

Forward Plan reference numbers: FP/AB/674 and FP/AB/675

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 22 September 2023	For: Decision
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SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1 The purpose of this report is to update the SELEP Accountability Board (the Board) on the latest position of the Growing Places Fund (GPF) Capital Programme.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Note** the updated position on the GPF programme.

2.1.2 **Agree** that a project update, change request and proposed revised repayment schedule for the Barnhorn Green Commercial and Health Development project should be presented at the Board meeting on 12 January 2024. Noting that if this requirement is not met or the revised proposals are not approved by the Board, the project will be automatically removed from the GPF programme.

3. Background

- 3.1 In total, £45.477m GPF was made available to SELEP for investment as a recyclable loan scheme. To date, GPF has either been invested or has been allocated for investment in a total of 28 capital infrastructure projects. In addition, a proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and a further £1.5m was ring-fenced to support the activities of SELEP's Sector Working Groups (known as the Sector Support Fund); as agreed by the Strategic Board.
- 3.2 In June 2020, the Strategic Board took the decision to repurpose £6.4m of the GPF funding to enable delivery of interventions which will support economic recovery post COVID-19. In addition, in November 2021 the Board agreed that £18,767 of the GPF loan awarded to the Workspace Kent project could be written off as a bad debt due to the dissolution of the recipient company. These decisions have reduced the balance of the GPF fund to £39.058m.

- 3.3 Quarterly updates are provided to the Board on the latest position of the GPF projects in terms of delivery progress, realisation of project benefits and any risks to the repayment of the GPF loans.
- 3.4 A new prioritised project pipeline was agreed in June 2020. Two projects have subsequently been removed from the pipeline, but funding has been awarded to support delivery of all other pipeline projects. As a consequence, there are currently no projects remaining on the GPF project pipeline.
- 3.5 It was intended that a new round of GPF funding would be launched in 2023/24 and an initial discussion as to the approach for allocating the funding took place at the [Strategic Board meeting on 10 February 2023](#). During this meeting a number of underlying principles for the new round of GPF funding were agreed.
- 3.6 Subsequent to this Strategic Board decision, Central Government made the announcement in the annual Budget that they were minded to not provide any further core funding for LEPs after 2023/24 and that LEP functions should be integrated into Local Authorities. Government conducted an information gathering exercise to inform the next steps towards integration prior to confirming their minded to decision.
- 3.7 Whilst awaiting further information from Government, there was a need to undertake a significant amount of work to establish how SELEP operations could be effectively integrated into Local Authorities, whilst safeguarding key activities which need to be conducted at a regional level. Whilst a further review of options for use of the available GPF funding was undertaken, the decision was taken to await Government guidance prior to taking any further proposals to the Strategic Board. It was, however, concluded that the approach and underlying principles previously considered by the Strategic Board were no longer appropriate given the different context within which SELEP is now operating. Therefore, the previous decision taken by the Strategic Board was reversed at their meeting on [7 July 2023](#).
- 3.8 It is intended that alternative proposals for the use of the available GPF funding and the ongoing management of existing GPF loans will be presented to the Strategic Board at their meeting in October 2023.

4. Current Position

COVID-19 Impacts

- 4.1 The impact of the COVID-19 pandemic and the associated social distancing measures and lockdowns that were introduced by Government have resulted in a severe shock to our economy. The GPF projects are feeling the effects and longer-term risks have been identified which may affect the delivery of the projects, the realisation of expected project benefits and the ability to repay the current GPF loans.

- 4.2 Further information regarding the effects and risks identified as a result of the COVID-19 pandemic is provided in Appendix D.

Cash Flow Position

- 4.3 Scheme promoters have been working to understand the impacts of COVID-19 on their projects and their intended repayment mechanism since the onset of the COVID-19 pandemic. To date, COVID-19 related revised repayment schedules have been approved by the Board in relation to eleven GPF projects.
- 4.4 Table 1 below sets out the current cash flow position based on the planned GPF investment and the GPF available for re-investment through loan repayments. Drawdown forecast for 2023/24 assumes release of the funding awarded to the Barnhorn Green Commercial and Health Development project, although this remains subject to further consideration by the Board (as set out in Section 6 of this report). Repayments forecast for 2023/24 reflect the latest repayment schedules approved by the Board.
- 4.5 The GPF repayment schedules are set out in Appendix B.
- 4.6 To assist with options development in relation to the GPF funding currently held by Essex County Council (as the Accountable Body for SELEP), early confirmation regarding the ongoing achievability of repayments due in 2023/24 has been sought. All projects have confirmed that they remain on track to make their scheduled repayment, other than the Sovereign Harbour project where a potential repayment risk has been identified. East Sussex County Council have advised that their view is that the Sovereign Harbour Innovation Mall remains on the market with the intention that it is sold, allowing the remaining balance of the GPF loan to be repaid. East Sussex County Council have also advised that conversations will be taking place between themselves and Sea Change Sussex over the coming months to explore all options in the event that the sale is looking unviable in the timeframe.

Table 1: GPF Cash Flow Position

£	2023/24	2024/25
GPF available at the outset of year	12,359,744	14,924,744
GPF funding repurposed	-	-
GPF available for investment	12,359,744	14,924,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	2,750,000	0
Position before GPF repayments are made	9,609,744	14,924,744
GPF repayments expected	5,315,000	3,576,400
Carry forward	14,924,744	18,501,144

4.7 As shown in Table 1 total GPF Round 3 drawdown of £2.75m is forecast for 2023/24. This £2.75m reflects the last drawdown associated with GPF round 3 projects and sufficient GPF funding is held to meet this drawdown requirement.

4.8 All Round 1 and 2 GPF projects have drawn down their full allocation of funding. The drawdown schedule for the GPF programme is set out in Appendix C.

5. Growing Places Fund Project Delivery to Date

5.1 A deliverability and risk update is provided for each GPF project in Appendix A.

5.2 Four projects have a High (red) overall project risk, including the Green Hydrogen Generation Facility, Centre for Advanced Engineering, Barnhorn Green Commercial and Health Development and North Queensway projects.

5.3 The Green Hydrogen Generation Facility project is an innovative project seeking to construct a zero carbon hydrogen production facility which will be powered via connection to an existing offshore wind farm. Due to the innovative nature of the project, there is a need for a lot of work to be undertaken prior to construction commencing onsite. Whilst progress has been made, a need to upgrade the turbines at the wind farm has been established. Safety issues have been identified in relation to the older wind turbines which need to be addressed before the project can progress using the planned approach. Work is continuing to address the safety issues but, in the meantime, the delivery partner is investigating alternative zero carbon power sources to ensure that the project can progress as planned. Despite the delay in progressing the project, no repayment risks have been identified at the current time.

- 5.4 The Centre for Advanced Engineering project has delivered approximately 8,300sqm (Gross Internal Area) of space at South Essex College, with cutting edge facilities and workshops to support courses in engineering, motor vehicle maintenance and construction. The project received £2m of GPF funding and, as it stands, the full balance of the loan remains outstanding.
- 5.5 A revised repayment schedule for the project was agreed by the Board in November 2021 and it was agreed that South Essex College should provide annual updates to the Board to provide assurance regarding the ongoing viability of the agreed repayment schedule. The first update was provided to the Board in November 2022 and identified a number of risks associated with the repayment of the loan. In advance of the next annual update on the ongoing viability of the agreed repayment schedule to the Board (due in November 2023), South Essex College have provided some further commentary around the repayment risks previously highlighted. The College have confirmed that the majority of the risks stated still stand and have reported that repayment of the GPF funding will be subject to sufficient reserves being held at the repayment date. The first repayment is not due until 2025/26 and therefore these risks will continue to be monitored.
- 5.6 The Barnhorn Green Commercial and Health Development project has been awarded a GPF allocation of £1.75m and this funding continues to be held by Essex County Council (as Accountable Body for SELEP). The project has progressed more slowly than anticipated and therefore changes to the budget, scope and repayment schedule for the project are being considered by Rother District Council (as delivery partner). Further details are provided in Section 6 of this report.
- 5.7 The final High risk project is the North Queensway project, which has delivered preliminary site infrastructure and an access road for a new business park as set out in the Business Case. Whilst the GPF loan has been repaid in full, no commercial development has come forward on the site to date and therefore none of the forecast project benefits have been realised. A further update on the North Queensway project will be provided at a future meeting when East Sussex County Council and Sea Change Sussex have confirmed an agreed position with regard to next steps for securing the forecast project benefits.
- 5.8 There are a number of medium risks (amber) identified, primarily in relation to repayment and realisation of project outcomes. The repayment risks stem from the ongoing global economic uncertainty and impacts on the property market. There remain concerns regarding benefit realisation due to the impact on the property market and local economy of the COVID-19 pandemic. These risks will continue to be monitored.
- 5.9 The usual update on the benefits realised as a result of the GPF investment has not been included within this report. A full review of the forecast benefits and outcomes stated within the original funding applications, including measuring delivery of benefits post project completion, is currently being undertaken. It was anticipated that this review would be completed in advance

of this meeting, however, further time is required to complete this piece of work to ensure that the information provided at future Board meetings is fully accurate and robust.

6. Barnhorn Green Commercial and Health Development – project update

- 6.1 Barnhorn Green is an allocated employment and health zone adjacent to a large housing development in Bexhill, which has been acquired by Rother District Council following a lack of interest from the private commercial development sector.
- 6.2 The ability to deliver new homes in the area has been significantly hindered by a lack of sufficient primary health provision, hence the intention to deliver a new GP surgery on the Barnhorn Green site. The project also includes the provision of new office accommodation and light industrial workspace, suitable for local business start-ups, existing business growth and which will help attract new businesses to the Bexhill area.
- 6.3 In February 2021, the Board approved the award of £1.75m to the Barnhorn Green project. At the time of the funding decision, planning consent was outstanding for the project but this was expected to be confirmed within 5 months of the funding decision. The Board noted that if planning consent was not granted that the project would be removed from the GPF programme, requiring immediate repayment of any funding already drawn down against the project.
- 6.4 Limited updates have been provided on the project since the funding decision was taken and East Sussex County Council (as responsible Upper Tier Local Authority) have not taken any steps to seek drawdown of the GPF funding. As a result, the full £1.75m funding allocation continues to be held by Essex County Council (as Accountable Body for SELEP).
- 6.5 East Sussex County Council, in conjunction with Rother District Council, have now provided an update on the status of the project. It has been confirmed that planning permission for the project has now been granted. This means that the project will not be automatically removed from the programme. However, as has been reported by a number of projects across the SELEP capital programme, the project team are struggling with increasing costs due to rising inflation levels and general cost increases following the COVID-19 pandemic and Brexit. As a result, a review of the project budget is currently underway alongside a re-tendering exercise, with a view to seeking agreement from Rother District Council Cabinet on the updated project costs and budget prior to the end of Q3 2023/24.
- 6.6 In addition, Rother District Council have advised that due to the delay in bringing forward the project, the scope is being revisited to ensure that the workspace delivered meets current demand. This is likely to mean that the project seeks to deliver a larger GP surgery, increased levels of light industrial space and reduced levels of office space. This reflects the reduced demand for office space since the COVID-19 pandemic.

- 6.7 It has also been advised that it is likely that the repayment schedule previously agreed for the project will no longer be realistic due to the delays in progressing the project. The current repayment schedule requires full repayment of the GPF loan in 2025/26. East Sussex County Council and Rother District Council have advised that they will be unable to bring forward a revised repayment schedule until the updated costs have been prepared and the ongoing delivery of the project approved by Rother District Council's Cabinet.
- 6.8 In light of the likely changes to the project, both in terms of scope and repayment schedule, Essex County Council (as Accountable Body for SELEP) are unable to release the funding to East Sussex County Council until the changes have been agreed by the Board.
- 6.9 The impending dissolution of SELEP, following the decision by Government to not provide any further core funding to LEPs, places a limit on the amount of time that the Board can allow for East Sussex County Council (in conjunction with Rother District Council) to bring forward the required Change Request and proposed revised repayment schedule. It is important that the project is subject to further consideration by the Board and that a definitive decision on whether the project will remain in the GPF programme is taken prior to March 2024.
- 6.10 To ensure that there is time for any changes to the project scope and repayment schedule agreed by the Board to be formalised in a Deed of Variation, and for the funding to be released to East Sussex County Council prior to 31 March 2024, it is necessary for the Board to consider the project at the Board meeting scheduled to take place on 12 January 2024. If this timeline cannot be met, there will be insufficient time for required processes to be completed prior to the dissolution of SELEP and therefore it is recommended that the project is automatically removed from the GPF programme if a project update, change request and revised repayment schedule are not presented at that meeting.
- 6.11 It should also be noted that ongoing uncertainty regarding the status of the project means that it is not possible to provide the Strategic Board with a complete picture of the level of GPF funding currently available and how this will be managed moving forward – this is particularly the case should the disaggregation of the GPF funding be the Strategic Board's preferred option for post SELEP.
- 6.12 At this meeting, the Board are asked to agree that the project be brought forward for further consideration and a decision regarding the continued inclusion of the project in the GPF programme at the January 2024 Board meeting. To inform this decision, the following documents/information will be required in advance of the meeting in accordance with the timeline advised by the SELEP Secretariat:

- 6.12.1 A full project update, including confirmation of the decisions from Rother District Council Cabinet in relation to the total project cost, funding package and project scope and an outline of next steps towards project delivery.
 - 6.12.2 A project change request which details all changes being made to the project and which provides confirmation that the project continues to offer High value of money.
 - 6.12.3 A revised repayment schedule and confirmation of the intended repayment mechanism (if this has changed since Business Case submission). This should be accompanied by confirmation from East Sussex County Council that they have reviewed the information provided and are satisfied that the repayment mechanism and proposed repayment schedule are both realistic and achievable.
- 6.13 It should be noted that the project change request will need to be reviewed by the Independent Technical Evaluator prior to the Board meeting and will therefore need to be submitted well in advance of the meeting.

7. Financial Implications (Accountable Body Comments)

- 7.1 Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. GPF is a capital grant awarded by Government to be operated as a recyclable loan scheme.
- 7.2 A total of £12.360m GPF was held by the Accountable Body at the end of 2022/23. Of this balance, £9.61m is uncommitted increasing to £14.925m uncommitted balance for 2023/24, should all loan repayments be received in line with current Board decisions and credit agreements in place.
- 7.3 The existing GPF project pipeline has now been expended, and the Board agreed principles for a new round of GPF funding, in February 2023; however, as set out in sections 3.6 to 3.8, due to the winding down of LEPs and government directive to integrate LEP functions into Local Authorities, the future arrangements were discussed by the Strategic Board in July 2023, and subsequently reversed. The Board concluded that the approach and underlying principles previously considered by the Strategic Board were no longer appropriate given the different context within which SELEP is now operating. It is intended that alternative proposals for the use of the available GPF funding and the ongoing management of existing GPF loans will be presented to the Strategic Board at their meeting in October 2023.
- 7.4 The current economic climate means that there is a continued risk that scheduled repayments by existing projects will not be made as planned due to difficulties experienced as a result of Brexit, COVID-19, and economic uncertainty due to the high levels of inflation. It is a requirement that the respective Local Authority that is the recipient of the loan, monitors the repayment position and advises SELEP and the Accountable Body of any

potential risks in this respect, in accordance with the timelines set out in the respective agreements, to enable mitigations to be agreed by the Board in advance of any default in repayment.

- 7.5 The Barnhorn Green Commercial and Health Development Project has experienced a delay in obtaining planning consent. East Sussex County Council, in conjunction with Rother District Council, have now provided an update on the project status. It has been confirmed that planning permission for the project has now been granted, however the scope of the project is being reviewed in light of current economic demand and is likely to change along with a new proposed repayment schedule.
- 7.6 As mandated by the SELEP Assurance Framework East Sussex County Council will be submitting a change request and revised repayment schedule requiring Board approval. To ensure sufficient time to formalised and agree changes in a Variation Agreement, and for the funding to be released to East Sussex County Council prior to 31 March 2024, it is necessary for the Board to consider the project at the Board meeting scheduled to take place on 12 January 2024. If this timeline cannot be met, there will be insufficient time for required processes to be completed prior to the expected dissolution of SELEP and therefore it is recommended that the project is automatically removed from the GPF programme if a project update, change request and revised repayment schedule are not presented at that meeting.
- 7.7 The Board are advised to continue to monitor the status of all existing GPF projects in terms of delivery status, outcomes and loan repayment assurances. Refiling requests from GPF projects and repayment risks that are highlighted in reporting, may result in a delay in the amount of GPF repaid by projects and may reduce the amount of GPF available for reinvestment in future years.
- 7.8 It is continued to be noted that actual delivery of jobs and homes reported to date remain out of line with the expected levels identified in the business cases for most completed projects and there has been some evaluation of why delivery of outcomes is lower than expected. This should continue to form part of the on-going monitoring with reasons for under delivery explained fully to the Board. This is critical post pandemic and with current economic pressures from increasing inflation and Brexit related issues, to help monitor the economic impact of the crisis on the SELEP region and project outcomes. Where appropriate, these evaluations should be used to inform future business case estimations of growth to ensure there is not a pattern of over-ambition.

8. Legal Implications (Accountable Body Comments)

- 8.1 The Growing Places Fund is provided by the Accountable Body to the partner authorities for each project under a loan agreement. Where a loan has not been repaid in accordance with the repayment schedule set out in the loan agreement, the 2% discount rate of interest will cease to apply and the full Public Works Loan Board Fixed Standard New Loan Interest Rate stated will

be applied to the outstanding loan amount with effect from the relevant repayment date.

- 8.2 Under the agreement, the Borrower is responsible for project monitoring and reporting to the Accountability Board and SELEP Strategic Board. The Borrower is required to provide an update on Project risk including those affecting repayment, as set out within this report, and this obligation continues in respect of an update regarding the position to be provided at the next Accountability Board.

9. Equality and Diversity implications (Accountable Body Comments)

- 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; and
 - 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 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.

10. List of Appendices

- 10.1 Appendix A – GPF Project Update
- 10.2 Appendix B – GPF Repayment Schedule
- 10.3 Appendix C – GPF Drawdown Schedule
- 10.4 Appendix D – COVID-19 impacts

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

Role	Date
Accountable Body sign off Michael Neumann (On behalf of Nicole Wood, S151 Officer, Essex County Council)	 14/09/2023

Growing Places Fund Update Appendix A					Deliverability and Risk					
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Barnhorn Green Commercial and Health Development	East Sussex	Round Three	<p>Barnhorn Green is an allocated employment and health zone adjacent to a large housing development in Bexhill. Development of the site is required to ensure that housing growth in the area is sustainable through the provision of jobs and primary healthcare.</p> <p>Outline planning permission has been granted for 2,750 sqm of office accommodation, 750 sqm of light industrial workspace and 700 sqm for a GP surgery.</p>	<p>The Growing Places Loan agreement has now been completed. No funding has been drawn down to date.</p> <p>A review of the project is currently being undertaken to assess the impact of potential increased construction costs and the effect of interest rates/inflation on the project. A further update on the project will be provided at the January 2024 Board meeting following consideration by Rother District Council Cabinet.</p>	<p>A review of the project to assess the impact of increasing construction costs and rising interest rates and inflation is in progress.</p> <p>It is likely that the project scope will be revised and therefore a project change request will be required.</p>	<p>GPF funding has not yet been drawn down. Spend of the GPF funding will be dependent upon the outcome of the current project review and any subsequent decisions required from the Board.</p>	<p>It is likely that the repayment schedule will need to be revised due to the delay in progressing the project. This change will need to be agreed prior to the funding being released.</p>	<p>Realisation of project outcomes is dependent upon the outcome of the current review and a final decision as to whether the project progresses to delivery.</p>	<p>Project affordability has not yet been confirmed as a re-tender process is underway. In addition, the scope of the project is likely to be changed requiring a further decision from the Board before the GPF funding can be released.</p>	<p>A review of the project is currently in progress.</p>
Green Hydrogen Generation Facility	Kent	Round Three	<p>The project involves the construction of the UK's largest zero carbon hydrogen production system. This will be situated in Herne Bay, Kent and will be powered by way of a direct connection to the on-land substation for the existing Vattenfall offshore wind farms. The GPF funding will be used to purchase equipment for hydrogen production facility (electrolysers and compressors), specialised tube trailers for storage and distribution of hydrogen and hydrogen refuelling systems which are installed within the SELEP region.</p>	<p>A preferred engineering contractor has been identified and concept engineering design work has been undertaken. Discussions are ongoing with potential suppliers. Site clearance was expected to take place before April 2022, however, this has been delayed to allow time for the design to progress.</p> <p>The wind farm due to be used to support the production of hydrogen needs to be upgraded and safety issues have been identified with some of the wind turbines. Work is ongoing to address this issue but in the meantime, alternative options are being considered by the delivery partner to ensure that the project can progress as planned.</p>	<p>The programme has been delayed as a result of COVID-19. In addition, Brexit is likely to impact on delivery timescales for materials and equipment. There is also intense interest in the hydrogen economy which has resulted in longer than expected response times from suppliers. The safety issues identified with the wind turbines are also causing a delay to project delivery.</p>	<p>Construction has been delayed as a result of COVID-19 impacts on engagement with service and equipment suppliers. The risk has been mitigated via an accelerated procurement process. However, issues with the wind turbines continue to delay project delivery, increasing the GPF spend risk.</p>	<p>No repayment risk identified. Increasing levels of demand for green hydrogen in the region is expected to enable timely repayment of the GPF funding.</p>	<p>Project outcomes will be delivered as per the Business Case following project delivery.</p>	<p>Risk of fluctuation in the electricity and natural gas markets has materialised, with a similar effect on the market price of hydrogen.</p> <p>Required upgrade to wind turbines and the associated risks identified are delaying delivery of the project.</p>	<p>Construction has been delayed due to COVID-19 impacts and the need to upgrade the existing wind farm.</p> <p>Project outcomes still expected to be delivered as per the Business Case.</p>
Centre for Advanced Engineering	Essex	Round Two	<p>Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on an industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.</p>	<p>Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget.</p> <p>Revised repayment schedule agreed in November 2021.</p>	<p>Project delivered</p>	<p>GPF funding spent in full</p>	<p>Revised repayment schedule approved by the Board in November 2021. Ability to repay in accordance with this schedule will be considered through annual updates to the Board.</p> <p>A number of significant risks to repayment have been identified in the latest reporting submission</p>	<p>Initial project outcomes reported including new learners, apprentices and new jobs created.</p> <p>The College have indicated that the Centre for Advanced Engineering is recovering post COVID-19 and that learner numbers are strengthening. An update on learner numbers will be provided following completion of enrolment in September.</p>		<p>The project is complete and is showing signs of recovery following the COVID-19 pandemic, however, there is a significant repayment risk which will need to be kept under review.</p>
North Queensway	East Sussex	Round One	<p>The project has delivered the construction of a new junction and preliminary site infrastructure in order to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000m² (gross) of high quality industrial and office premises.</p>	<p>GPF invested, project complete and full repayment made.</p> <p>None of the forecast project benefits have been realised to date. A further update on the project will be provided at a future meeting when East Sussex County Council and Sea Change Sussex have confirmed an agreed position with regard to next steps for securing the forecast project benefits.</p>	<p>GPF funded enabling works complete</p>	<p>GPF funding spent in full</p>	<p>GPF repaid in full</p>	<p>No project outcomes realised to date.</p>		<p>The GPF funded enabling works have been completed, however, no commercial workspace has been brought forward to date and therefore no benefits have been realised.</p>

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Colchester Northern Gateway	Essex	Round Two	This development is located at Cuckoo Farm, off Junction 28 of the A12. The overall scheme consists of: relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes, providing in total around 35% affordable units and on site infrastructure improvements facilitating the development of the Sports and Leisure Hub.	The GPF supported phase of the project has been completed and the GPF funding has been repaid in full.	There is no delivery risk in relation to the GPF funded element of the project, however, delivery of the wider project has been impacted by delays in bringing forward required highway works.	GPF funding spent in full. In November 2021, Board approved the reduction in value of the GPF loan to £1.35m	Full repayment of the GPF funding has been made.	Realisation of forecast project outcomes is dependent upon delivery of the wider project.	The site is expected to include some commercial development. As a result of the COVID-19 pandemic, there is likely to be a reduced demand for commercial space and therefore these works may be further delayed.	GPF funded works delivered and GPF funding repaid in full. However, delivery of wider project and realisation of forecast outcomes impacted by delays in bringing forward the required highway works.
Workspace Kent	Kent	Round One	The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.	There are four projects within this programme. Of these, two projects have been completed and have repaid in full and one project has agreed a revised repayment schedule with Kent County Council due to the impacts of the COVID-19 pandemic. The remaining project has partially repaid the funding but the company has now been dissolved and there are no further means to recover the outstanding balance. Write off of the outstanding balance owed by this company (£18,767) was agreed by the Board in November 2021. A further project had been approved, however, this project has now been removed from the programme and alternative projects are being considered.	It was previously reported that the GPF funding had all been allocated to approved projects, however, the final project has now been removed from the programme. Alternative options for use of the remaining funding are being considered.	The final project (recently approved) has been removed from the programme. There is an increased spend risk until an alternative project has been identified and approved.	Two of the five projects have now completed and repaid in full, with a third partially repaying prior to dissolution of the company. The fourth project is due to restart payments in July 2023 following a short repayment holiday.	Two projects repaid in advance of their agreed final repayment date, and therefore the forecast job creation to be achieved within the contractual period of 5 years could not be achieved. Additional outcomes will be delivered as a result of the final project (once identified) and therefore forecast project outcomes should still be achieved.		The majority of the GPF funding has been invested in projects. Efforts are ongoing to identify a suitable project for investment of the remaining funding.
Eastbourne Fisherman's Quayside and Infrastructure Development	East Sussex	Round Two	This capital project has secured £1,000,000 European Maritime and Fisheries Fund (EMFF) grant funding to build a Fishermen's Quay in Sovereign Harbour to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet.	Work commenced onsite on 27th July 2020 and an official ground breaking ceremony was held on 24th August. GPF funded element of the wider project has been completed.	Project delivered	GPF funding has been spent in full	Repayment of £0.1m made in March 2022, rather than £0.25m repayment as per agreed schedule resulting in default on the loan. Significantly extended repayment schedule (running to 2034/35) agreed by the Board in April 2023. This will be subject to regular reviews to identify any risks to repayment or opportunities to accelerate repayment.	Project has been impacted by Brexit and the COVID-19 pandemic which has resulted in benefits being realised at a slower pace than originally forecast. Challenges have also been encountered meaning the benefits are not safeguarded.		Delivery of project outcomes has been adversely impacted by new Brexit regulations. In addition, an extended revised repayment schedule has been agreed by the Board following a default on the repayment due in 2021/22.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Innovation Park Medway (southern site enabling works)	Medway	Round Two	<p>The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together form the North Kent Enterprise Zone.</p> <p>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors – particularly engineering, advanced manufacturing, high value technology and knowledge intensive industries. These businesses will deliver high value jobs in the area and will contribute to upskilling the local workforce. This is to be achieved through general employment and the recruitment and training of apprentices including degree-level apprenticeships through collaboration with the Higher Education sector.</p> <p>The Project will bring forward site enabling works on the southern site at the Innovation Park.</p>	<p>The Masterplan and Local Development Order (LDO) for Innovation Park Medway have now been adopted by both Medway Council and Tonbridge and Malling Borough Council.</p> <p>The access roads, footpaths, lighting, signage and utilities have been delivered onsite. Marketing of the site is ongoing and enquiries are being reviewed.</p> <p>Council funding has been secured to bring forward two plots and a self-certification planning application has been submitted under the LDO for the first plot (office building). A competitive tender process has been carried out to appoint a construction contractor. It is expected that construction will commence in Autumn 2023.</p>	GPF funded enabling works have now been delivered	GPF funding has been spent in full	GPF loan has been repaid in full	The enabling works have been completed and the site is currently being marketed. In a change of approach, it is now intended that Medway Council will bring forward the commercial workspace on the site with a view to leasing the space to businesses, rather than businesses building their own workspace.	Lack of interest in leasing the office space could be a risk, however marketing of the site continues, with the first building being designed ready for occupation in September 2024. Terms are being agreed with the first anchor tenant.	The GPF funded enabling works have now been delivered and the GPF funding has been repaid in full. Realisation of project outcomes is now dependent upon Medway Council bringing forward the commercial workspace on the site.
Observer Building, Hastings - Tranche 1	East Sussex	Round Three	<p>The project will support Phase 1 of the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.</p>	<p>Planning permission for the proposed works was granted in September 2020.</p> <p>Following a period of value engineering, works commenced onsite and the majority of the works have now been completed.</p> <p>A number of tenants are now in situ on both the Alley Level and in the first floor office and co-working spaces.</p>	This is a complex project seeking to address the impacts of 35 years of dereliction. Delivery of the GPF funded works is complete and funding has been secured to support development of the remaining floors in the building.	GPF allocation has been spent in full	The repayment schedule currently remains as set out in the Business Case but the ongoing global economic uncertainty presents a risk which may mean repayment cannot be achieved in line with the current repayment schedule.	It is expected that the Project outcomes will be realised as per the Business Case.	The cost of living crisis may reduce the level of income earned, whilst increasing energy prices may increase the operating costs for the building.	Project is progressing onsite. GPF funding has been spent in full and project outcomes remain as set out in the Business Case. Repayment risk will be monitored following project completion
Observer Building, Hastings - Tranche 2	East Sussex	Round Three	<p>The project will support the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.</p>	<p>Growing Places Fund loan agreement completed in December 2021. Full funding allocation drawn down in January 2022.</p> <p>Additional funding will allow sequential delivery of improvements to the upper floors of the building, reducing the need for scaffolding to be removed and replaced at a later date. GPF funded outputs expected to complete by March 2024, however, further funding will be required to ensure that the full project specification can be delivered.</p>	This is a complex project seeking to address the impacts of 35 years of dereliction. Delivery of the GPF funded works is complete and funding has been secured to support development of the remaining floors in the building.	GPF funding has been spent in full	The repayment schedule currently remains as set out in the Business Case but the ongoing global economic uncertainty presents a risk which may mean repayment cannot be achieved in line with the current repayment schedule.	It is expected that the Project outcomes will be realised as per the Business Case.	The cost of living crisis may reduce the level of income earned, whilst increasing energy prices may increase the operating costs for the building.	Project is progressing onsite. Project outcomes remain as set out in the Business Case. Repayment risk will be monitored following project completion

