forecast Scale of Impact (£)	Forecast Scale of Impact (weeks)	Forecast Scale of Impacts (Outputs)	Accept / Reject	Authorised By	Date Authorised



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b> 17 <sup>th</sup> July 2015 <b>Date of report:</b> 8 <sup>th</sup> July 2015	
<b>Title of report:</b> Monitoring and Evaluation Framework	
<b>Report by</b> David Godfrey, Director of SELEP	
<b>Enquiries to</b> david.godfrey@kent.gov.uk	

**1. Purpose of report**

- 1.1 The purpose of this paper is to agree the Growth Deal Monitoring & Evaluation Framework as required by Government, building directly on the quarterly monitoring arrangements.

**2. Recommendations**

- 2.1 The Board is asked:

- 2.1.1 To endorse the proposed Monitoring and Evaluation Framework; and  
2.1.2 Note that further feedback from BIS may be incorporated into the final framework

**3. Background**

- 3.1 The SE LEP Monitoring & Evaluation Framework is a requirement of Government and has been developed to meet national guidelines. It provides the ability to assess the effectiveness and efficiency of selected schemes over time and, by inference, the impact of the Growth Deal and Strategic Economic Plan.
- 3.2 The framework builds directly on the Quarterly Monitoring and metrics reporting and will support local decision-making by adding further local understanding of what can best drive local economic growth.
- 3.3 As indicated in the accompanying report commissioned by Steer Davies Gleave, the framework has been developed around a series of evaluation questions and key schemes for which specific evaluation plans have been developed. These schemes are listed below:

- 3.3.1 A13 Widening (to be determined with the Department for Transport as a fully ‘retained scheme’)
- 3.3.2 A127 Corridor Improvements (will require further development as a partially ‘retained scheme’/‘portfolio scheme’ by the Department for Transport)
- 3.3.3 Joint Colchester Transport Packages (Colchester LSTF/Colchester Town Centre/Colchester Integrated Transport Package/Colchester Park & Ride and Bus Priority Measures)
- 3.3.4 Hastings and Bexhill Road Schemes (Queensway Gateway Road/North Bexhill Access Road)
- 3.3.5 Thanet Parkway
- 3.3.6 Southend and Rochford Growth Area – Southend Central Area Action Plan
- 3.3.7 Sittingbourne Town Centre Regeneration
- 3.3.8 Rochester Airport Advanced Manufacturing Employment and Innovation Space
- 3.3.9 Development of Growth Hubs
- 3.3.10 Skills Capital Programme

3.4 The document also reviews processes for monitoring, introduces evaluation principles, before considering each scheme in turn. For each evaluation plan, there is a project overview, initial intervention logic; monitoring metrics required for evaluation; a suitable methodology and indicative timings to generate relevant evidence in relation to the evaluation questions; a broad-brush estimate of resourcing<sup>1</sup> (where appropriate); and how the evaluation will be used.

3.5 The report has been developed with federal areas and will continue to reflect local input. As indicated in the report, it is important to note the framework “is a ‘living’ document and will be refreshed on a frequent *ad hoc* basis”.

3.6 A brief presentation will be made to Board Members by Steer Davies Gleave.

#### **4. Financial Implications**

4.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no financial implications to be considered.

#### **5. Legal Implications**

5.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no legal implications to be considered.

#### **6. Staffing and other resource implications**

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<sup>1</sup> These are indicative only and they are made at 2015 prices. They exclude the on-going costs of gathering monitoring data and relate only to the analysis of data for evaluation purposes. No provision is made in the costings for client meetings, familiarisation, etc., all of which would need to be factored in if the evaluations were to be outsourced to third party organisations.

- 6.1 This report is for information purposes only and there are no decisions required of the Board, therefore there are no staffing or other resource implications to be considered.

## **7. Equality and Diversity implications**

- 7.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The report contains no decisions and therefore has no impact.

