

# ACCOUNTABILITY BOARD

<b>10:00</b>	<b>Friday, 24 February 2017</b>	<b>High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ</b>
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**Quorum: 3 (to include 2 voting members)**

## **Membership**

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

Chairman  
Essex County Council  
Kent County Council  
Medway Council  
East Sussex County Council  
Thurrock Council  
Southend Borough Council  
Further Education/ Skills representative  
Higher Education representative

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

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**(Secretary to the Board)**  
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## Meeting Information

All meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

Most meetings are held at High House Production Park, Purfleet. A map and directions to can be found <http://hhpp.org.uk/contact/directions-to-high-house-production-park>

If you have a need for documents in the following formats, large print, Braille, on disk or in alternative languages and easy read please contact the Secretary to the Board before the meeting takes place. If you have specific access requirements such as access to induction loops, a signer, level access or information in Braille please inform the Secretary to the Board before the meeting takes place. For any further information contact the Secretary to the Board.

The agenda is also available on the Essex County Council website

## Part 1

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

	<b>Pages</b>	
<b>1</b>	<b>Welcome and Apologies for Absence</b>	
<b>2</b>	<b>Minutes</b> To approve as a correct record the Minutes of the meeting held on 20 January 2017	<b>5 - 10</b>
<b>3</b>	<b>Declarations of Interest</b> To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
<b>4</b>	<b>A20 Junction Improvements, as part of Dover Western Docks Revival - LGF Funding Decision</b>	<b>11 - 40</b>
<b>5</b>	<b>LGF Funding Approval M20 Junction 10a</b>	<b>41 - 58</b>
<b>6</b>	<b>Coastal Communities Housing Intervention Project - LGF Allocation</b>	<b>59 - 68</b>
<b>7</b>	<b>Stanford le Hope LGF Funding Decision</b>	<b>69 - 74</b>
<b>8</b>	<b>A131 Chelmsford to Braintree Route Based Strategy - LGF Funding Decision</b>	<b>75 - 80</b>
<b>9</b>	<b>Kent Strategic Congestion Management Programme - LGF Funding Decision</b>	<b>81 - 86</b>
<b>10</b>	<b>Hailsham, Polegate &amp; Eastbourne Movement and Access Transport Scheme - LGF Funding Decision</b>	<b>87 - 92</b>
<b>11</b>	<b>Capital Programme Management of the Local Growth Fund</b>	<b>93 - 148</b>
<b>12</b>	<b>Skills Capital Programme Update</b>	<b>149 - 164</b>
<b>13</b>	<b>Date of Next Meeting</b> To note that the next committee activity day is scheduled for Friday 31 March 2017	

**14**

**Urgent Business**

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

**Exempt Items**

(During consideration of these items the meeting is not likely to be open to the press and public)

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

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

**15**

**Urgent Exempt Business**

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

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**Minutes of the meeting of the SELEP Accountability Board, held in Village Hotel Forstal Road, Maidstone, ME14 3AQ on Friday, 20 January 2017**

**Present:****Members**

Mr Geoff Miles	Chairman
Cllr Rodney Chambers	Medway Council
Cllr Mark Dance	Kent County Council
Cllr Keith Glazier	East Sussex County Council
Cllr Rob Gledhill	Thurrock Council

**ALSO PRESENT**

Louise Aitken  
 Suzanne Bennett  
 Adam Bryan  
 Lee Burchill  
 Jake Cartmell  
 Kim Cole  
 Richard Dawson  
 Sunny EE  
 Ben Hook  
 Stephanie Mitchener  
 Rhiannon Mort  
 Lorna Norris  
 Sarah Nurden  
 Tim Rignall  
 John Shaw  
 David Smith  
 Paul Turner  
 Lisa Siggins

**Having signed the attendance book**

Essex County Council  
 Essex County Council  
 SELEP  
 Kent County Council  
 Steer Davies Gleave  
 Essex County Council  
 East Sussex County Council  
 Medway Council  
 East Sussex County Council  
 Essex County Council  
 SELEP  
 Essex County Council  
 Kent and Medway Economic Partnership  
 Thurrock Council  
 Sea Change Sussex  
 Kent County Council  
 Essex County Council  
 Essex County Council

Councillor Kevin Bentley was unable to attend the meeting due to traffic issues took part in the meeting by speaker phone. Whilst he took part in the discussions, he was unable to vote and therefore did not take part in any of the decision making.

**1 Welcome and Apologies for Absence**

Apologies were received from Councillor Paul Carter who was substituted by Councillor Mark Dance, from Councillor John Lamb and from Angela O'Donoghue and Myroulla West

**2 Declarations of Interest**

None were made.

**3 Minutes**

The Minutes of the meetings held on 18 November were agreed as a correct record and signed by the Chairman.

**4 Business Case Approvals**

The Accountability Board (The Board) received a report from Rhiannon Mort, and a presentation from Steer Davies Gleave, the purpose of this which was to make the Board aware of the value for money assessment of business cases for schemes having been through the Independent Technical Evaluator (ITE) process to support decision making for Local Growth Funding (LGF) to be devolved to scheme sponsors (county and unitary councils) **subject** to an LGF 3 allocation to the two projects in question.

Steer Davis Gleave confirmed that with regards to the East Sussex Growth Strategy Project, the condition set out in paragraph 4.15 of the report had since been satisfied, and therefore now showed as a medium to high certainty of achieving value for money

**Resolved**

Subject to an LGF round 3 funding being allocated by the Government to these two projects and sufficient funds being made available to SELEP by the Government :

1. Approve the allocation of £8.2m of LGF to East Sussex Strategic Growth Project, to support the delivery of the project as identified in the Business Case and which has been assessed as presenting high value for money, with a medium to high certainty of achieving this.
2. Approve the allocation of £1.6m of LGF to Eastside Business Park, to support the delivery of the project as identified in the Project Business Case and which has been assessed as presenting high value for money, with a medium to high certainty of achieving this.

**Further resolved**

3. Approve the recommended option 1 for the management and oversight of the £2m LGF spend on the Coastal Communities Group Housing Regeneration Project via the three upper tier authorities; East Sussex County Council, Essex County Council and Kent County Council.

**5 LGF Change Requests**

The Board received a report from Rhiannon Mort the purpose of which was to make the Board aware of changes to the spend forecast for Local Growth Fund

(LGF) projects included in SELEPs Growth Deal.

Members discussed the funding in connection with the projects, stressing that the same is of critical importance and that the Department for Transport should be pressed for assurances in this respect.

### **Resolved**

1. **To Agree** the amended spend forecast for A127 Network Resilience, Essex; and
2. **To Note** the potential risk of the spend profile for A127 Fairglen Junction Improvements extending beyond the current Growth Deal period.

### **6 Options For Skills Capital Underspend (Sussex Downs College)**

The Board received a report from Louise Aitken to seek Board approval for utilisation of underspend associated with the Sussex Downs College 'Refurbished Science Facilities' project and of Local Growth Fund (LGF) allocated to colleges.

Members discussed the options available stressing that the utmost encouragement should be given to the college.

To **Approve** Sussex Downs College utilisation of all or some of the underspend to the broader project, enhancing their first floor laboratory with the new STEM Centre, subject to a full Business Case being provided and approved by the Board. Any business case would need to meet the requirements of the SELEP Assurance Framework.

### **7 Finance Update including 2017/18 Budget**

The Board received a report from Suzanne Bennett the purpose of which was to update the Accountability Board (the Board) on the forecast financial position of the South East Local Enterprise Partnership (SELEP) as at the end of quarter three (December) of the 2016/17 financial year and present the Secretariat Revenue Budget for 2017/18 for agreement.

The Board were advised that Government core funding in 2017/18 would be on the same basis as in 2016/17; that is £500,000 per LEP with a match required of £250,000 locally.

A discussion followed regarding the budget with the Board strongly feeling that the funding provided by Government is not sufficient and is in need of review. Members agreed that funding would be made for the forthcoming financial year but that this would be continue to be subject to yearly review.

It was suggested that a letter be sent to Government setting out the concerns of the Board.

**Resolved**

1. **To Note** the latest forecast outturn for the Secretariat 2016/17 budget at Table 1 in the report; and
2. **To Agree** the Secretariat budget for 2017/18 at Table 2 in the report, including the local contributions.

**8 Transport Improvements to support The Open Championship**

The Board received a report from Sarah Nurden which described the transport improvements necessary to support the bid for Royal St George's as the venue for the 2020 Open Championship.

The Board were advised that there would be an enormous amount of economic opportunity to the local areas and it was suggested that a degree of support should be shown at this stage. A brief overview was then provided which highlighted that the benefits would outweigh the financial contributions.

**Resolved**

1. **To approve** the draft letter of support to be submitted to the Royal & Ancient Golf Club of St Andrews (the R&A) in relation to the transport improvements at Sandwich Station **subject** to the letter being amended to remove any specific reference to an amount of funding contribution.
2. **To note** the intention for the transport improvements at Sandwich Station project to be considered at a future Board meeting for approval of funding allocation following consideration of the Business Case by the SELEP ITE and identification of an appropriate funding stream.

**9 Urgent Business**

With the agreement of the Chairman Rhiannon Mort provided the Board with an update regarding M20 Junction 10A. She advised that a letter had not been sent to the Secretary of State as agreed at the last Board meeting as Government officers advised that assurances should be sought from Highways England. A letter has been provided by Highways England and a further update will be provided to the Board at the February meeting.

**10 Dates of Future Meetings**

The following meeting dates were noted by the Board:

Friday 24<sup>th</sup> February 2017  
Friday 31<sup>st</sup> March 2017  
Friday 26<sup>th</sup> May 2017



The meeting closed at 11.00 am.

**Chairman**



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/74
<b>Date of Accountability Board Meeting:</b>	<b>24<sup>th</sup> February 2017</b>
<b>Date of report:</b>	<b>15<sup>th</sup> February 2017</b>
<b>Title of report:</b>	A20 Junction Improvements, as part of Dover Western Docks Revival LGF funding decision
<b>Report by:</b>	<b>Rhiannon Mort</b>
<b>Enquiries to:</b>	rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for A20 Junction Improvements (the Project) Business Case which has been through the Independent Technical Evaluator (ITE) process to enable funding to be devolved for the Project.

## 2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Consider** the additionality gained by the early delivery of the Marina Pier from stage 2 of the Dover Western Docks Revival Programme; and
- 2.1.2 **Approve** the allocation of £5m Local Growth Fund (LGF) to A20 Junction Improvements to support the delivery of the project as identified in the Business Case and which has been assessed as achieving high value for money with medium to high certainty of achieving this.

## 3. Background

- 3.1 This report presents the findings of the ITE review of the Project Business Case, as part of the Port of Dover's wider Dover Western Docks Revival (DWDR) Programme.
- 3.2 The Project has completed SELEP ITE Business Case review process, as a requirement of the SELEP Assurance Framework. The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 2.
- 3.3 As a government category 3 project, there have been concerns expressed by Government around the grant allocation to this Project, particularly around State Aid and additionality. These issues are considered through the detail of this report.

#### **4. A20 Junction Improvements, Dover**

- 4.1 The Business Case has been brought forward by the Port of Dover for consideration by the Board for the award of £5m LGF to the Project which will facilitate wider regeneration in and around the seafront.
- 4.2 The £5 million LGF is sought to remodel two roundabouts (Prince of Wales and York Street) located on the A20 adjacent to the Western Docks in Dover to reconfigure them into two traffic signal controlled junctions.
- 4.3 These will promote free flowing traffic along the A20 in order to support major housing growth and town centre regeneration (Dover Town Investment Zone) in Dover as well as enabling traffic movements in and out of the Western Docks.
- 4.4 The Business Case identifies the A20 junction improvements for investment through LGF, but also sets out the benefits of the wider DWDR programme and the regeneration of the seafront. However, only the benefits directly attributable to the A20 junction improvements can be considered as part of the Value for Money assessment for the LGF investment. In order to facilitate the needs of the second ferry terminal (as part of DWDR), waterfront development and Dover town regeneration, changes to two of the junctions on the A20 were proposed.
- 4.5 As part of the process of gaining consent from the Department for Transport for Terminal 2 through a Harbour Revision Order (HRO), granted in 2012, the Port was required to enter into a legal agreement with Dover District Council (DDC) in order to deliver certain enabling works, considered to be important to the regeneration ambitions of the Council. These enabling works included the A20 junction improvements.
- 4.6 The construction works to deliver these improvements to these two junctions are underway and the Business Case states that the contractual completion date for the junction improvements is in early February 2017.

#### **5. Dover Western Docks Revival Project**

- 5.1 The Project is part of the Port of Dover's wider DWDR programme which was launched by the Port in 2014. The DWDR programme forms part of the wider development which will be unlocked through the Project enabling works.
- 5.2 The DWDR represents a significant opportunity to enhance the contribution and operation of a key international transport gateway and provides the transport blueprint to enable and support Dover's wider growth agenda over the coming decades. The DWDR project consists of:
  - Development of the footprint of the Western Docks to protect long term port capacity.
  - Re-location of the cargo operation to Western Docks.

- Development of a new cargo terminal and port centric distribution facility.
- Creating over 600 new jobs and safeguarding another 148 jobs at the Port of Dover.
- Opportunity to further increase ferry capacity as the Eastern Docks becomes dedicated solely to the ferry business.
- Junction improvement works designed to support Dover’s growth status and town centre regeneration.
- Enabling waterfront transformation: development of a new marina; construction of a new bridge and a new four lane road link.
- Catalyst for seafront regeneration.

5.3 The phasing of these works being implemented are set out in Table 1 below.

*Table 1 - Phases of DWDR programme*

Stage 1	<ul style="list-style-type: none"> <li>– A20 roadworks</li> <li>– Construction of 2 new cargo berths</li> <li>– Construction of the new “marina curve”</li> <li>– Construction on new refrigerated cargo terminal</li> <li>– Demolition of old Dover Cargo</li> <li>– Terminal and construction of new ferry assembly space</li> </ul>
Stage 2	<ul style="list-style-type: none"> <li>– Construction of new marina pier</li> <li>– Extension of new marina curve</li> <li>– New navigable channel from marina through to Wellington Dock</li> <li>– New bascule bridge</li> </ul>
Stage 3	<ul style="list-style-type: none"> <li>– Closure of sea channel to old marina</li> <li>– Closure of Wellington Dock through to old marina basins</li> <li>– Fit-out of new marina</li> <li>– Reclamation of land</li> </ul>

## **6. Outcomes of ITE review**

- 6.1 The SELEP ITE has assessed the Project Business Case and has recommended that the project achieves high value for money with a medium to high certainty of achieving this.
- 6.2 The Business Case has been developed following WebTAG (the Department for Transport’s, Transport Appraisal Guidance) and has now isolated the

benefits of the intervention being delivered using LGF. The ITE review has confirmed that the methodology applied is accurate.

- 6.3 The outputs of the VISSIM (a type of microsimulation transport model) modelling used to estimate travel times as part of the analysis, were not made available to the ITE. However, this transport modelling work has been reviewed and commended upon the Local Model Validation Report, submitted in 2015. It was agreed with Highways England that the model provided a sound basis upon which to test options and scenarios to gain an understanding of changes in traffic behaviour as a result. Overall, the certainty of high value for money being achieved has been assessed as medium to high.
- 6.4 The review of the Business Case confirms that over a 20 year time horizon (to 2036) the scheme generates a BCR of 2.4. Extending the appraisal period by ten years (to 2046) increases the BCR to 6.2. While there may be negative impacts to some journeys due to the traffic signals creating delays for certain trips, the overall network-wide journey times are reduced through the impact of the Project.
- 6.5 The Strategic Case has been identified as Amber, and the ITE review has commented that there is not a clear chain of logic between the problem and the opportunities which have been identified, and the proposed solution. However, it is noted that this is likely to be the result of the project being required as a condition of the Harbour Revision Order. This means that alternative options to address the problems and opportunities have already been discounted.
- 6.6 The Commercial, Financial and Management case for the project have all been identified as Green. The ITE review has highlighted the absence of a monitoring and evaluation plan for the Project, but the Port of Dover have provided verbal reassurance that this will be completed in line with SELEP's requirements and sufficient resource is available to enable the post scheme monitoring and evaluation to take place.

## **7. LGF Round 2 Provisional Funding Allocation**

- 7.1 The Project was provisionally allocated £5m LGF through the Growth Deal Round 2. As part of the LGF Round 2 announcement, the Project was identified by Government as a category three project. The LGF Round 2 funding allocation letter from Sir (now Lord) Kerslake at the Department for Communities and Local Government (dated 30 January 2015) states that for category three projects:
- i. *“Further discussions are required, including feasibility and delivery, other potential sources of funding, and business case assessment including value for money”; and*
  - ii. *“The funding for these particular projects remains provisional until further required work is complete, in particular, a satisfactory assessment of delivery and risk and value for money by Central Government”.*

7.2 The letter gives specific comment on the Project and states that:

*“On this scheme it is important that the full business case takes due account of additionality principles given the Port Of Dover’s existing commitment to implementing the proposed road improvements, and any state aid implications, and that the LEP considers these when progressing the scheme through its assurance framework”.*

7.3 The letter also reaffirms the need for all business cases to be “scrutinised in accordance with the LEP Assurance Framework”. A copy of this funding award letter is included in Appendix 1.

## **8. Compliance with LGF Round 2 LGF funding allocation letter - State Aid**

8.1 SELEP has engaged with Government to further understand their concerns in relation and the implications of the Project being identified as a category 3 project. A copy of the Gate 1 submission of the Project Business Case has been shared with the Department for Transport and a response letter has been provided, as attached in Appendix 3.

8.2 Government has confirmed that it is for SELEP to consider, under its Assurance Framework, whether the Project addresses the concerns raised by Government in their provisional LGF funding allocation to the project.

8.3 The LGF Round 2 funding allocation letter identified concerns that the LGF investment in the Project may be considered as State Aid.

8.4 The Port has sought legal advice on this issue and such advice concludes that the works are not State Aid. Their advice is that the Highways Works project should be capable of proceeding on a “no aid” basis as general public realm infrastructure lacking selective benefit. This rests fundamentally on the facts showing that the funding will be spent on general public roads that are open to the public on a free and non-discriminatory basis, will be used for general purposes, and therefore are not specifically for the benefit of the commercial operations of the Port.

8.5 Further, traffic studies have shown that the requirement for the works is driven by growth in local traffic through the Dover District Council development plans and not through the DWDR project.

8.6 In the letter from Anthony Boucher at the Department for Transport (dated 20 January 2017) and attached in Appendix 3, the following comment is made:

*“In regard to state aid we are clear that funding for the construction or improvement of a public highway does not fall within state aid rules”.*

8.7 Based on the evidence presented, it is SELEPs view that Governments concerns about State Aid have now been addressed.

**9. Compliance with LGF Round 2 LGF funding allocation letter -  
Additionality of LGF investment**

9.1 The Department for Communities and Local Government is clear that the business case must *take into account the principles of additionality*.

9.2

Government has not clearly defined what it means by 'additionality'. It is interpreted by SELEP to refer to the fact that the Port of Dover is already committed to delivering the A20 junction improvements under its HRO. As a result, Government has advised SELEP that consideration should be given to the benefits which will be achieved through LGF investment in this Project, as the junction improvements will be delivered irrespective of the potential LGF allocation to the Project.

9.3 The works to deliver the A20 junction improvements are near completion. Therefore the allocation of funding is being made retrospectively. As such, the Port of Dover has been asked to demonstrate the additional benefits which will be enabled by an LGF investment in the Project.

9.4 In addition to the ITE review, the Department for Transport has reviewed the A20 Junction Improvements Business Case and has provided the following comment:

*"We have now had the opportunity to view the latest Business Case for the A20 Junction Improvement scheme and, in terms of the additionality question referred to (above), we note that both the Commercial and Financial Cases indicate that the A20 improvements works will be complete by February 2017. It appears that the works will, in all likelihood, be complete by the time of the SELEP Accountability Board is asked to make a final decision on whether to fund the scheme. The fact that the works will be complete and the funding therefore retrospective should be a key element in SELEPs consideration".*

9.5 The Port of Dover's legal advice has advised that, having established that State Aid does not apply to the A20 works, the State Aid rules with regard to additionality do not apply automatically. However, as part of this business case, the Port commits to demonstrating additionality for LGF investment through a voluntary commitment to the early delivery of a new marina which is currently planned as part of Phase 2 of the wider Dover Western Dock Revival Project.

9.6 The Project Business Case defines the new landmark marina on the seafront alongside the existing Prince of Wales pier and connecting to the listed heritage Wellington Dock, as a key part of the waterfront development. This marina will enhance the waterfront experience providing a modern and attractive marina which will attract more permanent berth holders and visitor yachts.

9.7 A curved pier into the harbour will provide the opportunity for leisure businesses (cafes, bars, restaurants and shops) to attract visitors to the



seafront and help create “destination Dover”. It is expected that this will build interest in the town and act as an enabler for further residential and retail development around the Wellington dock and seafront area which will be further complimented by the planned retail and leisure redevelopment at St James by Dover District Council.

- 9.8 The marina pier is due to be incorporated as part of Phase 2 of DWDR programme. By way of additionality the Port of Dover Board will commit to building the new marina pier, at an accelerated pace, by a date no later than 30 June 2020.
- 9.9 Phase 2 of DWDR has been granted planning permission, but no timescales for the delivery of Phase 2 have been agreed. If LGF investment is made in the A20 junction improvements, the Port provides a commitment to accelerate the Marina Pier as part of Phase 1 of the DWDR programme.
- 9.10 The commitment by the Port of Dover to bring forward the early delivery of the marina pier provides some evidence of additionality for LGF investment. However, as the LGF investment itself will be to support the delivery of the A20 junction improvements and not the delivery of the marina pier, accordingly the benefits of the marina pier have not been quantified in the Business Case development.
- 9.11 Without a clear definition of Government’s interpretation of additionality, there is some uncertainty as to whether the commitment by the Port of Dover to invest in the Marina Pier addressed Governments concerns. The delivery of the Marina Pier and the economic and regeneration benefits have been identified through the delivery of this infrastructure are aligned with SELEP’s strategic objectives.
- 9.12 Whilst the LGF Grant Award Letter stated that the LGF award to this Project is subject to “*a satisfactory assessment of delivery and risk and value for money by Central Government*“, the more recent letter from the Department for Transport confirms that the final LGF funding decision will be taken under SELEPs Assurance Framework.
- 9.13 In light of the comments from the Department for Transport and the Port of Dover’s response to demonstrate the additionality of LGF investment, the Board is asked to consider the case for LGF investment, with consideration for the Port of Dover’s commitments under the HRO and the near completion of the Project
- 9.14 In addition, it is recommended that should the Board approve the LGF allocation to the Project, this funding award should be subject to the Port of Dover committing to using their own funding sources to bring forward the early delivery of the Marina Pier and associated benefits.

## **10. Compliance with SELEP Assurance Framework**

- 10.1 Table 2 below considers the SELEP assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 10.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework, subject to the Board being satisfied with the Port of Dover's commitment to the Marina Pier providing sufficient evidence on the additionality of LGF investment in the Project.

*Table 2 SELEP assessment of the Business Case against the requirements of the SELEP Assurance Framework.*

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The ITE review of the project confirms that the objectives of the wider scheme (DWDR) align well with national/sub national/local objectives. Within this context, the A20 works, part of the scheme, do align well with strategic objectives.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		<p>The ITE review of the Business Case states that the "A20 scope of works is clearly defined since part of it has already been delivered. These works include the redevelopment of two roundabouts into signalised junctions".</p> <p>As the junction improvements have already been delivered, the Department for Transport letter calls the 'additionality' of LGF investment to be considered by the Board.</p> <p>The Port of Dover are providing a voluntary commitment to the early delivery of the marina pier as a means to demonstrating the additionality of LGF investment.</p>
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review confirms that the scheme is being delivered and therefore likely that key risks are being managed accordingly through contractual and governance arrangements.
A Benefit Cost Ratio of at least 2:1 or comply with		The updated Gate 2 assessment confirms that the project presents high

one of the two Value for Money exemptions		value for money with the A20 junction improvements project generating a BCR of 2.4:1 over a 20 year appraisal period and a BCR of 6.2:1 over a 30 year appraisal period.
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## 11. Financial Implications

- 11.1 The Board should note that it is imperative that they consider the additionality that this project offers in accordance with Lord Kerslake's requirements.
- 11.2 It should also be noted that whilst Port of Dover has agreed to bring forward the marina works SELEP has not had sight of when those works were originally planned to take place. Clearly any additionality value would be intrinsically linked to the value of time the project was brought forward by. If that value is not known, it is difficult to assess the additionality value.
- 11.3 The LGF funding award will not be contingent on the early completion of the marina works and therefore there is a risk that additionality could be lost. The Accountable Body advises that the SELEP Capital Programme Manager flags this risk within the risk monitoring process and reports on the progress to Accountability Board.
- 11.4 The transfer of funding will be made to Kent County Council under the current SLA arrangements. There is sufficient funding held for the allocation in this financial year.

## 12. Legal Implications

- 12.1 The Government have been very clear that there is an expectation on the Board to show that they have given due consideration to the issue of additionality in relation to this project. It has not, however, set out how that should be achieved.
- 12.2 The additionality is being put forward in the form of a verbal agreement that they will bring forward the delivery of the Marina Pier, which currently forms part of the Dover Western Docks Revival Programme. Currently there is no proposal for there to be a contractual obligation for them to deliver on this promise.
- 12.3 In view of the letters from Government, the expectation is for the Board to give consideration to the issue of additionality and therefore there is not the expectation that the award of funding is conditional on the Marina Pier being delivered. However, the Board might want to give consideration to entering into a Memorandum of Understanding, to formalise the verbal promises made.

## 13. Staffing and other resource implications

13.1 None at present.

#### **14. Equality and Diversity implications**

- 14.1 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.
- 14.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 14.3 In the course of the development of the Project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

#### **15. List of Appendices**

- 15.1 Appendix 1 – LGF Round 2 funding allocation letter from the Department for Communities and Local Government
- 15.2 Appendix 2 – Report of the Independent Technical Evaluator
- 15.3 Appendix 3 - Department for Transport Letter

#### **16. List of Background Papers**

- 16.1 Business Case for A20 Junction Improvements, as part of the Dover Western Docks Revival Project

**(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>  (On behalf of Margaret Lee)	16/02/17



## Department for Communities and Local Government

David Godfrey  
Executive Director  
South East LEP  
(by email)

Cc: Peter Jones (LEP Chair)

**Sir Bob Kerslake**  
*Permanent Secretary, DCLG*

***Department for Communities and Local  
Government***

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[www.gov.uk/dclg](http://www.gov.uk/dclg)

30 January 2015

Dear David

Yesterday the Government announced that as part of its long-term economic plan to secure Britain's future, the Government is investing a further £1 billion in Growth Deals with businesses and local authorities across England. The announcement was made by the Prime Minister, Greg Clark, and Lord Heseltine, the Government's advisor on Local Growth. This £1 billion is in addition to the £6 billion Local Growth Fund announced in July 2014.

Therefore it is timely, that I write to you today, in my capacity as Local Growth Fund Accounting Officer, to set out what the announcement means for the South East Local Enterprise Partnership (LEP) and my expectations of what now needs to be done.

The South East Local Enterprise Partnership has agreed an expansion to its Growth Deal with the Government which will see an extra £46.1 million invested in the area between 2016 and 2021. This is in addition to the £442.2 million of funding committed by the Government on 7 July 2014.

I know that LEPs have been working long and hard to meet tight deadlines to allow this expansion of the Growth Deals to be announced. Because of this and the long term nature of projects put forward, it was not feasible in all cases for LEPs to develop business cases or complete value for money assessments in advance of the announcement. Therefore, the projects included in the Growth Deals announced yesterday fall broadly into three categories.