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Live Margate	Kent	Round One	Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.	"Phase 1" has been completed. "Phase 2" is underway. Approach to Phase 2 of the project has changed and will now focus on addressing more poor quality building stock, rather than taking forward the site previously reported as acquired by Kent County Council. This change has been implemented following delays in bringing forward the planned work on the acquired site. To date 96 units have been completed and occupied.	There is no identified delivery risk following the change in approach to Phase 2 of the project	GPF spend is expected to increase in 2023/24 as the final funds are used to address poor quality housing stock.	COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use. In addition, the COVID-19 pandemic has had an impact on sales values of homes. A revised repayment schedule was agreed by the Board in November 2020. Repayments continue to be made in accordance with this repayment schedule.	From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 89 homes will be exceeded by 2024/25.		Project is progressing well following change to Phase 2 of the project. Project is expecting to exceed the project outcomes set out in the Business Case. Repayment risk to be monitored.
No Use Empty South Essex	Southend	Round Three	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	The Growing Places Loan agreement has now been completed. No funding has been drawn down to date as spend of the GBF funding awarded to support project delivery has been prioritised.	A pipeline of projects has been established.	Required due diligence and legal processes are taking longer than anticipated which may increase the GPF spend risk.	A revised repayment schedule was agreed at the last Board meeting.	A pipeline of projects has been developed and therefore it is expected that the forecast project outcomes will be achieved.		GPF funding has not yet been drawn down but a pipeline of projects has been developed demonstrating demand for the No Use Empty scheme.
Sovereign Harbour	East Sussex	Round One	The Pacific House project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Sovereign Harbour Innovation Park in the A22/A27 growth corridor.	The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2,345m ² of high quality office space.	Project Complete	GPF funding spent in full	Repayment of the remaining balance owed on the loan was expected to be achieved through the sale of the building. This could not be achieved by March 2023 and therefore a revised repayment schedule was agreed at the April 2023 Board meeting.	The building has been completed and high occupancy levels have been reported.		Project has been delivered and building currently has high occupancy levels. However, there has been a need for a revised repayment schedule to be agreed by the Board.
Bexhill Business Mall	East Sussex	Round One	The Bexhill Business Mall (Glover's House) project has delivered 2,345m ² of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.	Glover's House has been delivered. The building has been sold which allowed full repayment of the GPF loan to be made during 2019/20.	Project Complete	Project Complete	GPF funding repaid in full	As the building has now been sold, it is difficult to obtain real-time data regarding the number of jobs created as a result of the project.		Project completed and GPF repaid in full

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Chatham Waterfront	Medway	Round One	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development. A waterfront development site that can provide up to 175 homes over 6 to 10 storeys with ground floor commercial space.	The frames for all 5 blocks of flats are now complete and work is ongoing to complete the build.	Previously referenced challenges around the roof design and associated construction have been resolved allowing roof construction to commence.	The GPF Funding has been spent in full	GPF funding repaid in full	Realisation of forecast project outcomes is dependent upon delivery of the wider project.		Work is continuing onsite to deliver the wider project which will realise the forecast project outcomes.
Chelmsford Urban Expansion	Essex	Round One	The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, improving cash flow and the simultaneous commencement of two major housing schemes.	GPF invested and GPF has been repaid in full.	GPF element of the project complete but delivery of the wider project is continuing.	GPF element of the project complete	GPF element of the project complete and loan repaid in full.	Expected project outcomes not yet delivered. Information is being provided on the number of houses delivered and the number of jobs created.		GPF element of the project complete
Grays Magistrates Court	Thurrock	Round One	The project has converted the Magistrates Court to business space as part of a wider Grays South regeneration project which aims to revitalise Grays town centre.	GPF invested, project complete and repayment made in full. The refurbished building is now in use and having a positive impact in the town centre.	Project Complete	GPF funding spent in full	GPF funding repaid in full	Project outcomes delivered.	COVID-19 is likely to impact on the economy and therefore there may be reduced occupancy of the business space in the short term.	Project delivered.
Harlow West Essex	Essex/Harlow	Round One	To provide new and improved access to the London Road site designated within the Harlow Enterprise Zone.	Project delivered to a reduced scope.	Project Complete	GPF funding spent in full	GPF funding repaid in full	The job and housing outcomes are likely to be delivered over a 7 to 10 year period. As project delivered to a reduced scope, approximately 1,000 less jobs will be delivered as a result of the project.		Further works in the programme are ongoing in Harlow that will help improve the overall viability and attractiveness of the Enterprise Zone.
Herne Relief Road - Bullockstone Road improvement scheme	Kent	Round Three	The proposed Herne Relief Road is formed of two sections: the Bullockstone Road Improvement Scheme and a spine road through the proposed Lower Herne Village at Strode Farm. This project seeks to bring forward the Bullockstone Road Improvement Scheme element of the Relief Road.	Delivery of the Bullockstone Road Improvement Scheme is now complete. The spine road through the proposed Lower Herne Village development will be funded and delivered by the developer.	The GPF funded element of the wider project has been delivered.	GPF funding has been spent in full	There is a minor risk that the final development site will be slow to build out, meaning that their \$106 contribution may be delayed. This would impact on the repayment of the loan.	It is still expected that the benefits set out in the Business Case will be realised.		Project has now been delivered. The identified repayment risk will be monitored.
Javelin Way development project	Kent	Round Two	The project aims to develop the Javelin Way site for employment use, with a focus on the development of Ashford's creative economy. The project consists of two elements: the construction of a 'creative laboratory' production space and the development of 29 light industrial units.	The project has secured Getting Building Fund investment to bridge a viability gap which has arisen as a result of COVID-19 impacts on the property market. Further GBF funding was awarded to help mitigate the impact of increasing costs. Construction is now complete, and tenants have commenced fit out of the industrial units. Official opening of the JVC Building took place on 7 December 2022.	Construction is now complete	GPF funding spent in full as construction is now complete.	Revised repayment schedule approved by the Board in February 2021 to mitigate impact on sales value/market for industrial units.	Delivery of project outcomes may be delayed depending upon the impact of COVID-19 on the sales of the light industrial units, however, it is still expected that the project outcomes will be as set out in the Business Case.		Construction is now complete and the industrial units are being handed over to tenants/owners. The impact of the COVID-19 pandemic on the ability to meet the project outcomes as set out in the Business Case will be monitored.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Priory Quarter Phase 3	East Sussex	Round One	The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m ² of high quality office space with the potential to facilitate up to 440 jobs.	The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m ² of high quality office space. Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.	Project Complete	Project Complete	Havelock House has been sold enabling full repayment to be made in 2018/19.	As the building has now been sold, it is difficult to obtain real-time data regarding the number of jobs created as a result of the project.		Project completed and GPF repaid in full
Rochester Riverside	Medway	Round One	The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways. This development is to be completed over 7 phases and should take approximately 12 years. The scheme will include: 1,400 new homes (25% of which are affordable), a new 1 form entry primary school, 2,200 sqm of new office & retail space, an 81 bed hotel and 10 acres of public open space.	The first housing units were completed in Q2 of 2019, with a total of 461 homes now occupied on the site. Commercial units have also been completed and are fully occupied. Work continues to deliver later phases of residential development and the primary school.	Delivery of the project is continuing. An ongoing viability assessment is being carried out in relation to future phases of development.	The GPF Funding has already been spent	The GPF funding has been repaid in full.	Realisation of full forecast project outcomes is dependent upon delivery of the wider project. Work is ongoing onsite.	Delivery of the primary school has been delayed due to issues with the selected contractor, however, work is back on track with the school expected to complete by September 2023	Overall the project is on track to deliver outputs and outcomes.
Charleston Centenary	East Sussex	Round Two	The Charleston Trust have created a café-restaurant in the Threshing Barn on the farmhouse's estate. This work is part of a wider £7.6m multi-year scheme – the Centenary Project – which aims to transform the operations of the Charleston Farmhouse museum.	The GPF funded works on the café-restaurant are now complete and the café-restaurant is open. Immediate impacts of the COVID-19 pandemic were experienced, resulting in delays to repayment of the GPF loan.	Project complete	GPF funds spent	Following impacts of COVID-19, a revised repayment schedule was approved by the Board in July 2020. Repayment plans remain in line with the agreed revised repayment schedule.	Significant benefits have been realised since completion of the Centenary Project. Impacted by COVID-19 pandemic but steps have been taken to try and ensure recovery from 2021 onwards - including use of GBF funding to improve access to the site		Project delivered. Revised repayment schedule agreed as a result of the immediate impacts of the COVID-19 pandemic on the tourism industry.
Fitted Rigging House	Medway	Round Two	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit space initially providing a base for eight organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School. The project also provides expansion space for the future which has the potential to enable the creation of a high tech cluster based on the work of one core tenant and pre-existing creative industries concentrated on the site. The conversion will provide 3,473m ² of office space.	Building works to the project were complete as of 31st March 2020. The building is now fully occupied, with all 8 tenants operating from their new working spaces. Immediate impacts of the COVID-19 pandemic were experienced, resulting in delays to repayment of the GPF loan.	Project complete.	GPF allocation spent in full.	The cashflow and reserves position is stable and the repayments have been included in the operating assumptions.	The sustainability of tenants is returning to pre COVID-19 levels and therefore there is greater confidence that project outcomes will be achieved and maintained.		The project has been delivered and it is expected that repayments will be made in line with the agreed repayment schedule.

Growing Places Fund Update Appendix A				Deliverability and Risk						
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
No Use Empty Commercial Phase I	Kent	Round Two	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	The project has contracted with 12 projects in Dover, Folkestone and Margate. To date, 15 commercial and 26 residential units have been brought back into use as a result of the project. A further 2 residential units may be delivered at a later date.	Delivery of the project is complete. Delivery of the remaining residential units require further planning approvals and therefore sit outside the scope of the project.	GPF funding spent in full. In November 2021, Board approved the reduction in value of the GPF loan to £1.35m	GPF repaid in full	The project has delivered 30 new jobs and 26 new homes - exceeding the number of outcomes stated in the Business Case.		The project has completed and the GPF funding has been repaid in full.
No Use Empty Commercial Phase II	Kent	Round Three	The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	17 projects have been approved in Canterbury, Dover, Faversham, Folkestone, Herne Bay, Hythe, Margate, Minster, Sheerness, Sittingbourne and Ramsgate. These projects are expected to return 20 empty commercial units back into use and create 52 residential units. Discussions are ongoing regarding 3 potential new projects. Approval for accelerated drawdown of £500,000 GPF originally forecast for drawdown in 2023/24 was granted at the July 2022 Board meeting.	The first 17 projects are in contract. Discussions are ongoing regarding a further 3 projects, which if approved will use all remaining GPF funding.	No identified GPF spend risk. Approval for accelerated drawdown of GPF funding was received at the July 2022 Board meeting.	The project is in the early stages but no repayment risk identified to date.	There was a concern that the impact of COVID-19 on the High Street could result in fewer large commercial premises coming forward for redevelopment. However, the project is progressing well with minimal publicity and developers are considering reducing the size of larger units to convert into more marketable space for independent retail opportunities.		Project is progressing well and accelerated drawdown of GPF funding has been agreed to support project delivery.
No Use Empty Residential	Kent	Round Three	The No Use Empty Initiative seeks to improve the physical urban environment in Kent by bringing empty properties back into use as quality housing accommodation and by raising awareness of the issues surrounding empty properties, highlighting the problems they cause to local communities. This objective is achieved through the provision of short-term secured loans (up to 3 years) to property owners.	The Growing Places Fund loan agreement has now been completed by all parties and the funding released to Kent County Council. There is a healthy pipeline of projects for 2022/23 and further publicity around the initiative is planned. The first 20 projects under this funding stream are now in contract.	Delivery of the project is progressing well, and is supported by a strong track record of delivery.	GPF spend commenced in Q1 2022/23 following completion of the contracts relating to the initial projects and has been steadily increasing since.	No repayment risk identified to date. A sizeable proportion of the funding was allocated during 2022/23 which should help mitigate any risk of late repayment against the repayment schedule.	It is expected that benefits will be realised as per the Business Case.	Project experiencing an increase in the volume of loan applications. Risk of delays mitigated through appointment of an additional member of staff.	Project is progressing well.
Parkside Office Village	Essex	Round One	SME Business Units at the University of Essex. Phase 1, 14,032 sqft.; 1,303sqm lettable space, build complete June 2014. Phase 1a 3,743 sqft.; 348 sqm - complete September 2016.	Project complete and GPF funding repaid in full.	Project Complete	Project Complete	Project Complete and loan repaid in full.	Forecast project benefits now realised		Project Complete and expected project outcomes delivered.
Wine Innovation Centre	Kent	Round Three	This project supports the development of a facility to host a wine innovation centre at the East Malling Estate. This will be the first UK research vineyard and will support Kent's wine sector to develop as a global leader in innovation. The GPF will enable the ground and foundations work as well as installation of utilities and services and construction and fit out of building.	Delivery of the project has now been completed and the GPF funding has been spent in full.	Project complete	GPF funding spent in full	It is expected that repayment will be made in line with the agreed repayment schedule	Initial information on project outcomes provided.		Project delivery is now complete
Discovery Park	Kent	Round One	The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.	The project promoter has informed Kent County Council that they no longer wish to proceed with the GPF loan and therefore the project has been removed from the GPF programme. The GPF funding has been repaid in full by Kent County Council and has been reallocated through GPF round 3.	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme	Project removed from the GPF programme
Harlow EZ Revenue Grant	n/a	n/a		n/a						

Growing Places Fund Update Appendix A											
Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk						
					Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk	
Revenue admin cost drawn down	n/a	n/a		n/a							

Appendix B - Growing Places Fund Repayment Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total Drawn Down to date	Total Spent to Date	Total Repaid by 31st March 2023	2023/24 total	2024/25 total	2025/26 total	2026/27 total	2027/28 total	2028/29 total	2029/30 total	2030/31 total	2031/32 total	2032/33 total	2033/34 total	2034/35 total	Total
Revenue admin cost drawn down	n/a	2,000	2,000	2,000														2,000
Harlow EZ Revenue Grant	n/a	1,244,000	1,244,000	1,244,000														1,244,000
Round 1 Projects																		
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	7,000,000	7,000,000	-	-	-	-	-	-	-	-	-	-	-	-	7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	1,500,000	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	4,410,000	4,410,000	-	-	-	-	-	-	-	-	-	-	-	-	4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042	2,999,042	2,999,042	-	-	-	-	-	-	-	-	-	-	-	-	2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000	6,000,000	6,000,000	-	-	-	-	-	-	-	-	-	-	-	-	6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000	3,250,000	3,250,000	-	-	-	-	-	-	-	-	-	-	-	-	3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	1,400,000	1,400,000	-	-	-	-	-	-	-	-	-	-	-	-	1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	4,600,000	1,025,000	3,575,000	-	-	-	-	-	-	-	-	-	-	-	4,600,000
Workspace Kent	Kent	1,500,000	1,500,000	1,437,000	1,246,633	-	-	-	234,600	-	-	-	-	-	-	-	-	1,481,233
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	1,500,000	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
Discovery Park	Kent	5,300,000	5,300,000	-	5,300,000	-	-	-	-	-	-	-	-	-	-	-	-	5,300,000
Live Margate	Kent	5,000,000	5,000,000	4,429,600	2,500,000	1,000,000	1,500,000	-	-	-	-	-	-	-	-	-	-	5,000,000
Sub Total		46,705,042	46,705,042	40,771,642	39,130,675	4,575,000	1,500,000	-	234,600	-	-	-	-	-	-	-	-	46,686,275
Round 2 Projects																		
Colchester Northern Gateway	Essex	1,350,000	1,350,000	1,350,000	1,350,000	-	-	-	-	-	-	-	-	-	-	-	-	1,350,000
Charleston Centenary	East Sussex	120,000	120,000	120,000	40,000	40,000	40,000	-	-	-	-	-	-	-	-	-	-	120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	1,150,000	1,150,000	325,000	-	36,400	65,200	70,000	74,800	82,400	86,400	86,400	86,400	86,400	86,400	64,200	1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000	2,000,000	-	-	-	1,000,000	1,000,000	-	-	-	-	-	-	-	-	2,000,000
Fitted Rigging House	Medway	550,000	550,000	550,000	100,000	100,000	150,000	200,000	-	-	-	-	-	-	-	-	-	550,000
Javelin Way Development	Kent	1,597,000	1,597,000	1,597,000	-	500,000	500,000	597,000	-	-	-	-	-	-	-	-	-	1,597,000
Innovation Park Medway	Medway	650,000	650,000	650,000	650,000	-	-	-	-	-	-	-	-	-	-	-	-	650,000
No Use Empty Commercial Phase I	Kent	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Sub Total		8,417,000	8,417,000	8,417,000	3,465,000	640,000	726,400	1,862,200	1,070,000	74,800	82,400	86,400	86,400	86,400	86,400	86,400	64,200	8,417,000
Round 3 Projects																		
Wine Innovation Centre	Kent	600,000	600,000	600,000	-	100,000	250,000	250,000	-	-	-	-	-	-	-	-	-	600,000
Green Hydrogen Generation Facility	Kent	3,470,000	3,470,000	-	-	-	350,000	3,120,000	-	-	-	-	-	-	-	-	-	3,470,000
Observer Building, Hastings - Tranche 1	East Sussex	1,750,000	1,750,000	1,750,000	-	-	-	1,750,000	-	-	-	-	-	-	-	-	-	1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-	-	-	-	-	1,750,000	-	-	-	-	-	-	-	-	-	1,750,000
No Use Empty Commercial Phase II	Kent	2,000,000	2,000,000	1,969,000	-	-	750,000	750,000	500,000	-	-	-	-	-	-	-	-	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	-	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
Herne Relief Road	Kent	3,500,000	3,500,000	3,500,000	-	-	-	3,500,000	-	-	-	-	-	-	-	-	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	1,616,500	-	-	-	1,616,500	-	-	-	-	-	-	-	-	-	1,616,500
No Use Empty Residential	Kent	2,500,000	2,500,000	1,598,500	-	-	-	1,250,000	1,250,000	-	-	-	-	-	-	-	-	2,500,000
Sub Total		18,186,500	15,436,500	11,034,000	-	100,000	1,350,000	13,986,500	2,750,000	-	-	-	-	-	-	-	-	18,186,500
Total		73,308,542	70,558,542	60,222,642	42,595,675	5,315,000	3,576,400	15,848,700	4,054,600	74,800	82,400	86,400	86,400	86,400	86,400	86,400	64,200	73,289,775

Appendix C - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total drawn down to end 2022/23	2023/24 total	Total scheduled for drawdown
Round 1 Projects					
Priory Quarter Phase 3	East Sussex	7,000,000	7,000,000	-	7,000,000
North Queensway	East Sussex	1,500,000	1,500,000	-	1,500,000
Rochester Riverside	Medway	4,410,000	4,410,000	-	4,410,000
Chatham Waterfront	Medway	2,999,042	2,999,042	-	2,999,042
Bexhill Business Mall	East Sussex	6,000,000	6,000,000	-	6,000,000
Parkside Office Village	Essex	3,250,000	3,250,000	-	3,250,000
Chelmsford Urban Expansion	Essex	1,000,000	1,000,000	-	1,000,000
Grays Magistrates Court	Thurrock	1,400,000	1,400,000	-	1,400,000
Sovereign Harbour	East Sussex	4,600,000	4,600,000	-	4,600,000
Workspace Kent	Kent	1,500,000	1,500,000	-	1,500,000
Harlow West Essex	Essex/Harlow	1,500,000	1,500,000	-	1,500,000
Discovery Park	Kent	5,300,000	5,300,000	-	5,300,000
Live Margate	Kent	5,000,000	5,000,000	-	5,000,000
Sub Total		45,459,042	45,459,042	-	45,459,042
Round 2 Projects					
Colchester Northern Gateway	Essex	1,350,000	1,350,000	-	1,350,000
Charleston Centenary	East Sussex	120,000	120,000	-	120,000
Eastbourne Fisherman's Quay and Infrastructure Development	East Sussex	1,150,000	1,150,000	-	1,150,000
Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	2,000,000	-	2,000,000
Fitted Rigging House	Medway	550,000	550,000	-	550,000
Javelin Way Development	Kent	1,597,000	1,597,000	-	1,597,000
Innovation Park Medway	Medway	650,000	650,000	-	650,000
No Use Empty Commercial Phase I	Kent	1,000,000	1,000,000	-	1,000,000
Sub Total		8,417,000	8,417,000	-	8,417,000
Round 3 Projects					
Wine Innovation Centre	Kent	600,000	600,000	-	600,000
Green Hydrogen Generation Facility	Kent	3,470,000	3,470,000	-	3,470,000
Observer Building, Hastings - Tranche 1	East Sussex	1,750,000	1,750,000	-	1,750,000
Barnhorn Green Commercial and Health Development - Phase 1	East Sussex	1,750,000	-	1,750,000	1,750,000
No Use Empty Commercial Phase II	Kent	2,000,000	2,000,000	-	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	1,000,000	1,000,000
Herne Relief Road	Kent	3,500,000	3,500,000	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	-	1,616,500
No Use Empty Residential	Kent	2,500,000	2,500,000	-	2,500,000
Sub Total		18,186,500	15,436,500	2,750,000	18,186,500
Total		72,062,542	69,312,542	2,750,000	72,062,542

Appendix D – COVID-19 impacts

Through reporting provided on the GPF projects since the onset of the COVID-19 pandemic, it is apparent that there are a number of high-level risks which are having an impact across the GPF programme. The key overarching risks highlighted are:

- **The effect of social distancing measures on construction practices** – these measures have resulted in extended construction periods and unknown delays to the completion of projects and have been further exacerbated by delays to the supply chain and materials shortages. These factors will have an impact on the ability of the scheme promoter to repay the GPF funding in line with the agreed repayment schedule.
- **The impact on the property sales and rental market** – a number of projects are dependent upon the sale or rental of properties delivered using the GPF funding, in order to meet the agreed repayment schedules. At this stage, the ongoing impact on the property market is not fully known meaning that a number of risks have been identified including realisation of project benefits, project delivery and repayment of GPF loans.
- **Income from commercial tenants** – GPF funding is often used to support the development of commercial workspace, which is then rented to businesses to generate the income required to repay the GPF loan. Due to the impacts of COVID-19, scheme promoters of this type of project have expressed a desire to support their commercial tenants during this period. This support is often in the form of rent deferrals or rent holidays. Whilst this support increases the likelihood of their tenants being able to survive the current period of uncertainty, it places significant pressures on the cash flow of the scheme promoters as they see a drop in rental income. There is also a risk that, despite the support offered, businesses will not survive leading to further losses in service charge income and an increase in business rates payable on empty commercial space.

As the country continues to recover from the COVID-19 pandemic, these risks will be monitored to understand their impact on the ongoing project delivery and repayment of the GPF funding.

Forward plan reference numbers: FP/AB/660,
FP/AB/661, FP/AB/662 and FP/AB/663

Report title: Getting Building Fund Capital Programme update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 22 September 2023	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: All	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the overall position of the Getting Building Fund (GBF) capital programme. The report includes an update on those projects which have received approval for retention of GBF funding beyond March 2022, provides an update on High risk projects, and provides an update on GBF spend to date.
- 1.2. In addition, this report sets out requests from three projects to retain their GBF funding allocations beyond June 2023.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Note** the current forecast spend across the GBF programme for the 2023/24 financial year of £7.979m (excluding GBF funding which is not currently allocated to projects), as set out in Table 2.

- 2.1.2. **Agree** that GBF spend on project delivery in 2022/23 totalled £15.508m, as set out in Table 1 and Appendix A.