## **8. List of Appendices**

- 8.1 Appendix 2: Monitoring & Evaluation Framework – Steer Davies Gleave report

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

## **9. List of Background Papers**

- 9.1 None

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

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  <b>Suzanne Bennett</b>  <b>On behalf of Margaret Lee</b>	10/07/2015



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b>
<b>Date of Accountability Board Meeting:</b> 17 <sup>th</sup> July 2015	
<b>Date of report:</b> 8 <sup>th</sup> July 2015	
<b>Title of report:</b> Finance Update	
<b>Report by</b> Suzanne Bennett (Essex County Council as Accountable Body)	
<b>Enquiries to</b> Suzanne Bennett – 033301 30823	

## 1. Purpose of report

- 1.1. The purpose of this paper is to give Board Members an update on the financial position of the South East Local Enterprise Partnership (SELEP) and covers all funds held by the Accountable Body (Essex County Council) on behalf of SELEP. There are no decisions required by the Board.
- 1.2. This paper covers the provisional outturn position for financial year 2014/15; first quarter forecast for 2015/16; the current position of Growing Places Fund and current position for Local Growth Fund (LGF).

## 2. Recommendations

- 2.1. This report is for information only and there are no recommendations.

## 3. Background

### Provisional Outturn – 2014/15

- 3.1. The tables below show the provisional outturn position for financial year 2014/15. The accounts will be submitted to external audit scrutiny and presented to the Accountability Board for sign off. The information disclosed within this report has yet to be audited and there may be minor changes between this position and the final report.
- 3.2. **Table 1** shows the provisional position for income received and utilised during the year, compared to the original budget. The 2013/14 actual is also presented for comparison.

Table 1 - Income	FY Actual £000	FY Budget £000	Variance £000	2013/14 Act £000
Core grants from Government	(529)	(551)	22	(500)
Capacity Fund utilisation	-	-	-	(41)
GPF grant utilisation to support administration of fund	-	(50)	50	-
Transport grant utilisation	(45)	(65)	20	(54)
Other local authority contributions	(196)	(200)	4	(91)
Interest received	(181)	-	(181)	(282)
Contribution from own reserves	-	(230)	230	-
<b>Total Income</b>	<b>(951)</b>	<b>(1,096)</b>	<b>145</b>	<b>(948)</b>

- 3.3. In 2014/15 income totalled **£951,000**, marginally higher than the total for 2013/14 of £948,000. However this was some £145,000 (13%) less than had been budgeted.
- 3.4. At the time of budget setting, it was assumed that the GPF would be fully allocated as scheduled and therefore no interest would be received in year. However, delays in reaching final agreement on some projects have resulted in balances remaining within the SELEP accounts and interest has accrued to the SELEP.
- 3.5. Due to the receipt of interest earned and the favourable variance in expenditure as set out below, it has not been necessary to make a withdrawal from reserves in year. Details on reserves held can be seen in **Table 3**. Again, due to the receipt of interest it has not been necessary to draw upon the GPF grant to support the administrative costs of running the GPF programme. The costs of the SEFUND work have been funded through the general Secretariat budget.
- 3.6. Costs that are applicable to be funded by the Transport Grant were less than budgeted in 2014/15 and therefore the drawdown of grant was similarly reduced. The remainder of the grant has been carried forward into 2015/16.
- 3.7. At the time of mid-year budget review, it was thought that a Government Grant would be made available to support the EU funding programme work that was being undertaken by LEPs. The Government did not make any grant funding available to LEPs for this work, resulting in a £22,000 under-recovery on the Core grants from Government line.
- 3.8. Table 2 shows the provisional position for expenditure incurred during the year. As indicated below, due to a number of factors including delays to recruitment and specific initiatives whilst the delivery review and assurance framework were agreed by the Board, the budget was underspent by £351,000 or 32%. The spend for 2014/15 was £148,000 less than in the previous year and was in the region of the core annual core income less interest receipts.