1. LEP strategic priority projects with a business case, where delivery and risk, and value for money, have been assessed as satisfactory by Central Government prior to July 2014.
2. LEP strategic priority projects that have not yet been assessed for delivery and risk and value for money by Central Government and are still subject to such an assessment.
3. Other projects where further discussions are required, including feasibility and delivery, other potential sources of funding, and business case assessment including value for money.

Where LEPs have projects included in their Growth Deal that fall in to the second and third categories, I need to be very clear that while the overall funding allocation to the LEP is

confirmed, the funding for these particular projects remains provisional until further required work is complete, in particular, a satisfactory assessment of delivery and risk and value for money by Central Government.

In addition, all business cases will need to be scrutinised according to the LEP assurance framework published in December 2014, or, for some larger projects, additional business case scrutiny by central Government.

<https://www.gov.uk/government/publications/local-enterprise-partnership-lep-national-assurance-framework>.

Where projects are being progressed which will support private sector businesses, including the provision of skills, the LEP will need to provide a clear model for coordinating and simplifying the service so that it joins up national, local, public and private provision, creating a seamless customer experience for businesses. LEPs progressing innovation focused projects will also need to work with national partners on the development of these projects to ensure that they have maximum impact at both the local and the national level, and that they complement and don't duplicate existing activity, particularly the Catapult network.

As part of the South East Growth Deal announced yesterday, the following projects are included:

*Project included in Category 1 above*

- Better transport connectivity in Chelmsford city centre, improving flow and access, reducing congestion, encouraging cycling and walking and enabling the provision of up to 1560 new homes and 1770 jobs;

*Project included in Category 2 above*

- Regeneration of the town centre in Purfleet, linked to investment in new film, TV, media studio development and creating in the initial phase up to 530 homes and 200 jobs;
- The Southend and Rochford Joint Area Action Plan, which provides for further expansion of London Southend Airport onto a 55-acre, greenfield to create a high end Business Park and 858 homes and up to 2600 new jobs;
- New lorry parking capacity in the M20 corridor, alleviating congestion, tackling Operation Stack, and facilitating new housing and up to 300 jobs;
- Growth in the advanced manufacturing sector through the provision of new employment (up to 300 jobs) and innovation space at Rochester Airport;
- Mixed-use redevelopment of Folkestone seafront to provide up to 500 jobs, 300 homes, improved leisure facilities and public realm;
- A scheme to protect from flood over 1000 commercial and residential properties and enable 800 new jobs and 250 new homes in Chelmsford city centre;
- Provision of site infrastructure at Bexhill Enterprise Park to enable development of new business space, accommodating up to 426 jobs and 400 new homes

- Infrastructure work (new access road and junction) at Swallow Business Park near Hailsham, East Sussex, to develop new business space and up to 462 jobs;
- Provision of new business space at Sovereign Harbour in Eastbourne and up to 875 jobs; and
- Strategic intervention in housing and property markets in key locations across the South East to help restore markets and promote economic regeneration.

Where the related release of funding remains provisional until such time as the Government assessment referred to above is satisfactorily completed:

Projects included in Category 3 above

- Relocation of an existing marina and improved highway connections to permit expansion of cargo-handling facility and regeneration of waterfront at Dover, leading to 100 new homes and the creation of 500 jobs. *On this scheme it is important that the full business case takes due account of additionality principles given the Port Of Dover's existing commitment to implementing the proposed road improvements, and any state aid implications, and that the LEP considers these when progressing the scheme through its assurance framework.*
- Investment in signalling at Ashford International railway station to help secure international rail services at Ashford and up to 2000 jobs. *On this scheme is important that the full business case takes due account of any potential state aid implications, technical deliverability, operating costs and risk, and impacts on the national European Train Control System (ETCS) programme. The LEP will therefore need to demonstrate it has fully considered and addressed these issues when progressing the scheme through its assurance framework.*

All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations. In addition, as we have previously indicated, the LEP and its accountable body must be mindful of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010. They should have regard to these requirements when apportioning Local Growth funding.

Should you wish to discuss any aspect of this letter, please contact your local Relationship Manager.

Yours sincerely,



**SIR BOB KERSLAKE**









Independent Technical  
Evaluator – Growth Deal  
Business Case Assessment  
(Late Q4 2016/17)

Accountability Board Report  
February 2017

South East Local  
Enterprise Partnership

Our ref: 22790505

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Steer Davies Gleave has prepared this work for South East Local Enterprise Partnership. This work may only be used within the context and scope of work for which Steer Davies Gleave was commissioned and may not be relied upon in part or whole by any third party or be used for any other purpose. Any person choosing to use any part of this work without the express and written permission of Steer Davies Gleave shall be deemed to confirm their agreement to indemnify Steer Davies Gleave for all loss or damage resulting therefrom. Steer Davies Gleave has prepared this work using professional practices and procedures using information available to it at the time and as such any new information could alter the validity of the results and conclusions made.

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# 1 Independent Technical Evaluation of Q4 2016/17 starting Growth Deal Schemes

## Overview

- 1.1 Steer Davies Gleave and SQW were reappointed by the South East Local Enterprise Partnership in April 2016 as Independent Technical Evaluators. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and decisions on investment to independent scrutiny.
- 1.2 This report is for the review of Full Business Cases for schemes which are seeking approval for Local Growth Funding allocated through Rounds 1 and 2. Funding through the Recommendations are made for funding approval on 24<sup>th</sup> February 2017 by the Accountability Board and the Section 151 Officer at Essex County Council as Accountable Body, in line with the South East Local Enterprise Partnership's own governance.

## Method

- 1.3 The review provides comment on the Business Cases submitted by scheme promoters, and comment on the strength of business case, the value for money being provided by the scheme, as set out in the business case and the certainty of that value for money.
- 1.4 Our role as Independent Technical Evaluator is not to purely assess adherence to guidance, nor to make a 'go' / 'no go' decisions on funding, but to provide information to the South East Local Enterprise Partnership Board to make such decisions, based on independent, technical expert, clear, and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where there is uncertainty in the value for money assessment.
- 1.5 The assessment is based on adherence of scheme business cases to Her Majesty's Treasury's *The Green Book: Appraisal and Evaluation in Central Government*<sup>1</sup>, and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance), The Department for Communities and Local Government Appraisal Guide, or the Homes and Communities Agency's *The Additionality Guide*. All guidance provides proportionate methodologies for scheme appraisal (i.e. business case development).
- 1.6 Pro forma have been developed based on the criteria of *The Green Book*, a 'checklist for appraisal assessment from Her Majesty's Treasury, and WebTAG. Assessment criteria were removed or substituted if not relevant for a non-transport scheme.
- 1.7 Individual criteria were assessed and the given a 'RAG' (Red – Amber – Green) rating, with a summary rating for each case. The consistent and common understanding of the ratings are as follows:
- **Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
  - **Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment, but should be amended in future submissions (e.g. at Final Approval stage).
  - **Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before Gateway can be passed.

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<sup>1</sup> Source: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220541/green\\_book\\_complete.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf)

1.8 The five cases of a government business case are:

- **Strategic Case:** demonstration of strategic fit to national, Local Enterprise Partnership and local policy, predicated upon a robust and evidence-based case for change, with a clear definition of outcomes and objectives.
- **Economic Case:** demonstration that the scheme optimises public value to the UK as a whole, through a consideration of options, subject to cost-benefit analysis quantifying in monetary terms as many of the costs and benefits as possible of short-listed options against a counterfactual, and a preferred option subject to sensitivity testing and consideration of risk analysis, including optimism bias.
- **Commercial Case:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
- **Financial Case:** demonstration of how the preferred option will be fundable and affordable in both capital and revenue terms, and how the deal will impact on the balance sheet, income and expenditure account, and pricing of the public sector organisation. Any requirement for external funding, including from a local authority, must be supported by clear evidence of support for the scheme together with any funding gaps.
- **Management Case:** demonstration that the preferred option is capable of being delivered successfully in accordance with recognised best practice, and contains strong project and programme management methodologies.

1.9 In addition to a rating for each of the five cases, comments have been provided against Central Government guidance on assurance – **reasonableness** of the analysis, risk of error (or **robustness** of the analysis), and **uncertainty**. Proportionality is applied across all three areas.

1.10 Assessments were conducted by a team of transport and economic planning professionals, and feedback and support has been given to scheme promoters throughout the process through workshops, meetings, telephone calls and emails in December 2016 and January and February 2017.

## 2 Evaluation Results

### Gate 2 Results

- 2.1 Table 2.1 below provides the results of our independent and technical evaluation of each scheme seeking funding approval on 24<sup>th</sup> February 2017 by the South East Local Enterprise Partnership Accountability Board. It includes both our interim assessment ('Gate 1 Assessment') of each Outline Business Case and the subsequent final assessment of the Full Business Case ('Gate 2 Assessment'). More detailed feedback has been issued to each scheme promoter and the secretariat of the South East Local Enterprise Partnership using a standard transport and non-transport assessment pro forma.

### Summary Findings and Considerations for the Board

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

#### Business Case Development

- 2.3 Steer Davies Gleave's commission as independent technical evaluator includes a role to conduct 'Gate 0' discussions with scheme promoters prior to submission of the business case to offer advice on business case approach and compliance. These meetings allow early identification of any material issues within draft or preliminary business cases and have been observed to improve the quality of submissions to the formal gate review process. Scheme promoters should contact Rhiannon Mort (Capital Programme Manager) if they would like to have a 'Gate 0' discussion.
- 2.4 Scheme promoters are often carrying out well considered **economic appraisals** to assess the value for money of the scheme. However, in order to show the resilience of the value for money, sensitivity testing is a requirement that is often overlooked, as well as inclusion of optimism bias and contingency (informed by experience and/or a quantified risk assessment).
- 2.5 In addition, as part of **economic cases**, scheme promoters are reporting the headline figures from the appraisal modelling that has been carried out, but often the appraisal spreadsheets are not being submitted. We recommend that scheme promoters provide **appraisal spreadsheets** alongside their gate 1 submission. Providing this information any later in the process reduces the time available to resolve any issues identified.
- 2.6 The **management case** is often lacking a full benefits realisation plan and more consideration should be given to monitoring and evaluation plans. As far as possible scheme promoters should align monitoring and evaluation frameworks to the metrics which SELEP is required to report back to central government at a programme level.
- 2.7 Finally, if scheme promoters submit appendices or business cases that contain commercially sensitive material, we request this is made clear to Steer Davies Gleave (Independent Technical Evaluator) and Rhiannon Mort (SELEP Capital Programme Manager) to ensure that these sections are redacted before the business case is published.

#### Recommendations

- 2.8 The following scheme achieves high value for money with high certainty of achieving this:
- **A131 Chelmsford to Braintree Corridor Route-Based Study (£3.66m):** This intervention delivers a package of schemes to provide highways capacity, passenger transport and safety improvements for the Chelmsford to Braintree corridor identified from a Route Based Strategy study. The analytical work carried out is comprehensive and has been carried out in a robust and auditable manner, and informs a strong business case.

- 2.9 The following scheme achieves high value for money with medium to high certainty of achieving this:
- **Dover Western Docks A20 Works (£5.0m):** The A20 junction works scheme delivers a BCR of 2.4:1 over a twenty year appraisal period, rising to 6.2:1 over thirty years. This assessment follows standard WebTAG transport appraisal guidance and sensitivity tests to a range of assumptions have been undertaken. It has not been possible to verify the outputs of the VISSIM model used to estimate travel times in each scenario, but we take some reassurance from the fact that Highways England and their consultants have reviewed and responded positively to a Local Model Validation Report submitted in 2015. On the basis that it delivers high value for money the scheme meets the requirements for funding set out in the SELEP Assurance Framework. However, the Accountability Board may wish to reflect on the genesis of the scheme (as a condition associated with granting of the Harbour Revision Order) and note that the works are near-complete before reaching a funding determination.
- 2.10 The following scheme achieves high value for money with medium certainty of achieving this:
- **London Gateway / Stanford-le-Hope (£7.5m):** This intervention delivers an integrated package of works to create a new transport interchange and redeveloped station at Stanford-le-Hope. While the scheme has a high BCR of 9.4:1, the benefits of the scheme are expressed in GVA terms rather than the standard welfare terms required by the HMT Green Book. Adjusting for this would reduce the BCR of the scheme, but it would remain high value for money. For these reasons there remains some uncertainty around the value for money of the scheme.
- 2.11 The following schemes achieve borderline high value for money, with low to medium certainty of achieving this. While there is nothing to suggest that the balance of risk points in either direction, we note that value for money categorisation will be very sensitive to any net downside risks. As a consequence, we invite the Accountability Board to consider this risk before determining whether or not to approve funding for the schemes.
- **Hailsham / Polegate / Eastbourne Movement and Access Corridor (£2.1m):** An integrated package of junction improvements, public transport, and cycling and walking infrastructure
  - **Coastal Communities Housing-led Regeneration (£2.0m):** Intervention strategies for Jaywick, Cliftonville West and Hastings St Leonards designed to address areas of intense deprivation associated with particular neighbourhoods dominated by poor quality private rented housing, high levels of benefit dependency, and social problems.
  - **Kent Strategic Congestion Management Programme 2017/18 (£0.8m):** Due to small-scale nature of proposed interventions, a quantified assessment methodology has not been used. A qualitative approach in-line with the DfT Appraisal Summary Table has been followed and, based on other schemes and experience, it is estimated that the combination of schemes would be medium to high VfM.
- 2.12 The following scheme achieves low value for money, with high certainty of achieving this.
- M20 J10a (£19.7m):** A WebTAG-compliant transport appraisal has been carried out. This is reflective of the complex nature of the scheme and provides a robust assessment of both the transport benefits and economic development benefits that will be accrued as a result of this scheme. Following completion of the business case for the scheme (upon which the ITE assessment was undertaken), the value for money of the scheme has worsened, as set out in a recent letter to SELEP. In isolation, the junction works achieve poor value for money with an initial BCR of 0.8:1. The adjusted BCR improves to 1.4:1 when taking into account the value of dependent development, which balances the rise in land values due to additional development with the transport external costs due to the additional associated traffic. This also includes the wider impact of agglomeration and of output change in imperfectly competitive markets, and suggests low value for money.



**Table 2.1: Gate 1 & 2 Assessment of Growth Deal Schemes seeking Approval for Funding for Q4 2016/17**

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
A131 Chelmsford to Braintree Route Based Study	3.66	Gate 1: Not provided	Green	Amber	Green	Amber	Green/ Amber	The approach to measuring the value for money is not proportionate to the value of the scheme. Only one part of the package has been subjected to CBA. Further analysis is required	Analysis for the small part of the scheme that has been assessed is robust, but this does not provide a full picture of the value for money of package which seeks funding.	The limited extent of analysis carried out in the economic case means that there is uncertainty around the value for money of scheme.
		Gate 2: 7	Green	Green/ Amber	Green	Green	Green/ Amber	All of the schemes have been assessed and a BCR for the entire package has been generated. This is a reasonable and proportionate approach.	The work carried out is comprehensive and has been carried out in a robust and auditable manner.	The uncertainty around value for money has been removed with an extension to the economic appraisal.
London Gateway / Stanford-le-Hope	7.5	Gate 1: Not provided	Green/ Amber	N/A	Amber	Amber	Red	The business case is limited in its development with a lack of economic and management case preventing the assessment of reasonableness of analysis	The economic case has not yet been developed	Due to the information contained in the business case being very limited there is significant uncertainty about the value for money and deliverability of the scheme.

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Dover Western Docks	5.0	Gate 2: 9.4 (GVA based)	Green/ Amber	Red/ Amber	Amber	Amber	Red/ Amber	The approach is reasonable and proportionate, though further detail is required.	The broad approach of the economic case has been set out, but there is still further work required to justify the assumptions being employed.	The contents of the management and economic cases is still very limited. For this reason there is uncertainty around the deliverability and value for money of the scheme.
		Gate 2 Update: 9.4 (GVA based)	Green	Green	Green	Green	Green	The case is comprehensively put together and is built upon a reasonable and proportionate methodology.	Further work has been done to provide justification for the assumptions employed in the economic and financial cases.	Significant additions have been made to the business case which have clarified the elements around which there was uncertainty.
		Gate 1: Not provided	Amber	Red	Green	Red/ Amber	Green/ Amber	There are concerns around the modelling approach. Journey time benefits are being claimed for the scheme from a junction that is not part of the LGF funded package.	The analysis is broadly robust though further explanation of the assumptions framing the economic case need to be provided.	The economic appraisal methodology creates uncertainty around the value for money of the scheme though.
		Gate 2: Not provided	Green/ Amber	Red/ Amber	Green	Green/ Amber	Green/ Amber	The issues around modelling approach remain and this makes it impossible for us fully assess the value for money of the scheme.	The further work on the economic appraisal still lacks a clear explanation of the assumptions.	As above.

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Hailsham / Polegate / Eastbourne Movement and Access Corridor	2.1	Gate 2 Update: 6.2	Green/ Amber	Green/ Amber	Green	Green/ Amber	Green/ Amber	Significant work has been done to alter the approach to the economic appraisal of the scheme. This now provides a reasonable consideration of costs and benefits.	Assumptions have been more clearly articulated. Further assurance of robustness has been provided by the fact that Highways England have judged the model sound basis upon which to test options and scenarios to gain an understanding of changes in traffic behaviour	The uncertainty around the economic appraisal methodology has been removed.
		Gate 1: 2.19 (for whole package)	Green/ Amber	Red/ Amber	Green/ Amber	Green/ Amber	Amber	Analysis carried out is reasonable and proportionate.	Robust methodology has been employed in the business case, though further work is required to isolate the Value for Money of Phase 1 (for which funding is being sought) from the rest of the package.	The business case is clear and well considered. Further work is required on the risk register and stakeholder management plan to demonstrate deliverability of the scheme.
		Gate 2: 2.01 (for Phase seeking funding)	Green	Green	Green	Green/ Amber	Green/ Amber	No change required.	Economic appraisal work has been adapted to isolate the Value for Money of Phase 1.	A more comprehensive risk register and stakeholder management plan have been developed. The BCR has come down to 2.01. This has reduced certainty of the scheme providing high value for money.

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Coastal Communities Housing-led Regeneration	2.0	Gate 1: Not provided	Green/ Amber	Red/ Amber	Amber	Amber	Green	The approach is based primarily on construction impacts. This does not fully value the benefits of the scheme.	The analytical approach to construction impact valuation is robust. Further analysis is needed to provide a fuller assessment of the scheme.	There is significant uncertainty around the value for money of the scheme as the full benefits of the scheme have not been assessed.
		Gate 2: 2.15	Green/ Amber	Green/ Amber	Green	Green/ Amber	Green	A revised approach has looked at the wider benefits of the scheme. This is a more reasonable approach.	The analysis of the wider benefit of the scheme is robust.	Further analysis has reduced this uncertainty. However, the value for money of some elements of the scheme are medium.
		Gate 1: Not provided	Red/ Amber	Red/ Amber	Green	Amber	Green/ Amber	Qualitative approach has been taken which is proportionate given the value of the LGF requirement.	The qualitative approach includes benchmarking of the scheme to demonstrate value for money. More compelling strategic case is required.	There is uncertainty regarding the value for money as a result of a qualitative approach being taken to the economic appraisal.
Kent Strategic Congestion Management Programme 2017/18	0.8	Gate 2: Not provided	Green/ Amber	Green/ Amber	Green	Green/ Amber	Green/ Amber	As above	Additional work has been carried out to strengthen the strategic case	The uncertainty still remains, but a strengthened strategic case ensures that the scheme fulfils the requirements which follow exemption from quantitative economic appraisal.

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
M20 Junction 10a	19.7	Gate 3: 0.8 (1.4 adjusted).	Green	Amber	Green/ Amber	Amber	Green/ Amber	Reasonable analysis has been carried out. A WebTAG appraisal and a DCLG land value uplift appraisal approach have been employed. This is reflective of the complex nature of the scheme.	The business case has broadly been applied robustly. Some of the financial case assumptions have not been clearly justified, but given the rigour of the Highways England cost estimation process this does not raise concerns.	It has not been possible to comment on the time consistency of the funding provision as this part of the case is redacted. Therefore, SELEP may wish to seek further clarity regarding funding coverage.

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20 January 2017

By email to:  
adam.bryan@essex.gov.uk

Dear Mr Bryan

**A20 Junction Improvements**

The Government has previously set out in correspondence to the SELEP regarding this scheme that it would be *“important that the full business case takes due account of additionality principles given the Port Of Dover’s existing commitment to implementing the proposed road improvements, and any state aid implications, and that the LEP considers these when progressing the scheme through its assurance framework.”*

We have now had the opportunity to view the latest Business Case for the A20 Junction Improvement scheme and, in terms of the *additionality* question referred to above, we note that both the Commercial and Financial Cases indicate that the A20 improvement works will be complete by February 2017. It appears that the work will, in all likelihood, be complete by the time the SELEP Accountability Board is asked to make a final decision on whether to fund the scheme. The fact that the work will be complete and the funding therefore retrospective should be a key element in SELEPs consideration.

In regard to *state aid* we are clear that funding for the construction or improvement of a public highway does not fall within state aid rules.

We understand that the business case for the A20 Junction Improvement scheme will be considered at the SELEP Accountability Board on the 24<sup>th</sup> February and we hope the LEP will find these comments helpful.

Yours sincerely,

**Anthony Boucher**  
Deputy Director: Local Infrastructure Division





<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/72
<b>Date of Accountability Board Meeting:</b> 24 <sup>th</sup> February 2017	
<b>Date of report:</b> 2 <sup>nd</sup> February 2017	
<b>Title of report: LGF Funding approval M20 Junction 10a</b>	
<b>Report by: Rhiannon Mort, SELEP Capital Programme Manager</b>	
<b>Enquiries to:</b> rhiannon.mort@essex.gov.uk	

## 1. Purpose of report

- 1.1. The purpose of this report is to seek Accountability Board (the Board) approval for the award of Local Growth Fund (LGF) to the M20 Junction 10a project (the Project) in Ashford, Kent.

## 2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Approve** the award of £8.3m LGF funding to the Project to support the Development Phase, based on the Highways England assurances as set out in paragraph 9.5.

- 2.1.2. **Approve** the remaining £11.4m LGF allocation to the Project to support the Construction Phase of the Project subject to:

- i. Highways England providing evidence , as set out in paragraph 12.4, that a robust Value for Money assurance process has been followed and a funding decision has been made by Highways England's Investment Decision Committee (IDC) to approve the project in full; and
- ii. Sufficient funds being made available to the South East Local Enterprise Partnership (SELEP) by Government for the future year LGF allocation to the Project.

- 2.1.3. **Note** that the signing of the fund agreement to transfer £11.4m LGF from SELEP to Highways England to support the Construction Phase of the Project is subject to evidence being provided to the Board that the condition 2.1.2 (i) has been satisfied.

## 3. M20 Junction 10a – The Project

- 3.1 The M20 Junction 10a is a Highways England led project, with third party funding support from SELEP and Ashford Borough Council.

- 3.2 The proposed new junction aims to support local infrastructure needs as part of the future growth plans to the South of Ashford, Kent. The planned growth will include associated improvements in education, leisure, retail and commercial development as well as better travel options and sustainable transport links.
- 3.3 The recent developer-funded improvements to the existing M20 Junction 10, to increase the capacity and improve safety, will allow some planned residential and commercial development to go ahead, but will not be sufficient for all the proposed development.
- 3.4 The new 10a junction will form part of the motorway, incorporating a new 2-lane dual carriageway link road to the existing A2070 Southern Orbital Road (Bad Munstereifel Road).and will involve, once completed the closure of the eastern slip roads on the nearby existing Junction 10. In order to achieve this there will also be related highway works in the surrounding area to allow the new motorway junction to be integrated into the surrounding trunk and classified road network.
- 3.5 In addition to the new interchange, the Project includes a new pedestrian and cycle bridge over the M20 to the east of the new Junction 10a. This will provide a link between Kingsford Street on the south side of the motorway to the A20 on the north side. There will also be a replacement footbridge over the A2070 at Church Road, and a new retaining wall at Kingsford Street.

#### **4. Project Objectives**

- 4.1. The objectives of the Project are to:
  - 4.1.1. Increase the capacity of the road network to support and allow the delivery of residential and employment development either proposed or permitted within the Ashford growth area.
  - 4.1.2. Improve the safety of road users by alleviating congestion around the existing Junction 10 whilst creating the opportunity to enhance local transport facilities for non-motorised users.
  - 4.1.3. Provide a new route for traffic into Ashford via a new Junction (10a) and dual carriageway link road.
  - 4.1.4. Minimise the environmental impact and where possible allow enhancements to be made to the environment; and
  - 4.1.5. Improve journey time reliability on the strategic road network.

#### **5. Stage of Development**

- 5.1. As the Project has been categorised as a Nationally Significant Infrastructure Project (NSIP), before development consent can be granted a Development Consent Order (DCO) application is required, in which the Planning

Inspectorate will make recommendations to the Secretary of State on whether development consent should be granted..

- 5.2. A DCO application for the Project has now been submitted to the Secretary of State for Transport (SoS) through the Planning Inspectorate in accordance with the Planning Act 2008, Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 and Advice Note Six issued by the Planning Inspectorate.
- 5.3. A preliminary meeting took place on the 2<sup>nd</sup> December 2016 to start the Planning Inspectorate Examination process. The DCO is due to be determined by December 2017.
- 5.4. Alongside the DCO process, Highways England are continuing with the Delivery Phase of the project, including a review of scheme costs, with the intention for the Project to progress to the construction phase, subject to the approval of the DCO and approval of the project by Highways England's Investment Decision Committee (see Section 12 below).

## **6. Funding allocation**

- 6.1. The total cost of the Project is currently estimated at £104.4m.
- 6.2. Further work is now being completed by Highways England through the design stage of the Project to seek opportunities to reduce the total Project cost. The outcome of this work is expected to be completed in Q3 2017/18.
- 6.3. In addition to the £19.7m LGF allocation to the Project, there is also a £16m funding contribution to the Project from Ashford Borough Council. A funding solution has been identified for the Department for Communities and Local Government to assist Ashford Borough Council in providing this funding commitment to the Project. The remaining Project costs are to be funded by Highways England.

## **7. Business Case and Value for Money assessment**

- 7.1. A Business Case has been developed by Highways England for the Project.
- 7.2. The initial Benefit Cost Ratio (BCR) for the Project is categorised as Poor, at 0.77:1. This initial BCR takes into consideration the benefits of the Project in the form of travel time savings and savings due to reductions in delay at the junction. These figures include accident savings from the Project, with background growth and local developments capped at 421 jobs. This analysis does not consider the impact of the project in unlocking new residential and commercial development.
- 7.3. When the Wider Economic Impacts of the Project, in enabling future development, are considered as part of the adjusted BCR, the BCR increases to 1.41:1; which represents low value for money. This adjusted

BCR value takes into consideration the impact of the project in enabling development to take place which is dependent on the improvements to M20 Junction 10a being delivered and other Wider Economic Impacts.

- 7.4. In addition to the impacts included in the quantitative assessment of the Project's economic case, there are also non-monetised impacts. There will be an adverse impact on landscape and the associated impacts on nearby important buildings. The Highways England Environment group indicate that these impacts are not sufficiently large so as to warrant a reduction in the value for money category.
- 7.5. The adjusted BCR value indicates that whilst the project benefits exceed the cost of investment, the project is categorised as presenting low Value for Money. As such, the project is being considered for approval under the Value for Money Exemption 2 of the SELEP Assurance Framework.
- 7.6. Exemption 2 of the Assurance Framework can be applied where a project does not demonstrate a High Value for Money (a BCR of over 2:1), but has a BCR of over 1:1, if the following conditions are satisfied:
  - 7.6.1. There is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP; and
  - 7.6.2. There is demonstrable additionality which will be achieved through investment to address a clear market failure; and
  - 7.6.3. There are no project risks identified as high risk and high probability after mitigation measures have been considered; and
  - 7.6.4. There are assurances provided from the organisations identified below that the project business case, including value for money, has been considered and approved for funding through their own assurance processes.
    - (1) A Government Department;
    - (2) Highways England;
    - (3) Network Rail;
    - (4) Environment Agency; or
    - (5) Skills Funding Agency.
- 7.7. The ITE review of the Business Case and the assurances provided by Highways England confirms that the project fits with the conditions for approval under Value for Money Exemption 2, as demonstrated in Table 1 below.