- 2.1.3. **Note** the update on the Better Queensway project at Section 6 of the report.

- 2.1.4. **Agree** that:

- 2.1.4.1. a full update on the Better Queensway project which provides information on the chosen delivery route and associated delivery timetable, the status of the GBF funding, and which contains the required assurances regarding the ongoing delivery of the wider project should be provided at the January 2024 Board meeting; and

- 2.1.4.2. the GBF funding allocation can be retained against the Better Against the better Queensway project for a further maximum period of 7 months (to 31 January 2024)

2.1.5. **Agree** that the GBF funding allocation can be retained against the following projects for a further maximum period of 3 months (to 30 September 2023):

2.1.5.1. No Use Empty South Essex

2.1.5.2. ASELA LFFN – Phase 3

2.1.6. **Note** the deliverability and risk assessment, as set out in Appendix C.

3. Summary Position

3.1. Since the commencement of the GBF programme, the Board has agreed the removal of the following four projects from the GBF programme:

3.1.1. Fast Track Business Solutions for the Hastings Manufacturing Sector project – GBF allocation £3.5m

3.1.2. Riding Sunbeams Solar Railways project – GBF allocation £2.5275m

3.1.3. Laindon Place project – GBF allocation £0.79m

3.1.4. Swan Modular Housing Factory project – GBF allocation £4.53m

3.2. A project pipeline was developed at the outset of the GBF programme and this pipeline was used to facilitate the reallocation of the £3.5m funding originally allocated to the Fast Track Business Solutions for the Hastings Manufacturing Sector project. The reallocation of this funding exhausted the agreed GBF pipeline, prompting the need for the creation of a new pipeline to enable the reallocation of any further funding returned to SELEP.

3.3. In August 2022, the Strategic Board agreed that the available GBF funding should be used to support existing GBF projects which have experienced cost increases due to high levels of inflation and the impacts of the COVID-19 pandemic and Brexit. In addition, applications for GBF funding were invited from existing GBF projects which were seeking to deliver further phases of the project.

3.4. The new GBF prioritised project pipeline, with the exception of the Success Essex projects, was agreed by the Strategic Board on 21 October 2022. The inclusion of the Success Essex projects was agreed via Electronic Procedure on 10 November 2022.

3.5. The new project pipeline has been used to facilitate the reallocation of the majority of the funding returned to SELEP as a result of the project cancellations referenced above. However, the pipeline has now been exhausted and there continues to be an unallocated GBF balance of £2.049m. Consequently, an approach to reallocating the available GBF funding needed to be established.

3.6. It was originally intended that SELEP would run a combined GBF/Growing Places Fund (GPF) funding round in 2023/24. This approach would have ensured that there was a sizable funding pot for projects to bid for and would have helped to streamline the resource requirements for all involved parties. Strategic Board agreed that this approach should be adopted in February 2023 and it was intended that a full plan and timeline for the combined funding round would be presented to the Strategic Board in July 2023.

Getting Building Fund Capital Programme Update

- 3.7. Subsequent to the February 2023 Strategic Board decision, Central Government made the announcement in the annual Budget that they were minded to not provide any further core funding for LEPs after 2023/24 and that LEP functions should be integrated into Local Authorities. Government conducted an information gathering exercise to inform the next steps towards integration prior to confirming their minded to decision.
- 3.8. Whilst awaiting further information from Government, there was a need to undertake a significant amount of work to establish how SELEP operations could be effectively integrated into Local Authorities, whilst safeguarding key activities which need to be conducted at a regional level. This work has included a review of options for use of the available GPF funding, and by extension the GBF funding, and it was concluded that conducting a combined process was no longer the most appropriate option given the new context in which SELEP is operating. Consequently, the Strategic Board were asked to reverse their previous decision at their meeting in July 2023.
- 3.9. In July 2023, the Strategic Board were asked to consider a process for reallocating the GBF funding in isolation. The proposed approach reflected established prioritisation processes and contained a number of criteria which projects are required to meet in order to be eligible to receive GBF funding, as set out below:
 - 3.9.1. Projects must support the activities outlined in the SELEP Economic Recovery and Renewal Strategy.
 - 3.9.2. Projects must demonstrate that they are shovel ready and that they are subject to a short delivery programme, with full spend of the GBF funding to be achieved within 12 months of receipt of funding approval from the Board.
 - 3.9.3. There should be no barriers to delivery, such as outstanding permissions or consents. Any remaining barriers to delivery will render the project ineligible for receipt of GBF funding.
 - 3.9.4. Projects must demonstrate a robust need for investment with particular reference to the challenges created as a result of the COVID-19 pandemic.
 - 3.9.5. Project Business Cases must demonstrate High value for money or compliance with one of the exemptions outlined within the SELEP Assurance Framework.
 - 3.9.6. Projects must demonstrate that a full funding package is in place to support delivery.
 - 3.9.7. Business Cases must demonstrate that consideration has been given to the impact of high inflation and interest rates on forecast costs.
 - 3.9.8. Projects which have previously been removed from the GBF programme cannot apply for funding.
- 3.10. This criterion was applied following consideration of the original purpose and required timeline for spend of the GBF funding, and the ongoing requirements of the SELEP Assurance Framework.

3.11. The proposed process was agreed by the Strategic Board and it is intended that the new prioritised project pipeline will be agreed by the Investment Panel on 1 December 2023. This will allow the funding decisions to be taken at the additional Board meeting in January 2024.

4. Getting Building Fund spend position

4.1. At the outset of the programme there was a clear expectation from Government that the GBF funding should be spent in full by 31 March 2022. However, the construction industry has been significantly impacted by the COVID-19 pandemic and projects have experienced a range of issues including:

4.1.1. Labour and materials shortages

4.1.2. Increasing costs

4.1.3. Extended lead in times for materials and extended response times from utility providers.

4.2. Due to these issues, it was not possible to achieve full GBF spend by 31 March 2022. Consequently, Government revised their expectations and required full GBF spend by 31 March 2023. To this end, in July 2021, the Board agreed that GBF funding could be retained against projects beyond March 2022 for a maximum period of 6 months and a number of projects sought permission to retain their GBF funding to September 2022. Subsequently, the Board agreed that in exceptional circumstances projects could be granted a further extension on GBF spend. In accordance with the expectations of Central Government, the maximum extension available to any project in the GBF programme was to 31 March 2023.

4.3. At the November 2022 Board meeting, all projects appeared to be on track to complete their GBF spend by 31 March 2023 as required. However, since that meeting, the situation has changed as outlined at the January 2023 Board meeting.

4.4. In December 2022, Swan Housing advised Essex County Council of their intention to close their modular housing arm therefore negating the need for their new modular housing factory that was being supported with GBF funding. As a result of this decision, in January 2023, the Board approved the removal of the project from the GBF programme and required the return of the full £4.53m funding award for reallocation to alternative projects.

4.5. As detailed in Section 3 of this report, the funding removed from the Swan Modular Housing Factory project has been reallocated to support all remaining projects on the new GBF prioritised project pipeline. This pipeline has now been exhausted but £2.049m GBF remains unallocated. A new process to support the reallocation of the funding has now been established and agreed by the Strategic Board but it wasn't possible for this work to be carried out in time to achieve full spend of the remaining £2.049m GBF by 31 March 2023.

4.6. In light of this development, advice was sought from Government as to their position with regard to any GBF spend which extended beyond 31 March 2023. The advice received from Government was as follows: 'LEPs do have the ability to move GBF funding into

23/24. Ultimately the decision lies with the Accountable Body's Section 151 Officer. If they are content to move funding into 23/24, then we would go with that decision.'

- 4.7. After due consideration and engagement with the Section 151 Officer for the Accountable Body, it was agreed to allow GBF spend to extend into Q1 2023/24 in exceptional circumstances but that spend should be complete by 30 June 2023 at the latest. This applied to all existing projects within the GBF programme. An alternative timeline for spend of the currently unallocated funding has been agreed as part of the reallocation process.
- 4.8. It is acknowledged that the recommendations with regard to the retention of GBF funding against the Better Queensway, No Use Empty South Essex and ASELA LFFN Phase 3 projects which are set out within this report do not comply with the position agreed with the Section 151 Officer for the Accountable Body. The Board are asked to review the updated position of Essex County Council, as the Accountable Body for SELEP, as set out in Section 9.8 of this report when considering the recommendations with regard to the retention of funding against the three projects beyond 30 June 2023.
- 4.9. Whilst the proposed approach to managing the reallocation of the available GBF funding is in line with the advice received from Government, the outcome of SELEP's Annual Performance Review did identify a concern regarding the continuation of GBF spend into 2023/24. It is therefore important that efforts continue to be made to reallocate the available GBF funding and complete spend at the earliest possible opportunity.
- 4.10. The Board has previously agreed that GBF funding could be retained against 9 projects to 30 June 2023, including Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises, Enterprise Centre for Horizon 120 Business Park, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure, Tindal Square Chelmsford, Techfort – Phase 2, Better Queensway, South Essex No Use Empty and ASELA LFFN Phase 3.
- 4.11. At the last meeting, all 9 projects were forecasting full spend of their GBF allocations by 30 June 2023. However, the updated spend forecasts set out in Appendix A, show that 8 of the 9 projects are now reporting spend in Q2 or Q3 2023/24. 3 projects – Better Queensway, No Use Empty South Essex and ASELA LFFN Phase 3 – are seeking approval for retention of their GBF funding beyond 30 June 2023 at this meeting as set out in Section 7 of this report.
- 4.12. The remaining 5 projects are all projects in Essex which received additional GBF funding in January 2023 (Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises, Enterprise Centre for Horizon 120 Business Park, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure and Tindal Square Chelmsford). It was noted at the last meeting that there was a risk that this funding would not be spent in full by 30 June 2023 due to ongoing internal governance processes. The required governance processes, including the completion of required Variation Agreements between Essex County Council and the relevant delivery partners, completed in July 2023 and therefore it wasn't possible for Essex County Council to release the funding to delivery partners prior to 30 June 2023. However, Essex County Council received evidence of full spend of the additional GBF funding awarded to all 5 projects prior to the end of Q1 2023/24 and therefore it is considered that approval to retain the GBF funding against the projects beyond June 2023 is not required.

- 4.13. All other projects in the GBF programme reported full spend of the GBF funding by 31 March 2023.
- 4.14. Table 1 below reflects the year end spend position for 2022/23 and shows that total GBF spend totalling £15.508m was reported in 2022/23. Local partner authorities are in the process of preparing the required year end declarations, which confirm GBF spend during 2022/23 and ongoing compliance with the requirements of the Assurance Framework and Service Level Agreement. Should the completed year end declarations highlight any inaccuracies within the spend information provided to the Board, a further update will be provided at a future meeting.
- 4.15. It should be noted that GBF quarterly reporting was not provided by Thurrock Council in advance of this meeting and therefore the information included within this report and the accompanying appendices may not reflect the latest position. However, full spend of the GBF funding awarded to Thurrock Council was reported prior to the last Board meeting and therefore it is considered that the Thurrock GBF spend figures previously reported remain an accurate reflection of the position.

Table 1: 2022/23 year end spend position

GBF (£m)				
Local Authority	Planned spend 2022/23	Actual spend 2022/23	Variance (between planned and reported spend)	Variance %
East Sussex	4.078	1.999	-2.079	-51.0%
Essex	8.865	6.607	-2.258	-25.5%
Kent	4.048	5.409	1.361	33.6%
Medway	0.000	0.400	0.400	
Southend-on-Sea	3.113	0.462	-2.651	-85.2%
Thurrock	0.631	0.631	0.000	0.0%
Total	20.735	15.508	-5.227	-25.2%

- 4.16. It should be noted that three projects were removed from the GBF programme during 2022/23, with the majority of the funding reallocated to alternative projects. The funding was reallocated in accordance with the agreed project pipeline and therefore was not necessarily returned to the same upper tier local authority. As a result, the split of the planned spend in 2022/23 between the different local authorities changed during the course of the year. Table 1 reflects the position reported at the start of 2022/23 before the changes were made to the GBF programme.

Getting Building Fund Capital Programme Update

4.17. At the beginning of 2022/23, full spend of the remaining GBF funding was forecast. As the Board are aware and as shown in Table 1, this wasn't achievable. This was due to two main reasons:

4.17.1. Ongoing delays encountered in delivering a number of the projects within the GBF programme. These delays typically arose due to the factors outlined in Section 4.1 of this report but other more complex situations arose, for example, in relation to the Better Queensway project.

4.17.2. During 2022/23, three projects were withdrawn from the GBF programme prompting the need for the funding to be reallocated to alternative projects. Whilst some of the funding was reallocated during 2022/23, it wasn't possible for some of the funding decisions to be taken before January 2023 which limited the amount of time available for scheme promoters to complete spend prior to 31 March 2023. In addition, as referenced in Section 3 of this report, a total of £2.049m GBF remained unallocated at the end of 2022/23.

4.18. Table 2 sets out the updated GBF spend forecast for all years. This table takes into account the extended GBF spend profiles for all projects forecasting spend beyond March 2022, including the decisions being presented to the Board at this meeting. The current unallocated GBF funding is shown in the table but the timeline for spend of this funding is yet to be confirmed, although it is likely that spend will predominantly take place in 2024/25.

Table 2: Summary GBF spend forecast - all years (£m)

GBF (£m)							
Local Authority	Actual GBF spend - 2020/21	Actual GBF spend - 2021/22	Actual GBF spend - 2022/23	Actual GBF spend - Q1 2023/24	Forecast GBF spend - Q2 to Q4 2023/24	GBF Total Allocation	% of GBF funding spent by 31 March 2023
East Sussex	1.656	2.437	1.999	0.000	0.000	6.092	100.0%
Essex	3.497	13.256	6.607	0.000	1.691	25.051	93.2%
Kent	6.201	27.179	5.409	0.850	0.000	39.639	97.9%
Medway	0.205	2.563	0.400	0.000	0.000	3.168	100.0%
Southend-on-Sea	0.000	0.000	0.462	0.937	4.501	5.900	7.8%
Thurrock	0.946	1.523	0.631	0.000	0.000	3.100	100.0%
Unallocated	0.000	0.000	0.000	0.000	0.000	2.049	0.0%
Total	12.505	46.958	15.508	1.787	6.192	85.000	88.2%

4.19. Table 2 demonstrates that 5 of the 6 Upper Tier Local Authorities within the SELEP area achieved more than 90% of their GBF spend by 31 March 2023. By contrast, Southend-on-Sea City Council have only confirmed spend of 7.8% of their GBF funding allocation. This is due to a number of factors, including a delay in issuing the £4.2m GBF awarded to the Better Queensway project due to extended merger discussions involving Swan Housing (further details are provided in Section 6 of this report) and the late award of funding to the ASELA LFFN Phase 3 project. All 3 GBF projects in Southend are seeking approval to retain their GBF funding allocations beyond 30 June 2023 at this meeting (as set out in Section 7 of this report). However, it should be noted that 2 of the 3 projects have now completed their GBF spend.

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- 4.20. To date, 32 of the 40 projects included in the GBF programme have fully spent their GBF funding allocation.
- 4.21. 25 projects within the GBF programme have been reported as complete. A number of projects which have spent their full GBF allocation are ongoing due to spend of match funding contributions. This information is set out within Appendix C – Project deliverability and risk update.
- 5. Update on projects which have received approval for retention of GBF funding beyond March 2022**
- 5.1. Updates on all projects which have received approval for retention of GBF funding beyond March 2022 will be provided at each Board meeting to ensure that the projects remain on track to complete GBF spend within the extensions agreed.
- 5.2. The Board has approved the retention of GBF funding beyond March 2022 against 21 projects and updates on all of these projects are provided in Appendix D.
- 5.3. The projects which are reporting GBF spend beyond March 2022 are all progressing, with 13 of the 21 projects reporting full spend of the GBF funding allocation by 30 June 2023. It is understood that all projects are still expected to be able to deliver in accordance with their agreed Business Case, but that additional time has been required and value engineering may need to be employed to enable this.
- 5.4. As set out in Section 4.11 of this report, it has been reported that full GBF spend could not be achieved against three projects (Better Queensway, No Use Empty South Essex and ASELA LFFN Phase 3) prior to 30 June 2023. As a result, the Board are asked to consider the further retention of the GBF funding against these projects. Further details are provided in Section 7 of this report.
- 5.5. There are a further five projects which are reporting ongoing spend of GBF funding into Q2 2023/24, including Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach premises, Enterprise Centre for Horizon 120 Business and Innovation Park, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure and Tindal Square Chelmsford. As set out in Section 4.12 of this report, it was not possible for the GBF funding to be released by Essex County Council (as responsible Upper Tier Local Authority) to delivery partners prior to 30 June 2023 due to a delay in completing required internal governance processes. Despite this delay, evidence of full spend of the GBF funding was presented to Essex County Council prior to 30 June 2023 and therefore formal extensions to GBF spend are not being sought against these projects.
- 6. Deliverability and Risk**
- 6.1. Appendix C sets out a delivery update and risk assessment for all projects included in the GBF programme. This provides a detailed breakdown of the delivery progress for each GBF project, relative to the expected completion dates, as set out in the original Business Cases. In addition, the risk assessment takes into account whether required post scheme completion Monitoring and Evaluation reports have been submitted and whether spend of the match funding set out in each of the project Business Cases has been achieved.

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- 6.2. The summary project risk assessment position is set out in Table 3 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).
- 6.3. The risk assessment has been conducted for GBF projects based on:
- 6.3.1. **Delivery** – considers project delivery delays and delays in submission of the required post scheme completion Monitoring and Evaluation reports. SELEP has considered the delay between the original expected project completion date (as stated in the project Business Case) and the updated forecast project completion date.
- 6.3.2. To ensure consistency with Government guidance on the assessment of GBF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of at least 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected delivery of project outcomes.
- 6.3.3. **Finances** – considers changes to project spend profiles, project budget, certainty and spend of match funding contributions and the amount of GBF funding which remains unspent at the end of Q1 2023/24.
- 6.3.4. **Reputation** – considers the reputational risk for the delivery partner, relevant Upper Tier Local Authority and SELEP Ltd. This also considers delays in submission of required post scheme completion Monitoring and Evaluation reports.

Table 3: Summary of GBF project risk

Risk Score	Number of projects	GBF allocation to projects (£m)	GBF spend forecast in Q2 to Q4 2023/24 (£m)
Low Risk - 1	11	20.433	0.000
Low/Medium Risk - 2	10	31.068	1.823
Medium Risk - 3	11	16.846	0.000
Medium/High Risk - 4	7	10.404	0.169
High Risk - 5	1	4.200	4.200
Total	40	82.951	6.192

- 6.4. In total £4.2m GBF is allocated to High risk projects, with the full £4.2m remaining unspent at the end of Q1 2023/24. The currently unallocated GBF funding (£2.049m) has been included within Appendix C but a risk assessment has not been applied to this funding and as a result the GBF funding allocation in Table 3 does not add up to £85m.
- 6.5. A number of projects are considered to present a High financial risk due to the profiling of the GBF and match funding. Projects which are forecasting a high proportion of GBF or match spend beyond Q1 2023/24 have been assessed as Medium/High Risk or High Risk. If delivery is progressing to programme, these projects are not automatically assumed to be

Getting Building Fund Capital Programme Update

High Risk in all areas and are therefore not all reflected within the High Risk projects identified in Table 3. These projects will be monitored closely, and the Board will be updated if, due to deliverability concerns, the overall project RAG rating increases.

- 6.6. The 1 High Risk project identified in Table 3 is Better Queensway. As the Board will recall, the Better Queensway project has been identified as High Risk since late 2021. This risk primarily stems from the involvement of Swan Housing as Joint Venture Partner with Southend-on-Sea City Council.
- 6.7. As has been previously reported, the Regulator for Social Housing took the decision in late 2021 to downgrade Swan Housing's viability and governance grades. As a result of this decision, Swan Housing no longer met the Regulator's governance and viability standards and steps needed to be taken to improve work in these areas. The decision by the Regulator for Social Housing ultimately led to Swan Housing seeking to enter into a merger with another housing association. Initially discussions were held with Orbit but, following completion of required due diligence, this merger did not proceed.
- 6.8. At the November 2022 meeting, the Board were advised that, following the collapse of the merger with Orbit, Swan Housing were seeking to enter into a merger with Sanctuary Housing Association. The merger between Sanctuary Housing Association and Swan Housing completed in February 2023, with Swan Housing becoming a subsidiary of Sanctuary.
- 6.9. Following completion of the acquisition, Sanctuary have been undertaking due diligence in relation to all activity inherited from Swan Housing. This included a review of the business plan for the wider Better Queensway project. At the last meeting it was reported that the review of the business plan was expected to be complete by September 2023. It was also noted at the last Board meeting that Southend-on-Sea City Council continued to hold the full £4.2m GBF funding allocation awarded to the project. Whilst Swan Housing had provided claims to Southend-on-Sea City Council covering the full funding allocation, the Council took the decision to hold the funding until Sanctuary Housing Associations involvement in the project was confirmed and Sanctuary had completed a review of the claims to assure compliance with the grant conditions.
- 6.10. On 10 August 2023, it was confirmed that Sanctuary Housing Association had taken the decision to withdraw from the Better Queensway project. This decision was taken to allow Sanctuary to prioritise investment and commitment to existing homes and communities and to focus on the delivery of schemes where construction has already started. Southend-on-Sea City Council will now work with Sanctuary to facilitate their exit from the legal partnership which has been set up to deliver the project.
- 6.11. Whilst Southend-on-Sea City Council have expressed disappointment at the decision of Sanctuary Housing Association to withdraw from the project, they remain committed to delivering regeneration on the Better Queensway estate, as evidenced recently when unanimous support for the project was received from Full Council, and over the coming weeks will be actively exploring alternative delivery models which will allow the project to progress. It is noted that there are several options available to Southend-on-Sea City Council including the potential for direct delivery (where Southend-on-Sea City Council would take on the role of developer) or procurement of an alternative delivery partner. Alternatively, the Council could take the opportunity to review the current project and

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promote an alternative scheme that continues to place local residents at the heart of the regeneration.

- 6.12. Southend-on-Sea City Council are committed to developing the alternative delivery options as quickly as possible, with a view to presenting potential options to Cabinet in October 2023. This will help to provide clarity for local residents and all stakeholders as soon as possible. If there are further developments in advance of the Board meeting, a verbal update will be provided during the meeting.
- 6.13. In February 2022, the Board agreed that the GBF funding awarded to the Better Queensway project could be released to Southend-on-Sea City Council subject to receipt of confirmation from the Council that the project would proceed as planned following the Regulator of Social Housing's decision to downgrade Swan Housing's viability and governance grades and Swan Housing's planned partnership with Orbit. The required assurances were provided at the September 2022 Board meeting, however, these assurances were based on the assumption that the planned partnership between Swan Housing and Orbit would complete as expected.
- 6.14. It was noted by the Board in November 2022 that, in light of the decision to not progress with the partnership with Orbit, further assurances were needed regarding the ongoing delivery of the wider project. At the time it was expected that these assurances would be provided at the March 2023 Board meeting (subsequently rescheduled to April 2023) but to date, it has not been possible for Southend-on-Sea City Council to provide these assurances due to ongoing uncertainty regarding the involvement of Sanctuary Housing Association in the project.
- 6.15. This report provides clarity regarding Sanctuary Housing Associations future involvement in the project and, after a period of limited activity, places Southend-on-Sea City Council in a position where they are able to take decisive steps to establish how the wider Better Queensway project will progress. It is important that Southend-on-Sea City Council are allowed sufficient time to fully assess their options and progress through their required governance processes and therefore it is recommended that the required assurances are now sought at the Board meeting in January 2024, with an interim update on progress provided at the November 2023 Board meeting.
- 6.16. It should be noted that should Southend-on-Sea City Council be unable to progress the wider Better Queensway project in accordance with the approved GBF Business Case through use of an alternative delivery model, the Board will be asked to consider seeking clawback of the GBF funding from Southend-on-Sea City Council.
- 6.17. It is noted that one of the options being considered by Southend-on-Sea City Council is to review the current project and promote an alternative scheme which continues to place local residents at the heart of the regeneration. Should the Council decide to progress with a different version of the scheme, there will be a need for this change to be considered in the context of the approved GBF Business Case. As a minimum, there will be a requirement for a project change request to be brought forward detailing the proposed changes. However, significant changes to the project scope will prompt the need for submission of a revised Business Case.

- 6.18. The impending dissolution of SELEP, following the decision by Government to not provide any further core funding to LEPs, places a limit on the amount of time that the Board has to consider any changes to the Better Queensway project. However, it is important that the project is subject to further consideration by the Board and that a definitive decision on the ongoing status of the funding is taken prior to March 2024. This is supported by the recommendation that a full update on the project is provided at the January 2024 Board meeting. Should the scope of the project change, the timeline becomes more challenging and further discussions will need to be held with Southend-on-Sea City Council to determine how the required Board decisions can be taken prior to the closure of SELEP.
- 6.19. Finally, it should be noted that Southend-on-Sea City Council continue to hold the full £4.2m GBF funding allocation. Whilst it was intended that this funding would be ultimately released to Sanctuary Housing Association, the position has now become more complex and, as a result, Southend-on-Sea City Council are seeking approval for retention of the GBF funding against the project until 31 January 2024 as set out in Section 7 of this report.

7. Projects seeking approval for retention of GBF funding beyond 30 June 2023

- 7.1. In July 2021, the Board agreed SELEP's position on the retention of GBF funding against projects beyond 31 March 2022. The Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied. The criteria and conditions were applied to requests for retention of GBF funding beyond March 2022 received between July 2021 and May 2022.
- 7.2. Subsequently in May 2022, following a review of all projects which had received approval for retention of their GBF funding beyond March 2022, the Board agreed that all projects forecasting GBF spend beyond March 2022 must meet the following requirements:
- 7.2.1. All GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023.
 - 7.2.2. All planning requirements must be met by 15 July 2022.
 - 7.2.3. All other (non-planning) required consents and approvals must be received by 15 July 2022.
 - 7.2.4. Contractual commitments must be in place with the construction contractor by 30 September 2022.
 - 7.2.5. Any changes to total project cost (prior to construction contract award) and forecast benefits must be reported to the SELEP Secretariat to enable ongoing monitoring of the value for money offered by the project.
 - 7.2.6. Ongoing reporting to the SELEP Secretariat on progress towards project delivery including provision of updated delivery milestones and notification of any changes to the funding sources identified to support project delivery must be provided.
- 7.3. These requirements were initially introduced as a mechanism for ensuring timely completion of the GBF programme and were not, at the time, intended to represent a new approach to determining whether funding could be retained beyond 31 March 2022.

However, given the number of late changes to the GBF programme, it was considered prudent to assess the projects against the updated requirements agreed in May 2022 when determining whether projects should be allowed to retain their GBF funding allocations beyond March 2022.