Table 2 - Expenditure	FY Actual £000	FY Budget £000	Variance £000	2013/14 Act £000
Staffing	338	421	(83)	337
Consultancy	284	480	(196)	277
Office and general expenses	23	130	(107)	85
Accountable Body support costs	55	-	55	99
Capacity Fund expenditure	-	-	-	41
Transport grant expenditure	45	65	(20)	54
<b>Total Expenditure</b>	<b>745</b>	<b>1,096</b>	<b>(351)</b>	<b>893</b>
<b>Total Income (from table 1)</b>	<b>(951)</b>	<b>(1,096)</b>	<b>145</b>	<b>(948)</b>
<b>Net (surplus)/deficit</b>	<b>(206)</b>	<b>-</b>	<b>(206)</b>	<b>(55)</b>

3.9. Staffing budgets were underspent due to delays in recruitment to positions and delays in covering a period of maternity leave. This underspend is partly offset by the reinstatement of the Deputy Director post that wasn't budgeted for in March 2014.

3.10. There have been a number of changes made to the programme of work as originally foreseen in March 2014 which has resulted in an underspend on the consultancy and office and expenses line. There were a number of delays to the programme of work due to the delivery review that was held during the course of the year. Delays in recruitment also impacted on the ability of the Secretariat to deliver the full programme of works.

3.11. The balance of **£206,000** surplus, less a small amount due to year-end accounting adjustments, will be transferred to the general reserve to be utilised in future years. The outline budget agreed by SELEP Strategic Board in March 2015 includes a withdrawal from reserves of £345,000.

3.12. **Table 3** below shows the balance of the general reserve as at 31st March 2015 and the forecast position at the end of financial year 2015/16.

Table 3 - Reserves	£000
Opening balance April 2014	239
Contribution to reserves 2014/15	205
Withdrawals from reserves 2014/15	-
<b>Closing balance March 2015</b>	<b>444</b>
Opening balance April 2015	444
Planned contributions to reserves 2015/16	-
Planned withdrawals from reserves 2015/16	(345)
<b>Projected closing balance March 2016</b>	<b>99</b>

### First Quarter 2015/16

3.13. **Table 4** below shows the agreed budget for 2015/16. The SELEP has now received confirmation of the £500,000 core funding from the Government and this has been received. The remainder of the budgeted grant income line is a drawdown of the GPF grant to support the administration of the fund including the costs of an interim fund manager.

Table 4 - Budget		£000
<b>Income</b>		
Grants		(800)
Other Local Authority contributions		(200)
<b>Total Income</b>		<b>(800)</b>
<b>Expenditure</b>		
Staffing (including recharges from Accountable Body)	710	
Office costs and events	165	
Consultancy	170	
Local area support	100	
<b>Total expenditure</b>	<b>1,145</b>	
<b>Net expenditure</b>		<b>345</b>
<b>Contribution from reserves</b>		<b>(345)</b>
<b>Net position</b>		<b>-</b>

3.14. Currently the SELEP is forecasting no variance to the budget. Work continues to develop a process to support the local areas with the implementation of the Local Growth Plans and Local Growth Funds.

#### GPF

3.15. Whilst the GPF is fully allocated, the Accountable Body is still holding the funds for:

- Projects that have to yet to complete credit agreements;
- Future drawdowns for projects with credit agreements already in place and;
- Repayments made by projects that are complete.

3.16. The Strategic Board agreed in March to re-badge GPF as SEFUND and to invest against the SEFUND investment strategy.

3.17. Currently the Accountable Body is holding **£25m** of GPF monies. **Table 5** below shows the movement in funds over the life of the funding.