<p><b>Condition 7.6.1</b> There is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP.</p>	<p>The ITE review has assessed the projects Strategic Case as Green, indicating that there is a compelling strategic case for the investment of LGF in this project. Specifically the ITE review gives reference to the benefits of the project in reducing congestion at</p>
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	the existing M20 Junction and is a catalyst to deliver housing growth in the area, which are set out in the Project Business Case.
<p><b>Condition 7.6.2</b></p> <p>There is demonstrable additionality which will be achieved through investment to address a clear market failure</p>	The ITE review of the Business Case confirms that M20 J10a scheme is being promoted as a key transport requirement in support of future development south of Ashford and allowing additional housing development to be delivered.
<p><b>Condition 7.6.3</b></p> <p>There are no project risks identified as high risk and high probability after mitigation measures have been considered.</p>	Highways England has verbally confirmed that there are no project risks identified as high risk and high probability after mitigation measures have been considered.
<p><b>Condition 7.6.4</b></p> <p>There are assurances provided [by Highways England] that the project business case, including value for money, has been considered and approved for funding through their own assurance processes</p>	Highways England has provided assurances that the project business case, including value for money, has been considered and approved for funding through their own assurance processes, to the completion of the Development Phase of the Project.

7.8 In considering the award of LGF to the Project under Exemption 2 of the Assurance Framework, the Board are placing reliance on Highways England's Value for Money assurance and project approval processes.

## 8. Highways England Value for Money Assurance Process

- 8.1. The Project was considered by Highways England's IDC on the 14<sup>th</sup> June 2016 and the Project was approved to progress to the completion of the Development Phase. This decision was based on an estimated total cost of £97.5m (with a range estimate of between £86.6m and £120.4m) and a BCR value of 1.57:1, categorised as medium value for Money.
- 8.2. Following this decision by the IDC, further analysis of the Projects economic case reduced the BCR value from 1.57:1 to 1.41:1, reducing the categorisation to low Value for Money. The total cost estimate has also been revised to £104.4m (with a range estimate of between £91.9m and £130.2m)
- 8.3. A further funding decision was therefore sought from the IDC on the 18th August 2016. A decision was taken that the Project should continue to the

completion of the Development Phase whilst Highways England investigates ways of improving benefits and/or reducing the costs to improve the BCR.

- 8.4. This position is set out in the letter of assurance provided by Highways England, in Appendix 3.
- 8.5. To support the Board decision to award LGF to support the development of the Project, the following assurances have been provided by Highways England:
  - 8.5.1. M20 Junction 10a - Analytical Assurance Statement (Appendix 1)
  - 8.5.2. M20 Junction 10a - Value for Money Statement (Appendix 2)
  - 8.5.3. Highways England Letter of Assurance (Appendix 3)
  - 8.5.4. M20 Junction 10a Business Case (Support document)
- 8.6. Highways England is required to ensure that their programme of investment achieves high Value for Money. As such, there is a risk that Highways England IDC will not approve the project for delivery if the BCR cannot be increased. Grant Agreements to transfer LGF between SELEP Accountable Body and Highways England will therefore include a payback clause if the Project is not delivered.

## 9. Highways England Analytical Assurance Statement

- 9.1. The Highways England Analytical Assurance Statement is included in Appendix 1 states that due to uncertainties and the degree to which developments may be dependent on the new junction, the economic case carries some risk and therefore there is some scope for challenge to the analysis. However, Highways England is carrying out work with experienced consultants, and quality assurance has been provided by the consultants' standard procedures.
- 9.2. Overall, the assurance around the production of the analysis supporting the current business case is medium due to the quality of the traffic model for forecasting and subsequent economic assessment. However it is considered that the appraisal is proportional and adequate for the scheme under consideration.

## 10. Highways England Value for Money Statement

- 10.1. The Highways England Value for Money Statement is included in Appendix 2 and confirms that the adjusted Benefit to Cost Ratio (BCR) for this improvement marginally exceeds 1.4:1, indicating a **low** value for money rating. Given the fact that the analytical assurance of this analysis has been judged as **medium**, it is possible, although not considered likely, that the value for money category could drop to Poor.

10.2. The Value for Money Statement was agreed on 25<sup>th</sup> May 2016 by Highways England's Value for Money Auditor and updated on the 1<sup>st</sup> August 2016.

### **11. Assurance to support full LGF allocation**

11.1. Highways England has approved the Project to the end of Development Phase and further approvals are sought from their IDC to approve the Construction Phase of the Project. It is expected that these approvals will be sought in November 2017.

11.2. The LGF decision is being based on assurances from Highways England that the Project business case, including value for money, has been considered and approved for funding through their own assurance processes.

11.3. As such, a Board decision to award funding to the Project is subject to Highways England providing evidence that a robust Value for Money assurance process has been followed and funding decision has been made by the IDC to approve the Project in full.

11.4. The evidence which SELEP seeks to ensure that a robust Value for Money and funding decision has been made by Highways England is as follows:

- i. Updated Value for Money Statement
- ii. Updated Analytical Assurance Statement
- iii. Minutes of the meeting from the IDC meeting where the decision is agreed.

### **12. SELEP ITE Gate 3 Review**

12.1. The SELEP Assurance Framework sets out the requirements for an Independent Technical Evaluation (ITE) Gate 3 review of the Business Cases for schemes where the Business Case is being developed by another Government Department or Statutory Body.

12.2. In these instances, the role of the Independent Technical Evaluator is to review the business case and provide professional advice to the Accountability Board of any key risks or issues arising from that assessment that need to be considered by the board to support the associated decision for funding.

12.3. The ITE review of the Business Case confirms that a sensible and proportionate methodology has been applied. A WebTAG appraisal and a DCLG land value uplift appraisal have been carried out. This is reflective of the complex nature of the scheme and provides a robust assessment of both the transport benefits and economic development benefits that will be accrued as a result of this scheme.

- 12.4. The business case provides a thorough description of the scheme both in terms of the transport context as well as being an enabler for housing delivery in the area.
- 12.5. Local and Regional Growth will place more stress on M20 J10, which is already recognised as a 'hot-spot'. Faced with this growth the existing M20 Junction 10 will suffer from further congestion and long delays in the future if additional capacity is not provided.
- 12.6. Further to this, the Project will be a catalyst to deliver housing growth in the area. Given the transport network constraints, housing development in the area has not kept up with demand and supply has been suppressed as a result of the transport network being at capacity.
- 12.7. In the summary comments, however, the ITE review has flagged some uncertainties due to:
- i. Insufficient detail being provided about project risks and responsibilities for their management and mitigation
  - ii. No monitoring and evaluation framework having been included in the Business Case or made available to SELEP.; and
  - iii. Contingency has not been explicitly considered in the financial case, although it is noted that this may be captured within the qualified risk assessment costs.
- 12.8. To mitigate these risks, SELEP will work with Highways England to ensure that,
- (i) projects risks are clearly identified and reported to the Board through the quarterly LGF programme management updates,
  - (ii) a monitoring and evaluation plan is developed for the Project and (iii) Highways England's review of the Project's costs include an appropriate level of contingency.

### **13. Compliance with SELEP Assurance Framework**

- 13.1. Table 2 below considers the SELEP assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.



*Table 2 SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework*

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		<p>The ITE review of the Business Case confirms that the scheme objectives align well with national, subnational and local policy objectives – promoting sustainable economic growth, and prosperity.</p> <p>The project objectives are set out in Section 5 above.</p>
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		<p>The projects outputs and outcomes are defined.</p> <p>The ITE review confirms that the economic assessment of the projects benefits has been undertaken using a strategic model and standard economic appraisal techniques (TUBA) following WebTAG.</p> <p>Through Highways England’s assurance of the project’s Value for Money Case, it is expected that additionality, displacement and deadweight have been considered to the extent required by DfT’s WebTAG.</p>
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		<p>The ITE review of the Business Case has RAG rated the management case as green (indicating a low level of uncertainty). The review of the Business case confirms that there is a Project Steering Group, Project Board, Core Management Team and Design Delivery team. This gives us assurance that the deliverability of this scheme has been sufficiently considered and a work programme is provided with milestones and key dependencies, itemised by project stage.</p> <p>SELEP will work with Highways England to ensure that a monitoring and evaluation plan and detailed risk register</p>

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
		is completed for the project during the Development Phase of the Project.
A Benefit Cost Ratio of at least 2:1 or comply with one of the Value for Money exemptions.		The Project does not demonstrate a High Value for Money (of at least 2:1), but falls within Value for Money Exemption 2 of SELEP's Assurance Framework, subject to further review for the construction phase.

#### 14. Financial Implications

14.1. The allocation of funding for this project is held in 2017/18 (£8.3m) and 2018/19 (£11.4m). Currently grant funding from Government for the LGF programme is awarded on an annual basis. Therefore, no funds can be transferred from the Accountable Body to Highways England until confirmation of the funding for the relevant years has been received from Government and monies transferred to the Accountable Body.

#### 15. Legal Implications

- 15.1. There are no legal implications arising out of the allocation of funding for the development phrase of this Project.
- 15.2. Currently the work and assurances surrounding the construction phrase of the Project is yet to be done by Highways England and formal approvals by their IDC have not yet been obtained. Therefore the allocation of the construction phrase funding of £11.4m is only possible once the SELEP is satisfied that the conditions set out in paragraph 2.1.2 have been met.
- 15.3. In transferring the funds to Highways England, the Accountable Body will be required to enter into a Funding Agreement. In respect of the funding for the construction phase, this will only be transferrable once the evidence required under paragraph 2.1.2 has been provided.
- 15.4. As the LGF funding has not been confirmed, in addition to the conditions set out in this report, the approval of the funding is also subject to sufficient funds being made available to SELEP by Government for the future year allocations to the Project.
- 15.5. Accordingly, it is proposed that conditions will be included in the funding agreement with Highways England which require Highways England to

provide quarterly updates on project progress and risk, along with setting a requirement for a monitoring and evaluation plan to be prepared and implemented.

- 15.6. The funding agreement will also agree the LGF award to the Project, as a fixed grant contribution. Highways England will bare the risk of any total project cost escalation.
- 15.7. In addition, the funding agreement will include an LGF payback clause in the event that the project is not delivered due to Highways England IDC not approving the project for delivery.

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

- 16.1 No implications identified

## **17. Equality and Diversity implications**

- 17.1 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.
- 17.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

## **18 List of Appendices**

- 18.1 Appendix 1 - Analytical Assurance Statement
- 18.2 Appendix 2 - Value for Money Statement
- 18.3 Appendix 3 - Highways England Letter of Assurance
- 18.4 Appendix 4 - Report of the Independent Technical Evaluator.

## **19 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> Lorna Norris <b>On behalf of Margaret Lee</b>	16.01.2017

## M20 Junction 10A (PCF Stage 3)

### Analytical Assurance Statement

The traffic appraisal to support the scheme development in PCF Stage 3 was based on an local traffic model of Ashford and the M20 corridor. This model was updated using recent trip data and validated in the key areas for scheme effects to be assessed. The scheme adds an alternative junction in close proximity to the existing Junction 10 in order to provide opportunities for the appreciable commercial and residential development envisaged in the area. Due to uncertainties and the degree to which developments may be dependent on the new junction, the economic case carries some risk and therefore there is some scope for challenge to the analysis. However, the work has been carried out by experienced consultants, quality assurance has been provided by the consultants' standard procedures and has been subject to overview by the Highways England Appraisal Certifying Officer.

Overall, the assurance around the production of the analysis supporting the current business case is **medium** due to the quality of the traffic model for forecasting and subsequent economic assessment. However it is considered that the appraisal is proportional and adequate for the scheme under consideration.

This Analytical Assurance Statement has been agreed with Peter Grant, the team Senior Modelling Officer in the Traffic Appraisal, Modelling and Economics group.

Prepared by: M.N. Jones

Authorised by: Peter Grant

Appraisal Certifying Officer

Senior Modelling Officer

Traffic Appraisal, Modelling and  
Economics Team,

Highways England

25 July 2016



## Value for Money Statement

### Scheme: M20 J10a

#### Summary

The adjusted Benefit to Cost Ratio (BCR) for this improvement marginally exceeds 1.4, indicating a **Low** value for money rating. Given the fact that the analytical assurance of this analysis has been judged as **medium**, it is possible, although not considered likely, that the value for money category could drop to Poor.

The analytic assurance statements goes on to state that; “(d)ue to uncertainties and the degree, to which developments may be dependent on the new junction, the economic case carries some risk and therefore there is some scope for challenge to the analysis.”

#### Initial BCR

The initial BCR is 0.77, which sets the initial value for money category as Poor. The Present Value of Benefits (PVB) is £51.9m while the Present Value of Costs (PVC) is £67.4m. The benefits are in the form of travel time savings and savings due to reductions in delay at the junction. These figures include accident savings from the scheme, with background growth and local developments capped at 421 jobs. The Net Present Value (NPV) of the scheme is therefore -£15.5m, although this excludes the positive benefits of releasing further land for development.

#### Adjusted BCR

The adjusted BCR improves to 1.41 when taking into account the value of dependent development, which balances the rise in land values due to additional development with the transport external costs due to the additional associated traffic. This also includes the wider impact of agglomeration and of output change in imperfectly competitive markets. This indicates Low value for money.

#### Non-monetised Impacts

There will be an adverse impact on landscape and the associated impacts on nearby important buildings. Biodiversity is improved through reducing the severance of the M20 for wildlife. The Highways England Environment group indicate that these impacts are not sufficiently large to warrant a change of value for money category.

#### Key Assumptions

The scheme assessment includes assumptions that the local road network will be upgraded without public cost, to ensure that the dependant development demand will not generate significant adverse impacts on the local road network. This minimizes the scheme cost and the additional local road improvements enable the journey time benefits to be realised.

An important factor is routing for traffic using J10, J10A and the link road, together with choice of access for both the non-dependent and dependent Sevington development traffic. The economic case is likely to be sensitive to the choice of route, which the model may not accurately predict, given the broad spectrum of issues that driver decision making is based on that is not reflected within traffic models.

The construction cost included in the initial BCR includes the additional maintenance costs associated with the scheme that can be attributed to the public purse.

#### Key risks, sensitivities and uncertainties

There is potential for challenge to the analysis, primarily through the links with local development sites.

The value for money demonstrated would call into question Highways England's licence requirement to demonstrate good value for money.

#### Distributional Impacts

A distributional impact analysis has not been carried out but would not be expected to show significant adverse impacts.

Author: Craig Drury  
Value for Money auditor  
Highways England  
Traffic Appraisal, Modelling and Economics  
Date: 25 May 2016

Updated: 01 August 2016 (by Roger Himlin. Group Manager, Traffic Appraisal, Modelling and Economics)



Ms Rhiannon Mort  
Capital Programme Manager  
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Our ref: SELEP 1  
Your ref:

Direct Line: 0300 470 5072  
Mobile: 07920 250 600  
Date:- 13 January 2017

Dear Rhiannon

With regard to your conversations with John Rowland and Salvatore Zappala, and further to your email requesting assurance on the M20 J10A scheme. On 18<sup>th</sup> August 2016 the M20 J10A team returned to Highways England (HE) Investment Decision Committee (IDC) to advise that, after approval of Development Phase funding for this project at the 14<sup>th</sup> June 2016 IDC, further evaluation of the scheme had revealed the benefits cost ratio (BCR) had dropped marginally from 1.57 to 1.41.

Further to the above, a value for money review was carried out by HE Chief Analyst and reviewed with the DfT. The decision was that the project should continue to the end of the Development Phase whilst continuing to investigate the means of improving benefits and/or reducing cost to improve the BCR.

I trust this letter supports your proposal to prepare your submission for your Accountability Board.

Yours sincerely



Andrew Salmon  
**Programme Leader (SRO)**  
**Regional Investment Programme (South)**



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/75
<b>Date of Accountability Board Meeting:</b>	<b>24<sup>th</sup> February 2017</b>
<b>Date of report:</b>	<b>5<sup>th</sup> February 2017</b>
<b>Title of report:</b>	<b>Coastal Communities Housing Intervention Project LGF allocation</b>
<b>Report by:</b>	<b>Rhiannon Mort</b>
<b>Enquiries to:</b>	rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for the Coastal Communities Housing Intervention Business Case which has been through the Independent Technical Evaluator (ITE) process to enable £2m Local Growth Fund (LGF) to be devolved for scheme delivery.

## 2. Recommendations

- 2.1 The Board is asked to:
- 2.1.1 **Approve** the allocation of £2million LGF to the Coastal Communities Housing Intervention Project to support the delivery of the project identified in the Business Case and which has been assessed as achieving borderline high value for money, but with a low to medium certainty of achieving this.

## 3. Background

- 3.1 This report brings forward the Coastal Communities Housing Intervention (the Project) for the allocation of £2m LGF from SELEP's LGF Round 2 allocation.
- 3.2 The Project has successfully completed the ITE process, as a condition of the SELEP Assurance Framework agreed with Government. The ITE report sets out the detailed analysis of the projects. This report is included in Appendix A.

## 4. Coastal Communities Housing Intervention Project

- 4.1 The Project was submitted as part of LGF Round 1 as a pan LEP project for housing interventions to be delivered in three coastal communities; Tendring in Essex, Thanet in Kent and Hastings in East Sussex.
- 4.2 Hastings Borough Council, Thanet District Council and Tendring District Council (the Lead Authorities) have taken on a leadership role within the

SELEP Coastal Communities Group to pilot new approaches to regeneration and economic development.

- 4.3 The Lead Authorities are implementing intervention strategies to address areas of intense deprivation associated with particular neighbourhoods dominated by poor quality private rented housing, high levels of benefit dependency, and social problems.
- 4.4 A common theme across all the strategies is a need to improve housing and neighbourhood management, action to improve housing standards, and the need for tenure diversification as a means to reduce the concentration of disadvantaged groups and to encourage new patterns of employment and private sector investment into central locations within coastal town centres.
- 4.5 Each of the Lead Authorities has developed project proposals that meet the particular needs of their locality that require capital investment.
- 4.6 The specific interventions to be delivered using LGF investment in each of the three coastal communities are set out below. In addition to the LGF capital investment, the overall housing intervention will include empty property and home improvements loans. These will be delivered through local funding sources, as set out in Tables 1 to 3 below.
- 4.7 LGF cannot be used to support the empty property and home improvements loan part of the wider Project, as use of LGF for this purpose does not comply with the conditions of the 2016/17 LGF grant offer letter from the Department for Communities and Local Government. Whilst SELEP is yet to receive the 2017/18 LGF grant offer letter, similar conditions are also expected for next financial year.

## **5. Jaywick, Tendring**

- 5.1 The strategic housing intervention in Tendring focuses on three areas; Grasslands, Brooklands and lower Jaywick village, which are collectively referred to as 'Jaywick'.
- 5.2 The Project's Business Case sets out the strategic case for housing interventions to be delivered Jaywick to tackle the issue of poor quality housing.
- 5.3 Tendring District Council (TeDC) has embarked on a major programme to restructure the housing market in Jaywick. Over the past year TeDC has acquired a total of 28.4 ha of land and expects to acquire a further 1 ha of land by end of 2016/17. TeDC expect 108 new homes to be built by the end of March 2018, with a further 300 homes built in the period up to March 2021.
- 5.4 LGF is required to support the redevelopment of the Tendering Mermaids site in the heart of Jaywick, to deliver 38 new affordable homes. Some of the new homes are likely to be used to accommodate key workers.

- 5.5 This programme of major investment in Jaywick will be supported by a programme of Empty Property Loans and Home Improvement Loans in other priority locations in the District. These programmes will be run by TeDC, using its own resources, as set out in Table 1 below.

*Table 1 – Funding sources for Tendring Strategic Housing Intervention Project*

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

## **6. Cliftonville West, Margate Central, Thanet**

- 6.1 Margate has suffered along with other coastal towns from reduced tourism. The collapse of the domestic tourist trade was followed by the wholesale conversion of many properties into privately rented flats and houses in multiple occupation.
- 6.2 A new strategy for regeneration was put in place in 2010 by Thanet District Council (ThDC) and Kent County Council (KCC), recognising the worsening circumstances in the area and the changing funding environment.
- 6.3 Significant investment has occurred over the past four years under the new strategy. KCC and ThDC have acquired a number of properties, such as Hotel Leslie and Hotel Embassy, which have now been converted into residential dwellings.
- 6.4 LGF funding will be used to continue the programme of converting empty or problem properties to family accommodation, creating 12 additional homes.

Table 2 – Funding sources for Thanet Strategic Housing Intervention Project

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

## 7. St Leonard, Hastings

- 7.1 The St Leonards area has been a strategic priority for Hastings Borough Council (HBC) for many years reflecting the high level of deprivation in the area, associated with poor housing conditions, particularly linked to: high levels of private renting; a large population of people on benefit; a wide range of social needs; and high levels of anti-social behaviour and crime. The area was declared a Renewal Area in 2004 and HBC have recently extended Renewal Area designation for a further five years in recognition that there is still significant need for physical renewal and social regeneration.
- 7.2 HBC has partnered with AmicusHorizon (a Registered Provider) in a major intervention programme (known as CoastalSpace) involving the acquisition and refurbishment of properties in St Leonards.
- 7.4 LGF will be used as part of the funding contribution (21%) to deliver new build development on the site of a former prominent and large problem property in the St Leonards intervention area (Hillesden Mansions). The remaining funding contribution to deliver the £3.2m project will come from AmicusHorizon (59%) and Hastings Borough Council (20%). The development will deliver 17 new affordable homes.

*Table 3 – Funding sources for Hastings Strategic Housing Intervention Project*

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

## **8. Outcome of ITE Review**

- 8.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves borderline high value for money, but with low to medium certainty of achieving this.
- 8.2 The ITE have identified the value for money assessment as borderline. If the project cost increases or the expected benefits of the Project decrease, this may cause the Projects overall value for money to reduce from high to medium. It is advised that this risk should be taken into account considering the approval of LGF to this Project. To mitigate this risk, the project cost and expected project benefits will be monitored through the quarterly LGF Capital Programme Management updates to the SELEP Secretariat.
- 8.3 The Gate 1 ITE Business Case review identified significant uncertainty around the benefits of the scheme as the full benefits of the scheme had not been assessed. The further analysis completed as part of the Gate 2 Business Case submission reduced this uncertainty. The NPV and Benefit Cost Ratio (BCR) value of the interventions have been calculated, as set out in Table 4 below. However, the value for money of some elements of the Project are categorised as medium.
- 8.4 The overall BCR value for the scheme is 2.15, presenting high value for money. However, the BCR for the intervention in Thanet and Hastings is categorised as medium value for money, at 1.74 and 1.89 respectively, as shown in Table 4.

Table 4 – BCR for Strategic Housing Interventions

	Jaywick, Tendring	Cliftonville, Thanet	St Leonards, Hastings	Overall Coastal Communities Programme
LGF allocation	£666,667	£666,666	£666,666	£2,000,000
BCR	2.69	1.74	1.89	2.15
Categorisation	High Value for Money	Medium Value for Money	Medium Value for Money	High Value for Money

8.5 As LGF contributions to the strategic housing interventions LGF investment in Thanet and Hastings is below the £2m, the project falls within the value for money Exemption 1 of the SELEP Assurance Framework.

8.6 The value for money Exemption 1 can be applied where:

- (a) a project does not present high value for money (a BCR of over 2:1); but
- (b) has a BCR value of greater than 1.5:1; or
- (c) where the project benefits are notoriously difficult to appraise in monetary terms; and
- (d) only if the following conditions are satisfied:
  - (1) the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
  - (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
  - (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

8.7 The ITE assessment review of the Business Case confirms that a clear strategic case has been made for the overall Project.

## 9. Management of the Project

9.1 At the last Board meeting it was agreed that, subject to the Board approving the LGF award to the Project, the £0.666m LGF allocation for each of the three Coastal Communities will be transferred to the three upper tier authorities (Essex, Kent and East Sussex) under the current Service Level Agreement (SLA) with SELEP Accountable Body. The upper tier authority would then transfer LGF to the District Authority and provide reporting back to SELEP on the delivery of the project.

9.2 The interventions being delivered by Thanet, Hastings and Tendring will be managed as three separate projects. Project reporting would be presented to each of the Federal Boards in relation to the project, but with opportunities for joint learning through the SELEP Coastal Communities sector working group.

## 10. Compliance with SELEP Assurance Framework



- 10.1 Table 4 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 4 SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The ITE assessment review of the Business Case confirms that a clear strategic case has been made for this intervention.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The ITE review confirms that the Gate 2 submission of the business Case provides greater clarity on the expected impacts of the schemes and a thorough explanation of additionality considerations.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review identifies the management case as Green and confirms that a detailed timetable for development is set out in Annex, with milestones described.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		The BCR for the overall project is 2.15, presenting high value for money. The economic analysis for the interventions in Hastings and Thanet does not demonstrate a BCR of over 2, but fall within value for money Exemption 1.

## 11. Financial Implications

- 11.1 Funding for this project has been received in this financial year. It will be necessary to manage any slippage on the project over the year-end in line with the wider programme as it is unlikely that the full allocation can be spent by 31<sup>st</sup> March 2017.
- 11.2 The transfer of the funds will be made under the SLA's that are in place for the upper tier authorities who have agreed to act as the sponsoring authority for the relevant part of the project.

## **12. Legal Implications**

- 12.1 It was agreed by the Board at its last meeting that responsibility for the delivery of the Project will sit with each upper tier authority under the terms of the current SLA's held with the Accountable Body. Accordingly the requirements within the same are known and understood by each of them, and the reporting mechanisms are fully engaged. There is a requirement to have additional agreements in place between the upper tier authority and respective Lead Authority to ensure that the expectations are met at a local level.

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

- 13.1 None at present.

## **14. Equality and Diversity implications**

- 14.1 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.
- 14.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 14.3 In the course of the development of the project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

## **15. List of Appendices**

- 15.1 Appendix 1 - Report of the Independent Technical Evaluator.

## **16. List of Background Papers**

- 16.1 Business Case for Coastal Communities Housing Intervention Project

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

Role	Date
<b>Accountable Body sign off</b>  <b>Suzanne Bennett</b> (On behalf of Margaret Lee)	15/02/17



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/77
<b>Date of Accountability Board Meeting:</b>	<b>24<sup>th</sup> February 2017</b>
<b>Date of report:</b>	<b>25<sup>th</sup> January 2017</b>
<b>Title of report:</b>	<b>Stanford Le Hope LGF funding decision</b>
<b>Report by:</b>	<b>Rhiannon Mort</b>
<b>Enquiries to:</b>	rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment of the Stanford le Hope Business Case which has been through the Independent Technical Evaluator (ITE) process to enable funding to Thurrock Council to enable project delivery.

## 2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Approve** the allocation of £7.5m Local Growth Fund (LGF) to Stanford le Hope Transport Package to support the delivery of the project as identified in the Business Case and which has been assessed as presenting high value for money, with a medium certainty of achieving this.

## 3. Background

- 3.1 This report brings forward the Stanford le Hope Transport Package (the Project) for the allocation of £7.5m LGF from LGF Round 1.
- 3.2 The Project has successfully completed the ITE process, as a condition of the SELEP Assurance Framework agreed with Government. The ITE report sets out the detailed analysis of the projects. This report is included in Appendix A.