- 7.4. As the Board will recall, in light of advice received from Government and input from the Section 151 Officer for the Accountable Body, the decision was taken in January 2023 to allow GBF spend on existing projects to extend into Q1 2023/24 in exceptional circumstances. At that time, it was noted that all GBF spend on these projects should be complete by 30 June 2023. Whilst this principle was agreed, it is important that each project seeking an extension is considered individually prior to a project specific retention decision being taken by the Board.
- 7.5. At this meeting, the Board are asked to consider requests from three projects to retain their GBF funding allocations beyond June 2023.
- 7.6. It is acknowledged that the recommendations with regard to the retention of GBF funding against the following three projects do not comply with the position agreed with the Section 151 Officer for the Accountable Body as set out at Section 7.4 of this report. The Board are asked to review the updated position of Essex County Council, as the Accountable Body for SELEP, as set out in Section 9.8 of this report when considering the recommendations with regard to the retention of funding against the three projects beyond 30 June 2023.

Better Queensway

- 7.7. Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sqm of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.
- 7.8. The Board approved the award of £4.2m of GBF funding to support delivery of the project in November 2020 and full spend of the GBF funding allocation has been evidenced to Southend-on-Sea City Council.
- 7.9. The Board has received regular updates on the project and it has previously been agreed that the GBF funding could be retained against the project to 30 June 2023.
- 7.10. As has been set out in this report (Section 6.9) Southend-on-Sea City Council continue to hold the full GBF allocation. The intention was that the funding would be released to Sanctuary Housing Association following completion of their required due diligence following the acquisition of Swan Housing. It was anticipated that this would be achieved prior to 30 June 2023 in accordance with the extension agreed by the Board but this has proved to be unachievable.

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- 7.11. As detailed in Section 6 of this report, Sanctuary Housing Association have now taken the decision to withdraw from the project prompting Southend-on-Sea City Council to explore alternative delivery models. To allow time for this work to be undertaken and for Southend-on-Sea City Council formal governance processes to be concluded, approval is sought for retention of the GBF funding against the project to 31 January 2024. This extension aligns with the recommended timeline for a further full update on the project to be provided to the Board.
- 7.12. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their GBF funding allocations beyond 31 March 2022. This information is set out in Appendix E.
- 7.13. It is indicated within Appendix E that there are a number of the requirements that the project does not currently meet. This is primarily due to the decision by Sanctuary Housing Association to withdraw from the project. It is anticipated that following adoption of an alternative delivery model, a full review of the business plan for the wider Better Queensway project will be undertaken. This will include a review of costs and a review of forecast benefits. Should Southend-on-Sea City Council choose to change the scope of the project, there is likely to be significant changes compared to the agreed GBF Business Case.
- 7.14. It has previously been reported that contractual commitments were in place with the construction contractor prior to 30 September 2022. This was in the form of a Construction Management Agreement with Swan Housing. Given that Sanctuary Housing Association has decided to withdraw from the project, it is understood that this agreement is no longer in place.
- 7.15. It should also be noted that it has previously been reported that project costs have increased since the submission of the Business Case. This was previously flagged as a concern as the scale of the cost increase was unknown, as was the planned approach to bridging the funding gap meaning that the impact on the Benefit Cost Ratio for the project was unknown. Whilst this is still important information for the Board to consider, it is likely that the position has been superseded by the withdrawal of Sanctuary Housing Association. It is expected that a clearer position statement will be available following the confirmation of a preferred alternative delivery model.
- 7.16. Given the current status of the project, it is clear that the majority of the requirements for retention of the GBF funding cannot currently be met and that, should the Board agree to retain the GBF funding against the project until 31 January 2024, there will be a number of risks associated with this.
- 7.17. It is intended that a full update on the project will be presented at the Board meeting on 12 January 2024, and if ongoing delivery of the wider project cannot be confirmed there will likely be a recommendation to remove the project from the GBF programme. This would still allow time for the funding to be reallocated to alternative projects, subject to timely repayment by Southend-on-Sea City Council.
- 7.18. Given the timing of Sanctuary Housing Associations decision to withdraw from the project, it is recommended that Southend-on-Sea City Council are given additional time to develop and approve alternative delivery models for the project. For this option to be viable, it will also be necessary for the Board to agree that the GBF funding can be retained against the

project until 31 January 2024. If the Board do not agree that the funding can be retained against the project beyond 30 June 2023, the funding will be removed from the project, effectively removing the project from the GBF programme.

No Use Empty South Essex

- 7.19. The No Use Empty South Essex project has provided short-term secured loans to property owners to enable the return of long-term empty commercial properties back into effective use for residential, alternative commercial or mixed-use purposes. The project focused on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the pandemic and which may have been impacted by larger regeneration schemes. The project replicated the scheme which has been supported through the Growing Places Fund in Kent.
- 7.20. The Board approved the award of £1.2m of GBF funding to support delivery of the project in November 2020.
- 7.21. The Board has received a number of updates on delivery of the No Use Empty South Essex project over the course of the GBF programme. Whilst there were initial delays in launching the scheme, demand for the loans has been evidenced and it was reported at the last Board meeting that the GBF funding was fully allocated to six No Use Empty loans.
- 7.22. Previously the Board agreed that the GBF funding could be retained against the project until 30 June 2023. This was primarily due to the required loan assessment and approval process taking longer than anticipated. Whilst it was reported at the last Board meeting that GBF spend was still expected to complete prior to 30 June 2023, there was a risk identified in relation to the completion of one of the remaining loans. This was due to the loan involving more complicated legal processes than the other loans in the programme.
- 7.23. Ultimately, it wasn't possible for the final loan to complete by 30 June 2023. The loan was completed and the remaining funding released by Southend-on-Sea City Council on 28 July 2023. Due to the delay in completing the final loan, approval is sought for retention of the GBF funding against the project for a further period of 3 months to 30 September 2023.
- 7.24. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix E.
- 7.25. Due to the nature of the No Use Empty South Essex project, not all requirements specified by the Board are applicable. Responsibility for securing any required planning consents and for appointing suitable contractors to deliver the works sits with the property owners, rather than Southend-on-Sea City Council. For applicants to be eligible for the No Use Empty initiative all planning permissions must be in place and 2 quotes for the required works must be provided with loan applications.
- 7.26. Taking this into account, the information provided demonstrates that the project meets the remaining requirements agreed by the Board. In addition, it has been confirmed that project delivery has now completed, with the issue of the final loan, and therefore there is no risk associated with granting the requested extension.

ASELA LFFN Phase 3

- 7.27. This project was added to the GBF programme in November 2022 through the recently developed GBF prioritised project pipeline and was awarded £500,000 GBF funding.
- 7.28. Delivery of the project will allow the extension of fibre infrastructure across the South Essex region allowing work in some key 'Not Spot' areas which have not yet benefited from investment. In addition, the GBF funding will enable the fibre infrastructure to be linked with the Southend region fibre network, which will have significant benefits for the whole ASELA region in terms of sharing of services, cost savings and supporting the rollout of a pan ASELA Internet of Things (IoT) network to include the Southend area.
- 7.29. The original funding decision specified that the GBF would be awarded (and released) to Thurrock Council, as was the case for the ASELA LFFN – Phase 2 project. However, subsequently on 19 December 2022, Thurrock Council issued a Section 114 notice as they were not in a position to deliver a balanced budget. Following the announcement of the Section 114 notice, alternative options for release of the funding were considered and presented to the Board. It was agreed that the funding could be released to Southend-on-Sea City Council and the required legal processes were completed, however, this delayed commencement of the project. Despite this delay, it was reported at the last meeting that it was still expected that full GBF spend would be incurred prior to 30 June 2023.
- 7.30. Delivery of the project is now progressing well with full completion expected by 30 September 2023. Unfortunately, it wasn't possible for full spend of the GBF funding to be incurred prior to 30 June 2023 and £51,000 of the £500,000 GBF funding remained unspent at this point. Southend-on-Sea City Council have subsequently confirmed that full spend of the GBF funding has now been achieved. Due to the delay in completing GBF spend, approval is sought for retention of the GBF funding against the project for a further period of 3 months to 30 September 2023.
- 7.31. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022. This information is set out in Appendix E.
- 7.32. It is noted that, whilst Appendix E demonstrates that the project meets the majority of the requirements agreed by the Board, contractual commitments for delivery of the project were not in place by 30 September 2022. This was due to the timing of the funding award and the need for the GBF funding to be confirmed before contractual commitments were put in place.
- 7.33. Contractual commitments are now in place and spend of the GBF funding has been completed. The project remains ongoing but is expected to complete by the end of September 2023.

8. GBF Programme Risks

- 8.1. In addition to project specific risks, Appendix B sets out the overall programme risks. A key risk relates to the affordability of the GBF projects following widespread reports of increased materials and labour costs following the COVID-19 pandemic. This has been further exacerbated by extended lead in times for some materials, rising inflation and extended

response times from utility providers and other statutory bodies. These factors have led to a delay in delivery for a number of the GBF projects and have resulted in a number of projects having to seek additional funding to bridge a funding gap which wasn't expected at the outset of the programme. The award of the additional GBF funding to existing GBF projects has helped to partially mitigate this risk. Other mitigation measures currently being employed include:

- 8.1.1. value engineering in an attempt to reduce the total project cost but this approach risks adversely impacting on the outputs or outcomes offered by the project;
 - 8.1.2. purchase of all materials at the outset of the construction programme in order to offset the risk of further cost increases; and
 - 8.1.3. identifying alternative suppliers or alternative solutions so as to mitigate both cost increases and extended lead in periods.
- 8.2. As an increasing number of GBF projects reach completion, the severity of this risk will begin to decline.
- 8.3. In addition, the economic impacts of the COVID-19 pandemic present a significant risk to the delivery of the benefits expected through the GBF investment. It is anticipated that project benefits will be realised at a slower rate than expected, with some projects potentially reporting reduced benefits. This risk will be closely monitored as the programme reaches a conclusion. Changes to expected project benefits will be identified through the post scheme completion Monitoring and Evaluation process. Post scheme completion reporting for those projects which were completed at 31 March 2022 is now overdue for submission (as set out in Appendix F) and engagement with local partner authorities in this regard will be prioritised.
- 8.4. There has been a clear expectation from Government that the GBF funding should be spent in full by 31 March 2023, and failure to do so would represent a significant reputational risk for both SELEP and the responsible Upper Tier Local Authorities. As a result of the late cancellation of the Swan Modular Housing Factory project, and the exhaustion of the new GBF project pipeline, this risk materialised. Whilst Government have been kept fully apprised of the situation, the outcome of SELEP's Annual Performance Review did identify a concern regarding the continuation of GBF spend into 2023/24. It is therefore important that efforts are made to reallocate the available GBF funding and complete spend at the earliest possible opportunity, whilst also being mindful of the processes which must be followed in order to comply with the requirements of the SELEP Assurance Framework.
- 8.5. There is also a risk that once the GBF funding has been fully defrayed to local partners that completion of the required quarterly reporting will not be prioritised, which is likely to result in the reporting either not being submitted to SELEP (as is the case with Thurrock Council at this meeting) or being submitted late. If the reporting is not provided in a timely manner, there will be insufficient time for the contents to be fully reviewed and to allow challenge where required to ensure that the Board are provided with a complete and robust update on delivery of the GBF programme.
- 8.6. Following receipt of confirmation from Central Government that they will not be providing core funding to LEPs after 2023/24 and that LEP activities should be transferred to local

authorities from 2024/25, a new risk has been added to the GBF programme risk register. This risk relates to the possibility of effective oversight of the GBF programme being lost as a result of the transition of activities to local authorities. This may result in projects not delivering in accordance with their agreed Business Cases and may lead to required reporting not being submitted to Government.

- 8.7. This risk is being mitigated through ongoing discussions between SELEP, Essex County Council (as the Accountable Body for SELEP) and the six Upper Tier Local Authority partners, which are focused on determining how the management of the capital programme should be taken forward post SELEP. An update on transition plans, including proposals for ongoing management of the GBF programme, will be provided to the Strategic Board in October 2023. There will likely be decisions related to this workstream which fall within the remit of the Board and these decisions will be presented at future meetings once the general direction of travel has been considered and agreed by the Strategic Board.

9. Financial Implications (Accountable Body comments)

- 9.1. Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. GBF is a capital grant awarded by Government and is subject to the following condition:

The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.

- 9.2. This condition requires that the grant is used to fund Capital expenditure; no end date for use of the grant is included within the conditions, however, it was the expectation of Government that it was used to fund the GBF projects and that it would be defrayed in full by the end of March 2022.
- 9.3. With the GBF allocated to each project having been transferred in advance to the Local Authorities, there is a requirement for the Board to continue to effectively monitor the progress of the GBF projects in order to provide assurance of delivery in line with the agreed business cases.
- 9.4. Further, this gives the Board oversight of potential risks which may impact delivery of GBF projects along with proposed mitigations; this is of particular importance due to the current uncertain economic climate and increasing inflation, together with ongoing impacts experienced following the Covid-19 pandemic and Brexit.
- 9.5. To support this monitoring, the SLAs set out the requirement for Partner Authorities to provide regular update reports to SELEP and the Accountable Body in the timescales and format specified by the SELEP Secretariat, to inform the updates to the Board and Government. Should the funding not be utilised in accordance with the conditions, Government may request return of the funding.
- 9.6. The cancellation of some projects during the 2022/23 financial year has required the return of GBF funding to the Accountable Body to be reallocated to other Projects on the pipeline in accordance with the decisions of the Board. £2.049m of GBF funding remains unallocated, and a new prioritisation pipeline process has been agreed at the July 2023

Strategic Board in line with the requirements of the Assurance Framework.

Recommendations for awarding this funding are anticipated to be considered at the January 2024 meeting of the Board, with an expectation that the funding can be transferred to the recipient Partner Authorities prior to the end of March 2024. All projects allocated funding through this process are expected to meet the agreed criteria, including having no barriers to delivery, such as planning requirements, to ensure full spend of the GBF funding can be achieved within 12 months of receipt of funding approval from the Board.

- 9.7. The representative of the Section 151 officer of the Accountable Body gave support to the decision made at the January 2023 Board meeting, to allow spend on existing GBF projects into quarter one of 2023/24, where this is approved by the Accountability Board. Spend beyond this period by GBF projects was not supported at that point without further consideration of the resource implications to continue to monitor delayed schemes for an additional period; this was of particular note given the well reported financial uncertainties for the SELEP beyond 2023/24.
- 9.8. In light of the recommendations for further extensions to the spend timeline for three projects within this report, it has been necessary to re-consider this position; with respect to the two projects where spend is already complete or almost complete, no further additional resource impacts are anticipated over those experienced through the regular monitoring and reporting in place for other completed GBF projects, so no additional concerns are raised from the perspective of the s151 Officer.
- 9.9. For the Better Queensway Project, work to the value of the grant was completed by Swan Housing in advance of the take over by Sanctuary, however, as these funds remain held by Southend-on-Sea City Council and the future delivery of the Project is unconfirmed, it seems reasonable to afford the Council some opportunity to agree an alternative delivery route to secure the expected outcomes for the Project, as set out in the recommendations. This position will be reviewed alongside the update brought to the Board in respect of the Project in January 2024.
- 9.10. The latest forecast (table 2) indicates that £25.537m of the total £85m GBF allocation will be spent after 31 March 2022, of which £10.028m will be spent after 31 March 2023, of which £2.049m is now unallocated. As the conditions of the grant from Government do not include an end date, there is no risk of clawback by Government due to spend beyond 31 March 2022; however, there is reputational risk to SELEP and potential risk to future funding streams where defrayal of funding and delivery cannot be demonstrated – Government review this as part of the Annual Performance Review of LEPs.
- 9.11. With respect to the uncertainty around the transition arrangements of SELEP functions to Local Authorities, it may be necessary to amend the terms of the existing GBF agreements to transfer the Accountability for the funding from the Accountable Body in line with any other agreed changes to the SELEP governance arrangements. Such changes will need to be to the agreement of the six upper tier Local Authority partners within SELEP and the Government.

10. Legal Implications (Accountable Body comments)

10.1. The funding is administered in accordance with the Service Level Agreements in place between Essex County Council, as Accountable Body of SELEP, SELEP Ltd and the Partner Authority. The SLA contains provisions that permit the Accountability Board to take a decision to require funding is repaid (either in all or in part) if the Partner Authority fails to deliver the project in accordance with the business case, a project is changed and the Accountability Board decline to agree the change, or if the project can no longer meet the grant conditions.

11. Equality and Diversity Implications

11.1. 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:

11.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.

11.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

11.1.3. 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 the 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.

12. List of Appendices

12.1. Appendix A – GBF Spend Position

12.2. Appendix B – Programme Risk Register

12.3. Appendix C - Project deliverability and risk update

12.4. Appendix D – Update on projects which have received approval for retention of GBF funding beyond March 2022

12.5. Appendix E – Compliance with conditions for GBF spend beyond 30 June 2023

12.6. Appendix F – Outstanding post scheme completion Monitoring and Evaluation reports

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

Role	Page 100 of 289	Date
Accountable Body sign off		13/09/2023

Getting Building Fund Capital Programme Update

Michael Neumann	
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(on behalf of Nicole Wood, S151 Officer, Essex County Council)

Appendix A GBF Spend Position											
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	2021/22 Actual	2022/23 Actual	Q1 2023/24 Actual	Q2 2023/24 Forecast	Q3 2023/24 Forecast	Q4 2023/24 Forecast	2023/24 Forecast	Total Actual + Forecast
East Sussex											
GBF003	Restoring the Glory of the Winter Garden	1,600,000	577,764	1,022,236							1,600,000
GBF004	The Observer Building, Hastings (Phase 2) Option A	2,028,000	934,678	778,322	315,000						2,028,000
GBF009	Charleston's access road: removing the barrier to growth	329,835		329,835							329,835
GBF010	Creative Hub, 4 Fisher Street, Lewes	250,000	143,116	106,884							250,000
GBF012	Sussex Innovation Falmer - Covid Secure adaptations-	200,000		200,000							200,000
GBF013	UTC Maritime & Sustainable Technology Hub	1,300,000			1,300,000						1,300,000
GBF039	Food Street, Eastbourne	100,000			100,000						100,000
GBF040	Seven Sisters Country Park Visitor Infrastructure Uplift	284,100			284,100						284,100
		6,091,935	1,655,558	2,437,277	1,999,100						6,091,935
Essex											
GBF005	Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	680,000			680,000						680,000
GBF006	Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	2,297,256			1,784,600		512,656			512,656	2,297,256
GBF014	Enterprise Centre for Horizon 120 Business Park	7,641,924	967,422	6,032,578			641,924			641,924	7,641,924
GBF015	Harlow Library	977,000		977,000							977,000
GBF016	Jaywick Market & Commercial Space	2,391,060		243,636	2,029,243		118,181			118,181	2,391,060
GBF017	Labworth Car Park, Canvey Island modernisation	700,000	326,888	373,112							700,000
GBF018	Modus	1,960,000	1,960,000								1,960,000
GBF019	Nexus	1,600,000		1,600,000							1,600,000
GBF020	Remodelling of buildings at Harlow College to provide new 'T'-levels	1,500,000	24,328	1,475,672							1,500,000
GBF021	Rocheway	713,000	218,498	494,502							713,000
GBF023	Tendring Bikes & Cycle Infrastructure	2,600,200		518,887	1,781,113		300,200			300,200	2,600,200
GBF024	Tindal Square, Chelmsford	1,200,000		750,000	331,819		118,181			118,181	1,200,000
GBF041	Princess Alexandra Hospital Training and Education Facility	500,000		500,000							500,000
GBF042	Braintree Active Travel	291,000		291,000							291,000
		25,051,440	3,497,136	13,256,387	6,606,775		1,691,142			1,691,142	25,051,440
Kent											
GBF001	Digitally Connecting Rural Kent and Medway	2,290,152		2,290,152							2,290,152
GBF025	Javelin Way Development	814,452	578,724		235,728						814,452
GBF026	Romney Marsh Employment Hub	3,536,466		2,785,770	750,696						3,536,466
GBF027	Thanet Parkway Railway Station	12,874,000	3,162,699	8,836,301	875,000						12,874,000
GBF028	First and Second Floors, Building 500, Discovery Park, Sandwich	2,750,000		211,398	2,538,602						2,750,000

Appendix A GBF Spend Position											
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	2021/22 Actual	2022/23 Actual	Q1 2023/24 Actual	Q2 2023/24 Forecast	Q3 2023/24 Forecast	Q4 2023/24 Forecast	2023/24 Forecast	Total Actual + Forecast
GBF029	New Performing & Production Digital Arts Facility @ North Kent College	12,301,796	2,459,825	9,841,971							12,301,796
GBF030	The Meeting Place Swanley	1,490,000		1,490,000							1,490,000
GBF036	St George's Creative Hub	323,204		323,204							323,204
GBF038	The Amelia Scott	1,400,000		1,400,000							1,400,000
GBF043	Techfort	1,009,000			1,009,000						1,009,000
GBF045	Techfort Phase 2	850,000				850,000				850,000	850,000
		39,639,070	6,201,248	27,178,796	5,409,026	850,000				850,000	39,639,070
	Medway										
GBF007	Britton Farm Redevelopment Learning, Skills & Employment Hub	1,990,000	205,157	1,784,843							1,990,000
GBF037	Innovation Park Medway - Sustainable City of Business	1,178,323		778,323	400,000						1,178,323
		3,168,323	205,157	2,563,166	400,000						3,168,323
	Southend										
GBF031	Better Queensway	4,200,000						4,200,000		4,200,000	4,200,000
GBF032	South Essex No Use Empty	1,200,000			407,089	542,911	250,000			792,911	1,200,000
GBF044	LFFN - Phase 3	500,000			55,000	394,000	51,000			445,000	500,000
		5,900,000			462,089	936,911	301,000	4,200,000		5,437,911	5,900,000
	Thurrock										
GBF008	LFFN - Phase 2	2,500,000	946,218	922,857	630,925						2,500,000
GBF034	Transport and Logistics Institute	600,000		600,000							600,000
		3,100,000	946,218	1,522,857	630,925						3,100,000
	Unallocated	2,049,232									2,049,232.0
	Total	85,000,000	12,505,317	46,958,483	15,507,915	1,786,911	1,992,142	4,200,000		7,979,053	85,000,000

Appendix B GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Affordability of GBF projects	There have been widely reported increases in materials costs as a result of COVID-19 and Brexit. These increases alongside rising inflation have resulted in significant cost increases across the programme. This may impact on the deliverability of the projects as set out in the Business Cases.	5	5	25	<p>Whilst the majority of the GBF funding returned to SELEP as a result of project cancellations has been awarded to support delivery of existing projects, the risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all GBF projects.</p> <p>Early engagement with contractors and the supply chain is advised.</p> <p>This risk will reduce as the number of completed GBF projects increases.</p>
Inability to complete GBF spend by 31 March 2023 in accordance with Government expectations	At the outset of the GBF programme, Government expectations were that the GBF funding would be spent in full by 31 March 2022. Due to challenges faced by a number of the projects, this wasn't achievable and Government revised their expectations to require full GBF spend by 31 March 2023. Inability to meet this expectation represented a reputational risk for both SELEP and the responsible Upper Tier Local Authorities.	5	5	25	<p>As a result of the late cancellation of the Swan Modular Housing Factory project, this risk has materialised and Government have been advised that this expectation will no longer be met.</p> <p>Steps were taken to maximise the level of GBF spend achieved by 31 March 2023 - with this forming a key part of the criteria applied to the creation of the recent GBF project pipeline. Ongoing GBF projects have continued to be closely monitored and all but 9 ongoing GBF projects achieved full GBF spend by 31 March 2023.</p>
Extended delivery programmes	<p>As a result of the COVID-19 pandemic, there are longer than expected lead-in times for certain materials which could adversely impact on delivery programmes.</p> <p>In addition, extended response times from utility providers and other statutory organisations have been reported which are impacting on project delivery.</p> <p>Labour supply issues have also been reported due to the number of projects which were delayed due to the COVID-19 pandemic.</p>	4	5	20	<p>Early engagement with contractors and the supply chain is advised to ensure that materials are ordered as early as possible in the programme to minimise delay in delivery.</p> <p>Utility providers and other statutory organisations should be engaged at the outset of the project and time built into the programme for this engagement to minimise delays to delivery.</p>
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of GBF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace of benefits realisation through the project.	4	4	16	<p>As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery.</p> <p>Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.</p>

Appendix B GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Failure of third-party organisations to deliver GBF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver GBF projects. If the external organisations experience financial difficulty and are unable to deliver GBF projects, it may not be possible to recover the GBF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	3	15	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring GBF to third party organisations and to ensure clear processes are in place for the oversight of GBF projects delivered by third party organisations.
Delivery of GBF project benefits	The economic impact of COVID-19 is likely to reduce the benefits achieved through GBF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the GBF programme.	3	5	15	Any changes to benefits achieved through GBF investment will be monitored and reported to the Board and decisions will need to be made as to whether projects still offer high value for money. Any changes will also need to be agreed with Central Government.
Closure of SELEP	In August 2023, Government confirmed that LEPs will no longer receive core funding after 2023/24, and that there is an expectation that LEP activities will be transitioned into local authorities. This means that the oversight of the GBF programme, including any required engagement with Government, will cease at or close to 31 March 2024. It is important that new arrangements are put in place to ensure that oversight of the GBF programme continues. Without appropriate oversight there is a risk that projects may not be delivered in accordance with approved Business Cases and that required programme wide reporting will not be provided to Government.	4	3	12	Following receipt of advice from Government, discussions are ongoing between SELEP, Essex County Council (as Accountable Body for SELEP) and all six Upper Tier Local Authority partners to determine how the management of the capital programme should be taken forward post SELEP. Any required decisions on the ongoing management of the GBF programme will be presented at future Board meetings.
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
Resource to deliver GBF projects	There is a risk to the availability of resource to deliver GBF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	2	8	As part of the business case, SELEP ask scheme promoters to confirm they have the resources available to deliver the project. SELEP Ltd have also made this a requirement within the SLA and so risks to delivery of the projects would be monitored and reported to the Board.