Table 5 - GPF Amounts as at 6th July 2015		£000
Grant awarded by Govt - Feb and Mar 2012		(49,210)
<b>2011/12</b>		
Admin drawdown		2
<b>2012/13</b>		
Loan drawdowns		7,750
<b>2013/14</b>		
Loan drawdowns		4,287
<b>2014/15</b>		
Loan drawdowns		4,910
Revenue grants		421
Loan repayments		(500)
<b>2015/16</b>		
Loan drawdowns		7,572
Revenue grants		201
Loan repayments		(500)
<b>Current balance held</b>		<b>(25,067)</b>

3.18. Currently there are four projects that have not yet reached final completion of credit agreements. These projects total **£14.9m**. **Table 6** below shows the current status of all projects. 'Approved' status denotes a project has had funding approved by the SELEP Board but no credit agreement is yet in place.

Project Name	Upper Tier Authority	£000	Status
Priory Quarter Phase 3	East Sussex	7,000	Live
North Queensway	East Sussex	1,500	Repayment
Bexhill Business Mall	East Sussex	6,000	Live
Sovereign Harbour	East Sussex	4,600	Live
Sovereign Harbour*	East Sussex	715	Approved
Parkside Phase 1	Essex	2,400	Live
Parkside Phase 1a	Essex	850	Live
Chelmsford NE Urban Expansion	Essex	1,000	Repayment
Harlow EZ/Enterprise West Essex	Essex	3,500	Approved
Live Margate	Kent	5,000	Approved
Work space Kent	Kent	1,500	Live
Discovery Park	Kent	5,715	Approved
Rochester Riverside	Medway	4,410	Live
Chatham Waterfront	Medway	2,999	Live
Grays Magistrates Court	Thurrock	1,400	Live
Harlow EZ - revenue grants		1,244	Live
<b>Total approved projects</b>		<b>49,833</b>	

\*Sovereign Harbour project received additional funding at September Board and discussions are ongoing as to how that funding will be factored into the project

3.19. The Chair of the SELEP Strategic Board has invited project sponsors to consider refinancing GPF loans to allow repayments to be made earlier and the fund to be re-invested under the new SEFUND Programme. Currently no approaches have been made to the Accountable Body to discuss any re-financing.

3.20. **£1m** of repayments have been made to the fund and these will now be available to be reinvested under the new investment policy.

### Local Growth Fund and Other Grants

3.21. As Accountable Body, ECC received **£69.5m** of Local Growth Funding for 2015/16 and **£57m** of that funding has been transferred to upper tier authorities following sign off by the Strategic Board. **£11m** of Local Growth Fund in 2015/16 is ring-fenced for the Skills Capital Programme and funds will be paid directly to the successful Further Education providers.

3.22. **£1.5m** of the Local Growth Fund for this financial year remains to be distributed for the three projects yet to be approved.

3.23. Earlier papers discussed the requirements around monitoring the projects and spending of these grants and the Accountable Body is working with the Secretariat, Government representatives and local partners to ensure that the funds are managed in line with the grant letter and Assurance Framework.

3.24. In addition, the Accountable Body received notice that it would receive **£1.2m** of funding for Local Growth Hubs. **£441,000** of this funding is the distribution of the SEEDA legacy funds and is to be dispersed to support the Growth Hubs in the former SEEDA area. Funding agreements are with the relevant authorities for the transfer of these monies.

3.25. The remaining **£800,000** will be paid to the Accountable Body in quarterly payments. Funding agreements are with relevant local authorities to ensure that the **£700,000** that is earmarked for local spend is passed to those areas on receipt by ECC.

#### **4. Financial Implications**

4.1. This report is for information purposes only and there are no decisions required of the Board, therefore there are no financial implications to be considered.

#### **5. Legal Implications**

5.1. This report is for information purposes only and there are no decisions required of the Board, therefore there are no legal implications to be considered.

#### **6. Staffing and other resource implications**

6.1. This report is for information purposes only and there are no decisions required of the Board, therefore there are no staffing or other resource implications to be considered.

#### **7. Equality and Diversity implications**

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

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

7.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The report contains no decisions and therefore has no impact.

**8. List of Appendices**

**9. List of Background Papers**

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

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>  Suzanne Bennett  <b>On behalf of Margaret Lee</b>	  10/07/15  