## 4. Stanford le Hope Transport Package

- 4.1 The Project will create a new transport interchange and redeveloped station, with the expected outputs of investment being the delivery of a new multi-modal interchange and a new station building.
- 4.2 The new multi- modal interchange includes:
- A two space car passenger drop-off areas
  - A two space taxi rank with landing island and shelter

- Protected pedestrian walking routes
- 2 drop off and 1 pick-up position for a 12m rigid bus , (sufficient space for a double-decker bus) with waiting facilities
- 84 new secure cycle parking spaces

#### 4.3 The new station building will:

- 4.3.1 Target a BREEAM Excellent rating (BREEAM is a sustainability assessment method);
- 4.3.2 Adopt best practice station design to develop a carbon neutral station; Station design should include LED lighting, heat pump, heat recovery, PV (a type of solar technology), rain water harvesting and be thermally efficient; and
- 4.3.3 Deliver the following facilities:
  - Increased and integrated waiting facilities with Customer Information Systems
  - Passenger toilets
  - Commercial retail facility
  - Widened Platform 1 with covered waiting areas
  - Integrated passenger footbridge with lifts
  - Level access from London Road to both station buildings and to the platforms
  - Provision for electric pedal bike hire scheme and charging points
  - Real-time Customer Information System for shuttle bus services to external waiting shelter and internal railway station waiting area.

#### 4.4 The main objectives of the Project are to:

- Develop an interchange that will connect bus, rail, cycle, taxi and pedestrian modes of transport at Stanford-le-Hope station by the end of 2018;
- Expand capacity at Stanford-le-Hope station turnstiles by the end of 2018;
- Implement a package of works that meets the requirements of travel plans for London Gateway and unlocks the next phase of development at London Gateway;
- Provide improvements to public transport infrastructure and service reliability to new housing developments and to the major employment growth sites at London Gateway/Coryton by the end of 2018; and
- Help curb traffic growth and minimise growth in transport emissions in the area through this new transport interchange by the end of 2018.

#### 4.5 The Project supports the sustainable development of the London Gateway Port and Europe's largest logistics park.

#### 4.6 Funding to deliver the Project is coordinated between both public and private sector organisations in to order provide support for the future economic growth, jobs and new housing in the area

## 5. Outcomes of ITE review

- 5.1 The SELEP ITE has assessed the Project through the Gate 1 and 2 business case review process and has assessed the scheme as presenting high value for money with a medium certainty of achieving this.
- 5.2 Whilst the Project has a high Benefit Cost Ratio (BCR) of 9.4:1, the benefits of the scheme are expressed in Gross Value Added (GVA) terms rather than the standard welfare benefits required by HMT Green Book. Adjusting for this would reduce the BCR of the scheme, however it would remain high value for money. For this reason the ITE has identified some uncertainty around the value for money for the Project.

## 6. Compliance with SELEP Assurance Framework

- 6.1 Table 1 below considers the SELEP assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the project with SELEP's Assurance Framework.

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The Strategic Objectives of the project, as identified in the project Business Case are aligned with those set out in SELEP's Strategic Economic Plan.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The business case defines the expected outputs and outcomes of investment, as set out in Section 4 above.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		<p>The ITE review of the Business Case has categorised the project management case as Green.</p> <p>The Feasibility Study which supports the Business Case includes a risk register.</p> <p>A detailed work plan and project Governance are set out in the Business Case and supporting documents.</p>

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		The overall package achieves a BCR value of 9.4:1, presenting high value for money.

## **7. Financial Implications**

- 7.1 This is a multi-year project with funding requested over a number of financial years. Funding can only be considered to be confirmed when the Accountable Body has in receipt of confirmation from Government. Therefore funding is not yet confirmed for financial year 2017/18 onwards. However, it is highly unlikely that Government will not transfer amounts due and all LGF projects are funded on the same annual basis.

## **8. Legal Implications**

- 8.1 There are no legal implications as a result of the recommendations set out in this report.

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

- 9.1 None at present.

## **10. Equality and Diversity implications**

- 10.1 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.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 11.3 In the course of the development of the Project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify



mitigating factors where an impact against any of the protected characteristics has been identified.

**11. List of Appendices**

11.1 Appendix 1 - Report of the Independent Technical Evaluator.

**12. List of Background Papers**

12.1 Business Case for London Gateway/ Stanford le Hope

**(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>  (On behalf of Margaret Lee)	14/02/17



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/78
<b>Date of Accountability Board Meeting:</b>	<b>24<sup>th</sup> February 2017</b>
<b>Date of report:</b>	<b>25<sup>th</sup> January 2017</b>
<b>Title of report:</b>	<b>A131 Chelmsford to Braintree Route Based Strategy LGF funding decision</b>
<b>Report by:</b>	<b>Rhiannon Mort, Capital Programme Manager</b>
<b>Enquiries to:</b>	rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for the A131 Chelmsford to Braintree Route Based Strategy Business Cases which has been through the Independent Technical Evaluator (ITE) process to enable funding to be devolved to Essex County Council to enable project delivery.

## 2. Recommendations

- 2.1 The Board is asked to:
- 2.1.1 **Approve** the allocation of £3.66m Local Growth Fund (LGF) to A131 Chelmsford to Braintree to support the delivery of the project as identified in the Business Case and which has been assessed as achieving high value for money with high certainty of achieving this.

## 3. Background

- 3.1 This report brings forward the A131 Chelmsford to Braintree Route Based Strategy (the Project) for the allocation of £3.66m LGF to this Growth Deal Round 1 project.
- 3.2 The Project has successfully completed the ITE process, as a condition of the SELEP Assurance Framework agreed with Government. The ITE report sets out the detailed analysis of the Project Business Case. This report is included in Appendix A.

## 4. A131 Chelmsford to Braintree

- 4.1 The A131 is a key route providing access to Chelmsford from north Essex and linking Braintree and Chelmsford.
- 4.2 The purpose of the Project is to deliver a package of five schemes to provide highways capacity, passenger transport and safety improvements for the

Chelmsford to Braintree corridor. These five expected outputs of investment include:

- Safety improvements
- Nabbotts Roundabout
- Bus lane extension
- Sheepcotes Roundabout
- Deres Bridge Roundabout.

- 4.3 These improvements were identified from a Route Based Strategy (RBS) study performed earlier this year, which included site visits, workshops, consultations and the publication of recommendations / reports.

#### **Safety Improvements**

- 4.4 The safety improvements have been identified following Essex County Council Safety Audit Team having conducted a detailed audit of the route and developed a list of safety related improvements for the corridor, including non-slip resurfacing, signs and lines.

#### **Nabbotts Roundabout**

- 4.5 Nabbotts Roundabout will provide a lengthened bus lane on Chelmer Valley Road (A1016) from Lawn Lane outbound, to Nabbotts Roundabout and will provide an increased entry flare from White Hart Lane (A130). Concurrent with these actions, the developer (Countryside Zest) of the new major housing, retail and school site (Beaulieu Park – 3,600 homes), as part of its S278 obligations, will provide a dedicated left turn slip from Essex Regiment Way (A130) to White Hart Lane (A130).

#### **Bus Lane Extension**

- 4.6 The Bus Lane Extension will provide a significant extension of the current bus lane, such that the entire length of the road from Pratts Farm roundabout (location of Chelmer Valley Park and Ride) to Nabbotts includes a bus lane. This forms part of plans for Essex County Council and Chelmsford City Council to encourage more sustainable travel in Chelmsford by improving the Park and Ride services.

#### **Sheepcotes Roundabout**

- 4.7 Sheepcotes Roundabout will provide a dedicated left turn slip from Braintree Road (A131) to Essex Regiment Way (A130). The roundabout will be reduced in size to make two lane traffic movements possible around the roundabout and the entry flares from Essex Regiment Way (A130) and Braintree Road (B1008) will be increased.

#### **Deres Bridge Roundabout**

4.8 Deres Bridge Roundabout will provide an increased entry and exit flares (two lanes) on Essex Regiment Way (A130).

4.9 The expected primary outcomes of the Project are to:

- Improve safety along the corridor (reduced collisions)
- Improve sustainable transport along the corridor (number of buses and passengers)
- Encourage (Park and Ride) bus patronage (number of passengers)
- Improve journey times and reliability for all vehicles along the A131 corridor (Journey Time flows etc)
- Support the completion of at least 4,350 new homes in north Chelmsford
- Support economic growth and businesses along the corridor
- Support up to 250 jobs associated with the new retail development, a new hotel and a new school in north Chelmsford

## **5. Outcomes of ITE review**

5.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 review process and has recommended that the project achieves high value for money with a high certainty of achieving this.

5.2 The review confirms that the analytical work carried out as part of Business Case development is comprehensive and has been carried out in a robust and auditable manner which informs a strong Business Case.

5.3 The value for money assessment for the project sets out the Benefit Cost Ratio (BCR) value of 7:1, indicating high value for money from LGF investment in the Project. The Economic Case of the Business Case (which includes the value for money assessment) has been flagged as green – amber through the ITE assessment due to there being some uncertainty about the underlying calculations applied and included in the BRC calculations for a couple of the projects within the overall package.

5.4 The SELEP ITE has confirmed that sufficient evidence has been provided to enable the project to support the assessment of the projects value for money case and to make recommendations to the Board for the approval of the project, but that more detail would have provided a greater level of confidence.

5.5 Through the management of the LGF capital programme any variations to the Project cost will be monitored. If there is a change to the project which may impact on the Project's value for money case, the Project's Business Case may be reviewed and a further decision sought from the Board.

5.6 The Management Case has also been identified as Green – Amber due to the Monitoring and Evaluation Plan being incomplete. This risk to the management case will be addressed through Essex County Council and SELEP Secretariat agreeing a Monitoring and Evaluation Plan for the project

to ensure the delivery of the projects expected outputs and outcomes are monitored and the reporting of this is made available to the Board and central Government.

## 6. Compliance with SELEP Assurance Framework

- 6.1 Table 1 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the project with SELEP's Assurance Framework.

*Table 1 - SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework*

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The strategic objectives of the project, as identified in the project Business Case are aligned with those set out in SELEP's Strategic Economic Plan.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The Business Case defines the outputs and outcomes which the project is expected to deliver are articulated in the Business Case and set out in Section 1 of the report.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The Business Case sets out the project management structure and milestones for project delivery.  The Business Case also includes a risk assessment, which provides an assessment of projects likelihood, impact and mitigation measures.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		The overall package achieves a BCR value of 7:1.

## 7. Financial Implications

- 7.1 The allocation of funding for this project is held in 2017/18 and 2018/19. Currently grant funding from Government for the LGF programme is awarded on an annual basis. Therefore, no funds can be transferred from the

Accountable Body until confirmation of levels of funding for the relevant years has been received from Government and monies transferred to the Accountable Body. .

All funding will be covered by a Service Level Agreement with the sponsoring authority.

## **8. Legal Implications**

- 8.1 There are no legal implications as a result of the recommendations set out in this report.

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

- 9.1 None at present.

## **10. Equality and Diversity implications**

- 10.1 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.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3 In the course of the development of the Project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

## **11. List of Appendices**

- 11.1 Appendix 1 - Report of the Independent Technical Evaluator.

## **12. List of Background Papers**

- 12.1 Business Case for A131 Chelmsford to Braintree  
12.2 SELEP Assurance Framework

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

Role	Date
<b>Accountable Body sign off</b>  <b>Suzanne Bennett</b> (On behalf of Margaret Lee)	14/02/17



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/79
<b>Date of Accountability Board Meeting:</b>	<b>24<sup>th</sup> February 2017</b>
<b>Date of report:</b>	<b>25<sup>th</sup> January 2017</b>
<b>Title of report:</b>	<b>Kent Strategic Congestion Management Programme LGF funding decision</b>
<b>Report by:</b>	<b>Rhiannon Mort, SELEP Capital Programme Manager</b>
<b>Enquiries to:</b>	rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for the Kent Strategic Congestion Management Programme Business Case which has been through the Independent Technical Evaluator (ITE) process to enable funding to be devolved to Kent County Council for scheme delivery.

## 2. Recommendations

- 2.1 The Board is asked to:
- 2.1.1 **Approve** the allocation of £800,000 Local Growth Fund (LGF) to the Kent Strategic Congestion Management Programme 2017/18 to support the delivery of the project identified in the Business Case and which has been assessed as presenting achieving borderline high value for money, but with a low to medium certainty of achieving this.

## 3. Background

- 3.1 This report brings forward the Kent Strategic Congestion Management Programme (the Project) for the allocation of £800,000 LGF from LGF Round 1.
- 3.2 The project has successfully completed the ITE process, as a condition of the SELEP Assurance Framework agreed with Government. The ITE report sets out the detailed analysis of the projects. This report is included in Appendix A.

## 4. Kent Strategic Congestion Management Programme

- 4.1 The Project is a continuation of improvements being made by Kent County Council to maximise the efficiency of the local highway network as traffic levels increase in line with development.

- 4.2 The Project is to be delivered between the financial years 2015/16 and 2020/21, with a total LGF allocation of £4.8million over the 6 years.
- 4.3 To date the LGF funding allocation to this programme of works has been approved on an annual basis, supported by a separate Business Case for the £800,000 allocation to the programme for each financial year up until 2020/21.
- 4.4 The Project Strategy incorporates a methodology of assessing areas or road links that suffer from congestion and unreliability. The strategy uses a number of criteria to score road links that are then assessed in more detail to establish the worst performing links. Hotspot schemes are identified using a methodology derived from data obtained about the road network from a range of sources including journey time reliability, crash record, flow and bus reliability.
- 4.5 The 2017/18 LGF funding allocation to the Project will be used to address two hotspot locations. These are:
- A225 Princes Road/ Darenth Road junction, Dartford
  - A2500 Lower Road/ Barton Hill Drive junction, Sheppey.
- 4.6 The A225 Princes Road/ Darenth Road Junction improvements will include:
- Upgrading the traffic signals
  - Updating the Bus Priority System
  - Implementation of puffin pedestrian crossing facilities
- 4.7 At the A2500 Lower Road/ Barton Hill Drive junction, a temporary trial signal junction configuration has been put in place which has acted to improve the traffic flow at this junction. LGF funding is sought to convert this temporary solution to a semi - permanent arrangement. LGF Round 3 bid has also been provisionally allocated to provide a long-term funding solution to congestion at this junction and this will be considered separately by the Board following the assessment of a separate supporting business case.
- 4.8 In addition to the two hotspot schemes, LGF will be used to provide an extension to a pan-European project to introduce a Connected Intelligent Transport System (C-ITS) corridor from Blackfriars in London to the Port of Dover in Kent via the M2 and A2. It is Kent County Council's aim to integrate the Project seamlessly into the Kent road network by extending the project onto the A229 which connects the M20 and M2 motorways and forms a key corridor in the event of a major disruption on the strategic road network. Increasing automation will increase efficiency, reduce crashes and reduce congestion.
- 4.9 The Project objectives and outcomes are defined in Table 1 below.

*Table 1 Kent Strategic Congestion Management Programme Project Objectives and Desired Outcomes*

Objective	Desired Outcome
Alleviate congestion by allowing better	Improve car journey times

flow of traffic	
Supporting economic development in Kent	Improve journey time reliability
To promote accessibility to jobs and services for all	Increase public transport modal split and reduce public transport journey times
Provide a resilient network that is able to respond to disruption and incidents	Improvement of the ability of the transport system to function during adverse conditions and quickly recover to acceptable levels of service after an event
Improve air quality	Reduce carbon dioxide and other greenhouse gas emissions

## 5. Outcome of ITE Review

- 5.1 The SELEP ITE has assessed the project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves borderline high value for money, but with low to medium certainty of achieving this.
- 5.2 No Benefit Cost Ratio (BCR) has been calculated for the project, due to the low value of the LGF ask. A qualitative approach has been taken to the assessment of the projects benefits through assessment of the projects value for money based on other schemes and experience. This has followed a methodology proportionate to the scale and nature of the intervention.
- 5.3 The ITE have identified the value for money assessment as borderline and that the Project will be sensitive to any projects risk which materialise during the projects delivery and may act to reduce the value for money to below the threshold for high value for money.
- 5.4 Through the management of the LGF capital programme any changes to the Project will be monitored, including changes to the Project cost and expected scheme benefits. If there is a change to the project which may impact on the Project's value for money case, the Project's Business Case may be reviewed and a further decision sought from the Board.
- 5.5 Due to the small- scale nature of the proposed interventions, a quantified assessment methodology has not been used. A qualitative approach in-line with the Department for Transport Appraisal Summary Table has been followed and based on other schemes and experience, it is estimated that the combination of schemes included in the £0.8m package under consideration, would be medium to high value for money.
- 5.6 As the LGF contribution to the project is below £2m, the project falls within the value for money Exemption 1 of the SELEP Assurance Framework.
- 5.7 This value for money Exemption 1 can be applied where:
- (a) a project does not present high value for money (a Benefit Cost Ratio (BCR) of over 2:1); but
  - (b) has a BCR value of greater than 1.5:1; or

- (c) where the project benefits are notoriously difficult to appraise in monetary terms; and
- (d) only if the following conditions are satisfied:
  - (1) the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
  - (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
  - (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

5.8 The ITE assessment review of the Business Case confirms that the strengthened strategic case prepared as part of the Gate 2 Business Case submission ensures that the scheme fulfils the requirements for exemption from quantitative economic appraisal.

## 6. Compliance with SELEP Assurance Framework

6.1 Table 1 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the project with SELEP's Assurance Framework.

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The ITE review has confirmed a strong Strategic Case for the project.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The expected outputs and outcomes of the project are clearly defined in the Business Case and are set out in paragraphs 5.3, 5.4, 5.5 and Table 1 of the above report.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review identifies the management case as Green – Amber, but confirms the inclusion of a project risk register and process identified for dealing with risks.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR has not been prepared for the project through qualitative analysis, but the scheme falls within the Value for Money Exception 1.

## **7. Financial Implications**

- 7.1 Funding for 2017/18 has not been received by the Accountable Body. No funds will transfer until the Accountable Body is in receipt of Government funding and a signed SLA is in place.

## **8. Legal Implications**

- 8.1 There are no legal implications as a result of the recommendations set out in this report.

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

- 9.1 None at present.

## **10. Equality and Diversity implications**

- 10.1 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.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3 In the course of the development of the project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

## **11. List of Appendices**

- 11.1 Appendix 1 - Report of the Independent Technical Evaluator.

## **12. List of Background Papers**

- 12.1 Business Case for Kent Strategic Congestion Management Package

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

Role	Date
<b>Accountable Body sign off</b>  <b>Suzanne Bennett</b>  (On behalf of Margaret Lee)	14/02/17

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/80
<b>Date of Accountability Board Meeting:</b>	<b>24<sup>th</sup> February 2017</b>
<b>Date of report:</b>	<b>5<sup>th</sup> February 2017</b>
<b>Title of report:</b>	<b>Hailsham, Polegate &amp; Eastbourne movement and access transport scheme LGF funding decision</b>
<b>Report by:</b>	<b>Rhiannon Mort</b>
<b>Enquiries to:</b>	rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for the Hailsham, Polegate and Eastbourne Movements and Access Corridor Project (the Project) Business Case which has been through the Independent Technical Evaluator (ITE) process to enable £2.1m Local Growth Fund (LGF) to be devolved to East Sussex County Council for scheme delivery.

## 2. Recommendations

- 2.1 The Board is asked to:
- 2.1.1 **Approve** the allocation of £2.1million LGF to the Hailsham, Polegate and Eastbourne Movement and Access Corridor Project to support the delivery of the project identified in the Business Case and which has been assessed as achieving borderline high value for money, but with a low to medium certainty of achieving this.

## 3. Background

- 3.1 This report brings forward the Project for the allocation of £2.1m LGF from SELEP's LGF Round 1 allocation.
- 3.2 The project has successfully completed the ITE process, as a condition of the SELEP Assurance Framework agreed with Government. The ITE report sets out the detailed analysis of the project. This report is included in Appendix A.
- 3.3 The Project is a fundamental element of the wider package for the A27/A22 Growth Corridor to mitigate the impact of planned growth from Eastbourne Borough Council's Local Plan and Wealden District Council's Core Strategy, along with significant additional growth of approximately 13,000 new homes within Wealden District Council's emerging Local Plan.

- 3.4 The Project will maximise the opportunities to improve junction capacity and deliver and enable greater access to high quality integrated sustainable transport infrastructure.
- 3.5 The Project has been divided into five distinct phases, these are as follows:-
- Willingdon
  - Kings Drive
  - Old Town
  - Polegate
  - Hailsham
- 3.6 A Business Case has been brought forward to seek LGF investment for £2.1m LGF investment the first phase of the Project, for the delivery of interventions in Willingdon. The specific measures to be delivered through Phase 1 are set out in Table 1 below.
- 3.7 The package of measures for the Project will focus on interventions to deliver the objectives of:
- releasing growth (through indirectly supporting the delivery of jobs, houses and new employment space);
  - enabling and encouraging inward investment, by the business community in the Eastbourne and South Wealden area;
  - reducing congestion;
  - improving journey times and journey comfort;
  - providing a step change in the provision of sustainable transport choices, between Hailsham, Polegate and Eastbourne and
  - improving accessibility to jobs, training, education and leisure services, and contributing to local health and wellbeing.



Table 1 Measures to be delivered in Willingdon as Phase 1 of the Project

Section	Measures
1	<p><b>Wannock Road/Eastbourne Road/High Street junction – Junction capacity &amp; bus priority improvements</b></p> <ul style="list-style-type: none"> <li>• High Street/Eastbourne Road left slip road</li> <li>• Widening of lanes from 2 to 3 to provide an additional ahead only lane</li> <li>• Inclusion of a short bus lane on the northbound approach to the junction together with a bus pre-signal</li> </ul>
2	<p><b>Huggett’s Lane – Bus priority &amp; cycle route</b></p> <ul style="list-style-type: none"> <li>• Upgrade junction to incorporate a short (200m) northbound bus lane on the approach to the junction and the incorporation of a Toucan Crossing</li> <li>• Northbound bus lane - Thurrock Close to Broad Road</li> <li>• Southbound bus lane - Thurrock Close to Merchants Lane</li> <li>• Bus lane on Victoria Drive on the approach to Willingdon Road.</li> <li>• An off road cycle route running from Cooper’s Lane to near Broad Road (1.9km distance)</li> </ul>
3	<p><b>Willingdon Road – Cycle route &amp; improvements to pedestrian infrastructure</b></p> <ul style="list-style-type: none"> <li>• Cycle route alongside Willingdon Road between Wish Hill and Victoria Drive</li> <li>• Park Avenue cycle route</li> <li>• Pedestrian footway improvements</li> </ul>
4	<p><b>Victoria Drive – Bus Lane</b></p> <ul style="list-style-type: none"> <li>• Bus lane on Victoria Drive on the approach to Willingdon Road</li> </ul>
5	<p><b>Willingdon Corridor Length - Bus Infrastructure Improvements</b></p> <ul style="list-style-type: none"> <li>• Bus infrastructure improvements – bus stop shelter/seating/information</li> </ul>

#### 4. Outcome of ITE Review

- 4.1 The ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has determined that the Project is assessed as having borderline high value for money, but with low to medium certainty of achieving this.

- 4.2 The assessment confirms that the methodology applied is proportionate to the nature of the scheme.
- 4.3 The Benefit Cost Ratio (BCR) has been calculated for the overall Project and for the Phase 1 of works as 2.19 and 2.09 respectively. This confirms that Phase 1 of works and the overall Project are expected to deliver high value for money.
- 4.4 The ITE has, however, identified the high value for money assessment as borderline for delivery. As the project is at the threshold of high value for money, the Project's value for money case will be particularly sensitive to any changes in project cost or expected project benefits. In light of the project's BCR value being close to the threshold between medium and high value for money, the ITE has assessed the Business Case as presenting low to medium certainty of high value for money being achieved.
- 4.5 Through the management of the LGF capital programme any variations to the Project cost and/or expected project benefits will be monitored. If there is a change to the project which may detrimentally impact on the Project's value for money case, the Project's Business Case will be reviewed and a further decision may be sought from the Board.

## 5. Compliance with SELEP Assurance Framework

- 5.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the project with SELEP's Assurance Framework.

*Table 2 - SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework*

<b>Requirement of the Assurance Framework to approve the project</b>	<b>Compliance</b>	<b>Evidence in the Business Case</b>
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The ITE review confirms that the Project objectives closely align with national, regional and local policies and strategies. The strategic fit has been clearly identified.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The expected outputs and outcomes of the project are clearly defined in the Business Case. The outputs of the Phase 1 investment are defined in Table 1 above and the outcomes for the Project are defined in set out in 3.7 above.

<p>Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)</p>		<p>The ITE Gate 2 Business Case review confirms that the latest submission provides further information in the management case including a more comprehensive stakeholder management plan, risk register and monitoring and evaluation framework.</p> <p>A project programme has been provided as part of the Business Case.</p>
<p>A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions</p>		<p>The ITE review confirms that the BCR for the Phase 1 project and the overall Project achieves a High Value for Money.</p> <p>The BCR for the Phase 1 project is 2.01 and 2.19 for the overall Project.</p>

## 6. Financial Implications

- 6.1 The allocation of funding for this project is held in 2017/18. Currently grant funding from Government for the LGF programme is awarded on an annual basis. Therefore, no funds can be transferred from the Accountable Body until confirmation of levels of funding for the relevant years has been received from Government and monies transferred to the Accountable Body.
- 6.2 All funding will be covered by a Service Level Agreement with the sponsoring authority.

## 7. Legal Implications

- 8.1 There are no legal implications arising out of the recommendation set out in this report.

## 8. Staffing and other resource implications

- 8.1 None at present.

## 9. Equality and Diversity implications

- 9.1 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.

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

9.3 In the course of the development of the project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

## **10. List of Appendices**

10.1 Appendix 1 - Report of the Independent Technical Evaluator.

## **11. List of Background Papers**

11.1 Business Case for Hailsham, Polegate and Eastbourne movement and access corridor scheme.

**(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>  (On behalf of Margaret Lee)	15/02/17

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> FP/AB/81 FP/AB/82
<b>Date of Accountability Board Meeting:</b>	24 <sup>th</sup> February 2017
<b>Date of report:</b>	5 <sup>th</sup> February 2017
<b>Title of report:</b>	Capital Programme Management of the Local Growth Fund
<b>Report by</b>	Rhiannon Mort, SELEP Capital Programme Manager
<b>Enquiries to</b>	Rhiannon.mort@essex.gov.uk

## 1. Purpose of report

- 1.1 To update the SELEP Accountability Board (the Board) on the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

## 2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1 **Note** the updated LGF spend forecast for 2016/17
- 2.1.2 **Note** the project deliverability and risk assessment;
- 2.1.3 **Note** the re-profiling of £14.801m LGF spend from 2016/17 to 2017/18 for those projects identified in Tables 3 to 7 of the report;
- 2.1.4 **Note** the increased LGF allocation to Tonbridge Town Centre Regeneration (£0.103m);
- 2.1.5 **Approve** the accelerated LGF spend in 2016/17 for:
- 2.1.5.1 East Sussex Strategic Growth Project (£0.3m) ,
- 2.1.5.2 A226 London Road/ B255 St Clements Way (£0.934m),
- 2.1.5.3 Strood Town Centre Journey Time and Accessibility Enhancements ( £0.081m),
- 2.1.5.4 Chatham Town Centre Place-making and Public Realm Package ( £0.120m),
- 2.1.5.5 Medway Cycling Action Plan (£0.100m) and
- 2.1.5.6 Medway City Estate Connectivity Improvement Measures (£0.157m).