Appendix C Getting Building Fund Delivery and Risk																	
Project	Deliverability								Financial								
	Accountability Board approval	Project Delivery Status	GBF Spend Status (at 30 June 2023)	Expected completion date (per Business Case)	Expected completion date (May 2023)	Expected completion date (August 2023)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 (£)	Spend Q1 2023/24 (£)	Forecast spend Q2 to Q4 2023/24 (£)	Financials RAG rating	Deliverability risk RAG rating	Reputational risk RAG rating	Overall
East Sussex																	
Restoring the Glory of the Winter Garden	Oct-20	In Construction	Complete	May-22	Mar-25	Mar-25	35		1,600,000	1,600,000				1	5	3	3
The Observer Building, Hastings (Phase 2) Option A	Oct-20 and Nov-22	In Construction	Complete	Dec-22	Jun-23	Dec-23	12	6	2,028,000	1,713,000	315,000			2	5	2	3
Charleston's access road: removing the barrier to growth	Nov-20 and Jul-21	Completed	Complete	Mar-21	May-22	May-22	14		329,835	329,835				1	1	1	1
Creative Hub, 4 Fisher Street, Lewes	Nov-20	Completed	Complete	Apr-21	Sep-21	Sep-21	5		250,000	250,000				1	3	3	2
Sussex Innovation Falmer - Covid Secure adaptations	Nov-20	Completed	Complete	Mar-21	Jul-22	Jul-22	16		200,000	200,000				1	1	1	1
UTC Maritime & Sustainable Technology Hub	Nov-20	In Construction	Complete	Mar-22	Jun-23	Sep-23	18	3	1,300,000		1,300,000			4	5	3	4
Food Street, Eastbourne	Feb-22	Completed	Complete	Mar-22	Sep-22	Sep-22	6		100,000		100,000			1	1	1	1
Seven Sisters Country Park Visitor Infrastructure Uplift	Feb-22 and Jan-23	Completed	Complete	Sep-22	Jun-23	Jun-23	9		284,100		284,100			1	1	1	1
Essex																	
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	Oct-20	Completed	Complete	Jun-21	Dec-22	Dec-22	18		680,000		680,000			1	1	1	1
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Oct-20, Nov-22 and Jan-23	Completed	Ongoing	Dec-21	Jun-23	Jun-23	18		2,297,256		1,784,600		512,656	4	1	1	2
Enterprise Centre for Horizon 120 Business Park	Nov-20 and Jan-23	Completed	Ongoing	Jun-22	Jul-22	Jul-22	1		7,641,924	7,000,000			641,924	4	1	1	2
Harlow Library	Nov-20	Completed	Complete	Oct-21	Jun-22	Jun-22	8		977,000	977,000				1	1	1	1
Jaywick Market & Commercial Space	Nov-20, Nov-22 and Jan-23	In Construction	Ongoing	Mar-22	Jun-23	Sep-23	18	3	2,391,060	243,636	2,029,243		118,181	4	5	2	4
Labworth Car Park, Canvey Island modernisation	Nov-20	Completed	Complete	Jun-21	Aug-21	Aug-21	2		700,000	700,000				1	3	3	2
Modus	Nov-20	Completed	Complete	Mar-21	Mar-21	Mar-21			1,960,000	1,960,000				1	1	1	1
Nexus	Nov-20	Completed	Complete	Jun-21	May-22	May-22	11		1,600,000	1,600,000				1	1	1	1
Remodelling of buildings at Harlow College to provide new 'T'-levels	Nov-20	Completed	Complete	Mar-21	Mar-22	Mar-22	12		1,500,000	1,500,000				1	1	1	1
Roche Way Independent Living	Nov-20	In Construction	Complete	Dec-22	Jun-23	Dec-24	24	18	713,000	713,000				1	5	3	3
Tendring Bikes & Cycle Infrastructure	Nov-20 and Jan-23	Completed	Ongoing	Mar-22	Jun-23	Jun-23	15		2,600,200	518,887	1,781,113		300,200	4	1	1	2
Tindal Square, Chelmsford	Nov-20, Nov-22 and Jan-23	Completed	Ongoing	Mar-22	Jun-23	Jul-23	16	1	1,200,000	750,000	331,819		118,181	4	1	1	2
Princess Alexandra Hospital Training and Education Facility	Feb-22	Completed	Complete	Feb-22	May-22	May-22	3		500,000	500,000				1	1	1	1
Braintree Active Travel	Feb-22	In Construction	Complete	Sep-22	Sep-23	Dec-23	15	3	291,000	291,000				1	5	2	3
Kent																	
Digitally Connecting Rural Kent and Medway	Sep-20	Completed	Complete	Mar-22	Mar-22	Mar-22			2,290,152	2,290,152				5	3	3	4
Javelin Way Development	Nov-20 and Nov-22	Completed	Complete	Mar-22	Jun-23	Jun-23	15		814,452	578,724	235,728			4	1	1	2
Romney Marsh Employment Hub	Nov-20	In Construction	Complete	Feb-22	Jun-23	Sep-23	19	3	3,536,466	2,785,770	750,696			2	5	2	3
Thanet Parkway Railway Station	Nov-20 and Nov-22	Completed	Complete	Dec-22	Jul-23	Jul-23	7		12,874,000	11,999,000	875,000			5	1	1	2
First and Second Floors, Building 500, Discovery Park, Sandwich	Nov-20 and Jan-23	In Construction	Complete	Jul-21	Jul-23	Sep-23	26	2	2,750,000	211,398	2,538,602			5	5	2	4
New Performing & Production Digital Arts Facility @ North Kent College	Nov-20	Completed	Complete	Feb-22	Apr-22	Apr-22	2		12,301,796	12,301,796				2	1	1	1

Project	Deliverability								Financial					Deliverability risk RAG rating	Reputational risk RAG rating	Overall	
	Accountability Board approval	Project Delivery Status	GBF Spend Status (at 30 June 2023)	Expected completion date (per Business Case)	Expected completion date (May 2023)	Expected completion date (August 2023)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 (£)	Spend Q1 2023/24 (£)	Forecast spend Q2 to Q4 2023/24 (£)				Financials RAG rating
The Meeting Place Swanley	Nov-20	Completed	Complete	May-22	Mar-23	Mar-23	10		1,490,000	1,490,000				5	1	1	2
St George's Creative Hub	Mar-21	Completed	Complete	Jun-21	Dec-21	Dec-21	6		323,204	323,204				5	3	3	4
The Amelia Scott	Nov-21	Completed	Complete	Mar-22	Mar-22	Mar-22			1,400,000	1,400,000				2	3	3	3
Techfort	Feb-22	In Construction	Complete	Sep-22	Mar-23	Sep-23	12	6	1,009,000		1,009,000			1	5	2	3
Techfort 2	Jan-23	In Construction	Complete	Jun-23	Jun-23	Sep-23	3	3	850,000			850,000		5	4	2	4
Medway																	
Britton Farm Redevelopment Learning, Skills & Employment Hub	Sep-20	In Construction	Complete	Feb-23	Jun-23	Mar-24	12	8	1,990,000	1,990,000				4	5	1	3
Innovation Park Medway - Sustainable City of Business	Jul-21 and Nov-22	In Construction	Complete	Mar-22	Jun-23	Sep-23	18	3	1,178,323	778,323	400,000			1	5	3	3
Southend																	
Better Queensway	Nov-20	In progress	Ongoing	Mar-34	Mar-34	Mar-34			4,200,000				4,200,000	5	5	5	5
South Essex No Use Empty	Nov-20	Completed	Ongoing	Mar-22	Jun-23	Jul-23	16	1	1,200,000		407,089	542,911	250,000	5	1	1	2
LFFN - Phase 3	Nov-22	In progress	Ongoing	Mar-23	Sep-23	Sep-23	6		500,000		55,000	394,000	51,000	5	4	2	4
Thurrock																	
LFFN - Phase 2	Oct-20	In progress	Complete	Feb-22	Sep-23	Sep-23	19		2,500,000	1,869,075	630,925			1	5	2	3
Transport and Logistics Institute	Nov-20	Completed	Complete	Aug-21	Dec-21	Dec-21	4		600,000	600,000				4	3	3	3
Unallocated									2,049,232				2,049,232				
TOTAL									85,000,000	59,463,800	15,507,915	1,786,911	8,241,374				

Appendix D – Updates on projects which have received approval for GBF spend beyond 31 March 2022

The Observer Building, Hastings
Extension granted: 12 months
GBF allocation: £2,028,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
<p>The project will support the full redevelopment of the 4,000 sqm. Observer Building, which has been empty and increasingly derelict for 35 years, into a highly productive mixed-use building, creating new homes, jobs, enterprise space and support.</p> <p>The Observer Building will include leisure and retail uses on the lower three floors, a wide range of workspaces including studios, offices and open space, 15 capped-rent flats and a public roof terrace and bar with fantastic sea, castle and town views.</p> <p>The GBF investment will enable full renovation of the lower four floors, along with universal access (lift and entrance ramp), renovation works to the roof and external facades, installation of the new electricity substation and Air Source Heat Pumps, and key internal structural works that would otherwise be disruptive to tenants in the future.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
<p>The majority of the SELEP funded works were completed by 28 July 2022, however, work has subsequently been completed on the lift installation and installation of new windows. Tenants have started to move into the alley level and first floor office spaces.</p> <p>The façade improvements remain ongoing with completion expected in December 2023.</p>

UTC Maritime and Sustainable Technology Hub
Extension granted: 12 months
GBF allocation: £1,300,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
The project seeks to convert the former UTC@harbourside building into a multi-purpose facility including public services, education and training, and commercial workspace for SME's. The focus of the facility will be on the marine and sustainable technology sector.
Reasons why extension was sought
Delivery of the project has been delayed due to complex land ownership matters which have taken significantly longer than anticipated to resolve.
Update on project delivery
Works to recommission the building and to ensure that the building is statutory compliant have completed. The first tenants have moved into the building, with further tenants expected to occupy the building from September 2023. A tender process will be undertaken in September 2023 to find an operator for the unallocated spaces in the building.

Seven Sisters Country Park Visitor Infrastructure Uplift
Extension granted: 12 months
GBF allocation: £284,100
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
Delivery of improved visitor infrastructure at Seven Sisters Country Park. The GBF funding will enable the refurbishment and kit out of the pump barn creating a multi-use retail, exhibition and event space.
Reasons why extension was sought
GBF funding was not awarded to support delivery of the project until February 2022. The funding is being used to support the delivery of elements of the project which were previously removed due to cost constraints. Additional time was required to design and deliver these elements and therefore a 6 month extension to 30 September 2022 was granted. An additional £84,100 GBF was awarded to support delivery of the project in January 2023 and therefore a further 6 month extension to 31 March 2023 was agreed to allow spend of the additional GBF funding awarded.
Update on project delivery
Construction is now complete and work is being undertaken to establish the new workstreams enabled by the project.

Food Street, Eastbourne
Extension granted: 12 months
GBF allocation: £100,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: East Sussex County Council
Brief project description
Food Street is an aspiration to develop a vibrant, independent food and drink-based economy at the seafront end of Terminus Road, Eastbourne. The project will bring 5 commercial units back into use as part of an enhanced commercial offer in Eastbourne Town Centre.
Reasons why extension was sought
GBF funding was not awarded to support delivery of the project until February 2022. At that time, it was expected that the GBF funding would be spent in full by 31 March 2022, however, due to a delay in completing the required back-to-back agreement between East Sussex County Council and Eastbourne Borough Council, GBF spend extended into 2022/23.
Update on project delivery
The works to bring the commercial units back into use were completed in July 2022.
The GBF funding was transferred to Eastbourne Borough Council by East Sussex County Council during Q3 2022/23.

Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas
Extension granted: 12 months
GBF allocation: £680,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>Superfast Essex is a broadband improvement programme which is run by Essex County Council. The programme aims to make superfast and ultrafast broadband available to as many homes and businesses across Essex as possible.</p> <p>Within the current Superfast Essex broadband rollout across Essex, it has become clear that in a significant number of cases the cost of deployment in rural areas has been underestimated by suppliers, and the cost of connecting up to 10% of the premises in the current rollout scope will exceed the contractual cost cap. In these cases, suppliers will provide evidence of the increased cost to Superfast Essex and will request further funding to fill the newly identified cost gap. If no such funding is available, it is envisaged that the impacted premises would be removed from the rollout programme. The GBF funding was requested to ensure that as many as possible of the identified higher-cost premises can be retained within the current rollout programme.</p>
Reasons why extension was sought
<p>In order to invest the funding awarded to support delivery of the Superfast Essex programme, it was necessary for Essex County Council to implement a change to the existing delivery contract. This change had to be approved by Broadband Delivery UK (BDUK), the agency within the Department for Digital, Culture, Media and Sport (DCMS) which is overseeing the national rollout of broadband upgrades. BDUK have the responsibility of ensuring that all contracts remain in compliance with State Aid legislation and they also take a view on Value for Money offered by the contracts.</p> <p>The required change request was prepared and submitted to BDUK for consideration in early December 2020, which would have allowed sufficient time for the project to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.</p> <p>Following the rejection of the change request, work was undertaken to seek agreement from BDUK that re-submission of the change request would be accepted. After a further 6 months of re-work and a series of high-level escalations with BDUK, involving Essex County Council Councillors and local MP's, the re-presented change request was approved by BDUK in October 2021.</p>
Update on project delivery
Delivery of the project completed in December 2022.

Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas
Extension granted: 15 months
GBF allocation: £2,297,256
% of GBF funding spent to end of Q1 2023/24: 77.7%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>Superfast Essex is a broadband improvement programme which is run by Essex County Council. The programme aims to make superfast and ultrafast broadband available to as many homes and businesses across Essex as possible.</p> <p>The GBF funding was awarded to extend the Superfast Essex rollout programme to reach additional rural areas, with a focus on upgrading business premises.</p>
Reasons why extension was sought
<p>In order to invest the funding awarded to support delivery of the Superfast Essex programme, it was necessary for Essex County Council to implement a change to the existing delivery contract. This change had to be approved by Broadband Delivery UK (BDUK), the agency within the Department for Digital, Culture, Media and Sport (DCMS) which is overseeing the national rollout of broadband upgrades. BDUK have the responsibility of ensuring that all contracts remain in compliance with State Aid legislation and they also take a view on Value for Money offered by the contracts.</p> <p>The required change request was prepared and submitted to BDUK for consideration in early December 2020, which would have allowed sufficient time for the project to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.</p> <p>Following the rejection of the change request, work was undertaken to seek agreement from BDUK that re-submission of the change request would be accepted. After a further 6 months of re-work and a series of high-level escalations with BDUK, involving Essex County Council Councillors and local MP's, the re-presented change request was approved by BDUK in October 2021.</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to delays encountered by Essex County Council in securing the return of the GBF funding awarded to the Swan Modular Housing Factory project, which was subsequently removed from the GBF programme. Due to the delay in repayment, insufficient GBF funding was held by SELEP/the Accountable Body to issue the additional GBF funding awarded to support project delivery in January 2023.</p>
Update on project delivery

Delivery of the project completed in June 2023, with full GBF spend incurred. However, due to a delay in finalising the required back-to-back legal agreement in relation to the additional GBF funding awarded to support project delivery in January 2023, it was not possible for the additional funding award to be released by Essex County Council (as responsible Upper Tier Local Authority) until July 2023.

Enterprise Centre for Horizon 120 Business and Innovation Park
Extension granted: 15 months
GBF allocation: £7,641,924
% of GBF funding spent to end of Q1 2023/24: 91.6%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project has delivered an Enterprise Centre for local businesses, including small business start-ups, small businesses focusing on innovation and growth, as well as businesses aiming to stabilise and consolidate their activities. The Enterprise Centre offers a variety of office spaces and a flexible conference space which can be transformed into smaller units.</p> <p>The Enterprise Centre forms the focal point for the Horizon 120 Business Park and is designed to drive collaboration, encourage idea generation and underpin problem solving.</p>
Reasons why extension was sought
<p>Additional GBF funding was awarded to support delivery of the approved Business Case in January 2023 and therefore additional time was required to allow spend of the GBF funding awarded (extension agreed until March 2023).</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to delays encountered by Essex County Council in securing the return of the GBF funding awarded to the Swan Modular Housing Factory project, which was subsequently removed from the GBF programme. Due to the delay in repayment, insufficient GBF funding was held by SELEP/the Accountable Body to issue the additional GBF funding awarded to support project delivery in January 2023.</p>
Update on project delivery
<p>Delivery of the Enterprise Centre completed in September 2022 and the building is now fully operational.</p> <p>Whilst full GBF spend was incurred in advance of 30 June 2023, it was not possible for the additional funding awarded in January 2023 to be released by Essex County Council (as responsible Upper Tier Local Authority) until July 2023. This was due to a delay in finalising the required back-to-back legal agreement.</p>

Jaywick Market and Commercial Space
Extension granted: 15 months
GBF allocation: £2,391,060
% of GBF funding spent to end of Q1 2023/24: 95.06%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project involves the build of a commercial facility and vibrant local market on a gateway site in Jaywick Sands in response to a known undersupply of commercial space and a high level of credible demand for affordable light industrial, studio and basic office facilities within the area.</p> <p>The intention is to construct 13 low-cost units offering 9,500sq ft lettable area and a covered local market of 20 affordable pitches. This will form part of a programme of wider regeneration and will deliver an extensive range of positive social impacts to help alleviate the severe deprivation experienced by much of the Jaywick Sands community - including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration especially amongst younger people and significantly improved health benefits through affordable access to fresh foods.</p>
Reasons why extension was sought
<p>Due to concerns regarding the rising cost of materials and increasing volatility within the materials market, a full review of the design for the project was undertaken. This review took longer than anticipated and therefore an additional 6 months (to 30 September 2022) was required to spend the GBF funding awarded to support delivery of the project.</p> <p>Following commencement of construction, the discovery of unexpected ground obstructions and asbestos further delayed delivery of the project, resulting in a further 6 month extension to 31 March 2023 being granted.</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to delays encountered by Essex County Council in securing the return of the GBF funding awarded to the Swan Modular Housing Factory project, which was subsequently removed from the GBF programme. Due to the delay in repayment, insufficient GBF funding was held by SELEP/the Accountable Body to issue the additional GBF funding awarded to support project delivery in January 2023.</p>
Update on project delivery
<p>A contractor has been appointed and work commenced onsite in May 2022. Delivery of the project has been delayed as a result of the discovery of unexpected ground obstructions and contamination. However, this issue has now been resolved and practical completion was achieved in September 2023.</p> <p>Whilst full GBF spend was incurred in advance of 30 June 2023, it was not possible for the additional funding awarded in January 2023 to be released by Essex County Council (as responsible Upper Tier Local Authority) until</p>

July 2023. This was due to a delay in finalising the required back-to-back legal agreement.

Tendring Bikes and Cycle Infrastructure
Extension granted: 15 months
GBF allocation: £2,600,200
% of GBF funding spent to end of Q1 2023/24: 88.5%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project will deliver a bespoke bike scheme and cycle network infrastructure within Jaywick Sands and Clacton which is aimed at tackling inequality within one of the most deprived communities in Essex.</p> <p>The bike scheme will be a community-based project to help overcome the barriers to sustainable travel as a result of inequalities, will help tackle rising unemployment and align with the government agenda of active travel and physical activity post COVID-19. Lack of transport options is recognised as a factor in joblessness and insufficient transport provision is a reason for declining employment and access to skills suggesting that wider availability of cycling for transport has the potential to reduce transport inequality and promote access to jobs and education. The scheme directly links to the wider Clacton Town Centre Future High Streets Fund and sustainable infrastructure proposed as a result of this programme.</p>
Reasons why extension was sought
<p>Delivery of the project was delayed due to the need for changes to be made to the design for some elements of the proposed cycle routes in order to address concerns raised during the public consultation exercise. As a result, approval for retention of the GBF funding beyond March 2022 for a maximum period of 6 months was sought.</p> <p>A further 6 month extension to 31 March 2023 was granted due to the required redesign work taking significantly longer than expected to complete.</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to delays encountered by Essex County Council in securing the return of the GBF funding awarded to the Swan Modular Housing Factory project, which was subsequently removed from the GBF programme. Due to the delay in repayment, insufficient GBF funding was held by SELEP/the Accountable Body to issue the additional GBF funding awarded to support project delivery in January 2023.</p>
Update on project delivery
<p>Project delivery completed in June 2023. However, whilst full GBF spend was incurred in advance of 30 June 2023, it was not possible for the additional funding awarded in January 2023 to be released by Essex County Council (as responsible Upper Tier Local Authority) until July 2023. This was due to a delay in finalising the required back-to-back legal agreement.</p>

Tindal Square, Chelmsford
Extension granted: 15 months
GBF allocation: £1,200,000
% of GBF funding spent to end of Q1 2023/24: 90.2%
Responsible Upper Tier Local Authority: Essex County Council
Brief project description
<p>The project will create a new civic public square of over 3,000sqm that provides a destination space for arts, events and celebrations outside Shire Hall.</p> <p>Replacement of all existing surfacing with quality/robust new paving, including a radial design pattern extending from Shire Hall. Existing street clutter to be removed and replaced with other co-ordinated street furniture, wayfinding signage and tree planting. DDA compliant and improved pedestrian access for all to Shire Hall.</p> <p>Provision of comfortable public seating and co-ordinated and well managed seating area for tables and chairs potential to enable food and beverage businesses to expand their offer on the High Street.</p> <p>The scheme removes motorised traffic from this part of the City Centre (except for High Street service vehicles), reducing carbon emissions and improving air quality, whilst introducing a shared pedestrian space with a key cycle connection route through the space.</p>
Reasons why extension was sought
<p>Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 (and January 2023) and therefore additional time was required to allow spend of the GBF funding awarded (extension agreed to 31 March 2023).</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to delays encountered by Essex County Council in securing the return of the GBF funding awarded to the Swan Modular Housing Factory project, which was subsequently removed from the GBF programme. Due to the delay in repayment, insufficient GBF funding was held by SELEP/the Accountable Body to issue the additional GBF funding awarded to support project delivery in January 2023.</p>
Update on project delivery
<p>Delivery of the project completed in July 2023.</p> <p>Whilst full GBF spend was incurred in advance of 30 June 2023, it was not possible for the additional funding awarded in January 2023 to be released by Essex County Council (as responsible Upper Tier Local Authority) until July 2023. This was due to a delay in finalising the required back-to-back legal agreement.</p>

Javelin Way Development
Extension granted: 12 months
GBF allocation: £814,452
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>Javelin Way is an employment site on the Henwood Industrial Estate in Ashford. The project will support the development of the site for employment use, with a focus on the development of Ashford's creative economy.</p> <p>The scheme consists of two elements:</p> <ul style="list-style-type: none"> • The construction of a 'Creative Laboratory' production space (with a ground floor internal area of 1,293 sqm). This will be leased from Kent County Council by Jasmin Vardimon Company, a world-renowned dance company and creative organisation. • The development of 29 light industrial units (with a gross internal area of 3,046 sqm), for sale and/or lease, suitable for additional creative businesses as well as the general market. Mezzanine floors will be available for the 29 industrial units, with full flexibility on the sizes of mezzanines to meet market demand.
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
<p>Delivery of the project is complete, other than some small snagging issues and the discharge of 3 planning conditions.</p> <p>The Jasmin Vardimon Company is now operating from the 'Creative Laboratory' production space and the majority of the light industrial units have either been sold or leased to businesses.</p>

Romney Marsh Employment Hub
Extension granted: 12 months
GBF allocation: £3,536,466
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
The project will further develop the Mountfield Road Industrial Estate, including the development of a business hub of 751 sqm (GEA) divided into 14 rooms of varying sizes. The offices will be built for businesses that will range in size from 2-10 employees. The planned flexibility of the space within the business hub will mean that it could also lend itself to providing space for skills training. There is land within the hub site for the building to be further extended by 427 sqm to provide either more business space or a more bespoke skills facility depending on demand. The GBF funding will be used to support the delivery of enabling service and access infrastructure.
Reasons why extension was sought
A 6 month extension was sought due to delays in the delivery of the utility infrastructure works due to the statutory utility companies working to longer than expected timescales when considering requests for information or approvals for proposed works. A further extension was sought due to the significantly extended lead-in times for electrical substation switch gear which was required to enable electricity to be switched on at the site.
Update on project delivery
Delivery of the project is predominantly complete, however, work is ongoing to complete the road adoption process and to secure planning permission for part of the extended footpath.

Thanet Parkway Railway Station
Extension granted: 12 months
GBF allocation: £12,874,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>The project will deliver a new train station which will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line.</p> <p>The proposed station will provide two platforms suitable for use by 12-car trains. Each platform will be fitted with lighting columns that host CCTV cameras and public address speakers; two customer information displays and one passenger help point; and shelters to provide weather protection. Lifts, stairs and an underpass will provide access to the platforms.</p> <p>The station forecourt will include two ticket vending machines, two bus shelters and bus passenger information points. A set down area will be provided for buses, taxis and passenger drop off, together with staff parking. Parking will be provided for 297 cars plus 20 short stay bays for passenger drop off and taxis (including 16 disabled bays and 60 spaces with provision for electric vehicle charging), motorcycles spaces, 40 pedal cycle parking spaces.</p>
Reasons why extension was sought
Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
The station entered operation on 31 July 2023.

Discovery Park Incubator (First and Second Floors, Building 500, Discovery Park, Sandwich)
Extension granted: 12 months
GBF allocation: £2,750,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
Refurbishment of circa 50,000 sqft of space across two floors to create high quality incubator laboratories for early stage and scale-up biotechnology and life science businesses.
Reasons why extension was sought
Delivery of the project was delayed due to additional work which needed to be undertaken after initial costs showed that project costs were significantly higher than anticipated.
An additional 6 month extension to 31 March 2023 was agreed in January 2023 following the award of additional GBF funding to support project delivery.
Update on project delivery
Fit out of the building is continuing.

Techfort
Extension granted: 12 months
GBF allocation: £1,009,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>The Dover Citadel site is a significant heritage asset which is currently closed to the public and subject to intrusion, graffiti, deterioration and ivy invasion. The site is an attractive proposition to potential private sector tenants, however, the need to establish an anchor activity is essential to kickstart the redevelopment of the entire site.</p> <p>The project will maintain and upgrade Casemates 51 and 52 comprising 1,012 sqm to accommodate a mix of cultural uses.</p>
Reasons why extension was sought
<p>GBF funding was not awarded to support delivery of the project until February 2022. Additional time was required to secure the required consents and to facilitate delivery of the project.</p> <p>A further 3 month extension to 31 March 2023 was agreed as the delivery programme had to be extended due to the need for more extensive roof and revetment wall work to ensure the quality of the project was maintained. In addition, the process to discharge the conditions attached to the planning and Scheduled Monument consents took longer than anticipated.</p>
Update on project delivery
<p>Planning Consent and Scheduled Monument Consent were both granted in advance of the 20 May 2022 deadline set by the Board.</p> <p>Construction work has been completed, however, fit out of the new space is continuing.</p>

Techfort – Phase 2
Extension granted: 15 months
GBF allocation: £850,000
% of GBF funding spent to end of Q1 2023/24: 100%
Responsible Upper Tier Local Authority: Kent County Council
Brief project description
<p>The project seeks to bring the Casemates at The Citadel into beneficial economic use, helping to stabilise the ancient monument and creating jobs in Dover. The Casemates were previously used by the Ministry of Justice but are currently redundant and need refurbishment before they can be re-occupied.</p> <p>Phase 2 of the project specifically seeks to refurbish Casemates 53 and 54, creating 757 sqm of space for small businesses, craft workshops, retail, food and entertainment uses.</p> <p>The GBF funding is sought to kick-start the development process at The Citadel, with these works representing the initial phases of a long-term vision for the site</p>
Reasons why extension was sought
GBF funding was awarded to support delivery of the project in January 2023 and therefore additional time was required to allow spend of the GBF funding awarded.
Update on project delivery
Construction work has been completed, however, fit out of the new space is continuing.