## 3. Supporting documents

- 3.1 The following appendices are provided in support of this report:

- Appendix 1 - Financial monitoring
- Appendix 2 - Summary of forecast spend profile
- Appendix 3 - Project deliverability and risk assessment

#### 4. LGF Project Delivery Summary

- 4.1 Through 2016/17 substantial progress has been made towards the delivery of the SELEP Growth Deal programme.
- 4.2 To date, 58 projects have been approved by SELEP Accountability Board and work is well underway to deliver these projects. During 2016/17 a further 15 LGF projects were programmed to be completed. The 15 projects are as follows:

Project	Progress
Sovereign Harbour	On track to complete in 2016/17
Swallows Business Park	On track to complete in 2016/17
Colchester LSTF	On track to complete in 2016/17
Colchester Town Centre	Four of five interventions complete with final intervention to complete in 2017/18
A414 Maldon to Chelmsford RBS	On track to complete in 2016/17
Tonbridge Town Centre Regeneration	Phase 1 complete and Phase 2 on track
M20 Junction 4 Eastern Overbridge	On track to complete in 2016/17
Maidstone Gyrotory Bypass	On track to complete in 2016/17
Dover Western Docks Revival	To be considered by the Board
Purfleet Centre	Delayed LGF spend
Southend Growth Hub (Phase 1)	On track to complete in 2016/17
TGSE – LSTF Southend	On track to complete in 2016/17
Southend Central Area Action Plan (Phase 1)	Slippage of £200k
Southend and Rochford Joint Area Action Plan	On track to complete in 2016/17
TGSE – LSTF Thurrock	On track to complete in 2016/17

4.3 By the end of 2016/17 it is forecast that the SELEP total LGF spend to date for the programme will amount to £147.89m (including LGF spend on Department for Transport retained schemes, see Section 14).

## **5. LGF Spend Position**

### **Background**

5.1 During the first year of the Local Growth Deal LGF programme, federated areas reported a total LGF spend of £55.71m. Mitigation was put in place to address the slippage of LGF spend which resulted in £12.66m being carried forward from 2015/16 to 2016/17, under Option 4 (see 6.2.4 below). In addition to Option 4, £1.08m skills funding was carried forward into 2016/17. In total, £13.739m of funding was carried forward to 2016/17.

5.2 The total LGF grant funding for 2016/17 amounts to £96.010m. This includes 2016/17 LGF grant allocation of £82.270m and £13.739m brought forward from 2015/16.

5.3 At the outset of 2016/17, the Q1 baseline LGF planned spend was £98.48m (excluding retained schemes), which was £2.47m more than the total LGF available in 2016/17 (£96.01m). The Board approved this over-programming at that point. This position has been revised through the latest round of LGF update reports.

### **Financial update**

5.4 On the 18<sup>th</sup> January 2017, officers from each Federated Area attended the SELEP Programme Consideration Meeting to:

- Provide an updated spend forecast for 2016/17 and future years of the LGF programme;
- Discuss the project deliverability and risk assessment;
- Consider the impact of the revised SELEP Assurance Framework on the management of the programme;
- Identify project changes to be brought to the attention of SELEP Accountability Board; and
- Consider mitigation to be implemented to address project risks.

5.5 Each federated area has provided an updated spend forecast as shown in Appendix 1 and as summarised in Table 1 below.

**Table 1 LGF Forecast Spend 2016/17**

	Total Planned Spend in 2016/17  (as at Q1 2016/17)  (£m)	Total Planned Spend in 2016/17  (as reported in January 2017)  (£m)	Variance *  (£m)
East Sussex	16.881	13.255	-3.626
Essex	9.699	9.784	0.085
Kent	34.004	29.827	-4.177
Medway	5.768	4.635	-1.133
Southend	5.102	4.902	-0.200
Thurrock	12.950	8.850	-4.100
<i>Skills</i>	12.077	12.091	0.015
<i>Housing Regen</i>	2.000	0.334	-1.666
<b>LGF Sub-Total</b>	<b>98.480</b>	<b>83.679</b>	<b>-14.801</b>
Retained	5.200	7.087	1.887
<b>Total Spend Forecast</b>	<b>103.680</b>	<b>90.766</b>	<b>-12.914</b>

\*Variance is the difference between forecast LGF spend in 2016/17 as at Q1 2016/17 and forecast LGF spend in 2016/17 as reported in January 2017.

5.6 At the outset of 2016/17 financial year there was an LGF spend forecast of £98.48m for 2016/17. The latest update shows an LGF spend forecast of £83.68m LGF spend in 2016/17, excluding retained schemes. This presents a variance of £14.80m (excluding retained schemes) from the position at the start of the financial year.

5.7 Of the £14.80m variance, £2.47m is the unachieved over-programme as detailed at paragraph 5.4. The remaining £12.33m is the underspend against the funding available in this financial year.



**Table 2 Forecast LGF spend relative to LGF allocation in 2016/17  
(excludes retained schemes)**

	(£m)
LGF allocation in 2016/17	82.27
Funding swaps to local partner programmes - Option 4 mitigation	12.66
Skills carry-forward from 2015/16	1.08
<b>Total LGF available to spend in 2016/17</b>	<b>96.01</b>
<b>Total LGF forecast spend in 2016/17</b>	<b>83.68</b>
<b>Variance*</b>	<b>-12.33</b>

\*Difference between the total LGF available to spend in 2016/17 and the total forecast spend of LGF in 2016/17.

## 6. Re-profiling of LGF spend by County Council/ Unitary Authority

- 6.1 Appendix 2 shows the financial monitoring for each LGF Round 1 and 2 project. In addition to the currently reported slippage of spend, the backloading of LGF spend in 2016/17 Q4 and specific project risks indicate the potential for further slippage in LGF spend during this financial year.
- 6.2 Whilst opportunities will be sought to reduce the level of LGF slippage during 2016/17, where LGF slippage exists, mitigation will be put in place through applying the four mitigation measures approved by the Board previously. These include:
- 6.2.1 **Option 1** -Bringing forward of planned future year LGF spend on schemes in the 2016/17 LGF programme;
- 6.2.2 **Option 2** – Bringing forward of 2017/18 LGF schemes to spend in 2016/17;
- 6.2.3 **Option 3** - Transfer of LGF spend on schemes between Partner authorities (this will be completed as a direct payment from SELEP Accountable Body to the Partner Authority, subject to SELEP Accountability Board agreement, under the grant payment process introduced in 2016/17); and

6.2.4 **Option 4 – Re-profiling of spend between LGF projects and Capital Programme projects**

- 6.3 The use of Option 4 should only be applied where there is no opportunity to apply Options 1, 2 or 3. The use of Option 4 remains unfavourable with Government and Federated Areas are encouraged to only apply Option 4 mitigation as a last resort.
- 6.4 Should none of the options 1 – 4 above be implemented the alternative route will be for any LGF held by SELEP at the end of financial year to be carried forward from 2016/17 to 2017/18, within SELEP's accounts (Option 5).
- 6.5 Under the new Grant Payment Process, LGF is transferred to authorities each quarter, based on the LGF spend forecast. As a result of slippage to certain LGF projects, a proportion of the LGF allocation is currently held by SELEP.
- 6.6 Local Authorities are strongly encouraged to draw down from this LGF funding where they can demonstrate an ability to accelerate LGF spend on a project currently included in SELEPs Growth Deal programme. However, if there is LGF held by SELEP at the end of the financial year, Option 5 will be implemented.
- 6.7 The details of the LGF re-profiling and options to mitigate this underspend are set out below.
- 6.8 The Board is asked to note the reported slippage of LGF spend reported by local partners for certain LGF projects. An updated position will be presented to the Board on 31<sup>st</sup> March 2017, for the Board's approval, in addition to the budgeted spend on the programme for 2017/18. Currently the SELEP has not had confirmation from Government of funding levels for 2017/18 and therefore are unable to present a budget at this time.

**7. East Sussex re-profiling of LGF spend**

- 7.1 The Board is asked to **note** slippage of LGF spend has been identified for three LGF projects in East Sussex, namely:
- 7.1.1 Eastbourne and South Wealden Walking and Cycling LSTF package;
  - 7.1.2 Eastbourne town centre LSTF access & improvement package; and
  - 7.1.3 Queensway Gateway Road.
- 7.2 To help mitigate potential underspend in East Sussex's LGF programme, opportunities have been sought to bringing forward LGF Round 3 projects through the Independent Technical Evaluation (ITE) process. The Board approved two projects, namely;
- 7.2.1 Eastside South Business Park, Newhaven and
  - 7.2.2 East Sussex Strategic Growth Project

- 7.3 The approval of these two projects was subject to the successful LGF Round 3 allocation to these projects. Unfortunately Eastside South Business Park was unsuccessful in securing an LGF Round 3 allocation. As a result, this project will not progress at this time and no LGF will be transferred to this project.
- 7.4 The East Sussex Strategic Growth Project was successful in receiving an LGF allocation of £8.2m. The funding allocation to this project was approved by the Board in January 2017.
- 7.5 The Board is asked to **approve** the acceleration of LGF spend for the East Sussex Strategic Growth Project in 2016/17 by £300,000, subject to agreement by Team East Sussex Federated Board and East Sussex County Council internal governance arrangements being satisfied.
- 7.6 The acceleration of LGF spend on East Sussex Growth Project will be used as Option 2 mitigation. The remaining LGF slippage will be mitigated through applying Option 4.

**Table 3 Re-profiling of LGF spend from 2016/17 and 2017/18 for East Sussex LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Eastbourne and South Wealden Walking and Cycling LSTF package (LGF00024)</b>	8.600	0.750	0.400	-0.350	Reduction in forecast is due to delays in the project as a result of knotweed having been found on the route.  <b>Note the re-profiling of £0.350m LGF from 2016/17 to 2017/18.</b>

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Queensway Gateway Road (LGF00036)</b>	6.000	4.581	3.000	-1.581	<p>Works have started on site, but substantial delay to the project programme has led to reduced spend in 2016/17 and slippage into 2017/18.</p> <p>The start of construction works on site was delayed due to delays experienced during the planning process and in the discharge of planning conditions.</p> <p><b>Note the re-profiling of £1.581m LGF from 2016/17 to 2017/18.</b></p>
<b>Eastbourne town centre LSTF access &amp; improvement package</b>	6.000	2.495	0.500	-1.995	<p>Reduced LGF spend in 2016/17 as a result of a design review and further consultation being required on the proposed intervention.</p> <p><b>Note the re-profiling of £1.995m LGF from 2016/17 to 2017/18.</b></p>
<b>East Sussex Strategic Growth Project</b>	8.200	0.000	0.300	0.300	<p><b>Approve is sought for the acceleration of spend on East Sussex Strategic Growth Project by £0.300m in 2016/17.</b></p>
<b>Net total East Sussex County Council forecast LGF re-profiling from 2016/17 to 2017/18</b>				<b>-3.626</b>	

## 8. Essex

- 8.1 The Board is asked to **note** the re-profiling of LGF from 2016/17 to 2017/18 for;
- 8.1.1 Colchester Town Centre,
  - 8.1.2 A414 Pinch Point Package: A414 First Avenue & Cambridge Road junction scheme and
  - 8.1.3 Chelmsford Station / Station Square / Mill Yard scheme.
- 8.2 To mitigate this LGF spend slippage, LGF spend has been accelerated on Basildon Integrated Transport Package by £1.683m as approved by the Board in November 2017. This will be applied as an Option 4 Capital Swap.
- 8.3 The net impact from the re-profiling a LGF spend will increase the LGF spend by Essex County Council by £0.085m in 2016/17, to a total forecast LGF spend of £10.78m in 2016/17 (excluding retained schemes).

**Table 4 Re-profiling of LGF spend from 2016/17 and 2017/18 for Essex LGF projects**

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>Colchester LSTF (LGF00025)</b>	£2.400	£1.089	£1.289	0.400	Increase in LGF allocation to this project by £0.400m to help offset the increase in the total cost of this project.  <b>Approved by the Board in November 2016</b>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
Colchester Integrated Transport Package (LGF00026)	5.000	0.000	0.673	0.678	<p>Increase in LGF spend forecast is shown as this project formed part of Essex County Council Option 4 Capital Swap in 2015/16. LGF is being spent in place of Essex County Council capital funding during 2016/17.</p> <p><b>Variance approved by the Board in November 2016.</b></p>
Colchester Town Centre (LGF00027)	4.600	4.045	3.249	-0.796	<p>Reduced LGF spend is forecast during 2016/17 due to a delay to the delivery of Lexden Road bus improvements following public consultation.</p> <p><b>Note the re-profiling of £0.396m LGF from 2016/17 to 2017/18 and reallocation of £0.4m of Colchester LSTF.</b></p>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>A414 Pinch Point Package: A414 First Avenue &amp; Cambridge Rd junction (LGF00032)</b>	10.000	2.130	1.230	-0.900	<p>Four packages to complete by December, but the completion of the final works has been delayed to 2017/18, resulting in a slippage of LGF spend.</p> <p>Project delay has been incurred as a result of the complexity of interventions to be delivered as part of this package.</p> <p><b>Note the re-profiling of £0.900m LGF from 2016/17 to 2017/18.</b></p>
<b>Chelmsford Station / Station Square / Mill Yard (LGF00033)</b>	3.000	1.566	0.591	-0.975	<p>Reduced LGF spend is forecast during 2016/17 due to project having suffered significant delays. This is a complex project involving several stakeholders including Essex County Council, Network Rail and Train Operating Company.</p> <p><b>Note the re-profiling of £0.975m LGF from 2016/17 to 2017/18.</b></p>
<b>Basildon Integrated Transport Package (LGF00034)</b>	9.000	0.000	1.683	1.683	<p>Accelerated LGF spend by £1.683m as LGF will be used in advance of Essex County Council capital contributions to fund the project.</p> <p><b>Approved by the Board in November 2016.</b></p>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>Net total Essex County Council forecast LGF re-profiling from 2016/17 to 2017/18</b>				0.090	

## 9. Kent

- 9.1 The Board is asked to **note** the re-profiling of £4.177m spend from 2016/17 to 2017/18 for Kent LGF projects listed in Table 5 below.
- 9.2 To mitigate this level of slippage, Table 5 below shows the increased LGF spend on;
- 9.2.1 Tonbridge Town Centre Regeneration,
  - 9.2.2 Folkestone Seafront: onsite Infrastructure and Engineering Works and
  - 9.2.3 A226 London Road/ B255 St Clements Way.
- 9.3 The increase in spend on the Tonbridge Town Centre Regeneration and Folkestone Seafront: onsite infrastructure and engineering works in 2016/17 is the result of increased total LGF allocations to these projects.
- 9.4 The Board is asked to **note** the increased LGF allocation to Tonbridge Town Centre Regeneration project, by £103,000. This additional allocation to the project will be spent in 2016/17 and will be mitigated against slippage on other Kent LGF projects in 2016/17. During future years of the LGF programme, this overspend on the Tonbridge Town Centre project will be mitigated against a reduced allocation to Kent's Sustainable Interventions Project.
- 9.5 As the reallocation of LGF from Kent Sustainable Interventions Project to Tonbridge Town Centre Regeneration is less than the 10% threshold for the Board approval being required, the Board is asked to note the change to the LGF allocations for these projects.
- 9.6 The increase in scheme cost for the Tonbridge Town Centre Project has occurred as a result of scope creep. The additional LGF allocation to the project will enable further improvements to be delivered through cycle improvements to the A21 Pembury Road and will not adversely impact on the outputs and outcomes to be delivered through the Kent Sustainable Interventions Project.



- 9.7 The Board is asked to **approve** the acceleration of LGF spend on A226 London Road/ B255 St Clements Way from 2018/19 to 2016/17, by £0.934. This acceleration of LGF spend will be applied as an Option 2 mitigation.
- 9.8 Of the £4.177m overall profiling of LGF spend between 2016/17 and 2017/18, £0.641m of this will be carried forward as Option 5, due to the full LGF allocation for 2016/17 not being drawn down for A26 Sturry Link Road or Ashford Spurs projects.
- 9.9 It is expected that the remaining LGF and any further re-profiling identified to the end of the financial year, will be carried forward as an Option 4 Capital Swap.

**Table 5 Re-profiling of LGF spend from 2016/17 and 2017/18 for Kent LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Tonbridge Town Centre Regeneration (LGF00006)</b>	2.500	0.567	0.670	0.103	Increase in LGF allocation to the project by £0.103m through a reduced allocation to Kent Sustainable Interventions Programme.  <b>Note the increased LGF allocation to this project.</b>
<b>Tunbridge Wells Junction Improvement Package (LGF00009)</b>	1.800	0.197	0.165	- 0.032	Re-profiling of LGF spend by £0.032m due to change of project scope.  <b>Note the re-profiling of LGF spend £0.032m from 2016/17 to 2017/18.</b>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>Kent Thameside LSTF (LGF00010)</b>	4.500	0.849	0.448	-0.401	<p>The need for the re-profiling of £0.401m LGF spend is forecast as land purchase is unlikely to be completed by the end of 2016/17.</p> <p><b>Note the re-profiling of £0.401m LGF from 2016/17 to 2017/18.</b></p>
<b>Kent Strategic Congestion Management programme (LGF00012)</b>	4.800	0.737	0.610	-0.127	<p>Re-profiling of £0.127m LGF spend is required as a result of an amended programme of works to better co-ordinate the delivery of interventions set out for 2016/17, with the packages of works to be delivered using the LGF allocation to the project in 2017/18.</p> <p><b>Note the re-profiling of 0.127m LGF from 2016/17 to 2017/18.</b></p>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>Kent Rights of Way improvement plan</b> <b>(LGF00014)</b>	1.000	0.207	0.138	-0.069	<p>Construction works are due to take place during winter 2016/17, but unlikely to be completed until next financial year. Slippage of £0.069m LGF re-profiling is therefore anticipated.</p> <p><b>Note the re-profiling of £0.069m LGF from 2016/17 to 2017/18.</b></p>
<b>Kent Sustainable Interventions Programme</b> <b>(LGF00015)</b>	2.856	0.538	0.528	-0.010	<p>Reduced LGF spend on this project in 2016/17 by £0.008 due to the reallocation of this funding to Folkestone Seafront: onsite infrastructure and engineering works.</p> <p>In addition £0.002 to be re-profiled from 2016/17 to 2017/18.</p>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>Folkestone Seafront : onsite infrastructure and engineering works</b> <b>(LGF00017)</b>	0.541	0.000	0.008	0.008	Increased in LGF allocation to the project to cover the increased project cost. The LGF allocation to this project has increased by £0.041 in total (£33,000 in 2015/16 and £0.008m in 2016/17).
<b>A28 Chart Road</b> <b>(LGF00038)</b>	10.200	1.115	0.801	-0.314	Re-profiling of £0.314m LGF due to the delay in signing the s106/s278 agreements.  <b>Note the re-profiling of £0.314m LGF from 2016/17 to 2017/18.</b>
<b>Maidstone Integrated Transport</b> <b>(LGF00039)</b>	8.900	1.300	0.715	-0.585	Project scope to be increased to link with private sector lead project. A revised Business Case is due to be submitted. Construction works will now not take place until 2017/18 and the LGF spend forecast has been revised accordingly.  <b>Note the re-profiling of £0.585m LGF from 2016/17 to 2017/18</b>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>A28 Sturry Link Road (LGF00044)</b>	5.900	1.000	0.459	-0.541	Slippage of LGF spend in 2016/17 is expected as a result of a revised programme for land purchase.  <b>Note the re-profiling of £0.541m LGF from 2016/17 to 2017/18.</b>
<b>Ashford Spurs (LGF00059)</b>	9.800	2.000	0.924	-1.076	Slippage of LGF spend is expected due to the timing of expenditure by Network Rail.  <b>Note the re-profiling of £1.076m LGF from 2016/17 to 2017/18.</b>
<b>Folkestone Seafront (non-transport)</b>	5.000	4.000	1.933	-2.067	Currently forecasting slippage of £2.067m, as contract award will not take place until January for large element of works. However, there may be potential to reduce this level of slippage through close working with the developers.  <b>Note the re-profiling of £2.067m LGF from 2016/17 to 2017/18.</b>

Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
<b>A226 London Road/B255 St Clements Way</b> <b>(LGF00072)</b>	4.200	0.000	0.934	0.934	Accelerated spend of LGF allocation in 2016/17 by £0.934m to help mitigate LGF underspend.  <b>Approve the acceleration of £0.934m LGF from 2018/19 to 2016/17.</b>
<b>Net total Kent County Council forecast LGF re-profiling from 2016/17 to 2017/18</b>				<b>-4.177</b>	

## 10. Medway

- 10.1 The Board's is asked to **note** the re-profiling of £1.377m LGF spend from 2016/17 to 2017/18, as set out in Table 6 below.
- 10.2 To mitigate the slippage of £0.458m LGF from 2016/17 to 2017/18 for the A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements project, the Board is asked to **approve** the acceleration of LGF spend, as Option 1 mitigation, on the following projects;
- 10.2.1 Strood Town Centre Journey Time and Accessibility Enhancements (by £0.081m),
  - 10.2.2 Chatham Town Centre Place-making and Public Realm Package (by £0.120m),
  - 10.2.3 Medway Cycling Action Plan (by £0.100m) and
  - 10.2.4 Medway City Estate Connectivity Improvement Measures (£0.157m),
- 10.3 The 2016/17 LGF slippage on Rochester Airport project is currently held by SELEP, as Option 5.

**Table 6 Re-profiling of LGF spend from 2016/17 to 2017/18 for Medway LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements (LGF00018)</b>	11.100	1.100	0.642	-0.458	Slippage of LGF spend in 2016/17 due to delay in programme and late submission of planning application.  <b>Re-profiling of £0.458m LGF from 2016/17 to 2017/18.</b>
<b>Strood Town Centre Journey Time and Accessibility Enhancements (LGF00019)</b>	9.000	1.250	1.331	0.081	LGF spend to be accelerated to help mitigate underspend on A289 Four Elms Roundabout.  <b>Approval is sought for the accelerated spend of £0.081m LGF, as Option 1 mitigation.</b>

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Chatham Town Centre Place-making and Public Realm Package (LGF00020)</b>	4.000	0.818	0.938	0.120	LGF spend to be accelerated to help mitigate underspend on A289 Four Elms Roundabout.  <b>Approval is sought for the accelerated spend of £0.120m LGF, as Option 1 mitigation.</b>
<b>Medway Cycling Action Plan (LGF00021)</b>	2.500	1.000	1.100	0.100	LGF spend to be accelerated to help mitigate underspend on A289 Four Elms Roundabout.  <b>Approval is sought for the accelerated spend of £0.100m LGF, as Option 1 mitigation.</b>
<b>Medway City Estate Connectivity Improvement Measures (LGF00022)</b>	2.000	0.300	0.457	0.157	LGF spend to be accelerated to help mitigate underspend on A289 Four Elms Roundabout.  <b>Approval is sought for the accelerated spend of £0.157m LGF, as Option 1 mitigation.</b>



Scheme Name	Total LGF allocation (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (January 2017) (£m)	Variance (£m)	Approvals sought and reason for change in spend forecast
Rochester Airport - Phase 1 (LGF00061)	4.400	1.300	0.167	-1.133	LGF spend slippage due to delays with planning application. Project is being delivered by third party.  <b>Note the re-profiling of £1.133m LGF from 2016/17 to 2017/18.</b>
<b>Net total Medway Council forecast LGF re-profiling from 2016/17 to 2017/18</b>				<b>-1.133</b>	

## 11. Southend

- 11.1 The Board is asked to **note** the slippage of spend of £0.2m LGF from 2016/17 to 2017/ for Southend Central Area Action Plan (SCAAP) Transport Project and a re-profiling of spend for A127 Kent Elms Corner, retailed scheme (by £1.0m), as set out in Section 14 below.
- 11.2 It is expected that the £0.2m LGF slippage on the Southend Central Area Action Plan (SCAAP) Transport Project will be mitigated through Option 4 mitigation.

**Table 7 Re-profiling of LGF spend from 2016/17 to 2017/18 for Southend LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Southend Central Area Action Plan (SCAAP) - Transport Package</b>	7.000	1.000	0.800	-0.200	Reduced LGF spend in 2016/17 due to revised programme.  <b>Note the re-profiling of £0.200m LGF spend from 2016/17 to 2017/18.</b>
<b>Net total Southend –On –Sea Borough Council forecast LGF re-profiling from 2016/17 to 2017/18</b>				<b>-0.200</b>	

### **Thurrock**

- 11.1 The Board’s approval is asked to **note** the re-profiling of £4.1m LGF spend from 2016/17 to 2017/18 for Purfleet Centre.
- 11.2 To mitigate the £4.1m LGF underspend for the Purfleet Centre project, it is intended that £1.6m will be mitigated through an Option 4 Capital Swap. The remaining £2.5m is currently held by SELEP as an Option 5.

**Table 8 Re-profiling of LGF spend from 2016/17 to 2017/18 for Thurrock LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (January 2017) (£m)</b>	<b>Variance (£m)</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Purfleet Centre (LGF00056)</b>	5.000	5.000	0.900	-4.100	Slippage of £4.1m LGF is required as a result of delayed land purchases during 2016/17. The project profile will be reviewed to ensure that £4.1m LGF spend in 2016/17 is achievable.  <b>Note the re-profiling of £4.1m LGF from 2016/17 to 2017/18.</b>
<b>Net total Thurrock Council forecast LGF re-profiling from 2016/17 to 2017/18</b>				<b>-4.100</b>	

## **12. Coastal Communities Project**

- 12.1 The Business Case for the Coastal Communities Housing Intervention project has been developed for the £2m LGF allocation for consideration. The latest spend forecast provided alongside the Business Case development shows the re-profiling of £1.666m LGF spend between 2016/17 and 2017/18.
- 12.2 The Board is asked to **note** the expected LGF re-profiling for this project. The detail of the Project is discussed in the LGF Business Case approvals report (Agenda Item 5).

**Table 9 Re-profiling of LGF spend from 2016/17 to 2017/18 for the Coastal Communities Housing Intervention LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)</b>	<b>Variance</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>Coastal Communities Housing Intervention (LGFSE62)</b>	2.00	2.000	0.334	-1.666	Slippage of LGF spend in 2016/17 due to delay in development of project Business Case.  <b>Re-profiling of £1.666m from 2016/17 to 2017/18.</b>

### **13. Skills Capital Projects**

- 13.1 The LGF programme includes the allocation of £22m to Capital Skills projects.
- 13.2 In total, 29 projects have been approved by the Board, which fully allocates the £22m LGF, with an over-profiling of £14,661.
- 13.3 In 2015/16, a total of £9.923m was spent, with a further £12.091m forecast to be spent during 2016/17. No slippage of Skills Capital Spend has been forecast beyond 2016/17.
- 13.4 A detailed LGF Capital Skills Programme update is provided under Agenda Item 11.

### **14. Department for Transport (DfT) Retained Projects**

- 14.1 There are currently six projects identified as retained schemes for which LGF is received by the SELEP Accountable Body directly from the DfT. Reporting on project progress and the spend of the LGF allocation is provided directly to the DfT for these projects, rather than through the Cities and Local Growth Unit Team, as is the case for all other LGF projects.

- 14.2 In total, £109.6m LGF is allocated to the six DfT retained schemes over the life of the programme. The Q1 2016/17 baseline position reported a planned LGF spend of £5.2m on DfT retained schemes in this financial year. The latest forecast spend position is of £7.1m for the year.
- 14.3 The variation to the forecast LGF spend on retained schemes is set out in Table 10 below.
- 14.4 The DfT will increase the amount of LGF receive by SELEP to support the accelerated spend on A127 Capacity Enhancements Road Safety and Network Resilience project by £2.387m LGF in 2016/17, as approved by the Board in January 2017.
- 14.5 It is expected that the re-profiling of £1m LGF for the A127 Kent Elms Corner will be carried forward by Southend - on - Sea Borough Council to next financial year.
- 14.6 The spend forecast submitted by Thurrock Council in January 2017 shows an acceleration of LGF spend in 2016/17 of £0.5m for A13 widening. However, as the Business Case for the project will now be considered by the Board at the next meeting on the 31<sup>st</sup> March 2017, the potential for £0.5m LGF spend to be incurred on project delivery during 2016/17 is not possible. An amended spend forecast for this project will be made available to the Board at the point of the Business Case being considered and funding decision being taken.

**Table 10 Re-profiling of LGF spend in 2016/17 for the DfT retained LGF projects**

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)</b>	<b>Variance</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>A127 Capacity Enhancements Road Safety and Network Resilience (LGF00080)</b>	4.000	1.100	3.487	2.387	Accelerated LGF spend by £2.387m as LGF will be used in advance of Essex County Council capital contributions to fund the project  <b>Approved by the Board in January 2017.</b>

<b>Scheme Name</b>	<b>Total LGF allocation (£m)</b>	<b>Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)</b>	<b>Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)</b>	<b>Variance</b>	<b>Approvals sought and reason for change in spend forecast</b>
<b>A127 Kent Elms Corner (LGF00081)</b>	4.300	3.800	2.800	-1.000	Reduced LGF spend in 2016/17 due to a delay in the tendering of gas works contract.  <b>Note the re-profiling of £1m LGF spend from 2016/17 to 2017/18.</b>
<b>A13 Widening (LGF00084)</b>	£75.000	0.000	0.500	0.500	An amended spend profile will be considered by the Board alongside the Business Case approval.
<b>Net total retained scheme forecast LGF re-profiling in 2016/17</b>				<b>1.887</b>	

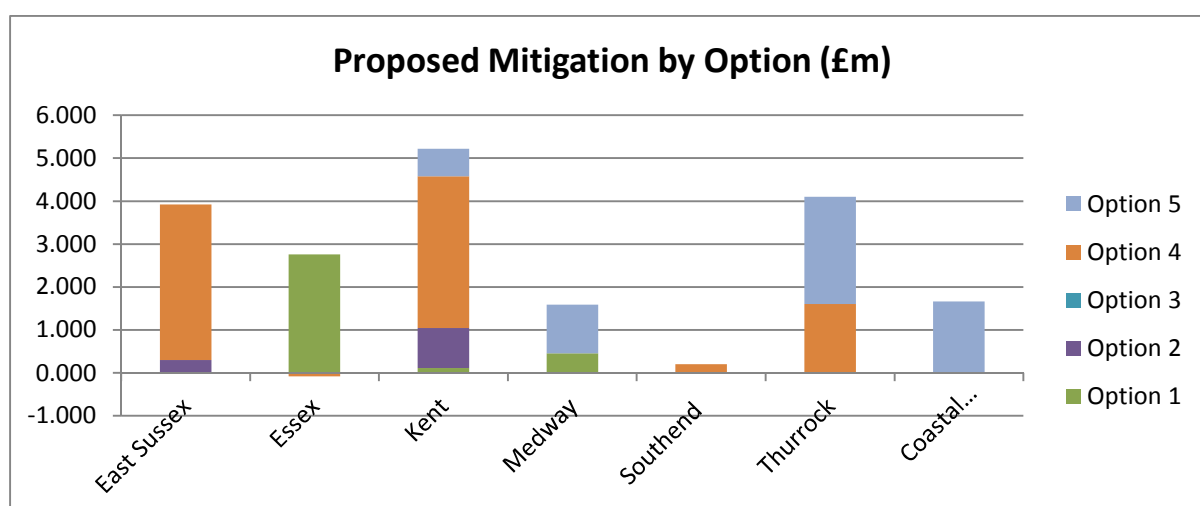
## 15. Summary of Mitigation

- 15.1 Tables 11 and Figure 1 below sets out the proposed mitigation to be implemented to offset the forecast slippage of LGF funding between 2016/17 to 2017/18.
- 15.2 The proposed mitigation is in line with the five mitigation options set out in Section 6 above.

**Table 11 LGF Slippage Proposed Mitigation (excluding retained scheme)**

£m's	East Sussex	Essex	Kent	Medway	Southend	Thurrock	Coastal Communities	Skills Capital	Total
Slippage before mitigation	-3.926	-2.671	-5.221	-1.591	-0.200	-4.100	-1.666	0.015	-19.360
Option 1		2.756	0.111	0.458					3.325
Option 2	0.300		0.934						1.234
Option 3									0.000
Option 4	3.626	-0.085	3.535		0.200	4.100		-0.015	11.361
Option 5			0.641	1.133			1.666		3.440
<b>Total Mitigation</b>	<b>3.926</b>	<b>2.671</b>	<b>5.221</b>	<b>1.591</b>	<b>0.200</b>	<b>4.100</b>	<b>1.666</b>	<b>-0.015</b>	<b>19.360</b>

**Figure 1 LGF Slippage Proposed Mitigation (excluding retained scheme)**



## 16. LGF Round 3 allocation

16.1 The Government's LGF Round 3 announcement has allocated a further £102.65m to SELEP to support the delivery of a further 19 Growth Deal projects.

16.2 The Government has yet to confirm the profile of the Round 3 LGF allocation. Once Government has provided formal confirmed the profile of this funding and the amount of LGF to be received by SELEP in 2017/18, then a planned spend 2017/18 will be presented to the Board for approval, including LGF Round 3 projects.

16.3 Opportunities may be sought to accelerate the delivery and LGF spend on Round 3 projects to ensure that the amount of LGF spend in 2017/18 is matched to the LGF spend profile made available and slippage of LGF from 2016/17 to 2017/18 is fully spent.

## 17. Deliverability and Risk Approach

17.1 Appendix 3 Project Summary provides a highlight report on project progress to date, including the Board approval status, project update and the projects' expected completion dates. In addition, the Project Summary shows the overall project risk and LGF spend risk.

17.2 The deliverability and risk assessment has been completed for all live and future year projects. Those projects which have been completed or removed from the programme have been excluded from the assessment. In the update to future Board meetings a deliverability and risk assessment will also be included for LGF Round 3 projects.

## 18. Deliverability and Risk Summary

18.1 Table 12 sets out the summary position in terms of project risk and LGF spend risk.

**Table 12 LGF project risk and LGF spend risk**

	Project Risk	LGF spend risk
Low	54	32
Medium	14	24
High	3	15
Total	71	71

18.2 The projects with a Red RAG rating for Project Risk are:

- **Beaulieu Park Railway Station** – The complex nature of this rail project and the early stage of the projects development presents risk to project delivery and creates uncertainty as to the total project cost. To address this uncertainty, project development work is currently being completed following Network Rail's Governance of Rail Investment Projects (GRIP) process. The completion of GRIP Stage 2 work will help provide greater assurances of project cost and deliverability.



- **Thanet Parkway** - This is a complex rail project with a funding shortfall. To address this shortfall a funding bid for Network Rail's New Stations Fund was submitted on 25 November 2016. A SELEP letter of support has been provided to enhance the case for investment. The outcome of this funding bid has yet to be determined.
- **Dover Western Docks Revival: A20 Improvements** – This project is allocated £5m LGF in 2016/17, but the funding has not yet been approved by the Board. The issues are set out in detail under Agenda Item 3. If funding is not awarded to this project, this will increase the level of LGF between 2016/17 and 2017/18 by a further £5m.

## 19. LGF Programme Risks

19.1 In addition to project specific risks, the following LGF programme risks have also been identified.

### 19.1.1 *Governments funding commitment to future years of the LGF Programme*

Risk: Currently Government has only given a provisional funding allocation for future years of the LGF programme and the level of LGF to be received by SELEP has yet to be confirmed.

Mitigation: SELEP continues to seek assurances and formal confirmation of SELEPs LGF allocation in 2017/18 and future years of the programme.

### 19.1.2 *Total project cost escalation*

Risk: For certain LGF projects included in our Growth Deal, the total cost estimate has increased since the original bid submission and provisional LGF allocation was awarded. These projects, such as Ashford Spurs, have been brought to the attention of the Board. Increases in total project costs may impact on our ability to deliver the projects and outcomes/outputs which SELEP committed to achieve through LGF investment. Escalations in project cost may also impact on the Value for Money case for projects included in our Growth Deal.

Mitigation: SELEP is now taking a proactive approach in monitoring the total cost of LGF projects. Any changes to the total cost of a project must be reported to the Board through the Change Request process to ensure that projects continue to demonstrate Value for Money.

### 19.1.3 *Timing and availability of private and public match funding sources*

Risk: Changes to the availability of local match funding sources may lead to profiling of LGF spend, delay of or affect the overall deliverability of LGF projects.

Mitigation: LGF update reports now include the monitoring of spend of local funding contributions towards LGF projects. Any changes to the total cost of a project must be reported to the Board through the Change Request process to ensure that projects continue to demonstrate Value for Money.

*19.1.4 Resource within Local Authorities and in the private sector to support the delivery of the Growth Deal programme.*

Risk: A lack of resource within the delivery authorities, consultancies and contractors to support the development and construction of LGF projects may result in an increase in project cost estimates (as the tender costs are higher than originally forecast) and/or a delay to project programme for delivery.

Mitigation: Opportunities are being sought for early engagement with the industry to raise awareness of the LGF programme and the pipeline of work coming forward. Assurances are also being sought through the S151 Officer letter which supports Business Case submissions to ensure that the delivery body has access to the skills, expertise and resource to support the delivery of the project

*19.1.5 Re-profiling of LGF spend*

Risk: The revised spend forecast indicates an LGF underspend in 2016/17 of £12.33m. There is potential for the forecast levels of LGF underspend in 2016/17 to increase as there is a high proportion of backloading of LGF spend in Q4, including spend on projects with a red RAG rating.

The accumulation of LGF slippage between financial years will lead to increasing pressure on LGF delivery during later years of the LGF programme. Furthermore, the LGF underspend may affect future allocations of LGF.

Mitigation: SELEP will work with the Federated Areas on the lead up to the end of the financial year to identify where proactive measures can be taken to reduce and mitigate LGF underspend during 2016/17. The early development of 2017/18 LGF spend forecasts will help ensure that SELEP funding allocation in 2017/18 matches the expected LGF programme spend forecast.

## **20. Financial Implications**

- 20.1 The underspend forecast has increased by £6m since it was last reported to Board in September. This almost 100% increase in underspend is concerning and further work should be done with project sponsors to identify underspends earlier so that other projects can be considered for accelerated spend.
- 20.2 There is a risk that this underspend increases further as we move towards the end of the financial year. Large underspends at the end of the year may cause Government to revise their decision to award further freedoms and flexibilities to the programme or potentially impact any future funding bids.
- 20.3 Large levels of slippage will put pressure upon delivery organisations in later years of the programme as the number of projects to be delivered in any one year increases. This risk has been identified but consideration should be given to potential future year pressures now, and those pressures should be identified to the Board.
- 20.4 The unknown future LGF grant profile presents a risk. Some LGF3 projects are ready for funding now, but it is likely that the LGF3 monies from Government will be back-loaded to later years of the programme. Expectations of project sponsors and delivery organisations need to be managed but this also presents an opportunity to mitigate some of the current underspend through dynamic management of the programme.

## **21. Legal Implications**

- 21.1 There are no legal implications arising out of the recommendations set out in this report.

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

- 22.1 None

## **23. Equality and Diversity implications**

- 23.1 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.

- 23.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 23.3 In the course of the development of the project business cases, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

**24. List of Appendices**

- 24.1 Appendix 1 - Financial monitoring
- 24.2 Appendix 2 - Summary of forecast spend profile
- 24.3 Appendix 3 – Project deliverability and risk

**25. List of Background Papers**

- 25.1 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>	  16/02/17

## Appendix 1 LGF Financial Monitoring - East Sussex Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00002	Newhaven Flood Defences	East Sussex	9.000	1.500	0.300	0.800	0.800	0.000	32.50%	
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Corridor	East Sussex	3.530	2.100	0.000	0.000	0.000	0.000	0.00%	
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	10.560	8.600	0.600	0.750	0.400	-0.350	100.00%	To be mitigated through Option 2 or Option 4
LGF00036	Queensway Gateway Road	East Sussex	6.000	6.000	1.419	4.581	3.000	-1.581	81.40%	To be mitigated through Option 2 or Option 4
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	0.000	1.400	0.505	0.895	0.895	0.000	38.66%	
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.000	1.700	0.530	1.170	1.170	0.000	41.62%	
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	0.000	16.600	6.410	6.190	6.190	0.000	67.32%	High proportion of spend in Q4 2016/17
LGF00042	Hastings and Bexhill junction capacity improvements package	East Sussex	0.000	6.000	0.000	0.000	0.000	0.000	0.00%	
LGF00043	Hastings and Bexhill LSTF walking and cycling package	East Sussex	0.000	6.000	0.000	0.000	0.000	0.000	0.00%	
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	0.000	6.000	0.000	2.495	0.500	-1.995	100.00%	To be mitigated through Option 2 or Option 4
LGF00073	A22/A27 junction improvement package	East Sussex	0.000	4.000	0.000	0.000	0.000	0.000	0.00%	
	East Sussex Strategic Growth Project	East Sussex		8.200	0.000	0.000	0.300	0.300	100.00%	To be used as Option 2 mitigation.
<b>Total</b>			29.090	68.100	9.764	16.881	13.255	-3.626		

## Appendix 1 LGF Financial Monitoring - Essex Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00004	Colchester Broadband Infrastructure	Essex	0.529	0.200	0.200	0.000	0.000	0.000	0.00%	
LGF00025	Colchester LSTF	Essex	2.720	2.400	0.911	1.089	1.489	0.400	0.00%	
LGF00026	Colchester Integrated Transport Package	Essex	12.000	5.000	1.527	0.000	0.673	0.673	25.71%	
LGF00027	Colchester Town Centre	Essex	5.510	4.600	0.955	4.045	3.249	-0.796	31.09%	
LGF00028	TGSE LSTF - Essex	TGSE	3.044	3.000	2.131	0.869	0.869	0.000	12.08%	
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd juncti	Essex	21.835	10.000	5.870	2.130	1.230	-0.900	0.00%	
LGF00032	A414 Maldon to Chelmsford RBS	Essex	3.500	2.000	1.000	1.000	1.000	0.000	0.00%	
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	3.000	3.000	0.409	1.566	0.591	-0.975	63.28%	
LGF00034	Basildon Integrated Transport Package	TGSE	13.810	9.000	1.546	0.000	1.683	1.683	39.93%	
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	7.500	5.800	5.800	0.000	-1.000	0.000	0.00%	
LGF00048	A131 Chelmsford to Braintree	Essex	7.320	3.660	0.000	0.000	0.000	0.000	0.00%	
LGF00049	A414 Harlow to Chelmsford	Essex	7.320	3.660	0.000	0.000	0.000	0.000	0.00%	
LGF00050	A133 Colchester to Clacton	Essex	5.480	2.740	0.000	0.000	0.000	0.000	0.00%	
LGF00051	A131 Braintree to Sudbury	Essex	3.600	1.800	0.000	0.000	0.000	0.000	0.00%	
LGF00063	Chelmsford City Growth Area Scheme	Essex	15.000	10.000	0.000	0.000	0.000	0.000	0.00%	
LGF00064	Chelmsford Flood Alleviation Scheme	Essex	12.300	0.800	0.000	0.000	0.000	0.000	0.00%	
LGF00070	Beaulieu Park Railway Station	Essex	34.000	12.000	0.000	0.000	0.000	0.000	0.00%	
<b>Total</b>			<b>158.468</b>	<b>79.660</b>	<b>20.349</b>	<b>10.699</b>	<b>9.784</b>	<b>0.085</b>		

Appendix 1 LGF Financial Monitoring - Kent Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00003	Kent and Medway Growth Hub	KMEP	15.000	6.000	0.000	2.000	2.000	0.000	80.70%	
LGF00006	Tonbridge Town Centre Regeneration	KMEP	2.700	2.503	1.833	0.567	0.670	0.103	4.18%	Increase LGF allocation to the project by £103,000
LGF00007	Sittingbourne Town Centre Regeneration	KMEP	4.500	2.500	0.345	2.155	2.155	0.000	64.08%	
LGF00008	M20 Junction 4 Eastern Overbridge	KMEP	5.690	2.200	0.488	1.712	1.712	0.000	0.00%	
LGF00009	Tunbridge Wells Jct Improvement Package	KMEP	2.050	1.800	0.603	0.197	0.165	-0.032	30.91%	
LGF00010	Kent Thameside LSTF	KMEP	8.214	4.500	2.051	0.849	0.448	-0.401	73.88%	
LGF00011	Maidstone Gyrotory Bypass	KMEP	5.740	4.600	0.704	3.896	3.896	0.000	20.71%	
LGF00012	Kent Strategic Congestion Management programme	KMEP	4.800	4.800	0.863	0.737	0.610	-0.127	0.82%	
LGF00013	Middle Deal transport improvements	KMEP	1.550	0.800	0.000	0.800	0.800	0.000	75.00%	
LGF00014	Kent Rights of Way improvement plan	KMEP	1.300	1.000	0.193	0.207	0.138	-0.069	57.97%	
LGF00015	Kent Sustainable Interventions Programme	KMEP	2.959	2.856	0.143	0.538	0.528	-0.010	76.70%	Reduce LGF allocation to the project by £103,000
LGF00016	West Kent LSTF	KMEP	9.060	4.900	0.800	1.400	1.400	0.000	98.29%	
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	KMEP	0.691	0.541	0.533	0.000	0.008	0.008	0.00%	
LGF00038	A28 Chart Road	KMEP	32.800	10.200	0.885	1.115	0.801	-0.314	71.79%	
LGF00039	Maidstone Integrated Transport	KMEP	11.850	8.900	0.000	1.300	0.715	-0.585	75.94%	
LGF00040	A28 Sturry Link Road	KMEP	29.600	5.900	0.000	1.000	0.459	-0.541	55.12%	£525,000 held by SELEP as Option 5
LGF00053	Rathmore Road	KMEP	9.500	4.200	1.562	2.638	2.638	0.000	20.74%	
LGF00054	A28 Sturry Rd Integrated Transport Package	KMEP	0.550	0.300	0.022	0.024	0.024	0.000	100.00%	
LGF00055	Maidstone Sustainable Access to Employment	KMEP	2.610	2.000	0.131	1.869	1.869	0.000	36.49%	
LGF00059	Ashford Spurs	KMEP	10.500	9.800	0.000	2.000	0.924	-1.076	95.45%	£116,000 held by SELEP as Option 5
LGF00041	Thanet Parkway	KMEP	16.500	10.000	0.000	0.000	0.000	0.000	0.00%	
LGF00058	Dover Western Dock Revival	KMEP	5.000	5.000	0.000	5.000	5.000	0.000	100.00%	
LGF00060	Westenhanger Lorry Park (removed from Programme)	KMEP	0.000	0.000	0.000	0.000	0.000	0.000	0.00%	
LGF00062	Folkestone Seafront (non-transport)	KMEP	22.110	5.000	0.000	4.000	1.933	-2.067	85.62%	
LGF00072	A226 London Road/B255 St Clements Way	KMEP	6.903	4.200	0.000	0.000	0.934	0.934	87.15%	To be used as Option 2 mitigation

**Total** 212.177 104.500 11.156 34.004 29.827 -4.177

Appendix 1 LGF Financial Monitoring - Medway Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey Time and N	KMEP	11.564	11.100	0.500	1.100	0.642	-0.458	65.60%	
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	KMEP	10.270	9.000	0.200	1.250	1.331	0.081	78.35%	
LGF00020	Chatham Town Centre Place-making and Public Realm Package	KMEP	7.699	4.000	0.871	0.818	0.938	0.120	75.13%	
LGF00021	Medway Cycling Action Plan	KMEP	2.900	2.500	0.229	1.000	1.100	0.100	41.12%	
LGF00022	Medway City Estate Connectivity Improvement Measures	KMEP	2.094	2.000	0.100	0.300	0.457	0.157	59.01%	
LGF00061	Rochester Airport - phase 1	KMEP	4.400	4.400	0.000	1.300	0.167	-1.133	85.51%	LGF underspend held as Option 5
<b>Total</b>			<b>38.927</b>	<b>33.000</b>	<b>1.900</b>	<b>5.768</b>	<b>4.635</b>	<b>-1.133</b>		



Appendix 1 LGF Financial Monitoring - Southend Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00005	Southend Growth Hub	TGSE	7.092	6.720	0.018	0.702	0.702	0.000	65.81%	
LGF00029	TGSE LSTF - Southend	TGSE	1.000	1.000	0.800	0.200	0.200	0.000	100.00%	
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	TGSE	7.000	7.000	0.000	1.000	0.800	-0.200	78.00%	
LGF00057	Southend and Rochford Joint Area Action Plan	TGSE	8.800	3.200	0.000	3.200	3.200	0.000	81.25%	
<b>Total</b>			<b>23.892</b>	<b>17.920</b>	<b>0.818</b>	<b>5.102</b>	<b>4.902</b>	<b>-0.200</b>		

Appendix 1 LGF Financial Monitoring - Thurrock Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00030	TGSE LSTF - Thurrock	TGSE	1.000	1.000	0.800	0.200	0.200	0.000	92.50%	
LGF00046	Thurrock Cycle Network	TGSE	6.000	5.000	0.000	1.750	1.750	0.000	95.14%	High proportion of spend in 2016/17 Q4
LGF00047	London Gateway/Stanford le Hope	TGSE	12.050	7.500	0.000	1.000	1.000	0.000	100.00%	High proportion of spend in 2016/17 Q4
LGF00052	A13 Widening - development	TGSE	5.000	5.000	0.000	5.000	5.000	0.000	58.48%	
LGF00056	Purfleet Centre	TGSE	122.000	5.000	0.000	5.000	0.900	-4.100	100.00%	£2.5m held by SELEP as Option 5 and remaining to be mitigated through Option 4

**Total**

**146.050**

**23.500**

**0.800**

**12.950**

**8.850**

**-4.100**

Appendix 1 LGF Financial Monitoring - Retained Scheme Summary

January 2017 update

SELEP Code	Scheme Name	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Forecast LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
LGF00079	A127 Fairglen Junction Improvements	Essex	19.348	15.000	0.000	0.000	0.000	0.000	0.00%	
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (B	Essex	8.960	4.000	0.513	1.100	3.487	2.387	45.97%	
LGF00081	A127 Kent Elms Corner	TGSE	5.020	4.300	0.500	3.800	2.800	-1.000	44.93%	
LGF00082	A127 The Bell	TGSE	5.020	4.300	0.000	0.000	0.000	0.000	0.00%	
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	TGSE	8.000	8.000	0.400	0.300	0.300	0.000	100.00%	
LGF00084	A13 Widening	TGSE		75.000	0.000	0.000	0.500	0.500	100.00%	

**Total**

**46.348**

**110.600**

**1.413**

**5.200**

**7.087**

**1.887**



## Appendix 2 - Summary of LGF forecast spend profile

January 2017

Project Number	SELEP number	Project Name	Promoter	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	All Years (£m)
<b>East Sussex</b>										
LGFE2	LGFO0002	Newhaven Flood Defences	East Sussex	0.300	0.800	0.400				1.500
LGFE23	LGFO0023	Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	East Sussex	0.000	0.000	2.100				2.100
LGFE24	LGFO0024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	0.600	0.400	0.850	1.750	2.500	2.500	8.600
LGFE35	LGFO0036	Queensway Gateway Road	East Sussex	1.419	3.000	1.581				6.000
LGFE49	LGFO0066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	0.505	0.895					1.400
LGFE50	LGFO0067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.530	1.170					1.700
LGFE51	LGFO0085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	6.410	6.190	4.000				16.600
tb2	LGFO0042	Hastings and Bexhill junction capacity improvements package	East Sussex	0.000	0.000	1.500	1.500	1.500	1.500	6.000
tb3	LGFO0043	Hastings and Bexhill LSTF walking and cycling package	East Sussex	0.000	0.000		2.000	2.000	2.000	6.000
tb4	LGFO0044	Eastbourne town centre LSTF access & improvement package	East Sussex	0.000	0.500	0.505	1.500	1.500		4.005
tb25	LGFO0073	A22/A27 junction improvement package	East Sussex	0.000	0.000			2.000	2.000	4.000
		East Sussex Strategic Growth Package	East Sussex	0.000	0.300					0.300
<b>Essex</b>										
LGFE4	LGFO0004	Colchester Broadband Infrastructure	Essex	0.200	0.000	0.000				0.200
LGFE25	LGFO0025	Colchester LSTF	Essex	0.911	1.489	0.000				2.400
LGFE26	LGFO0026	Colchester Integrated Transport Package	Essex	1.527	0.673	1.400	1.400			5.000
LGFE27	LGFO0027	Colchester Town Centre	Essex	0.955	3.249	0.396				4.600
LGFE28	LGFO0028	TGSE LSTF - Essex	Essex	2.131	0.869	0.000				3.000
LGFE31	LGFO0031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	5.870	1.230	2.900				10.000
LGFE32	LGFO0032	A414 Maldon to Chelmsford RBS	Essex	1.000	1.000	0.000				2.000
LGFE33	LGFO0033	Chelmsford Station / Station Square / Mill Yard	Essex	0.409	0.591	2.000				3.000
LGFE34	LGFO0034	Basilton Integrated Transport Package	Essex	1.546	1.683	1.868	1.868	1.868	0.167	9.000
LGFE36	LGFO0037	Colchester Park and Ride and Bus Priority measures	Essex	6.800	-1.000	0.000				5.800
tb8	LGFO0048	A131 Chelmsford to Braintree	Essex	0.000	0.000	0.750	1.750	1.160		3.660
tb9	LGFO0049	A414 Harlow to Chelmsford	Essex	0.000	0.000	0.000	1.830	1.830		3.660
tb10	LGFO0050	A133 Colchester to Clacton	Essex	0.000	0.000	0.000	1.370	1.370		2.740
tb11	LGFO0051	A131 Braintree to Sudbury	Essex	0.000	0.000	0.000		0.900	0.900	1.800
tb19	LGFO0063	Chelmsford City Growth Area Scheme	Essex	0.000	0.000	0.500	4.000	5.500		10.000
tb20	LGFO0064	Chelmsford Flood Alleviation Scheme	Essex	0.000	0.000	0.000	0.800			0.800
tb22	LGFO0070	Beaulieu Park Railway Station	Essex	0.000	0.000	1.250		5.750	5.000	12.000
<b>Kent</b>										
LGFE3	LGFO0003	Kent and Medway Growth Hub	Kent	0.000	2.000	1.000	1.000	1.000	1.000	6.000
LGFE6	LGFO0006	Tonbridge Town Centre Regeneration	Kent	1.833	0.670	0.000				2.503
LGFE7	LGFO0007	Sittingbourne Town Centre Regeneration	Kent	0.345	2.155	0.000				2.500
LGFE8	LGFO0008	M20 Junction 4 Eastern Overbridge	Kent	0.488	1.712	0.000				2.200
LGFE9	LGFO0009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd / Kent)	Kent	0.603	0.165	1.032				1.800
LGFE10	LGFO0010	Kent Thameside LSTF	Kent	2.052	0.448	0.900	0.400	0.400	0.300	4.500
LGFE11	LGFO0011	Maidstone Gyratory Bypass	Kent	0.704	3.896	0.000				4.600
LGFE12	LGFO0012	Kent Strategic Congestion Management programme	Kent	0.863	0.610	0.805	0.922	0.800	0.800	4.800
LGFE13	LGFO0013	Middle Deal transport improvements	Kent	0.000	0.800	0.000				0.800
LGFE14	LGFO0014	Kent Rights of Way Improvement plan	Kent	0.193	0.138	0.219	0.150	0.150	0.150	1.000
LGFE15	LGFO0015	Kent Sustainable Interventions Programme	Kent	0.143	0.528	0.499	0.600	0.586	0.500	2.856
LGFE16	LGFO0016	West Kent LSTF	Kent	0.800	1.400	0.700	0.700	0.700	0.600	4.900
LGFE17	LGFO0017	Folkestone Seaford : onsite infrastructure and engineering works	Kent	0.533	0.008	0.000				0.541
LGFE42	LGFO0038	A28 Chart Road	Kent	0.885	0.801	1.314	6.000	1.200		10.200
LGFE43	LGFO0039	Maidstone Integrated Transport	Kent	0.000	0.715	2.685	2.000	3.285	0.215	8.900
LGFE44	LGFO0040	A28 Sturry Link Road	Kent	0.000	0.459	1.158	1.000	3.283		5.900
LGFE45	LGFO0053	Rathmore Road	Kent	1.562	2.638	0.000				4.200
LGFE46	LGFO0054	A28 Sturry Rd Integrated Transport Package	Kent	0.022	0.024	0.254				0.300
LGFE47	LGFO0055	Maidstone Sustainable Access to Employment	Kent	0.131	1.869	0.000				2.000
LGFE48	LGFO0059	Ashford Spurs	Kent	0.000	0.924	8.617	0.259	0.000	0.000	9.800
tb1	LGFO0041	Thanet Parkway	Kent	0.000	0.000	4.000	6.000	0.000	0.000	10.000
LGFE59	LGFO0058	Dover Western Dock Revival	Kent	0.000	5.000	0.000				5.000
tb16	LGFO0060	Westenhanger Lorry Park (removed from Programme)	Kent	0.000	0.000					0.000
LGFE61	LGFO0062	Folkestone Seaford (non-transport)	Kent	0.000	1.933	3.067				5.000
tb24	LGFO0072	A226 London Road/B255 St Clements Way	Kent	0.000	0.934	1.093	2.173	0.000		4.200
<b>Medway</b>										
LGFE18	LGFO0018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network	Medway	0.500	0.642	1.341	5.000	3.617		11.100
LGFE19	LGFO0019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	0.200	1.331	4.982	2.487			9.000
LGFE20	LGFO0020	Chatham Town Centre Place-making and Public Realm Package	Medway	0.871	0.938	2.191				4.000
LGFE21	LGFO0021	Medway Cycling Action Plan	Medway	0.229	1.100	1.171				2.500
LGFE22	LGFO0022	Medway City Estate Connectivity Improvement Measures	Medway	0.100	0.457	0.100	1.343			2.000
LGFE60	LGFO0061	Rochester Airport - phase 1	Medway	0.000	0.167	1.746	2.487			4.400
<b>Southend</b>										
LGFE5	LGFO0005	Southend Growth Hub	Southend	0.018	0.702	2.000	0.500	1.000	4.500	8.720
LGFE29	LGFO0029	TGSE LSTF - Southend	Southend	0.800	0.200					1.000
LGFE53	LGFO0045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	0.000	0.800	2.000	2.000	2.000		6.800
LGFE58	LGFO0057	Southend and Rochford Joint Area Action Plan	Southend	0.000	3.200					3.200
<b>Thurrock</b>										
LGFE30	LGFO0030	TGSE LSTF - Thurrock	Thurrock	0.800	0.200					1.000
LGFE54	LGFO0046	Thurrock Cycle Network	Thurrock	0.000	1.750	1.750	1.500			5.000
LGFE55	LGFO0047	London Gateway/Stanford le Hope	Thurrock	0.000	1.000	2.500	4.000			7.500
LGFE56	LGFO0052	A13 Widening - development	Thurrock (retained)	0.000	5.000					5.000
LGFE57	LGFO0056	Purfleet Centre	Thurrock	0.000	0.900	4.100				5.000
<b>Coastal Communities Housing Intervention</b>										
	LGFO0068	Housing Intervention - Thanet	Kent	0.000		0.667				0.667
	LGFO0068	Housing Intervention - Hastings	East Sussex	0.000	0.025	0.642				0.667
	LGFO0068	Housing Intervention - Tendring	Essex	0.000	0.309	0.358				0.667
<b>Centrally Managed</b>										
LGFE1	LGFO0001	Skills		9.923	12.091					22.015
	LGFO0071	M20 Junction 10a		0.000	0.000	8.300	11.400			19.700
<b>Sub Total (Excluding Retained Schemes)</b>				<b>55.712</b>	<b>83.679</b>	<b>83.190</b>	<b>71.689</b>	<b>45.899</b>	<b>22.132</b>	<b>362.301</b>
LGF Funding allocation (excluding retained schemes)				69.450	82.270	68.175467	72.365037	45.002319	28.422319	365.685
Funding swaps to local partner programmes - Option 4 mitigation				-12.660	12.659598					
Skills carry-forward				-1.080	1.07954					
Difference				0.001	-12.331					
<b>Retained Scheme</b>										
LGFE37	LGFO0079	A127 Fairglens Junction Improvements	Essex	0.000	0.000			4.750	10.250	15.000
LGFE38	LGFO0080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex	0.513	3.487	0.000	0.000	0.000		4.000
LGFE39	LGFO0081	A127 Kent Elms Corner	Southend	0.500	2.800					3.300
LGFE40	LGFO0082	A127 The Bell	Southend	0.000	0.000	0.860	3.440			4.300
LGFE41	LGFO0083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	0.400	0.300	0.300	1.000	3.000	3.000	8.000
	LGFO0084	A13 Widening	Thurrock	0.000	0.500	28.044	20.236	17.277		66.057
<b>Total (Including Retained Schemes)</b>				<b>57.125</b>	<b>96.176</b>	<b>112.394</b>	<b>96.365</b>	<b>70.926</b>	<b>35.382</b>	<b>462.958</b>