Innovation Park Medway – Sustainable City of Business
Extension granted: 12 months
GBF allocation: £1,178,323
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Medway Council
Brief project description
<p>The vision for the IPM site includes Runway Park, which is intended to become the signature open space for the site, offering distinctive character areas which will provide a series of flexible spaces designed to accommodate a range of activities.</p> <p>GBF funding was sought to enable delivery of one section of the Runway Park. The GBF funding will be used to deliver pavements and footpaths, planting, street furniture and preparatory ground works.</p> <p>The Runway Park will establish itself as the forum for collaboration, bringing businesses and individuals together in the public realm to foster an innovative spirit. The high-quality open space will be key to attracting investors and retaining skilled staff. Early delivery of Runway Park will enable businesses to interact with the wider community and will add to the marketability of the site.</p>
Reasons why extension was sought
<p>Additional GBF funding was awarded to support delivery of the approved Business Case in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded.</p>
Update on project delivery
<p>Delivery of the enabling infrastructure is nearing completion, with construction of roads and pavements complete. In addition, lighting, gym equipment, bus stops and cycle stands have been installed and planting areas have been prepared.</p> <p>Marketing of the site continues, with construction of the first building on the site expected to commence in Winter 2023.</p>

Better Queensway
Extension granted: 15 months
GBF allocation: £4,200,000
% of GBF funding spent to end of Q1 2023/24: 0%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
<p>Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sq m of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.</p> <p>Better Queensway is being delivered as a joint venture between Southend-on-Sea City Council and Swan Housing.</p>
Reasons why extension was sought
<p>A hybrid planning application for the full Better Queensway scheme was submitted to Southend-on-Sea City Council in September 2020. This application was subsequently considered by Planning Committee on 31 March 2021 and it was resolved that the Interim Director of Planning at Southend-on-Sea City Council be delegated to grant planning permission subject to the completion of a S106 agreement in relation to the development. The S106 agreement took longer to complete than anticipated, which delayed the formal award of hybrid planning consent until September 2021.</p> <p>In addition, the Project has experienced delays to the procurement of the enabling works due to utility companies requiring longer than usual lead-in times. This is in part due to the impacts of the COVID-19 pandemic but is also related to other supply chain issues which are being experienced more generally across the construction industry (extension agreed to 31 March 2023).</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to the need for Sanctuary Housing Association to complete their due diligence in relation to the information inherited from Swan Housing before they could accept the GBF funding.</p>
Update on project delivery
<p>The GBF funding was awarded to support early enabling works as part of the delivery of the major wider regeneration project, which is expected to complete in 2034. Full spend of the GBF funding has been evidenced by Swan Housing, however, Southend-on-Sea City Council have continued to hold the full GBF funding allocation whilst Sanctuary Housing Association complete their due diligence on the project, including a review of the claims</p>

submitted by Swan Housing. This due diligence has been ongoing since Sanctuary Housing Association took over Swan Housing.

As reported at previous meetings, Sanctuary Housing Association have undertaken a review of the business plan for the wider project as part of their due diligence. Following this review, Sanctuary Housing Association have advised Southend-on-Sea City Council that they wish to exit the Better Queensway partnership inherited from Swan Housing and will therefore play no role in the project moving forward.

Southend-on-Sea City Council remain committed to delivering regeneration on the Better Queensway estate and are actively developing alternative delivery models for consideration by their Cabinet.

As Southend-on-Sea City Council continue to hold the full GBF funding allocation, a further extension to GBF spend is being sought at this meeting.

There is an ongoing requirement for Southend-on-Sea City Council to provide assurances regarding the delivery of the wider project and it is expected that this will be brought forward following consideration of the delivery options available to the Council.

Should Southend-on-Sea City Council be unable to commit to delivering the wider project in accordance with the approved GBF Business Case, return of the GBF funding allocation will likely be sought.

No Use Empty South Essex
Extension granted: 15 months
GBF allocation: £1,200,000
% of GBF funding spent to end of Q1 2023/24: 79.2%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
<p>The project will provide short-term secured loans to property owners to enable the return of long-term empty commercial properties back into effective use for residential, alternative commercial or mixed-use purposes. The project will focus on secondary retail and other commercial premises which have been significantly impacted by changing consumer demand, the impact of the pandemic and which may have been impacted by larger regeneration schemes.</p>
Reasons why extension was sought
<p>The launch of the No Use Empty South Essex scheme was initially delayed as a consequence of the COVID-19 restrictions, including lockdowns, which were implemented by Central Government. These restrictions meant that it wasn't possible to meet with property owners and developers or to conduct site visits to see potential properties.</p> <p>These issues were further compounded by resourcing issues which arose due to staff being seconded to support operational activities associated with the response to the COVID-19 pandemic.</p> <p>As Kent County Council are experienced in delivering the No Use Empty initiative and have a complete package of established processes in place, the intention was that a Service Level Agreement would be put in place between Southend-on-Sea City Council and Kent County Council for provision of back-office services to support the project. The resourcing issues identified above led to delays in negotiating the terms of the Service Level Agreement.</p> <p>As a result of the factors outlined above the launch of the No Use Empty South Essex initiative was significantly delayed.</p> <p>Following the launch of the No Use Empty initiative in South Essex, it has been discovered that the time required to complete the necessary due diligence and legal checks is significantly longer than anticipated, and therefore a further extension to 30 June 2023 has been agreed.</p>
Update on project delivery
<p>The No Use Empty South Essex initiative was launched on 19 April 2022. However, the timeline for processing and approving the applications has been longer than anticipated, with an approximate 18 week turnaround.</p> <p>The full GBF funding award was allocated to No Use Empty loans prior to the last Board meeting, however, it was not possible for the final loan to be completed prior to 30 June 2023. This was due to the extended timeline for approving applications and the complex nature of the final loan.</p>

The final loan was completed in late July 2023, however, this meant that full spend of the GBF funding was not achieved by 30 June 2023 and therefore a further extension to GBF spend is being sought at this Board meeting.

ASELA LFFN – Phase 3
Extension granted: 15 months
GBF allocation: £500,000
% of GBF funding spent to end of Q1 2023/24: 89.8%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
Brief project description
<p>The project seeks to further build upon the Department for Digital, Culture, Media and Sport (DCMS) funded LFFN ASELA Project and extend through additional funding the delivery and access to fibre connectivity across the South Essex Region to realise benefits for local businesses and communities, enabling them to grow and flourish post COVID-19.</p> <p>The funding will enable ASELA to address some key ‘Not Spot’ areas that have not yet benefited from investment. In addition, the funding will enable ASELA to link the fibre infrastructure into the Southend region fibre network which will bring significant additional benefits to the ASELA region, in terms of sharing of services, cost savings and supporting the rollout of a pan ASELA Internet of Things (IOT) network.</p> <p>Phase 1 of the project was supported by DCMS and Phase 2 was supported by an initial GBF allocation of £2.5m.</p>
Reasons why extension was sought
<p>GBF funding was awarded to support delivery of the project in November 2022 and therefore additional time was required to allow spend of the GBF funding awarded (extension granted to 31 March 2023).</p> <p>A further 3 month extension to 30 June 2023 was sought at the April 2023 Board meeting. This extension was sought due to delays in completing the required Variation Agreement which formalised the award of funding to the project. This delay was caused by the decision to seek Board approval to release the funding to Southend-on-Sea City Council, rather than Thurrock Council following the announcement that Thurrock Council had issued a Section 114 notice.</p>
Update on project delivery
<p>Delivery of the project has commenced, with completion expected by September 2023.</p> <p>Full spend of the GBF funding was not achieved by 30 June 2023 and therefore a further extension to GBF spend is being sought at this Board meeting.</p>

ASELA LFFN – Phase 2
Extension granted: 6 months
GBF allocation: £2,500,000
% of GBF funding spent to end of Q4 2022/23: 100%
Responsible Upper Tier Local Authority: Thurrock Council
Brief project description
The GBF investment will build upon the DCMS funded LFFN ASELA Project by extending through this additional funding the delivery and access to fibre connectivity across the South Essex Region.
Reasons why extension was sought
Delivery of the project was delayed due to the discovery of unexpected duct blockages. Approval for retention of GBF funding beyond March 2022 was sought to allow time for the blocked ducts to be resolved.
Update on project delivery
Delivery of the GBF funded elements of Phase 2 of the project has now been completed, with full project completion expected in September 2023.

Appendix E – Compliance with conditions for GBF spend beyond 30 June 2023

Better Queensway	
Additional Extension requested: 7 months to 31 December 2023	
Responsible Upper Tier Local Authority: Southend-on-Sea City Council	
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	
The current programme for the project is as follows:	
Milestone	Expected date
Hybrid Planning Application considered by Southend-on-Sea City Council Planning Committee	March 2021
Completion of required S106 agreement for the wider Better Queensway scheme	September 2021
Formal award of Hybrid Planning Consent	September 2021
Delivery of highways infrastructure investment	2023 to 2025
Demolition of four existing residential blocks	2025 onwards
Construction of housing, commercial space and public realm	2024 to 2033
Completion of the wider Better Queensway project	2034
The delivery programme will be reviewed once Southend-on-Sea City Council have selected their new delivery model.	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile	
Junior Loan, HIF funding and the GBF is in place, alongside a funding strategy which will enable project delivery.	
Full spend of the GBF funding has been evidenced but the funding continues to be held by Southend-on-Sea City Council. It was intended that the funding would be released to Sanctuary Housing Association following completion of their required due diligence. Given that Sanctuary have now withdrawn from the project, a further update on the status of the GBF funding will be provided at the next Board meeting.	
Written confirmation that all planning requirements were met by 15 July 2022	
All planning requirements for the GBF funded elements of the project have been met with consent granted in September 2021, assuming there are no significant changes to project scope.	
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022	
All other non-planning required consents and approvals are in place.	
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022	

Swan Commercial Services were procured by Southend-on-Sea City Council as delivery partner and a Construction Management Agreement was in place. Swan Housing have subsequently been acquired by Sanctuary Housing Association, who have chosen to withdraw from the project. As a consequence, it is understood that contractual commitments are no longer in place with the construction contractor.

Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money

Southend-on-Sea City Council are currently considering alternative delivery models for the project following the withdrawal of Sanctuary Housing Association. A review of the business plan for the wider project will be carried out once an alternative delivery model has been agreed by the Council.

Southend-on-Sea City Council have previously reported that project costs have increased (by an unknown amount) since submission of the GBF Business Case, however, it has also been reported that benefits have increased.

A clear position on the total project cost and project benefits will be sought from Southend-on-Sea City Council following confirmation of the chosen alternative delivery model.

No Use Empty South Essex			
Additional Extension requested: 3 months to 30 September 2023			
Responsible Upper Tier Local Authority: Southend-on-Sea City Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
The final No Use Empty loan was issued on 28 July 2023.			
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile			
Private sector investment has been agreed on a case-by-case basis as loans have been agreed with property owners. All other funding sources identified to enable delivery of the project are in place.			
The spend profile for the GBF funding allocated to the project is as follows:			
2022/23	Q1 2023/24	Q2 2023/24	Total
£407,089	£542,911	£250,000	£1,200,000
Written confirmation that all planning requirements were met by 15 July 2022			
The GBF funding has been made available for developers/landlords as 0% interest loans to bring empty commercial properties back into use as either alternative commercial or mixed-use premises. To be eligible for a loan all applicants must demonstrate that they have any required permissions, including planning.			
Planning permission for the property which is the subject of the final loan has been secured.			
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022			
All other consents and approvals are in place.			
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022			
Southend-on-Sea City Council will not be entering into any contractual commitments with construction contractors with regard to this project. Procurement responsibilities sit with the loan recipient. All applicants are required to provide two quotes for the required works with their loan application.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
The total project cost and the forecast project benefits remain as set out in the Business Case, which demonstrates that the project continues to offer High value for money.			

ASELA LFFN – Phase 3			
Additional Extension requested: 3 months to 30 September 2023			
Responsible Upper Tier Local Authority: Southend-on-Sea City Council			
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board			
The programme for the Project is as follows:			
Milestone		Expected date	
Planning and contract detail agreement		March 2023	
Rollout plan commences		April 2023	
Rollout completes		September 2023	
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile			
The project is being fully funded through the GBF.			
The spend profile for the GBF funding allocated to the project is as follows:			
2022/23	Q1 2023/24	Q2 2023/24	Total
£55,000	£394,000	£51,000	£500,000
Written confirmation that all planning requirements were met by 15 July 2022			
No planning consents are required.			
Written confirmation that all other (non-planning) consents and approvals were received by 15 July 2022			
No other consents and approvals are required.			
Confirmation that contractual commitments were in place with the construction contractor by 30 September 2022			
Contractual commitments could not be made until the award of the GBF funding was confirmed and therefore contractual commitments were not in place by 30 September 2022.			
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money			
Total project cost and project benefits remain in line with the Business Case. The project was considered under Value for Money exemption 2.			

Appendix F - Outstanding post scheme completion Monitoring and Evaluation reports

Project	Area	1 Year Post Completion
Creative Hub, 4 Fisher Street, Lewes	East Sussex	Outstanding
Labworth Car Park, Canvey Island modernisation	Essex	Outstanding
Digitally Connecting Rural Kent and Medway	Kent	Outstanding
St George's Creative Hub	Kent	Outstanding
The Amelia Scott	Kent	Outstanding
Transport and Logistics Institute	Thurrock	Outstanding

Forward Plan reference numbers: FP/AB/664 and FP/AB/673

Report title: Local Growth Fund Capital Programme Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 22 September 2023	For: Decision
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SELEP Partner Authority affected: East Sussex, Essex, Kent, Medway, Thurrock and Southend	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider the overall 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. **Agree** that LGF spend in 2022/23 totalled £12.447m LGF excluding Department for Transport (DfT) retained schemes and £12.685m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.
- 2.1.2. **Agree** the updated total planned LGF spend on project delivery in 2023/24 of £9.057m excluding DfT retained schemes and increasing to £9.142m including DfT retained schemes, as set out in Table 2 and Appendix A of the report.
- 2.1.3. **Agree** that, following the removal of the Housing Infrastructure Fund funding, the £1.821m LGF awarded to the A289 Four Elms roundabout to Medway Tunnel project can be retained against the project whilst Medway Council takes steps to identify and secure alternative funding sources to enable delivery of the project. Noting that a further update on the project will be provided at the January 2024 Board meeting.
- 2.1.4. **Note** the deliverability and risk assessment, as set out in Appendix D.

3. Summary position

- 3.1. The £578.9m SELEP LGF allocation received from the Ministry of Housing Communities and Local Government (MHCLG) (now named the Department for Levelling Up, Housing and Communities (DLUHC)) has been fully awarded to support delivery of projects.

- 3.2 In order to satisfy the commitment made to Government to secure the final tranche of LGF funding in 2020/21, and in accordance with decisions made by the Board, the majority of the remaining unspent LGF funding was transferred to Local Partners in March 2021 in accordance with the official end of the Growth Deal period. The remaining funding was transferred to Local Partners before the end of March 2022.
- 3.3 Delivery of the ongoing LGF projects and spend of the funding transferred to local partners at the end of 2020/21 and during 2021/22 will continue to be monitored until all projects have reached completion.

4. Award of Local Growth Fund

- 4.1. The Board has approved the award of the full £578.9m SELEP LGF allocation to 106 projects, including DfT retained schemes. The A127 Fairglen junction improvements project, a DfT retained scheme with an LGF allocation of £15m, is still awaiting approval by the DfT. Despite this, £1.5m of the LGF allocation has been spent to date following a request from Government to accelerate partial release of the funding.
- 4.2. At the Strategic Board meeting on 11 December 2020, a pipeline of LGF projects was agreed by SELEP Ltd. Ten projects were identified to receive additional LGF, based on the £6.693m LGF unallocated at the time of the meeting. A ranked pipeline of projects was also established to identify the next LGF projects in line to receive additional funding, if further LGF became available.
- 4.3. The Board approved the award of £6.662m to the ten prioritised projects at the February and March 2021 Board meetings. In addition, a further £0.901m was awarded to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub project, as the first project on the agreed pipeline, following the cancellation of the Basildon Innovation Warehouse project in February 2021.
- 4.4. Following the decision by the Board in September 2021 to reduce the LGF allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package by £623,389, additional LGF funding was awarded to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub, Mercury Rising and Southend Airport Business Park projects.
- 4.5. In May 2022, £0.207m was removed from the A127 Essential Maintenance project following confirmation of project completion. This funding was awarded to the Southend Airport Business Park project in accordance with the prioritised project pipeline.
- 4.6. The remaining prioritised project pipeline is set out in Appendix B. As delivery of the majority of the ongoing LGF projects nears completion, a review is being carried out by the SELEP Capital Programme Team, in conjunction with relevant local partners, to confirm the ongoing need for additional LGF funding

to support delivery of the projects remaining on the pipeline. In addition, confirmation of the additionality (additional benefit) that will be realised should further LGF funding be awarded to any of the projects on the pipeline has been sought from relevant local partner authorities. The outcome of the review, and the intended recommendations to Strategic Board, will be set out at the next Board meeting.

5. Local Growth Fund spend position

- 5.1. LGF spend in 2022/23 is reported to total £12.447m excluding DfT retained schemes, increasing to £12.685m including DfT retained schemes. Whilst completion of required year end declarations by all local partner authorities is ongoing, Table 1 reflects the year end spend position for 2022/23. Should the completed year end declarations highlight any inaccuracies within the spend information provided to the Board, a further update will be provided at a future meeting.
- 5.2. The reported 2022/23 spend has been taken from the latest round of LGF quarterly reporting and demonstrates that reported spend in 2022/23 is £15.275m (excluding DfT retained schemes) or £15.361m (including DfT retained schemes) below the level forecast at the start of the financial year. This change is shown in Table 1 below.
- 5.3. It should be noted that LGF quarterly reporting was not provided by Thurrock Council in advance of this meeting and therefore the information included within this report and the accompanying appendices may not reflect the latest position. Given that Thurrock Council have previously reported full spend of the LGF funding awarded to all their projects, excluding Grays South, and that the Board have agreed that LGF spend on the Grays South project should be placed on hold, it is considered that the Thurrock Council LGF spend figures reported at the last Board meeting remain an accurate reflection of the position.

Table 1: 2022/23 year end spend position

LGF (£m)				
	Planned LGF spend 2022/23	Reported spend 2022/23	Variance (between planned and reported spend)	% Variance
East Sussex	9.551	3.448	-6.103	-63.9%
Essex	8.861	5.786	-3.075	-34.7%
Kent	6.143	1.717	-4.426	-72.0%
Medway	0.000	0.000	0.000	0.0%
Southend	1.496	1.496	0.000	0.0%
Thurrock	1.671	0.000	-1.671	-100.0%
LGF Sub-Total	27.722	12.447	-15.275	-55.1%
Retained	0.324	0.238	-0.086	-26.4%
Total Spend	28.046	12.685	-15.361	-54.8%

- 5.4. There are a number of factors which are impacting on the level of LGF spend, including ongoing COVID-19 and Brexit impacts on project delivery. There has been a widespread increase in materials costs which has adversely affected the majority of the ongoing projects and has in some cases resulted in the need for works to be reprocured. This issue has been further compounded by delays in key material supply chains which have been affected by both the COVID-19 pandemic and Brexit, and labour shortages due to COVID-19 enforced absences.
- 5.5. In addition, East Sussex County Council have advised that their previous Highways Contract expired in April 2023, with a new contractor taking over from 1 May 2023. As a result, the previous contractor would only undertake works that they were confident could be completed prior to the end of the contract. This impacted on a number of the ongoing transport schemes within East Sussex County Council's LGF programme.
- 5.6. Thurrock Council has faced well documented challenges during the course of 2022/23, which have resulted in a complete review of their Capital Programme being undertaken. This review has particularly impacted on the Grays South project, which continues to hold unspent LGF funding.
- 5.7. Table 2 below sets out the current 2023/24 spend position, and shows progress towards achieving forecast LGF spend.

Table 2: 2023/24 spend position

LGF (£m)				
	Planned LGF spend 2023/24	Reported spend Q1 2023/24	% of planned LGF spend achieved in Q1 2023/24	Forecast LGF spend Q2 to Q4 2023/24
East Sussex	3.452	-0.197	0.0%	3.649
Essex	1.886	0.000	0.0%	1.886
Kent	3.719	0.055	1.5%	3.664
Medway	0.000	0.000	-	0.000
Southend	0.000	0.000	-	0.000
Thurrock	0.000	0.000	-	0.000
LGF Sub-Total	9.057	-0.142		9.199
Retained	0.086	-0.042	0.00%	0.128
Total Spend	9.142	-0.184		9.327

5.8. Table 2 shows that, whilst Kent County Council have reported spend of £0.055m in Q1 2023/24, reported spend across all local partner authorities totals -£0.184m. This is, in part, due to the proposed changes to the scope of the Hastings and Bexhill Movement and Access Package project (as set out under Agenda Item 10). It has not been possible for some elements of the project to progress and therefore LGF spend previously reported against those elements has been reversed in the latest reporting submission.

5.9. Table 3 below sets out the updated LGF spend forecast for future years.

Table 3: Summary LGF spend forecast – all years

LGF (£m)						
	Actual LGF spend to end of 2021/22	Actual LGF spend 2022/23	LGF forecast spend 2023/24	LGF forecast spend 2024/25 onwards	Total	% LGF allocation spent by 31 March 2023
East Sussex	71.874	3.448	3.452	3.246	82.020	91.8%
Essex	93.130	5.786	1.886	13.189	113.991	86.8%
Kent	119.802	1.717	3.719	3.418	128.656	94.5%
Medway	32.440	0.000	0.000	0.000	32.440	100.0%
Southend	32.218	1.496	0.000	0.000	33.715	100.0%
Thurrock	30.142	0.000	0.000	5.699	35.840	84.1%
Skills	21.975	0.000	0.000	0.000	21.975	100.0%
M20 Junction 10a	19.700	0.000	0.000	0.000	19.700	100.0%
Sub-total	421.279	12.447	9.057	25.552	468.335	90.0%
DfT retained	96.776	0.238	0.086	13.500	110.600	87.7%
Total spend forecast	518.056	12.685	9.142	39.052	578.935	91.7%

5.10. Table 3 shows that 91.7% of the total LGF allocation (including DfT retained schemes) had been reported as spent by the end of March 2023. A further 1.6% of the LGF allocation is forecast for spend in 2023/24, leaving 6.7% unspent as at 1 April 2024.

- 5.11. As agreed by the Board, and in line with the commitment made to Government, the majority of the remaining LGF funding received from MHCLG was transferred to relevant local partners at the end of 2020/21 to support delivery of approved projects beyond 31 March 2021, which represented the official end of the Growth Deal period. The only Government funding still held by Essex County Council, as the Accountable Body for SELEP, totalled £5.146m. This was made up of the remaining balance held against the A28 Sturry Link Road project (£4.656m) and a historic error in Essex County Council's grant claims (£0.490m) which was resolved in 2021/22.
- 5.12. At the November 2021 meeting, the Board agreed that the £4.656m LGF funding allocated to the A28 Sturry Link Road project could be transferred to Kent County Council to support delivery of the project on condition that all the required land acquisition was completed by 31 August 2023. As the Board will recall, at the April 2023 meeting Kent County Council advised that this deadline for completion of the land acquisition would not be met and an extension until April 2025 was agreed. A further update on the project is provided under Agenda Item 15.
- 5.13. Delivery of the ongoing LGF projects and spend of the funding transferred to local partners at the end of 2020/21 and during 2021/22 will continue to be monitored until all projects have reached completion.

6. Deliverability and Risk

- 6.1. Appendix D sets out a delivery update and risk assessment for all projects included in the LGF programme. This provides a detailed breakdown of the delivery progress for each LGF project, relative to the expected completion dates, as set out in the original business cases. In addition, the risk assessment takes into account whether required post scheme completion Monitoring and Evaluation reports have been submitted and whether spend of the match funding set out in each of the project Business Cases has been achieved.
- 6.2. Changes to the structure of Appendix D have previously been made to ensure that it is possible to differentiate between those projects which have completed their LGF spend but which are continuing to deliver against their agreed Business Case and those projects which have completed both LGF spend and delivery in accordance with their agreed Business Case. This change in approach has meant that a small number of projects which were previously reported as complete, due to their LGF allocation having been spent in full, are now being shown as ongoing including North Bexhill Access Road, East Sussex Strategic Growth Package and Bexhill Enterprise Park North.
- 6.3. The North Bexhill Access Road project has achieved practical completion, with construction works complete and the full length of the road opened for use by the public in March 2019. As has been reported previously, ancillary works which are not being funded through the LGF are being undertaken

alongside the new road by Sea Change Sussex. A further update on the project will be provided at a future meeting when Sea Change Sussex and East Sussex County have confirmed an agreed position.

- 6.4. The East Sussex Strategic Growth project was intended to develop strategic business space and utilise its generated income as flexible recyclable investment funding to ensure the continued growth of quality employment space throughout East Sussex. The LGF funding awarded to the project was designed to be seed funding for multi-phase development. Therefore, only a portion of the development outlined within the Business Case was due to be funded through the LGF, with the remaining works being funded by income generated through letting or selling the assets delivered through the initial phase of the project.
- 6.5. The initial works delivered through the LGF funding have been delivered, however, a completion date for the remaining works outlined within the East Sussex Strategic Growth Business Case is not yet known as the timeline for delivery of the later phases of development has been adversely affected by the economic impacts of the COVID-19 pandemic and Brexit which have reduced the income achieved to date through the delivery of the initial phases of development.
- 6.6. Delivery of the remaining works required as per the agreed project Business Case will continue to be monitored.
- 6.7. LGF funding was awarded to the Bexhill Enterprise Park North project to bring forward enabling site and servicing infrastructure which will release the site for development. As outlined in the Business Case, it is expected that private sector investment will be forthcoming to fund the delivery of the planned commercial workspace on the site. Whilst the LGF funded enabling works have now been delivered, commercial workspace is yet to come forward on the site. East Sussex County Council have reported that there is a need for utility diversion works to be completed prior to the commencement of construction of the commercial workspace.
- 6.8. As the Value for Money offered by the project was calculated based on the existence of the commercial workspace, the project will continue to be marked as being in progress until the commercial workspace has been delivered as set out in the approved Business Case.
- 6.9. The summary project risk assessment position is set out in Table 4 below. A score of 5 represents high risk (red) whereas a score of 1 represents low risk (green).
- 6.10. The risk assessment has been conducted for LGF projects based on:
 - 6.10.1. **Delivery** – considers project delivery delays and delays in submission of the required post scheme completion Monitoring and Evaluation reports. SELEP has considered the delay between the original

expected project completion date (as stated in the project business case) and the updated forecast project completion date.

- 6.10.2. To ensure consistency with Government guidance on the assessment of LGF project deliverability risk, all projects with a greater than 3 month delay are shown as having a risk of at least 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the delivery of expected project outcomes.
- 6.10.3. **Finances** – considers changes to project spend profiles, project budget, certainty and spend of match funding contributions and amount of LGF spend forecast beyond 30 June 2023.
- 6.10.4. **Reputation** – considers the reputational risk for the delivery partner, local authority and SELEP Ltd. This also considers delays in submission of required post scheme completion Monitoring and Evaluation reports.