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						Overall Risk Assessment				
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00002	Newhaven Flood Defences	East Sussex	1.5	Approval for spend of full LGF allocation	Project is being implemented. Construction works have started on site. LGF spend is on track and project is due to be completed in Q4 2017/18. The delivery of flood defences at the Port has been accelerated to coincide with works taking places at the Port. No impact on spend.	Feb-18	L	Being implemented	L	On track
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Corridor	East Sussex	2.1	To be considered during Board meeting on the 24/02/2017	The Business Case has been submitted and will be considered at SELEP Accountability Board on the 24th February.	Mar-18	L	To be implemented 17/18	L	To be implemented 17/18
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	8.6	Accountability Board approval for £2m of the £8.6m allocation. Approval to be sought from future Accountability Board meeting for the remaining LGF allocation.	The spend forecast for the project has been reduced in 2016/17 due to delayed project programme as a result of knotweed having been found on the route.	Mar-21	L	Delay to scheme, but not a showstopper risk.	M	Delay to programme and risk to LGF spend in 2016/17 due to Knotweed being found along proposed route.
LGF00036	Queensway Gateway Road	East Sussex	6.0	Approval for spend of full LGF allocation	Works have started on site, but substantial delay to the project programme has led to reduced spend in 2016/17 and slippage into 2017/18.	Mar-17	L	Delay to scheme, but not a showstopper risk.	H	Risk to programme and LGF spend in 2016/17
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	1.4	Approval for spend of full LGF allocation	On track. Project is nearly completed and final claim is expected in the early part of next year and before the end of the financial year.	Dec-16	L		L	To be completed by the end of the calendar year.
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	1.7	Approval for spend of full LGF allocation	Large claims expected to be received and invoiced for in January and February. Site enabling works have been completed at Queensway Gateway site and have nearly been completed at the two remaining sites.	Mar-17	L		L	All parts of project due to be completed by the end of 2016/17.
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	16.6	Approval for spend of full LGF allocation	CPO is currently being progressed. Shouldn't impact on delivery timescale, as works can start in advance of this land being acquired.	Dec-17	L		M	On track, but high proportion of LGF spend in Q4 2016/17.

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SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00042	Hastings and Bexhill junction capacity improvements package	East Sussex	6.0	Approval to be sought from future Board meeting	Business Case to be brought to an Accountability Board meeting in 2017/18, but spend forecast in 2017/18 is likely to be lower than previously forecast. Project to be amalgamated with Hastings and Bexhill LSTF walking and cycling package, to become Hastings and Bexhill Movement and Access Package.	Mar-21	L		L	No LGF spend forecast until 17/18.
LGF00043	Hastings and Bexhill LSTF walking and cycling package	East Sussex	6.0	Approval to be sought from future Board meeting	Business Case to be brought to an Accountability Board meeting in 2017/18, but LGF spend in 2017/18 is likely to be lower than previously forecast.	Mar-21	L		L	No LGF spend forecast until 18/19
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	6.0	Approval for spend of full LGF allocation	Public consultation with residents in January 2017. Construction works to start in July 2017, with a 12 month construction period. Reduced LGF spend in 2016/17 as a result of a design review and further consultation being required on the proposed intervention.	Mar-21	L	Delay to scheme, but not a showstopper risk.	H	Risk to programme and LGF spend in 2016/17
LGF00073	A22/A27 junction improvement package	East Sussex	4.0	Approval to be sought from future Board meeting	No LGF spend until 2019/20. The proposed intervention is under consideration and the intervention will depend, to some extent, on Highways Englands scheme for the A27.	Mar-21	L	tbc	L	No LGF spend forecast until 19/20
	East Sussex Strategic Growth Project	East Sussex	8.2	Approval for spend of full LGF allocation						
LGF00004	Colchester Broadband Infrastructure	Essex	0.2	Approval for spend of full LGF allocation	Completed in 15/16.	Mar-16	n/a	Complete	n/a	Complete
LGF00025	Colchester LSTF	Essex	2.4	Approval for spend of full LGF allocation	Final package of work on site.	Dec-16	L	Increase in cost estimate.	L	On track and project due to be completed in October 2016.
LGF00026	Colchester Integrated Transport Package	Essex	5.0	Approval for spend of full LGF allocation	Mainly design for future packages	Mar-21	L	Being implemented	L	



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Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00027	Colchester Town Centre	Essex	4.6	Approval for spend of full LGF allocation	Lexden Rd remaining	May-17	L		M	Delay to programme due to revise design for Lexton Bus Lane.
LGF00028	TGSE LSTF - Essex	Essex	3.0	Approval for spend of full LGF allocation	Work completes next month.	Jul-17	L	Being implemented	L	
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	10.0	Approval for spend of full LGF allocation	4 packages to complete by December, but completion of final works has been delayed to 2017/18.	Mar-19	L		H	Slippage to 2016/17 spend.
LGF00032	A414 Maldon to Chelmsford RBS	Essex	2.0	Approval for spend of full LGF allocation	Nearing completion.	Dec-16	L	Being implemented	L	
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	3.0	Approval for spend of full LGF allocation	Site surveys taking place	Mar-18	M	Complex project	H	Potential delivery risk due to complexity. Risk of slippage in 2016/17.
LGF00034	Basildon Integrated Transport Package	Essex	9.0	Approval for Phase 1. Business Case to be brought forward for Phase 2.	Design work for tranche 2 progressing.	Mar-21	L	Being implemented	L	No LGF spend forecast until 17/18
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	5.8	Approval for spend of full LGF allocation	Completed.	Apr-15	n/a	Complete	n/a	Complete
LGF00079	A127 Fairglen Junction Improvements	Essex (retained)	15.0	Approval to be sought from future Board meeting	In PCF Stage 1	Apr-22	L	tbc - but unlikely to be showstopper risks	M	DfT / HE processes and planning (tbc) present programme risks
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex (retained)	4.0		Mixture of site works and design activity.	Mar-20	L	Being implemented	L	
LGF00048	A131 Chelmsford to Braintree	Essex	3.7	Approval to be sought from Board during Board meeting on 24/02/2017.	In design/consultation phase.	Mar-20	L		L	No LGF spend forecast until 17/18
LGF00049	A414 Harlow to Chelmsford	Essex	3.7	Approval to be sought from future Board meeting	Yet to develop full programme.	Mar-20	L		L	No LGF spend forecast until 18/19
LGF00050	A133 Colchester to Clacton	Essex	2.7	Approval to be sought from future Board meeting	Yet to develop full programme.	Mar-20	L		L	No LGF spend forecast until 18/19
LGF00051	A131 Braintree to Sudbury	Essex	1.8	Approval to be sought from future Board meeting	Yet to develop full programme.	Mar-21	L		L	No LGF spend forecast until 19/20
LGF00063	Chelmsford City Growth Area Scheme	Essex	10.0	Approval to be sought from future Board meeting	Completing design	Mar-20	L		L	No LGF spend forecast until 17/18. Consultation > possible delay risk

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Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.8	Approval to be sought from future Board meeting	Stalled due to legal issues.	TBC	L		M	No spend until 2018/19.
LGF00070	Beaulieu Park Railway Station	Essex	12.0	Approval to be sought from future Board meeting	In GRIP Stage 2.	TBC	H	Complex. Delay could also mean implementation post-LGF programme period.	H	Complex rail project
LGF00003	Kent and Medway Growth Hub	Kent	6.0	Approval for spend of full LGF allocation	Phase 1 Agreed at Approval Board and accepted by Applicants to a value of £388,500. Phase 2 Full Applications confirmed to a value of £1,750,000, however, decision taken at Approval Board on 4th Nov 2016 for only £800k of loans with some as partial offers. Phase 3 loans to be offered to value of £1.8m, starting with opening pre- applications for end of November 2016.	Mar-21	L		M	Backloaded spend in Q4 of 16/17
LGF00006	Tonbridge Town Centre Regeneration	Kent	2.5	Approval for spend of full LGF allocation	Tonbridge Phase 1 completed and snagging/defects being dealt with. Phase 2 schemes being taken forward: 1. Riverwalk Construction start date was w/c 14th November 2016 to be completed by march 2017; 2. Hadlow Road/Cannon Lane jct improvements completed mid September 2016 with snagging/defects to be highlighted and rectified 3. Brook Street/Waterloo Road cycle improvements - early discussions taken place but no detailed designs yet 4. A21 Pembury Road cycle improvements - This scheme has now been moved to the KSIP budget.	May-17	L	Being implemented	M	On target to spend within 16/17, capital receipts contributon may go into 2017/18.
LGF00007	Sittingbourne Town Centre Regeneration	Kent	2.5	Approval for spend of full LGF allocation	SoS have invoiced £590k to date but the constraint is currently the completion of the S106 agreement which is being held up by queries over land titles.	Mar-18	M	If planning permission is refused, or major objection to S278 works	H	Backloaded spend in 16/17 and some re-profiling of spend to 2017/18. Risk of Option 4 capital being re-profiled to 2017/18

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SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	2.2	Approval for spend of full LGF allocation	Construction commenced April 2016 with a revised completion of January 2017.	Mar-17	L	Being implemented	L	On target to spend within 16/17
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	Kent	1.8	Approval for Phase 1 of works	Construction – Phase 1 works (Yew Tree Rd junction) completed Outline Design - Investigation ongoing into cost, programme and benefits of delivering pedal cycle improvements on the A26/A264 in Tunbridge Wells.	Mar-18	M	Funding gap for HHR - will need to progress other schemes instead	M	Change of scope could delay progress (£200k in 2016/17 and £1m in 2017/18)
LGF00010	Kent Thameside LSTF	Kent	4.5	Approval for spend of full LGF allocation	KCC Property have agreed to take forward the land purchase for the Bus Hub. Gravesend wayfinding implementation is well underway with anticipated completion in late Feb.	Mar-21	L	Being implemented	M	Backloaded spend in 16/17, unlikely to spend full allocation as Land purchase unlikely to be complete before end of March 2017.
LGF00011	Maidstone Gyratory Bypass	Kent	4.6	Approval for spend of full LGF allocation	Despite numerous challenges due to weather and supply chain partner issues, the new north bound lanes were opened on 1st December 2016. The works, however, continue to the lower High Street paving areas. Revised programme identifies works until February 2017.	Mar-17	L	Being implemented	L	On target to spend LGF within Q2 and Q3 of 16/17, with Maidstone BC contribution in Q4.
LGF00012	Kent Strategic Congestion Management programme	Kent	4.8	Approval for 2015/16 and 2016/17 interventions. To be considered during Board meeting on 24/02/2017 for 2017/18 allocation.	All site works complete at Wellesley and Somerset Road Junctions in Ashford. Initial works underway on A2 M2 connected corridor and the assessments of Canterbury Ring road and Bluebell Hill due imminently. 2017/18 Business case currently under review by the ITE for approval by SELEP AB in February 2017.	Apr-21	L	2016/17 schemes being implemented	M	Some slippage of spend to 2017/18.

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SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00013	Middle Deal transport improvements	Kent	0.8	Approval for spend of full LGF allocation	Section 38 Technical submission has been reviewed by the KCC Highway Agreements Team.  S278 agreed in part and Funding agreement now signed	Oct-17	M	Delayed programme for project delivery.	M	Legal agreement signed and 1st invoice received and paid. Remaining spend profiled for Q4 of 2016/17
LGF00014	Kent Rights of Way improvement plan	Kent	1.0	Approval for spend of full LGF allocation	Two schemes to be delivered (£100k each) in 16/17. Powder Mills and Ashford (Taylor Wimpey), First agreement acquired with second agreement still outstanding and construction tender required otherwise risk of non-delivery and full 16/17 spend over the winter period this financial year.	Mar-21	L	Being implemented	M	Backloaded spend in 16/17, unlikely to spend full allocation with work in winter months, therefore unlikely deliver schemes before the end of March 2017.
LGF00015	Kent Sustainable Interventions Programme	Kent	2.9	Approval for 2015/16 and 2016/17 interventions. To be considered during Board meeting on 31/03/2017 for 2017/18 allocation.	Folkestone to Hythe Cycle improvements - Scheme design complete. Contractor in process of programming the work but no start date as yet. Folkestone Town Centre Cycle links 16/17 - Progress on designs for the town centre and phase 2 schemes have not taken place to date. Tonbridge Angels to Rail Station cycle improvements 16/17 - Final detail design being completed and due for handover to contract this month. Work to start on Toucan crossing in February half term. Folkestone to Hythe Cycle improvements - Phase 2 16/17 Design only - At Detailed design stage. A26 Tunbridge Wells Cycle improvements - design only - Design Progressing. A21 NMU via Pembury Road - Design only - Preliminary design progressing.	Jul-16	L	Being implemented	M	Sopme slippage of LGF spend to 2017/18.

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Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00016	West Kent LSTF	Kent	4.9	Approval for spend of full LGF allocation	Bat and asbestos surveys are complete and the asbestos will now be removed in advance of the pub demolition works commencing at the beginning of March.  Amey TESC have drawn up a preliminary programme and construction will start at the earliest May 2018 which means further mitigation for the funding for next financial year needs to be found.	Mar-21	L	Being implemented	M	Backloaded spend in Q4 of 16/17 and reliant on legal agreements to be completed and signed with Tunbridge Wells and Network Rail.
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.5	Approval for spend of full LGF allocation	N/A	Apr-16	n/a	Complete	n/a	Complete
LGF00038	A28 Chart Road	Kent	10.2	Approval for spend of full LGF allocation	A last minute issue over land stopped the interim s106 from being completed. It is hoped that this delay will be resolved in early January. This will delay the commencement of the CPO and award of the ECI contract possibly until middle/end of February 2017. Land negotiations are ongoing regarding voluntary acquisitions.  Acquisition of East Lodge progressing. The purchase is likely to be completed in February 2017. The tender assessment is ongoing. Amey have started to progress	Dec-19	L	Being implemented	L	Re-profiling of LGF due to the delay in signing the s106/s278 agreements
LGF00039	Maidstone Integrated Transport	Kent	8.9	Approval for Phase 1 of works.	Design work continues on all locations.  Location 2 (J5) has slipped by 2 months due to road space issues and early indications that the original design doesn't offer the expected benefits.	Mar-18	M	Amendment to project scope is required.	H	Decision on S106 received in August 2016 and delay will affect ability to deliver schemes in 2016/17 with Gyratory works also taking place. Will need to replan works programme for whole allocation with revised

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Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00040	A28 Sturry Link Road	Kent	5.9	Approval for spend of full LGF allocation	Initial concept feasibility work and progressing funding agreements with developers and Canterbury City Council.	Aug-20	M	HoT have been be signed off for match funding but only committed with s106 agreements. Network Rail involvement. Match funding from 3 sources, each requiring planning	H	Profile of spend reduced from £1m to £459k in 2016/17.
LGF00053	Rathmore Road	Kent	4.2	Approval for spend of full LGF allocation	Construction commenced May 2016 with a completion planned for November 2017.	Oct-17	L	Being implemented	L	2016/17 On target
LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.3	Approval for spend of full LGF allocation	No progress as previously agreed to put on hold bus lane proposal. Separate scheme has been suggested but not progressed	Mar-18	L	Delay to scheme to 2017/18	L	Delay to scheme to 2017/18
LGF00055	Maidstone Sustainable Access to Employment	Kent	2.0	Approval for spend of full LGF allocation	Tenders awarded and contracts scheduled to end on 10th March 2017 so that delivery and spend is within the 2016/17 financial year, but these do include weather clauses. Construction and Cycle Track conversion process commenced from both ends of intended route.	Mar-17	L	Being implemented, contracts awarded with end date of 10th March (although weather clauses)	L	2016/17 On target
LGF00059	Ashford Spurs	Kent	9.8	Approval for spend of £5,627,000 LGF. Approval to sought for the remaining allocation to the project in May 2017.	Awarded final tranche of £4.8m funding with LGF3 allocation to SELEP (subject to confirmation). Project is now on time for delivery in Spring 2018, and costs have stabilised to meet overall budget of £10.5m	Mar-18	M	Funding risk, dependant on LGF3 bid	H	Re-profiling of LGF spend between 2016/17 and 2017/18.
LGF00041	Thanet Parkway	Kent	10.0	Approval to be sought from future Board meeting.	Re-submission of GRIP 3 approval in principal (AiP) report to Network Rail. NSF2 bid made for gap funding and will form the basis of the SELEP business case submission required before 2017/18 LGF allocation can be transferred. Public consultation planned for Jan-Mar 2017	TBC	H	Current funding gap, and VfM uncertain.	H	Key risk issues currently unresolved - implications for programme.

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00058	Dover Western Dock Revival	Kent	5.0	Project to be considered during Board meeting on the 24/02/2017.	Project LGF funding award considered under separate agenda item.	Dec-16	H	Funding eligibility risk	H	Update: planned to spend in 2016/17, but risk that this will now not happen without approved business case
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent	0.0		N/A		n/a	Removed from programme. Approval given to reallocate funds to Ashford Spurs	n/a	Removed from programme. Approval given to reallocate funds to Ashford Spurs
LGF00062	Folkestone Seafront (non-transport)	Kent	5.0	Approval for spend of full LGF allocation	Regular site meetings are now being held with Project team. The legal agreement is still outstanding due to additional commentary and reassurance required by Folkestone Harbour, therefore no drawdown of LGF has taken place to date.  Currently investigating ways of accelerating spend (£4m originally profiled for 2016/17)	TBC	M		H	Reallocation of LGF from 2016/17 to 2017/18 as a result of delays in signing legal agreement.
LGF00071	M20 Junction 10a	Kent	19.7	To be considered during Board meeting on the 24/02/2017.	LGF award to the project to be considered under separate agenda item.		M	Subject to HCA funding issue	M	Subject to HCA funding issue
LGF00072	A226 London Road/B255 St Clements Way	Kent	4.2	Approval for spend of full LGF allocation	Outline design ongoing. Quotation for Detail Design and Procurement Task Order being prepared by Amey was due for submission by 23 December 2016. Public engagement event arranged now deferred until the end of February 2017.	Mar-19	L		L	BC approved in Nov 16 and approval to accelerate the scheme given.
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	11.1	Approval for spend of full LGF allocation	A consultant has been appointed to deliver the detailed design for the project and to supervise construction. The consultant will initially carry out a review of construction costs. Preliminary work is being undertaken to formally begin the land acquisition process. A consultant has been appointed to lead on the negotiation with land owners, and a legal firm has been selected to lead on the CPO process. Work has commenced to identify a consultant to carry out the business case	Jun-19	M	Delay to delivery due to slippage in the submission of planning application.	M	Delay to project programme due to slippage in the submission of the planning application. This may impact on the ability to deliver the project within the funding period.

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	9.0	Approval for spend of full LGF allocation	Work has commenced on the detailed design for the town centre works. The procurement process is underway to find a consultant to lead on the shop front improvements element of the project.	Mar-19	L	Work has commenced on the detailed design for the scheme and delivery is on programme	L	Spend is on track for 2016/17 financial year.
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	4.0	Approval for spend of full LGF allocation	The detailed design for the route improvements between the train station and the town centre is complete. The procurement process is underway to appoint a contractor to deliver the route improvement works. It is anticipated that enabling works will commence in late January, with the main works commencing by the end of March. Facade improvement works at The Brook Theatre are continuing, with completion expected by the end of	Mar-18	L	Detailed design for the route improvement works is complete. Enabling works due to commence in late January, with the main works starting in March.	L	Spend is on track for 2016/17 financial year.
LGF00021	Medway Cycling Action Plan	Medway	2.5	Approval for spend of full LGF allocation	Work has continued to construct new cycle routes as per the Cycling Action Plan document. A new route along the A289 from The Strand to Owens Way has been constructed and improvement work on the existing route through Riverside Country Park has been completed. Work is expected to commence on two further routes before the end of the financial year. Design work is continuing on other routes in preparation for construction next	Mar-18	L	Initial routes have been constructed. Consultation will continue throughout the life of the project.	L	Spend is on track for 2016/17 financial year.



SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.0	Approval for spend of full LGF allocation	Phase 1 of the project is substantially complete. The new traffic signals (at the entrance to the westbound tunnel bore) are now operational, although testing is still underway to identify the most effective timing of the signals to offer the most benefit to users of Medway City Estate whilst causing minimal disruption on the remainder of the road network. Options for the use of the funding assigned to the phase 2 works are currently being	Mar-19	L	Phase 1 implementation predominantly complete.	L	
LGF00061	Rochester Airport - phase 1	Medway	4.4	Approval for spend of full LGF allocation	Rochester Airport Ltd have split the planning application into two parts. An amendment to the original planning application was submitted in December 2016. and now only covers the hangars, car parking and fuel tank enclosure. It is anticipated that this application will be determined in March 2017. Rochester Airport Ltd are continuing to work on the EIA and planning application required for the paved runway and the control tower/hub in anticipation of planning application submission in March 2017. Medway Council are engaging with the airport operator to identify ways to progress the project as quickly as possible following determination of the planning	Apr-18	M	Issues with the planning application have caused a delay with delivery.	H	Delay to the project programme due to issues with the planning application has impacted on LGF spend forecast in 2016/17.
LGF00005	Southend Growth Hub	Southend	6.7	Approved in Part	Two phases to the project. First phase on track and due to spend the full LGF allocation this financial year. The second phase of the project will require a Change Request and slippage of LGF spend	Mar-17	L	Being implemented	M	Risk to spend in 2017/18.
LGF00029	TGSE LSTF - Southend	Southend	1.0	Approval for spend of full LGF allocation	On track. Project due to complete by March 2017.	Mar-17	L	Being implemented	L	

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00081	A127 Kent Elms Corner	Southend	4.3	Approval for spend of full LGF allocation	Some delay to scheme due to gas works but currently out to tender. Tender has been delayed but no delay to LGF spend anticipated. Project due to be completed in May 2017	May-17	M	Programme delays	H	Slippage of £1m LGF from 2016/17 to 2017/18.
LGF00082	A127 The Bell	Southend	4.3	Approval to be sought from future	No LGF spend until 2017/18.	TBD	L	tbc - but unlikely to be showstopper risks	L	No LGF spend forecast until 17/18
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	8.0	Approval in Part	Business Case was approved at the last Accountability Board meeting. Spend in 2016/17 to support A127 Kent Elms Corner	Mar-21	L	Being implemented	M	Backloaded spend in 16/17
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	7.0	Approval in Part	Due to complete in 2016/17, but some slippage of LGF into 2017/18.	Phase 1 March 2017 Completion works 01/03/2021	L	Management risk	M	£0.2m LGF slippage forecast from 2016/17 to 2017/18.
LGF00057	Southend and Rochford Joint Area Action Plan	Southend	3.2	Approval for spend of full LGF allocation	s.106 now agreed and Phase 1 works fully committed and on site - progressing to programme.	Mar-17	M	Being implemented	M	
LGF00030	TGSE LSTF - Thurrock	Thurrock	1.0	Approval for spend of full LGF allocation	Phase 1 complete, amendments required from S3 safety audit	Mar-17	L	Being implemented	L	
LGF00046	Thurrock Cycle Network	Thurrock	5.0	Approval for spend of full LGF allocation	Tranche 1 consultation, feasibility and stage 1 safety audit complete. Detailed design nearing completion. Gearing up to start construction in Feb 2017	Mar-19	L		M	High proportion of spend in 2016/17 Q4.
LGF00047	London Gateway/Stanford le Hope	Thurrock	7.5	Project to be considered during Board meeting on the 24/02/2017.	D&B contract awarded with gateway at end of stage 1	Dec-18	L		M	Phase 1 planning on spending in Q4 of 16/17 > tight programme. Phase 2 more complex and greater inherent risk.
LGF00052	A13 Widening - development	Thurrock (retail)	5.0	Approval to spend £5m on project development work	Tenders for detail design and construction contracts returned.	Mar-17	M		M	
LGF00056	Purfleet Centre	Thurrock	5.0	Approval for spend of full LGF allocation	Land acquisition underway. Detailed design nearing completion and submission of planning application underway. Full planning application submission due Jan 2017.	TBC	L		H	Sustantial re-profiling of LGF required between 2016/17 and 2017/18. Negotiations and land acquisition continues into 2017/18.

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

Overall Risk Assessment										
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision	Project Update	Expected project completion date	Project Risk	Comment	LGF Spend Risk	Comment
LGF00084	A13 Widening	Thurrock	75.0	Approval to be sought from Board meeting on the 31/03/2017	Tenders for detail design and construction contracts returned. Awaiting DfT approval of the Business Case.	Oct-19	M		M	
LGF00068	Coastal Communities Housing Intervention	East Sussex, Essex and Kent	2.0	Approval to be sought from Board meeting on the 24/02/2017.	Project Business Case to be considered during Board meeting on the 24/02/2017.	Mar-18	M		M	Slippage of LGF spend from original profile.



<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b>
<b>Date of Accountability Board Meeting: 24<sup>th</sup> February 2017</b>	
<b>Date of report: 10<sup>th</sup> February 2017</b>	
<b>Title of report: Skills Capital Programme Update</b>	
<b>Report by</b> Louise Aitken, LEP Skills Lead	
<b>Enquiries to</b> <a href="mailto:Louise.Aitken@essex.gov.uk">Louise.Aitken@essex.gov.uk</a>	

## **1. Purpose of report**

- 1.1. To update the SELEP Accountability Board (the Board) on the latest position of the Skills Capital Programme.

## **2. Recommendations**

- 2.1. The Board is asked to:

- 2.1.1. **Note** the updated spend forecast for 2016/17  
2.1.2. **Note** the project delivery and risk assessment  
2.1.3. **Note** potential slippage of funds to next financial year

## **3. Supporting documents**

- 3.1. The following appendices are provided in support of this report:

Appendix 1 – Project Updates  
Appendix 2 - Project outputs  
Appendix 3 – Summary of forecast spend profile

## **4. Skills Capital Delivery summary**

- 4.1 This financial year has seen substantial progress being made on the delivery of the Skills Capital; building from the success of the 2015/16 delivery.
- 4.2 £9,923,350 spend took place in 2015/16 with the majority of remaining funding on track to be spent in 2016/17. As of 10<sup>th</sup> February 2017, there is £3.6m unclaimed, below are details of when this will be claimed.
- 4.3 The original allocation was £22m (with a current over-allocation of £14,661 agreed at the Board in September 2016).

- 4.4 To date 29 projects have been approved by the Board across four funding rounds and work is well underway to deliver these projects.
- 4.5 Projects where there is potential expenditure slippage are captured below in section 6 with a description of progress to date and reasons for potential slippage. Note that this is the position as of 10<sup>th</sup> February 2017 and a verbal update will be provided to the Board, should there be any further changes.
- 4.6 Project expenditure and RAG status is included in appendix 1.

## **5. Background**

- 5.1. The total allocation of Skills Capital funding for the period April 2015-April 2017 was £22m. In 2015/17, £9,923,350 of this was spent.
- 5.2. Collectively these projects will deliver a significant number of qualifications, apprenticeships and provide industry relevant, leading edge facilities, aligned to LEP growth sectors.
- 5.3. With final output numbers being confirmed, indicative figures illustrate that to 2021 across the projects there will be delivery of an additional 15,000 full time qualifications and 7,300 additional apprenticeships. Approximately 21,527m<sup>2</sup> of new and improved learning and training floor space and facilities will be in place by April 2017. Additional figures are being gathered for adult learners and employers supported through these facilities, which will be available for the March Board.

## **6. Deliverability and Risk Approach**

- 6.1. All projects are on track to spend in this financial year, with the potential exception of the following projects for which a summary position is provided below. Summary positions are also provided where the colleges have confirmed they will claim within this financial year but for which there is still a large proportion of the total amount still to be paid.
- 6.2. **STEM Training at Braintree College, Colchester Institute (Round 1)**
  - 6.2.1. The total allocation for this project was £3,640,000 and £1,986,591 was claimed by 31 December 2016. A further £752,158.92 was claimed on 8<sup>th</sup> February and Colchester Institute has confirmed that the remaining expenditure (£901,250.01) is on track for this financial year.
  - 6.2.2. The project overall (a new STEM Innovation Centre) is on track to deliver with the building due to open by April 2017 and with learners accessing the

facilities in the same month. This project will deliver an additional 466 new learners per annum by 2018/19. 132 of these will be apprenticeships.

### **6.3. Extension to construction facilities in Folkestone, East Kent College (Round 3)**

6.3.1. The total allocation for this project was £1,360,000 with £220,120 of this having been claimed so far. East Kent College have confirmed that they are on track to have all claims made by 31<sup>st</sup> March 2017, with all parties aware of the deadline. East Kent College will advise SELEP Skills Lead and Accountable Body as soon as they are aware of any delays which would move this beyond 31<sup>st</sup> March and would therefore require Board approval in March.

6.3.2. As it stands, the project is on track to deliver with 42 additional apprenticeships to be delivered annually and 68 qualifications at levels 1-4.

### **6.4. Sussex Downs College: Specialist Equipment for STEM Centre (Round 3)**

6.4.1. Sussex Downs College were awarded £74,914 in round 3 for specialist industry relevant equipment to provide within the STEM Centre. This will enable the delivery of 35 new apprentices per annum in Laboratory Technician, Science Manufacturing Technician, Laboratory Scientist and Science Industry Maintenance Technican qualifications from 2017/18.

6.4.2. As yet, none of this funding has been claimed but the college have confirmed that the equipment is in place for delivery to commence. A claim is due to be made during February for the full amount of funding.

### **6.5. Sussex Downs College: Refurbished Science Facilities (Round 1)**

6.5.1. Sussex Downs College were awarded £159,400 towards total project costs of £478,320 (33%) in round 1 for refurbishing the reception / hub on the ground floor of the new STEM Centre and an alteration to the existing Science Laboratory at their Lewes Campus. As per the report to the Board on 20th January, this work has completed so delivery can commence. Due to negotiations with builders and subcontractors, overall costs have reduced from £478,320 to £240,000. Accordingly, the SELEP's Skills contribution 33% contribution therefore also reduces to £80,000, resulting in £79,440 surplus of the original £159,440 committed. As yet, none of this funding has been claimed but the college have confirmed that a claim for the £80,000 is due to be made in February.

**6.5.2.** With regard to the £79,440 underspend, the Board agreed on 20<sup>th</sup> January that Sussex Downs could utilise this for their broader project, enhancing their first floor laboratory. This is subject to a full application and approval by the Board. Further advice has been received that an application for funding has to be made in the year in which expenditure will be incurred. To this end, Sussex Downs have been asked to confirm whether expenditure will be incurred in 2016/17 or 2017/18 and when the application will therefore need to take place.

**6.6. Mid Kent College, Health Science Laboratory Medway (Round 3)**

6.6.1. Mid Kent College were awarded £253,063 in round 3 and none of this has yet been claimed. Mid-Kent College have confirmed that preparatory work is underway for the area that the environment chamber is to be located and installation is set to commence in February. There are no expected delays with equipment and the college expect to submit a claim by the end of the financial year. The college will advise LEP Skills Lead and the Accountable Body if there is any change to this position.

**6.7. Mid Kent College, Engineering Skills Growth Hub (Swale Skills Equipment) (Round 3)**

6.7.1. Mid Kent College were awarded £198,500 in round 3 and none of this has yet been claimed. Mid Kent College have confirmed that they are reviewing the equipment to be purchased due to changing prices to ensure that they can deliver against their original targets within the same funding envelope. This will be submitted for LEP approval in order that the Grant Agreement can be finalised and to enable delivery against original targets. Mid Kent College have confirmed that goods can be delivered in time. In order for there to be minimal disruption to teaching, they will be installed during the Easter break. The college expect to submit a claim by the end of the financial year and will advise LEP Skills Lead and the Accountable Body if there is any change to this position.

**6.8. Mid Kent College Transport and Logistics Skills Hub (Round 4)**

6.8.1. Mid Kent College were awarded £82,000 in round 4 and none of this has yet been claimed. At the December meeting the Board approved the change of location of this project from Firmins to the Swale Skills Centre (owned by Kent County Council). Mid Kent are due to provide written confirmation from Kent County Council regarding use of the building.

6.8.2. Mid Kent College are finalising the equipment list with no delays anticipated. This is still to be submitted to the LEP in order that the Grant Agreement can



be finalised and provide confirmation that they will still enable delivery against original targets; any significant amendments to the agreed outputs and outcomes would require further approval by the Board.

- 6.8.3.** The college expect to submit a claim by the end of the financial year and will advise LEP Skills Lead and the Accountable Body if there is any change to this position.

## **7. Financial Implications**

- 7.1. SELEP's Skills Lead has worked with Accountable Body colleagues to monitor spend and identify any potential slippage. A financial summary and forecast has been produced and through which it has been possible to identify any project risks, projects on track to complete within 2016/17 and projects which completed.
- 7.2. A summary financial position is provided as appendix 2.
- 7.3. The current spend forecast for the skills programme is for the full £22.014m to be spent by end of 2016/17, with £9.9m having been incurred in 2015/16. The risks highlighted above to this forecast are being monitored to identify any slippage that may be required into 2017/18.
- 7.4. The £14,661 over-commitment of the LGF allocation will need to be met through slippage in the wider LGF programme in 2016/17 (to be formally requested in March 2017) and accommodated by headroom in the fund in later years.

## **8. Legal Implications**

- 8.1 The Local Growth Funding for the skills programmes is transferred to colleges under a grant agreement with the Accountable Body; should any slippage be required and subsequently approved for individual projects, an amendment to their grant agreements will be necessary.

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

- 9.1 None

## **10. Equality and Diversity implications**

- 10.1 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.

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

10.3 In the course of the development of the Project business case, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

### 11. List of Background Papers

1.1 None

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

Role	Date
<b>Accountable Body sign off</b>  <b>On behalf of Margaret Lee</b>	

## Appendix 1

### Project updates

Project	Award	Outstanding to claim	RAG
<b>Round one</b>			
Harlow Advanced Manufacturing and Engineering Centre of Excellence (HAMEC),	£2,500,000	£0	Project on track and due to claim by 31 <sup>st</sup> March 2017
Hadlow College Group (Ashford College),	£9,800,000	£0	Complete
STEM (Science, Technology, Engineering, Manufacturing) Training at Braintree College	£3,640,000	£901,250	Project on track
Refurbished Science facilities – Sussex Downs College	£159,440	£159,440	Project on track, claim time-frame to be confirmed
<b>Round one Total</b>	<b>£16,099,440</b>	<b>£1,060,960</b>	
<b>Round Two</b>			
Science Hub, Writtle College	£38,806		Project on track
Harlow Advanced Manufacturing and Engineering Centre (HAMEC)	£346,572		Project on track.
Centres of Excellence for Advanced Industrial Technologies and Engineering Manufacture – South Essex College	£73,475		Project on track.
STEM Skills Training Equipment, Colchester Institute,	£161,687		Project on track.
<b>Round Two Total</b>	<b>£620,540</b>	<b>£0</b>	
Extension to construction facilities in Folkestone, East Kent College	£1360,000	£1,047,038	Project on track. Further update for March regarding

			any slippage.
Specialist Equipment for STEM Centre, Sussex Downs College	£74,914	£74,914	Project on track. Claim timeframe to be confirmed.
North Kent Dealership Centre, North Kent College	£141,850	£111,850	Project on track
Digital Labs for the Construction, Health and Social Care and Science Sectors, Harlow College	£350,000	£150,000	Project on track.
Raising Essex STEM Skills to Higher Levels, Colchester Institute	£52,304	£0	Project on track
Growing apprenticeship and skills training in engineering, Plumpton College	£88,474	£0	Project on track
Advanced Construction, Infrastructure and telecoms, Procat College	£306,421	£7,033	Project on track
Creating a Centre of Excellence for Logistics, South Essex College	£27,407	£0	Project on track
Science to support the Health Professions, South Essex College	£148,972	£0	Project on track
Specialist Equipment Ashford phase 1a, Hadlow Group	£427,500	£0	Project on track
Health Science Laboratory, Medway, Mid Kent College	£235,063	£235,063	Project on track but potential delays. See main report section 6.
Engineering Skills Growth Hub (Swale Skills Equipment), Mid Kent College	£198,500	£198,500	Project on track but potential delays. See main report section 6.
<b>Round Three Total</b>	<b>£3,411,405</b>	<b>£1,824,397</b>	
Industry Standard Surveying Equipment and Soil Laboratory for Technical Construction, Chelmsford College	£57,490	£57,490	Project on track
Court Lane Horticultural Nurseries – Enhancing Specialist Facilities for Further and Higher Education, Hadlow Group	£447,000	£0	Project on track
Foundation Learning (Princess Christians Farm Campus) – Enhancing Specialist Facilities (Hadlow Group)	£385,000	£0	Project on track

Transport and Logistics Skills Hub, Mid Kent College	£82,000	£82,000	Project on track but potential delays (see main report section 6).
Thameside Jetty, North Kent College	£64,500	£64,500	Project on track
Science and Engineering for Tree Management, Plumpton College	£140,000	£140,000	Project on track
Development of Construction Facilities in Basildon to support economic growth, South Essex College	£366,705	£0	Project on track
The E-Hub, Harlow College	£116,783	£116,783	Project on track
Swale Campus Construction Extension, Canterbury College	£223,798	£223,798	Project on track
<b>Round Four Total</b>	<b>£183,276</b>	<b>£719,571</b>	
<b>TOTAL (All rounds)</b>	<b>£18,410,002</b>	<b>£3,604,658</b>	



LGF Financial Monitoring - Skills Capital Summary										January 2017 update	
LOGAS Code	Scheme Name	Promoter	Federated Area	Total Scheme Cost (£m)	Total LGF allocation (£m)	LGF Spend in 2015 (£m)	Q1 2016 Baseline. Planned LGF spend in 2016/17 (£m)	Planned LGF spend for 2016/17 (as reported in January 2017) (£m)	Variance (Difference between 2016 Q1 forecast LGF spend and current forecast LGF spend) (£m)	% of spend in 2016/17 Q4	Notes
	Harlow advanced manufacturing and engineering centre of excellence (Rd1)	Harlow College	Essex	7,500,000	2,500,000	1,602,500		897,500			Complete
	Hadlow College Group - Ashford College, Kent (rd 1)	Hadlow Group	Kent and Medway	15,958,523	9,800,000	7,650,000		2,150,000			Complete
	STEM training at Braintree College, Essex (Rd 1)	Colchester Institute	Essex	5,600,000	3,640,000	374,821		3,265,179			£1,986,591 claimed. £800k claim made 9th Feb, balance to be claimed in wk3 Feb and wk1 March
	Engineering, logistics and service industry training (rd 1)	East Kent College	Kent and Medway								£1,186,750 originally allocated but declined by college
	Refurbished science facilities - Sussex Downs College, East Sussex (Rd 1)	Sussex Downs College	East Sussex	240,000	159,440			80,000			20/1 AB - underspend flagged so LGF reduces to £80k.
	Science Hub (rd 2)	Writtle College	Essex	116,418	38,806			38,806			New application for underspend
	AMEC - Equipment (rd 2) (Advanced Manufacturing & Engineering Centre)	Harlow College	Essex	1,050,217	346,572			346,572			Complete
	Centres for Excellence for Advanced Industrial Technologies and Engineering Manufacture (rd 2)	South Essex College	South Essex	222,651	73,475	73,475					Complete
	STEM Skills Training Equipment (rd 2)	Colchester Institute	Essex	323,374	161,687	148,600		13,087			Complete
	Specialist Equipment for College STEM Centre (rd 2)	Sussex Downs College	East Sussex								reapplied in Rd 3
	Extension to construction facilities in Folkestone (rd 3)	East Kent College	Kent and Medway	1,478,000	1,360,000			1,360,000			On track to complete this financial year but risk of slippage
	Specialist Equipment for STEM Centre (rd 3)	Sussex Downs College	East Sussex	149,827	74,914			74,914			Awaiting timing of claim
	North Kent Dealership Centre (rd 3)	North Kent College	Kent and Medway	283,700	141,850			141,850			On track to complete this financial year £30k already paid
	Digital Labs for the Construction, Health and Social Care and Science Sectors (rd 3)	Harlow College	Essex	700,000	350,000			350,000			On track to complete this financial year
	Raising Essex STEM Skills to Higher Levels (rd 3)	Colchester Institute	Essex	104,608	52,304			52,304			Complete
	Growing apprenticeship and skills training in engineering (rd 3)	Plumpton College	East Sussex	184,322	88,474			88,474			Complete
	Advanced Construction, Infrastructure and telecomms (rd 3)	Procat College	South Essex	612,843	306,421	73,964		232,457			On track to complete this financial year
	Creating a Centre of Excellence for logistics (rd 3)	South Essex College	South Essex	58,814	27,407			27,407			Complete
	Science to support the Health Professions (rd 3)	South Essex College	South Essex	297,944	148,972			148,972			Complete
	Specialist Equipment Ashford phase 1a (rd 3)	Hadlow Group	Kent and Medway	950,000	427,500			427,500			Complete
	Health Science Laboratory, Medway (rd 3)	Mid Kent College	Kent and Medway	470,126	235,063			235,063			Slippage potential
	Engineering Skills Growth Hub (Swale Skills Equipment) (rd 3)	Mid Kent College	Kent and Medway	397,000	198,500			198,500			Slippage potential
	Industry Standard Surveying Equipment and Soil Laboratory for Technical Construction	Chelmsford College	Essex	114,982	57,490			57,490			Claim due soon - on track to complete
	Court Lane Horticultural Nurseries – Enhancing Specialist Facilities for Further & Higher Education	Hadlow Group	Kent and Medway	993,000	447,000			447,000			Complete
	Foundation Learning (Princess Christians Farm Campus) – Enhancing Specialist Facilities	Hadlow Group	Kent and Medway	965,000	385,000			385,000			Complete
	Transport & Logistics Skills Hub	Mid Kent College	Kent and Medway	127,000	82,000			82,000			Slippage potential
	Thameside Jetty	North Kent College	Kent and Medway	129,000	64,500			64,500			Claim due by end Feb
	Science and Engineering for Tree Management	Plumpton College	East Sussex	280,000	140,000			140,000			On track
	Development of Construction facilities in Basildon to support economic growth and address local a	South Essex College	South Essex	733,410	366,705			366,705			Complete
	The E-Hub	Harlow College	Essex	233,566	116,783			116,783			On track to complete this financial year
	Swale Campus Construction Extension	Canterbury College	Kent and Medway	248,664	223,798			223,798			On track to complete this financial year
<b>Total</b>				<b>40,522,989</b>	<b>22,014,661</b>	<b>9,923,360.0</b>	<b>0.000</b>	<b>12,011,861</b>	<b>0.000</b>		

## General Information

<i>LOGASnet code (if applicable)</i>	<i>Project Name</i>	<i>Theme of Spend</i>	<i>Construction start date (forecast or actual)</i>
<b>LGFE1</b>	<b>Skills Capital Programme Total</b>	<b>Skills</b>	<b>Apr-15</b>
	Harlow advanced manufacturing and engineering centre of excellence (Rd1)	Skills	Jun-15
	Hadlow College Group - Ashford College, Kent (rd 1)	Skills	Jul-15
	STEM training at Braintree College, Colchester Institute Essex (Rd 1)	Skills	Apr-15
	Refurbished science facilities - Sussex Downs College, East Sussex (Rd 1)	Skills	Jun-15
	Science Hub, Writtle College (rd 2)	Skills	Jan-16
	AMEC - Equipment (rd 2) (Advanced Manufacturing & Engineering Centre), Harlow College	Skills	Apr-15
	Centres for Excellence for Advanced Industrial Technologies and Engineering Manufacture (rd 2), SE Essex College	Skills	Jan-16
	STEM Skills Training Equipment (rd 2), Colchester Institute	Skills	Sep-15
	Extension to construction facilities in Folkestone (rd 3), East Kent College	Skills	Apr-16
	Specialist Equipment for STEM Centre (rd 3), Sussex Downs College	Skills	Apr-16
	North Kent Dealership Centre (rd 3), North Kent College	Skills	May-16
	Digital Labs for the Construction, Health and Social Care and Science Sectors (rd 3) , Harlow College	Skills	Jan-16
	Raising Essex STEM Skills to Higher Levels (rd 3), Colchester Institute	Skills	Jan-16
	Growing apprenticeship and skills training in engineering (rd 3), Plumpton College	Skills	Jun-16
	Advanced Construction, Infrastructure and telecomms (rd 3), Procat College	Skills	Jan-16
	Creating a Centre of Excellence for logistics (rd 3), South Essex College	Skills	Jan-16
	Science to support the Health Professions (rd 3), South Essex College	Skills	Jan-16
	Specialist Equipment Ashford phase 1a (rd 3) , Hadlow Group	Skills	Apr-16
	Health Science Laboratory, Medway (rd 3) , Mid Kent College	Skills	Jan-16
	Engineering Skills Growth Hub (Swale Skills Equipment) (rd 3), Mid Kent College	Skills	Apr-16
	Industry Standard Surveying Equipment and Soil Laboratory for Technical Construction, Chelmsford College	Skills	Apr-16
	Court Lane Horticultural Nurseries – Enhancing Specialist Facilities for Further & Higher Education, Hadlow Group	Skills	Apr-16
	Foundation Learning (Princess Christians Farm Campus) – Enhancing Specialist Facilities, Hadlow Group	Skills	Apr-16
	Transport & Logistics Skills Hub, Mid Kent College	Skills	Nov-16
	Thameside Jetty, North Kent College	Skills	Apr-16
	Science and Engineering for Tree Management, Plumpton College	Skills	Apr-16
	Development of Construction facilities in Basildon to support economic growth, South Essex College	Skills	Apr-16
	The E-Hub, Harlow College	Skills	Apr-16
	Swale Campus Construction Extension, Canterbury College	Skills	Sep-16

Totals



LGF Expenditure								Skills
Figures should relate to spend of LGF resources on the ground by the project delivery body (i.e. "LGF Expenditure" from LOGASnet). LGF spend should be disaggregated from total project spend in proportion to the percentage of the overall budget which LGF constitutes. Figures do not necessarily need to match the current profile of								
Construction end date (forecast or actual)	15/16 actual	16/17 forecast	17/18 forecast	18/19 forecast	19/20 forecast	20/21 forecast	Total	15/16 actual
Mar-17	£9,923,000.00	£12,011,661.00	£0.00	£0.00	£0.00	£0.00	£21,934,661.00	
Apr-17	1,602,500	897,500						
Mar-17	7,650,000	2,150,000						
Mar-17	374,821	3,265,179						
Sep-15		80,000						
Apr-17		38,806						
Mar-17		346,572						
Apr-17	73,475							
Mar-17	148,600	13,087						
Mar-17		1,360,000						
Mar-17		74,914						
Mar-17		141,850						
Mar-17		350,000						
Mar-17		52,304						
Mar-17		88,474						
Mar-17	73,964	232,457						
Mar-17		27,407						
Mar-17		148,972						
Mar-17		427,500						
Mar-17		235,063						
Mar-17		198,500						
Mar-17		57,490						
Mar-17		447,000						
Mar-17		385,000						
Mar-17		82,000						
Mar-17		64,500						
Apr-17		140,000						
Mar-17		366,705						
Mar-17		116,783						
Mar-17		223,798						
	£9,923,360.00	£12,011,861.00						

s - Number of New Learners Assisted (in courses leading to a full qualification) <i>Please input the number of new learners assisted as a direct result of the intervention.</i>							Skills - Area of new or improved learning/trai <i>Please input the area of new or improved learning/training floorspace achie</i>				
16/17 forecast	17/18 forecast	18/19 forecast	19/20 forecast	20/21 forecast	21/22 - 24/25 forecast	Total	15/16 actual	16/17 forecast	17/18 forecast	18/19 forecast	19/20 forecast
						4687					
		110	110	110	110	550		2,000			
		500	500	500	500	2500		10,869			
			334	334	334	1336		1,323			
		470	470	470	470	470		235			
			12	12	12	12					
						0		2000			
30	30	30	30	30	30	180					
			140	140	140	560					
		58	58	58	58	290		1,089			
						0					
		27	27	27	27	135		761			
		125	125	125	125	625					
						0					
		38	38	38	38	190		186			
28	48	86	50	48		260					
12	12	12	12	12	12	72					
60	60	60	60	60	60	360					
						0					
			200	200	200	800					
				80		330					
		55	55	55	55	275					
		90	90	90	90	450		330			
		85	85	85	85	425		402			
		15	15	15	15	75					
		24	24	24	24	120		460			
		61	61	61	61	305		200			
		73	73	73	73	365		1520			
			2400			0					
		83	83	83	83	83		152			
						0					
<b>130</b>	<b>1964</b>	<b>5005</b>	<b>2649</b>	<b>2567</b>	<b>2519</b>	<b>14824</b>	<b>0</b>	<b>21527</b>	<b>0</b>	<b>0</b>	<b>0</b>

ning floorspace (m2) <i>ved as a direct result of the intervention.</i>			Skills - Apprenticeships <i>Number of apprenticeships delivered as a direct result of the intervention.</i>							
<i>20/21 forecast</i>	<i>21/22 - 24/25 forecast</i>	<i>Total</i>	<i>15/16 actual</i>	<i>16/17 forecast</i>	<i>17/18 forecast</i>	<i>18/19 forecast</i>	<i>19/20 forecast</i>	<i>20/21 forecast</i>	<i>21/22 - 24/25 forecast</i>	<i>Total</i>
		0								0
		0			90	90	90	90	90	450
		10869			332	332	332	332	332	1660
		1323				132	132	132	132	528
		235			30	30	30	30	30	150
		0								0
		2000								0
		0		40	40	40	40	40	40	200
		0			20	20	20	20	20	100
		1089			42	42	42	42	42	210
		0			35	35	35	35	35	175
		761			55	55	55	55	55	275
		0			50	50	50	50	50	250
		0				495				495
		186			25	25	25	25	25	125
		0					260			260
		0			50	50	50	50	50	250
		0			10	10	10	10	10	50
		0				184	184	184	184	736
		0				80	80	80	80	320
		0					80			80
		0			30	100				130
		330				45	45	45	45	180
		402								0
		0								0
		460			6	6	6	6	6	30
		200			26	26	26	26	26	130
		1520			38	38	38	38	38	190
		0								0
		152			72	72	72	72	72	360
		0								0
<b>0</b>	<b>0</b>	<b>21527</b>			<b>851</b>	<b>1057</b>	<b>1702</b>	<b>1362</b>	<b>1362</b>	<b>7334</b>