Table 4: Summary of LGF project risk

Risk Score	Number of projects	LGF allocation to projects (£m)	LGF spend beyond 30 June 2023 (£m)
Low risk - 1	34	137.743	0.000
Low/Medium risk - 2	23	101.009	0.000
Medium risk - 3	14	70.526	0.000
Medium/High risk - 4	24	113.340	9.083
High risk - 5	11	156.318	39.296
Total	106	578.935	48.379

- 6.11. In total, £39.296m LGF is forecast for spend on high-risk projects beyond the end of Q1 2023/24. A summary of the 11 high risk projects is set out in Appendix E.
- 6.12. Updates on 6 of the high-risk projects are provided under Agenda Items 10, 11, 12, 13, 14 and 15 and an update on the A289 Four Elms roundabout to Medway Tunnel project is set out in Section 7 of this report. In summary, the position regarding the other 4 high-risk projects is as follows:
- 6.12.1. A127 Fairglen Junction Improvements (DfT retained scheme) (total LGF allocation £15m) – whilst the Board approved the award of the remaining £13.5m LGF allocation to the project in February 2021, a final decision to approve the project from the Secretary of State for Transport remains outstanding. DfT have now indicated a requirement for additional obligations with regard to land acquisition to have been met by Essex County Council before the funding decision will be taken. Essex County Council are working to meet these obligations as soon as possible.

- 6.12.2. Essex County Council have confirmed that the Compulsory Purchase Order (CPO) objection process concluded in April 2022. Whilst there were no objections from landowners, 3 objections were received from UK Power Networks (UKPN), Network Rail and National Grid. All 3 objections have now been resolved and therefore it is expected that the CPO will be confirmed shortly. Essex County Council has reverted to the contractors who tendered for the works to ask them to re-confirm their prices, compared to their August 2020 tender submissions. Upon completion of this process, the Full Business Case will be updated to reflect the updated total cost and a final version of the Business Case will be submitted to DfT for sign off. Essex County Council are now targeting a start onsite to deliver the A127 Fairglen Junction Improvements project in February 2024.
- 6.12.3. A28 Chart Road, Kent (total LGF allocation £2.756m) – the project remains on hold whilst waiting for the Chilmington developer to reach their planning obligation to provide funding for the project, under the terms of the S106 agreement. This planning obligation will be reached once 400 homes have been occupied on the site. It was originally anticipated that the planning obligation would be reached in 2022 or 2023, however, the build out rate has been slower than anticipated so it is looking likely that the planning obligation will not be reached until 2024/25. There remains a risk that LGF spend to date totalling £2.756m may become an abortive revenue cost if the S106 contributions are not forthcoming and the project cannot be delivered in accordance with the agreed LGF Business Case. In this situation, the LGF funding would need to be returned to SELEP for reallocation to alternative projects.
- 6.12.4. Grays South (total LGF allocation £10.84m) – the project remains on hold whilst awaiting the outcome of the full project review currently being undertaken by Inner Circle Consulting on behalf of Thurrock Council. It was anticipated that the outcome of the review would be presented to Thurrock Council Cabinet on 13 September 2023 alongside proposed next steps for the project, however, it is now understood that Thurrock Council Cabinet will not be considering the project until 11 October 2023.
- 6.12.5. It is expected that a full update on the status of the Grays South project will be provided at the next Board meeting.
- 6.12.6. Purfleet Centre (total LGF allocation £5m) - The Purfleet Centre project is seeking to secure the comprehensive redevelopment of a 140 acre site to provide a new town centre for Purfleet featuring: c.2,500 new homes, a 600,000 sqft film and television studio complex, and supporting infrastructure including a new primary school, health centre, supermarket and community spaces within a high quality public realm. The LGF funding was awarded to support

the acquisition of the required land, and this element of the project has been completed and the LGF funding has been spent in full.

- 6.12.7. As detailed at the April 2023 Board meeting, Thurrock Council provided an update on the project to their Planning, Transport, Regeneration Overview and Scrutiny Committee in February 2023 which highlighted concerns regarding progress towards achieving the forecast project benefits. The update provided was as follows:
- 6.12.8. 'In order for Purfleet Centre Regeneration Limited (PCRL) to fulfil its role as lead developer and deliver the planned programme set out in the Development Agreement they need access to sufficient levels of funding (equity, debt and grant) to bring the project forward and a well-resourced team able to effectively manage all workstreams. To date, progress to deliver the scheme through the current Development Agreement arrangement has been disappointing and only a small percentage of the homes have even been started on site.
- 6.12.9. PCRL has struggled to obtain funding (debt and additional equity) for the project and this has been its main obstacle to unlocking delivery. In 2020 the Council restructured the delivery route for Phase 1 by entering into the Phase 1 Agreement for Leases to accommodate the Housing Infrastructure Fund funding and make it easier for PCRL to secure the funding it needed but it has still not managed to obtain funding. It is important to note that a major shareholder in PCRL, Swan Housing, has faced significant financial challenges in recent years which have impacted on their ability to continue to engage effectively.
- 6.12.10. PCRL appointed Knight Frank Capital Advisory in August 2021 to source an equity investment partner for the Purfleet regeneration project. The search for equity funding is ongoing. The current Development Agreement is not delivering the required outcomes and PCRL have failed to provide the equity needed to take the development programme forward in a reasonable timescale. Therefore, we (Thurrock Council) are examining a full range of alternative delivery options. Planning, Transport, Regeneration Overview and Scrutiny Committee Members will be updated when options have been considered.'
- 6.12.11. As has been previously reported to the Board, Swan Housing has now been acquired as a subsidiary of Sanctuary Housing Association. Following the completion of the acquisition process, Sanctuary are currently undertaking due diligence in relation to all information and schemes inherited from Swan Housing. A review of the Purfleet Centre project forms part of this due diligence and the outcome of Sanctuary's review will need to be considered by Thurrock Council in determining their next steps in relation to realisation of the forecast project benefits.

- 6.12.12. Progress towards realising the forecast project benefits will be closely monitored and the Board will receive regular updates. If the options analysis results in a reduction in forecast project benefits, this will need to be considered through the agreed Change Request process as this will have an impact on the Value for Money offered by the project.
- 6.13. It should be noted that the letter detailing the outcome of SELEP's Annual Performance Review with Government expressed concern regarding the ongoing High risk LGF projects and the apparent lack of progress towards delivery. This feedback was, in part, due to the approach taken to reporting on LGF spend to Government but it is considered important that outstanding issues associated with High risk projects are addressed prior to March 2024, wherever possible, whilst established robust monitoring processes remain in place.

7. A289 Four Elms Roundabout to Medway Tunnel – project update

- 7.1. The A289 Four Elms roundabout to Medway Tunnel project was initially considered by the Strategic Board in March 2015 (prior to the establishment of the Accountability Board) and was awarded £11.1m LGF. The original project Business Case indicated that the project would focus on three roundabouts on the A289 route in Medway – Four Elms, Sans Pareil and Anthonys Way roundabouts. The project sought to enlarge each roundabout to provide additional carriageway space with increased entry lanes and some free flow slips where possible.
- 7.2. The Business Case set out a funding package including £7.129m of S106 funding in relation to the proposed Lodge Hill development. The decision to award planning approval to the development was called in by the Secretary of State. The developer took the decision to withdraw the planning application before a decision was issued by the Secretary of State. As a result, the expected S106 contribution was no longer forthcoming and the project could no longer be delivered in line with the agreed scope.
- 7.3. In February 2018, a revised Business Case which set out a smaller scale scheme was presented to the Board. The Board approved an initial award of £3.5m LGF to the project to enable further scheme development.
- 7.4. The specific interventions outlined in the revised Business Case included:
- 7.4.1. increased capacity and full signalisation (including pedestrian crossing facilities) at Four Elms roundabout;
 - 7.4.2. free flow slip road from Wainscott Bypass to Four Elms Hill;
 - 7.4.3. additional lanes on Wulfere Way between Sans Pareil and Four Elms roundabouts;

- 7.4.4. free flow slip road from Frindsbury Hill to Wulfere Way;
 - 7.4.5. realignment of Wainscott Road junction (from Sans Pareil roundabout to Frindsbury Hill);
 - 7.4.6. additional exit lane onto Berwick Way for right turning traffic; and
 - 7.4.7. enforced reduced speed limit along the entire route.
- 7.5. It should be noted that, whilst planned works at Anthonys Way roundabout were removed from the scope of the A289 Four Elms roundabout to Medway Tunnel project, improvements to the roundabout including the provision of a new free flow slip for traffic exiting the Medway City Estate, were delivered by Medway Council in 2022 using LGF funding awarded to support the Medway City Estate Connectivity Improvement Measures project.
- 7.6. Medway Council have advised that the Anthonys Way roundabout improvements were specifically envisaged to provide capacity improvements and to integrate with future improvement schemes that were known to be progressing. It is noted that the combination of improvements would have seen greater benefits realised along this key traffic corridor.
- 7.7. Subsequently, in February 2020, the Board were advised that Medway Council had been successful in securing £170m from the Housing Infrastructure Fund (HIF). The HIF funding was sought to deliver a wider package of works on the Hoo Peninsula, of which the works detailed in the revised LGF Business Case formed an integral and strategic element.
- 7.8. The Board were advised that the HIF works would enable 10,600 new homes on the Hoo Peninsula by 2035, through delivery of essential enabling infrastructure including:
- 7.8.1. Highway improvements – a new road linking the A289 with the Hoo Peninsula, junction capacity improvements to service the new developments and improvements to the A289 to improve traffic flow and capacity, including interventions at the Sans Pareil and Four Elms roundabouts which were developed as part of the LGF project.
 - 7.8.2. Rail investment – delivery of a new train station, improvements to the existing railway line to Grain including re-signalling and a new mainline connection.
 - 7.8.3. Green infrastructure – investment in country parks on the Hoo Peninsula which will benefit local wildlife, protect important sites for nature, as well as offering opportunities for residents to enjoy the countryside.
- 7.9. The report to the Board in February 2020 noted that it had been agreed with Medway Council, at the time of HIF Business Case submission, that the unspent LGF funding would be returned to SELEP for reallocation to

alternative projects if the HIF application was successful, as the need for the LGF funding would then be eliminated. As a result, the Board agreed that the unspent £9.279m LGF should be returned to SELEP for reallocation, reducing the LGF allocation to the project to £1.821m.

- 7.10. The Board also agreed that there was compelling justification for SELEP to not recover the £1.821m LGF which had been spent on the project to date. This decision was taken on the basis that the project would still be delivered within a similar timeframe using the HIF funding, meaning that Medway Council would continue to account for the LGF spend as a capital cost, which is a condition of the funding. It was noted within the report that should the project not progress to delivery through the HIF funding, the £1.821m LGF spend to date would likely become a revenue cost and would therefore need to be returned to SELEP, as grant conditions from Government stipulate that LGF funding can only be spent on capital expenditure.
- 7.11. At the last meeting, the Board were advised by Medway Council that, as a result of cost increases predominantly caused by rising inflation levels, revised plans for the HIF project had been submitted to Homes England. These plans saw the removal of the rail element of the project. Medway Council reported that Homes England had subsequently advised that the £170m HIF allocation was at risk of being removed from the project, primarily due to there not being a current Local Plan in place, despite recent good progress on the project. At the time of the Board meeting, Medway Council were seeking an urgent meeting with Homes England and DLUHC to discuss the project and to seek a sensible solution.
- 7.12. It was confirmed on 10 July 2023, that the final decision had been taken by Homes England and DLUHC to stop the HIF project and to remove the funding allocated to the project. Medway Council have confirmed that as a result, work on all aspects of the project including six phases of highway interventions designed to improve the Hoo Peninsula's links to the rest of Medway, reduce congestion and improve air quality, and investment in public access to open space and options to improve public transport has been paused.
- 7.13. Medway Council have indicated that they remain committed to delivering improvements in Hoo and that they will continue to work with residents, Parish Councils, community groups and members of the Hoo Consortium of landowners and housebuilders to develop alternative solutions. Their focus remains on improving the wellbeing of all residents by providing sustainable transport links, access to open spaces, employment opportunities and new homes in a managed and sustainable manner and for the benefit of all.
- 7.14. As referenced at Section 7.11 of this report, Medway Council do not have a current Local Plan in place. The development and adoption of a new Local Plan is a key priority for the Council and it is expected that consultation on Regulation 18 (early consultation on what the Local Plan needs to address and what the priorities should be) will commence on 18 September 2023 and will run until 31 October 2023. The development of an emerging Local Plan

will strengthen Medway Council's case when seeking alternative funding to support strategic project delivery.

- 7.15. In relation to the works detailed in the approved LGF Business Case, the HIF funding has allowed the designs to be progressed and this work will be used to inform future design proposals once alternative funding has been secured. Medway Council have indicated interventions continue to be required at Four Elms roundabout, irrespective of the HIF development coming forward, in order to address air quality issues and to improve capacity.
- 7.16. Medway Council are actively exploring alternative funding sources, including through Central Government and other funding bodies. Homes England have committed to supporting Medway Council in their efforts to secure alternative funding, and meetings have been scheduled to look at future funding opportunities. S106 receipts for consented development amounting to circa £3m have already been secured and identified as appropriate for supporting the improvements to Four Elms roundabout. Future development and hence further S106 funding requirements for mitigation schemes will be defined through work on the Strategic Transport Assessment (an assessment of key transport corridors and locations for all modes of transport) and will be presented in further iterations of the Infrastructure Development Plan (a plan to ensure that development happens in the right places at the right time, in a coordinated way), supporting the new Local Plan.
- 7.17. Medway Council have indicated that they have identified strategic transport interventions as being critical to planning for the delivery of housing and economic growth in Medway. This finding has been made in the evidence base work for the Local Plan, in relation to the determination of major planning applications and in preparing the Council's representations to the examination of the Development Consent Order to the Lower Thames Crossing. Medway Council have reported that National Highways have raised concerns over the current capacity and safety of M2 Junction 1 (where the A289 joins the M2/A2), which is a key route linking Medway with the wider strategic road network. Until a solution to these concerns can be identified, development will be limited.
- 7.18. Work in addressing strategic transport matters is a priority for Medway Council, and they are working in collaboration with neighbouring councils and wider partnerships and organisations in seeking solutions to the major barriers to growth in North Kent.
- 7.19. The proposed work at Four Elms roundabout forms part of a wider strategic approach in which transport is integral to planning for Medway's growth and economic success.
- 7.20. As outlined above, the Board agreed that the £1.821m LGF spent to date could be retained against the project on the basis that it would be delivered using the HIF funding. Following the removal of the HIF funding, the return of the LGF funding could be sought by the Board at this meeting. However, given Medway Council's ongoing commitment to delivering the project and the

steps that have already been taken to address the challenge of not having a current Local Plan in place and to secure alternative funding, it is recommended that the funding remains allocated to the project at this time.

- 7.21. The impending dissolution of SELEP, following the decision by Government to not provide any further core funding to LEPs, places a limit on the amount of time that the Board can allow for Medway Council to identify and secure alternative funding. It is important that the project is subject to further consideration by the Board and that a definitive decision on the ongoing status of the funding is taken prior to March 2024. It is therefore recommended that a further update on the project is brought to the January 2024 Board meeting. This will allow time, should the Board decide that the funding should be removed from the project, for reallocation of the funding to alternative projects.

8. Local Growth Fund project delivery beyond September 2021

- 8.1. In April 2020, the Strategic Board agreed to extend the delivery of the Growth Deal period by six months to 30 September 2021. Any further extensions beyond this date must be considered by both the Strategic Board and Accountability Board on a case-by-case basis.
- 8.2. Based on the latest LGF reporting provided by local partners, 30 projects are currently forecasting LGF spend beyond 30 September 2021 totalling £76.77m, as set out in Appendix C. This includes the three Kent County Council projects identified at the September 2022 Board meeting where full LGF spend was achieved prior to 30 September 2021 but could not be reported due to a delay in processing internal Kent County Council charges.
- 8.3. 27 of these projects have been considered and approved for spend beyond 30 September 2021 by both the Board and Strategic Board. The three Kent County Council projects have not sought approval for spend of the LGF funding beyond 30 September 2021 as the reporting of spend in 2022/23 is a reflection of a delay in completing required accounting processes, rather than a delay in spending the funding.
- 8.4. If any of the approved projects report a project completion date which is delayed by more than 6 months, a further decision will be required from the Board to grant this extension. This requirement is in line with the change management process set out in the Assurance Framework and Service Level Agreements between SELEP Ltd, Essex County Council, as Accountable Body, and the local authorities.

9. Projects remaining on LGF pipeline

- 9.1. As set out in Section 4 of this report, the first 10 projects identified on the LGF pipeline have now received their additional LGF funding following approval by the Board in February and March 2021. Subsequently, the next two projects on the pipeline – the Kent and Medway EDGE Hub and the Mercury Rising projects – received the additional funding requested following the cancellation of the Basildon Innovation Warehouse project and the reduction in LGF

allocation to the A26 Tunbridge Wells Cycle and Junction Improvements Package. In addition, the Southend Airport Business Park project has received a small proportion of the additional LGF funding requested.

- 9.2. For the remaining projects on the pipeline (listed in Appendix B), additional LGF can only be awarded if further LGF funding becomes available through the cancellation of existing projects within the LGF programme.
- 9.3. It should be noted that clearly none of the projects remaining on the LGF pipeline will be able to spend any additional LGF funding awarded prior to the end of September 2021 and therefore the Board will be asked to consider whether the projects meet the conditions for LGF spend beyond September 2021 before awarding any available funding to support project delivery.
- 9.4. In advance of additional funding becoming available it is expected that these projects will proceed, as per the agreed scope in the project business cases, and that any increases in project cost will be met by local partners, as per the conditions of the grant.
- 9.5. No concerns have been raised regarding the deliverability of the projects remaining on the pipeline, as local partners or the relevant third-party delivery partners plan to meet the increase in project costs if required. These projects will remain under review and any significant risks to project delivery will be brought to the Board's attention.
- 9.6. As referenced in Section 4 of this report, a review is being carried out by the SELEP Capital Programme Team, in conjunction with relevant local partners, to confirm the ongoing need for additional LGF funding to support delivery of the projects remaining on the pipeline. In addition, confirmation of the additionality (additional benefit) that will be realised should further LGF funding be awarded to any of the projects on the pipeline has been sought from relevant local partner authorities. The outcome of the review, and the intended recommendations to Strategic Board, will be set out at the next Board meeting.

10. LGF Programme Risks

- 10.1. In addition to project specific risks, Appendix F sets out the overall programme risks. A key risk which has been identified across the majority of the ongoing projects is the scale of the cost increases experienced and the extended delivery programmes required as a combined result of the COVID-19 and Brexit impacts on the labour and materials supply chain and the current high inflation levels. For projects which are still in the process of procuring a contractor, or which are required to re-tender due to delays in progressing the planned works, contractors are returning significantly higher costs than originally anticipated – resulting in either the need for additional funding to be secured or for value engineering to be undertaken. Cost increases are also impacting on projects which are already in delivery, with contractor claims for additional costs being received. There are limited mitigation measures available but purchasing of all materials at the outset of the construction

programme has been identified as a mechanism for mitigating the risk of further cost increases as the project progresses onsite.

- 10.2. Following receipt of confirmation from Central Government that they will not be providing core funding to LEPs after 2023/24 and that LEP activities should be transferred to local authorities from 2024/25, a new risk has been added to the LGF programme risk register. This risk relates to the possibility of effective oversight of the LGF programme being lost as a result of the transition of activities to local authorities. This may result in projects not delivering in accordance with their agreed Business Cases and may lead to required reporting not being submitted to Government.
- 10.3. This risk is being mitigated through ongoing discussions between SELEP, Essex County Council (as the Accountable Body for SELEP) and the six Upper Tier Local Authority partners, which are focused on determining how the management of the capital programme should be taken forward post SELEP. An update on transition plans, including proposals for ongoing management of the LGF programme, will be provided to the Strategic Board in October 2023. There will likely be decisions related to this workstream which fall within the remit of the Board and these decisions will be presented at future meetings once the general direction of travel has been considered and agreed by the Strategic Board.
- 10.4. The other main risks include the impact of the COVID-19 pandemic on the delivery (and pace of delivery) of project outcomes, which could impact the overall value for money achieved through the delivery of the programme. To assess this risk, SELEP is working with local partners to understand the potential impact of COVID-19 on the expected benefits to be realised through the LGF investment and to understand the impact on project costs which could also adversely affect the value for money offered. If required, revised forecast outcomes from the LGF programme will be brought forward for Board consideration.
- 10.5. Alongside the risk of not realising the expected project outcomes, there is a risk that the benefits will be realised but not measured or reported to SELEP and the Board. There are a large number of post scheme evaluation reports outstanding, mainly due to resourcing issues experienced by local partners, which mean it is not possible to give the Board and Central Government an accurate indication as to what has been achieved as a result of the LGF investment. It should, however, be noted that at least two Local Partner Authorities have now committed additional resource to bring the outstanding Monitoring and Evaluation reporting up to date.
- 10.6. A commitment to provide the resources needed to complete the required post scheme completion monitoring and evaluation reports is set out in each Business Case considered by the Board. A list of the outstanding post scheme completion evaluation reports is provided at Appendix G.
- 10.7. In early 2023/24, Essex County Council conducted an internal audit which sought to assess the robustness of SELEP's governance over decision

making, project delivery and financial/risk management processes. This audit, whilst mostly satisfactory, did identify a required action in relation to the post scheme completion Monitoring and Evaluation reports. The audit identified the important role that these reports play in allowing the Board to effectively monitor project implementation and delivery. In addition, the reports provide assurance that the projects have delivered in accordance with their agreed Business Cases. The audit report places a responsibility on the SELEP Capital Programme Manager to put in place a process to help ensure that priority is given to outstanding Monitoring and Evaluation reports, and to ensure that these reports are presented to the Board. To this end, a greater focus will now be placed on updating the Board on project benefits which have been realised and on providing a more comprehensive update on all outstanding Monitoring and Evaluation reports and the actions being taken to secure submission of these reports.

- 10.8. It was intended that a separate report which focused solely on the status of the post scheme completion monitoring and evaluation and which summarised the benefits which have been realised to date across both the LGF and Getting Building Fund (GBF) programmes would be presented at this meeting. However, further time is needed to collate and verify this information and therefore the report will now be presented at the next Board meeting.
- 10.9. Whilst a full update has not been presented at this meeting, it should be noted that steps are being taken to secure the required post scheme completion reporting. These steps have included increased engagement between the SELEP Capital Programme team and local partner authorities and regular discussions and intelligence gathering on the approach to completing the required post scheme completion monitoring and evaluation reporting at the quarterly Programme Consideration Meetings (meetings held in the lead up to Board meetings bringing together all capital programme leads across the SELEP area). The Programme Consideration Meetings also provide the opportunity for the SELEP Capital Programme team to feedback on any recurring errors or omissions which have been identified in reporting submissions which have been reviewed to date. This engagement will continue through 2023/24.
- 10.10. There is also a risk that now the LGF funding has been fully defrayed to local partners that completion of the required quarterly reporting will not be prioritised, despite it being a requirement of the Service Level Agreement, which is likely to result in the reporting either not being submitted to SELEP or being submitted late. If the reporting is not provided in a timely manner, there will be insufficient time for the contents to be fully reviewed and to allow challenge where required to ensure that the Board are provided with a complete and robust update on delivery of the LGF programme. Late provision of reporting will also impact on the ability of SELEP to effectively report to Government on the benefits that have been realised as a result of the LGF investment. As referenced at Section 5.3 of this report, this risk has materialised with Thurrock Council failing to submit their LGF quarterly reporting in advance of this meeting.

11. Financial Implications (Accountable Body comments)

- 11.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The only outstanding LGF funding expected to be received from HM Government is in respect of the funding for the A127 Fairglen junction improvements project, which remains subject to final approval from the Secretary of State for Transport.
- 11.2. The Accountable Body held a £0 balance of LGF as at the end of 2021/22 as the remaining balance of LGF for each project was transferred to each Local Authority under the terms of the Service Level Agreement (SLA) that is in place with each Partner Authority.
- 11.3. As the remaining balance of LGF for each project has been transferred in advance to the Local Authorities, there is a requirement for the Board to continue to effectively monitor the progress of the LGF projects in order to provide assurance of delivery in line with the agreed business cases. The SLAs in place set out the Grant responsibilities for the Partner Authorities, which include providing regular reports to the Accountable Body and the SELEP Secretariat in the timescales and format specified by the SELEP Secretariat, to enable quarterly reporting to the Accountability Board and Government.
- 11.4. Updates on Projects should include ongoing monitoring of possible risks which may impact delivery of LGF projects along with proposed mitigations; this is essential due to the current uncertain economic climate and high inflation, together with ongoing impacts experienced following the Covid-19 pandemic and Brexit.
- 11.5. Reporting is also required to include the monitoring and evaluation reports post completion of the respective Projects; these reports should provide assurance to the Board that the anticipated outputs and outcomes set out in the business cases are being delivered; or, provide an update where there are risks to realisation of the outputs and outcomes. This requirement is included in the SLAs in place with each Partner Authority.
- 11.6. Essex County Council, as the Accountable Body, is responsible for ensuring that the LGF funding is utilised in accordance with the conditions set out by Government for use of the Grant. This is managed through the SLAs which set out the conditions for use of the grant.
- 11.7. Should the funding not be utilised in accordance with the conditions of the SLAs, Partners may be required by the Board to return the funding to the Accountable Body. This may include instances where LGF projects are unable to complete and abortive costs are incurred, as in this example, the costs may no longer meet the condition for the funding to be used only for Capital expenditure purposes.

- 11.8. It is noted that a number of Projects that have experienced extended delays are now facing challenges to funding due to cost increases since the original business cases were completed. Under the terms of the SLAs with Partner Authorities, this risk of cost increases is the responsibility of Partners to mitigate and in some circumstances may require a change request or updated business case to be presented to the Board.
- 11.9. With respect to the A289 Four Elms Roundabout to Medway Tunnel Project update, the funding risk with respect to Project delivery is noted. The SLA in place with Medway Council sets out the requirement for a decision to be made by the Board in respect of retention of LGF against the Project in the event of a Project Change (which includes project cancellation). In this circumstance, the Project will be reviewed to determine whether the requirements of the SLA and the SELEP Assurance Framework are met to enable the LGF to continue to be allocated against the Project. Should the requirements not be met, a request will be made to the Board for the funding to be returned to Essex County Council, as the Accountable Body for SELEP.

12. Legal Implications (Accountable Body comments)

- 12.1. The grant funding will be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government and required to be used in accordance with the terms of the Service Level Agreements between the Accountable Body and the Partner Authorities.
- 12.2. It is a requirement that the Partner Authorities mirror the terms of the SLA within its funding agreements with the delivery partners.
- 12.3. Where there are delays to a project end date of more than six months, under the terms of the SLA, Accountability Board approval is required. If a project fails to proceed, in line with the conditions of the SLA or grant conditions from Central Government, or the change is not approved by Accountability Board, the Accountable Body may clawback the funding for reallocation by SELEP Ltd.

13. Equality and Diversity implication

- 13.1. 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.

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- 13.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 13.3. In the course of the development of the project business case, the delivery of the Project and the 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.

14. List of Appendices

- 14.1. Appendix A – LGF spend forecast update
- 14.2. Appendix B – LGF prioritised project pipeline
- 14.3. Appendix C – Projects spending LGF beyond 30 September 2021
- 14.4. Appendix D – Project deliverability and risk update
- 14.5. Appendix E – High Risk Projects
- 14.6. Appendix F – LGF Programme Risks
- 14.7. Appendix G – Outstanding post scheme completion monitoring and evaluation reports

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

Role	Date
Accountable Body sign off	
Michael Neumann	13/09/2023
(On behalf of Nicole Wood, S151 Officer, Essex County Council)	

Appendix A LGF spend forecast update

SELEP number	Project Name	Promoter	Spend to 2021/22	2022/23 Total	2023/24 Q1	2023/24 Q2	2023/24 Q3	2023/24 Q4	2023/24 Forecast	2024/25 and beyond	All Years
East Sussex											
LGF00002	Newhaven Flood Defences	East Sussex	1.500								1.500
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	1.615	0.485							2.100
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	4.610	0.287	0.005	0.474	0.474	0.474	1.427	0.277	6.600
LGF00036	Queensway Gateway Road	East Sussex	10.000								10.000
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	1.400								1.400
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	1.700								1.700
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	18.600								18.600
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	4.428	1.096	-0.222	0.243	0.243	0.243	0.506	2.969	9.000
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined with above scheme)	East Sussex									
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	5.817	0.664	0.020	0.380	0.380	0.739	1.519		8.000
LGF00073	A22/A27 junction improvement package	East Sussex									
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.667								0.667
LGF00097	East Sussex Strategic Growth Project	East Sussex	8.200								8.200
LGF00099	Devonshire Park	East Sussex	5.000								5.000
LGF00108	Bexhill Enterprise Park North	East Sussex	1.940								1.940
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	3.498	0.915							4.413
LGF00110	Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	East Sussex	0.500								0.500
LGF00116	Bexhill Creative Workspace	East Sussex	0.960								0.960
LGF00117	Exceat Bridge Replacement	East Sussex									
LGF00124	Eastbourne Fisherman	East Sussex	1.440								1.440
Essex											
LGF00004	Colchester Broadband Infrastructure	Essex	0.200								0.200
LGF00025	Colchester LSTF	Essex	2.400								2.400
LGF00026	Colchester Integrated Transport Package	Essex	5.000								5.000
LGF00027	Colchester Town Centre	Essex	4.600								4.600
LGF00028	TGSE LSTF - Essex	Essex	3.000								3.000
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	10.487								10.487
LGF00032	A414 Maldon to Chelmsford RBS	Essex	2.000								2.000
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	3.000								3.000
LGF00034	Basildon Integrated Transport Package	Essex	6.586								6.586
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	5.800								5.800
LGF00048	A131 Chelmsford to Braintree	Essex	3.660								3.660
LGF00049	A414 Harlow to Chelmsford (removed from programme)	Essex									
LGF00050	A133 Colchester to Clacton	Essex	2.740								2.740
LGF00051	A131 Braintree to Sudbury (removed from programme)	Essex									
LGF00063	Chelmsford City Growth Area Scheme	Essex	10.000								10.000
LGF00064	Chelmsford Flood Alleviation Scheme (removed from programme)	Essex									
LGF00070	Beaulieu Park Railway Station	Essex								12.000	12.000
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.667								0.667
LGF00095	Gilden Way Upgrading, Harlow	Essex	5.000								5.000
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	3.500								3.500
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	2.000								2.000
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	5.000								5.000
LGF00102	A127/A130 Fairglens Interchange new link road	Essex	6.235								6.235
LGF00103	M11 Junction 8 Improvements	Essex	2.734	1.000							3.734
LGF00105	Mercury Rising Theatre	Essex	1.228								1.228
LGF00111	Basildon Digital Technologies Campus	Essex	2.150								2.150
LGF00112	Colchester Institute training centre (Groundworks and scaffolding)	Essex	0.050								0.050

Appendix A LGF spend forecast update

SELEP number	Project Name	Promoter	Spend to 2021/22	2022/23 Total	2023/24 Q1	2023/24 Q2	2023/24 Q3	2023/24 Q4	2023/24 Forecast	2024/25 and beyond	All Years
LGF00113	USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Essex	0.900								0.900
LGF00114	Flightpath Phase 2	Essex	1.982								1.982
LGF00118	Basildon Innovation Warehouse (removed from programme)	Essex									
LGF00119	University of Essex Parkside (Phase 3)	Essex	0.499	4.501							5.000
LGF00125	New Construction Centre, Chelmsford	Essex	1.295								1.295
LGF00127	Colchester Grow on Space	Essex	0.417	0.285		0.629	0.629	0.629	1.886	1.189	3.777
Kent											
LGF00003	I3 Innovation Investment Loan Scheme	Kent	5.644			0.356			0.356		6.000
LGF00006	Tonbridge Town Centre Regeneration	Kent	2.631								2.631
LGF00007	Sittingbourne Town Centre Regeneration	Kent	2.500								2.500
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	2.200								2.200
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	Kent	1.177								1.177
LGF00010	Kent Thameside LSTF	Kent	4.500								4.500
LGF00011	Maidstone Gyratory Bypass	Kent	4.600								4.600
LGF00012	Kent Strategic Congestion Management Programme	Kent	4.800								4.800
LGF00013	Middle Deal transport improvements	Kent	0.800								0.800
LGF00014	Kent Rights of Way improvement plan	Kent	1.000								1.000
LGF00015	Kent Sustainable Interventions Programme	Kent	2.728								2.728
LGF00016	West Kent LSTF	Kent	4.900								4.900
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.541								0.541
LGF00038	A28 Chart Road - on hold	Kent	2.756								2.756
LGF00039	Maidstone Integrated Transport	Kent	5.494	1.080	0.000	0.452	0.547	0.754	1.754	0.573	8.900
LGF00040	A28 Sturry Link Road	Kent	1.228	0.218	0.055	0.300	0.545	0.709	1.609	2.845	5.900
LGF00053	Rathmore Road	Kent	4.200								4.200
LGF00054	A28 Sturry Rd Integrated Transport Package (removed from programme)	Kent									
LGF00055	Maidstone Sustainable Access to Employment	Kent	2.000								2.000
LGF00059	Ashford Spurs	Kent	7.885	0.002							7.887
LGF00041	Thanet Parkway	Kent	14.000								14.000
LGF00058	Dover Western Dock Revival	Kent	5.000								5.000
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent									
LGF00062	Folkestone Seafront (non-transport)	Kent	5.000								5.000
LGF00072	A226 London Road/B255 St Clements Way	Kent	4.200								4.200
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.667								0.667
LGF00086	Dartford Town Centre Transformation	Kent	4.300								4.300
LGF00088	Fort Halsted (removed from programme)	Kent									
LGF00092	A2500 Lower Road	Kent	1.265								1.265
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	Kent	6.978	0.366							7.344
LGF00096	A2 off-slip at Wincheap, Canterbury (removed from programme)	Kent									
LGF00094	Leigh Flood Storage Area	Kent	2.299	0.051							2.349
LGF00106	Sandwich Rail Infrastructure	Kent	1.913								1.913
LGF00120	M2 J5 improvements	Kent	1.600								1.600
LGF00121	Kent and Medway Medical School	Kent	9.000								9.000
LGF00126	East Malling Advanced Technology Horticultural Zone	Kent	1.998	0.001							1.999
Medway											
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	1.821								1.821
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	8.600								8.600
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	4.200								4.200

Appendix A LGF spend forecast update

SELEP number	Project Name	Promoter	Spend to 2021/22	2022/23 Total	2023/24 Q1	2023/24 Q2	2023/24 Q3	2023/24 Q4	2023/24 Forecast	2024/25 and beyond	All Years
LGF00021	Medway Cycling Action Plan	Medway	2.500								2.500
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.200								2.200
LGF00061	Rochester Airport - phase 1	Medway	4.400								4.400
LGF00089	IPM (Rochester Airport - phase 2)	Medway	3.700								3.700
LGF00091	Strood Civic Centre - flood mitigation	Medway	3.500								3.500
LGF00122	IPM 2 (Rochester Airport - phase 3)	Medway	1.519								1.519
Southend											
LGF00005	Southend Growth Hub	Southend	0.720								0.720
LGF00107	Southend Forum 2	Southend									
LGF00029	TGSE LSTF - Southend	Southend	1.000								1.000
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	7.000								7.000
LGF00057	London Southend Airport Business Park Phase 1 and 2 (including Southend and Rochford Joint Area Action Plan)	Southend	23.163	0.207							23.370
LGF00115	Southend Town Centre	Southend	0.336	1.289							1.625
Thurrock											
LGF00030	TGSE LSTF - Thurrock	Thurrock	1.000								1.000
LGF00046	Thurrock Cycle Network	Thurrock	5.000								5.000
LGF00047	London Gateway/Stanford le Hope	Thurrock	7.500								7.500
LGF00052	A13 Widening - development	Thurrock	5.000								5.000
LGF00056	Purfleet Centre	Thurrock	5.000								5.000
LGF00104	Grays South	Thurrock	5.142							5.699	10.840
LGF00123	Tilbury Riverside (removed from programme)	Thurrock									
	A13 widening - additional funding	Thurrock	1.500								1.500
Managed Centrally											
LGF00001	Skills		21.975								21.975
LGF00071	M20 Junction 10a		19.700								19.700
Sub-total			421.279	12.447	-0.142	2.834	2.818	3.547	9.057	25.552	468.335

DfT retained schemes

LGF00079	A127 Fairglens Junction Improvements	Essex	1.500							13.500	15.000
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex	4.000								4.000
LGF00081	A127 Kent Elms Corner	Southend	4.300								4.300
LGF00082	A127 The Bell	Southend	3.976	0.238	-0.042			0.128	0.086		4.300
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	8.000								8.000
LGF00084	A13 Widening	Thurrock	75.000								75.000
Sub-total retained schemes			96.776	0.238	-0.042			0.128	0.086	13.500	110.600

Appendix B – LGF pipeline, as at 22 September 2023

Project Name	Current LGF Allocation (£m)	Additional LGF Requested (£m)
Southend Airport Business Park Part A	23.370	0.320
Southend Airport Business Park Part B		0.500
Southend Airport Business Park Part C		0.500
University of Essex - Parkside Phase 3	5.000	1.650
A13 Widening Part B	81.500	1.000
Dartford Town Centre Improvements**	4.300	1.000
Total	114.170	4.970

** subject to submission of a Business Case and completion of a review by the ITE

Appendix C Projects spending LGF beyond 30 September 2021

SELEP number	Project Name	Promoter	LGF allocation (£m)	LGF spend beyond 30 September 2021 (£m)	% LGF spend beyond 30 September 2021	Expected project completion date
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	2.1000	0.5165	24.6%	Mar-25
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	6.6000	2.2823	34.6%	Dec-24
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	9.0000	5.0699	56.3%	Mar-26
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	8.0000	2.2600	28.2%	Dec-24
LGF00108	Bexhill Enterprise Park North	East Sussex	1.9400	1.1163	57.5%	TBC
LGF00109	Skills for Rural Businesses Post-Brexit	East Sussex	4.4130	2.7822	63.0%	Mar-23
LGF00116	Bexhill Creative Workspace	East Sussex	0.9600	0.1301	13.6%	Apr-22
LGF00124	Eastbourne Fisherman Quayside and Infrastructure Development	East Sussex	1.4400	0.9245	64.2%	Mar-22
LGF00070	Beaulieu Park Railway Station	Essex	12.0000	12.0000	100.0%	Jun-25
LGF00103	M11 Junction 8 Improvements	Essex	3.7339	1.1113	29.8%	Sep-24
LGF00105	Mercury Rising	Essex	1.2280	0.2280	18.6%	Mar-22
LGF00119	University of Essex Parkside (Phase 3)	Essex	5.0000	5.0000	100.0%	Sep-23
LGF00125	New Construction Centre, Chelmsford College	Essex	1.2952	1.1601	89.6%	Mar-23
LGF00127	Colchester Grow on Space	Essex	3.7775	3.5721	94.6%	Jun-25
LGF00003	i3 Innovation Investment Loan Scheme (Kent & Medway Growth Hub)	Kent	6.0000	0.3565	5.9%	Sep-23
LGF00039	Maidstone Integrated Transport Package	Kent	8.9000	3.9897	44.8%	Dec-24
LGF00040	A28 Sturry Link Road	Kent	5.9000	4.7049	79.7%	Dec-26
LGF00041	Thanet Parkway	Kent	14.0000	14.0000	100.0%	Jul-23
LGF00059	Ashford Spurs	Kent	7.8868	0.0017	0.0%	Apr-20
LGF00093	Kent and Medway EDGE Hub	Kent	7.3440	0.5980	8.1%	Dec-22
LGF00094	Leigh Flood Storage Area	Kent	2.3490	0.0505	2.1%	Mar-26
LGF00126	East Malling Advanced Technology Horticultural Zone	Kent	1.9986	0.0006	0.0%	May-22
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	8.6000	0.2440	2.8%	Mar-22
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.2000	1.3576	61.7%	Apr-22
LGF00089	IPM (Rochester Airport - Phase 2)	Medway	3.7000	2.1906	59.2%	Jul-23
LGF00122	IPM2 (Rochester Airport - Phase 3)	Medway	1.5185	0.9165	60.4%	Jul-23
LGF00045	Southend Central Area Action Plan (SCAAP)	Southend	7.0000	1.5112	21.6%	Jun-22
LGF00057	London Southend Airport Business Park	Southend	23.3695	1.1621	5.0%	Jul-23
LGF00115	Southend Town Centre	Southend	1.6250	1.4264	87.8%	Jan-24
LGF00104	Grays South	Thurrock	10.8403	6.1093	56.4%	TBC

Appendix D - Local Growth Fund Delivery and Risk

Project	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Deliverability						Deliverability RAG rating	Financial						Overall RAG rating
				Expected completion date (as stated in Business Case)	Expected completion date (May 2023)	Expected completion date (August 2023)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	LGF allocation (£)		Actual LGF spend to end of 2022/23 (£)	Spend Q1 2023/24 (£)	Forecast LGF spend from Q2 2023/24 onwards (£)	Financials RAG rating	Reputational risk RAG		
East Sussex																	
Newhaven Flood Defences	Jun-15	LGF project delivered	Complete	Feb-20	Mar-22	Mar-22	26		1	1,500,000	1,500,000			4	1	2	
Hailsham, Polegate and Eastbourne Movement and Access Transport scheme	Feb-17	Design in progress	Complete	Mar-20	Mar-25	Mar-25	61		5	2,100,000	2,100,000			5	2	4	
Eastbourne and South Wealden Walking and Cycling LSTF package	Nov-15 and Feb-19	Construction in progress	Ongoing	Mar-21	Dec-24	Dec-24	46		5	6,600,000	4,896,233	5,220	1,698,548	5	3	4	
Queensway Gateway Road	Mar-15	Construction in progress	Complete	Mar-16	TBC	TBC			5	10,000,000	10,000,000			5	5	5	
Swallow Business Park, Hailsham	Feb-16	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			3	1,400,000	1,400,000			5	3	4	
Sovereign Harbour	Feb-16	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			1	1,700,000	1,700,000			1	1	1	
North Bexhill Access Road and Bexhill Enterprise Park	Nov-15	Construction in progress	Complete	Mar-18	TBC	TBC			5	18,600,000	18,600,000			1	3	3	
Hastings and Bexhill Movement and Access Package	Feb-18	Construction in progress	Ongoing	Mar-21	Sep-25	Mar-26	61	6	5	9,000,000	5,524,458	-222,242	3,697,784	5	4	5	
Eastbourne Town Centre LSTF access and improvement package	Apr-16 and Feb-19	Construction in progress	Ongoing	Mar-21	May-24	Dec-24	46	7	5	8,000,000	6,481,329	20,200	1,498,471	5	3	4	
Coastal Communities Housing Intervention Hastings	Feb-17	LGF project delivered	Complete	Apr-20	Mar-20	Mar-20			3	666,667	666,667			4	3	3	
East Sussex Strategic Growth Project	Jan-17	Project in progress	Complete	Mar-21	TBC	TBC			5	8,200,000	8,200,000			5	3	4	
Devonshire Park	Mar-17	LGF project delivered	Complete	Mar-20	Nov-19	Nov-19			3	5,000,000	5,000,000			3	3	3	
Bexhill Enterprise Park North	Jun-19	Project in progress	Complete	Mar-20	TBC	TBC			5	1,940,000	1,940,000			5	3	4	
Skills for Rural Businesses Post-Brexit (Plumpton College)	Jun-19 and Feb-21	LGF project delivered	Complete	Mar-21	Mar-23	Mar-23	24		1	4,413,000	4,413,000			5	1	2	
Churchfields Business Centre (previously known as Sidney Little Road Business Incubator Hub)	Jun-19	LGF project delivered	Complete	Mar-21	Mar-23	Mar-23	24		1	500,000	500,000			2	1	1	
Bexhill Creative Workspace	Sep-19	LGF project delivered	Complete	May-20	Apr-22	Apr-22	23		1	960,000	960,000			1	1	1	
Eastbourne Fisherman's Quayside and Infrastructure Development project	Jul-20 and Feb-21	LGF project delivered	Complete	Jul-21	Mar-22	Mar-22	8		1	1,440,000	1,440,000			1	2	1	
Essex																	
Colchester Broadband Infrastructure	Mar-15	LGF project delivered	Complete	Mar-16	Mar-16	Mar-16			3	200,000	200,000			1	3	2	
Colchester LSTF	Mar-15	LGF project delivered	Complete	Mar-16	Dec-16	Dec-16	9		1	2,400,000	2,400,000			1	1	1	
Colchester Integrated Transport Package	Mar-15	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			3	5,000,000	5,000,000			2	3	3	
Colchester Town Centre	Mar-15	LGF project delivered	Complete	Mar-16	Jan-18	Jan-18	22		1	4,600,000	4,600,000			1	1	1	
TGSE LSTF - Essex	Mar-15	LGF project delivered	Complete	Aug-16	Mar-17	Mar-17	7		1	3,000,000	3,000,000			1	1	1	
A414 Pinch Point Package	Jun-15	LGF project delivered	Complete	Mar-17	Mar-19	Mar-19	24		1	10,487,000	10,487,000			1	1	1	
A414 Maldon to Chelmsford RBS	Jun-15	LGF project delivered	Complete	Mar-17	Dec-16	Dec-16			1	2,000,000	2,000,000			1	1	1	
Chelmsford Station/Station Square/Mill Yard	Jun-15	LGF project delivered	Complete	Dec-17	May-19	May-19	17		1	3,000,000	3,000,000			1	1	1	
Basilidon Integrated Transport Package	Mar-15, May-17 and Feb-19	LGF project delivered	Complete	Mar-21	May-21	May-21	2		1	6,586,000	6,586,000			1	2	1	
Colchester Park and Ride and Bus Priority measures	Mar-15	LGF project delivered	Complete	Apr-15	Apr-15	Apr-15			1	5,800,000	5,800,000			1	1	1	
A127 Fairglen junction improvements	Pending	Approval pending	Ongoing	Sep-22	TBC	TBC			5	15,000,000	1,500,000		13,500,000	5	4	5	
A127 capacity enhancements	Jun-15	LGF project delivered	Complete	Dec-20	Nov-18	Nov-18	-25		1	4,000,000	4,000,000			1	1	1	
A131 Chelmsford to Braintree	Feb-17	LGF project delivered	Complete	Mar-20	Apr-20	Apr-20	1		1	3,660,000	3,660,000			1	1	1	
A133 Colchester to Clacton	Nov-17	LGF project delivered	Complete	Mar-20	Jun-20	Jun-20	3		1	2,740,000	2,740,000			1	1	1	
Chelmsford City Growth Area Scheme	Dec-17	LGF project delivered	Complete	Mar-21	Sep-21	Sep-21	6		1	10,000,000	10,000,000			1	1	1	
Beaulieu Park Railway Station	Feb-19	Construction in progress	Ongoing	Mar-24	Jun-25	Jun-25	15		5	12,000,000			12,000,000	5	4	5	
Coastal Communities Housing Intervention Jaywick	Feb-17	LGF project delivered	Complete	Jun-19	Jun-19	Jun-19			3	666,667	666,667			1	3	2	
Gilden Way upgrading	Dec-17	LGF project delivered	Complete	Mar-21	Sep-21	Sep-21	6		3	5,000,000	5,000,000			1	3	2	

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial						
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (May 2023)	Expected completion date (August 2023)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of 2022/23 (£)	Spend Q1 2023/24 (£)	Forecast LGF spend from Q2 2023/24 onwards (£)	Financials RAG rating	Reputational risk RAG	Overall RAG rating
Technical and Professional Skills Centre at Stansted Airport Innovation Centre - University of Essex Knowledge Gateway	May-17	LGF project delivered	Complete	Sep-18	Sep-18	Sep-18			1	3,500,000	3,500,000			1	1	1
STEM Innovation Centre - Colchester Institute	Sep-17	LGF project delivered	Complete	Jan-19	Apr-19	Apr-19	3		1	2,000,000	2,000,000			1	1	1
A127/A130 Fairglen Interchange new link road	Dec-17	LGF project delivered	Complete	Jan-19	Apr-20	Apr-20	15		3	5,000,000	5,000,000			1	3	2
M11 junction 8 improvements	Feb-19	Design in progress	Complete	Apr-22	TBC	TBC			5	6,235,000	6,235,000			5	3	4
Mercury Rising Theatre	Nov-17 and Mar-21	Construction in progress	Complete	Mar-21	Sep-24	Sep-24	43		5	3,733,896	3,733,896			2	3	3
Basildon Digital Technologies Campus	Nov-17 and Sep-21	LGF project delivered	Complete	Mar-20	Mar-22	Mar-22	24		1	1,228,000	1,228,000			1	1	1
Colchester Institute training centre (Groundworks and scaffolding)	Jun-19	LGF project delivered	Complete	Sep-20	Sep-21	Sep-21	12		3	2,150,000	2,150,000			1	3	2
USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet	Jun-19	LGF project delivered	Complete	Jan-20	Mar-21	Mar-21	14		3	50,000	50,000			1	3	2
Flightpath Phase 2	Jun-19	LGF project delivered	Complete	Sep-20	Sep-21	Sep-21	12		1	900,000	900,000			1	1	1
University of Essex Parkside (Phase 3)	Jun-19 and Feb-21	LGF project delivered	Complete	Sep-20	Sep-21	Sep-21	12		1	1,981,500	1,981,500			1	1	1
New Construction Centre, Chelmsford College	Feb-20	Construction in progress	Complete	Mar-21	Sep-23	Sep-23	30		5	5,000,000	5,000,000			5	2	4
Colchester Grow on Space, Queen Street	Jul-20	LGF project delivered	Complete	Sep-21	Mar-23	Mar-23	18		1	1,295,200	1,295,200			1	1	1
Kent	Feb-21	Construction in progress	Ongoing	Jul-22	Jun-25	Jun-25	36		5	3,777,451	702,040	3,075,411		5	3	4
I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)	Nov-15	Project ongoing	Ongoing	Mar-21	Sep-23	Sep-23	30		5	6,000,000	5,643,546	356,454		5	2	4
Tonbridge Town Centre Regeneration	Mar-15	LGF project delivered	Complete	Mar-17	Apr-17	Apr-17	1		3	2,631,269	2,631,269			1	3	2
Sittingbourne Town Centre Regeneration	Nov-15	LGF project delivered	Complete	Sep-16	Mar-21	Mar-21	55		3	2,500,000	2,500,000			5	3	4
M20 junction 4 Eastern Overbridge	Mar-15	LGF project delivered	Complete	Feb-17	Feb-17	Feb-17			3	2,200,000	2,200,000			2	3	3
Tunbridge Wells junction improvement package	Jun-15 and Sep-17	LGF project delivered	Complete	Sep-19	Mar-19	Mar-19			3	1,176,611	1,176,611			5	3	4
Kent Thameside LSTF	Mar-15	LGF project delivered	Complete	Mar-21	Sep-22	Sep-22	18		1	4,500,000	4,500,000			1	1	1
Maidstone Gyratory Bypass	Mar-15	LGF project delivered	Complete	Feb-17	Dec-16	Dec-16			3	4,600,000	4,600,000			1	3	2
Kent Strategic Congestion Management programme	Mar-15, Apr-16, Feb-17 and Feb-18, and Feb-21	LGF project delivered	Complete	Mar-21	May-22	May-22	14		1	4,800,000	4,800,000			3	1	2
Middle Deal transport improvements	Feb-16	LGF project delivered	Complete	Dec-16	Sep-21	Sep-21	58		3	800,000	800,000			1	3	2
Kent Rights of Way improvement plan	Mar-15	LGF project delivered	Complete	Mar-21	Mar-23	Mar-23	24		1	1,000,000	1,000,000			5	1	2
Kent Sustainable Interventions Programme	Mar-15, Apr-16, Feb-17 and Feb-18	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			3	2,727,586	2,727,586			5	3	4
West Kent LSTF	Apr-16	LGF project delivered	Complete	Mar-21	Sep-21	Sep-21	6		3	4,900,000	4,900,000			2	3	3
Folkestone Seafront: onsite infrastructure	Mar-15	LGF project delivered	Complete	Sep-15	Mar-16	Mar-16	6		3	541,145	541,145			5	3	4
A28 Chart Road	Nov-15	Project on hold	Complete	Mar-20	TBC	TBC			5	2,756,283	2,756,283			5	4	5
Maidstone Integrated Transport Package	Nov-15 and Jun-18	Design in progress	Ongoing	Feb-20	Jun-24	Dec-24	59	6	5	8,900,000	6,573,420	255	2,326,325	5	3	4
A28 Sturry Link Road	Jun-16	Design in progress	Ongoing	Oct-21	Dec-26	Dec-26	63		5	5,900,000	1,445,982	54,708	4,399,310	5	5	5
Rathmore Road	Nov-15	LGF project delivered	Complete	Nov-17	Feb-18	Feb-18	3		3	4,200,000	4,200,000			3	3	3

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial						
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (May 2023)	Expected completion date (August 2023)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of 2022/23 (£)	Spend Q1 2023/24 (£)	Forecast LGF spend from Q2 2023/24 onwards (£)	Financials RAG rating	Reputational risk RAG	Overall RAG rating
Maidstone Sustainable Access to Employment	Nov-15	LGF project delivered	Complete	Mar-16	Jun-17	Jun-17	15		1	2,000,000	2,000,000			1	1	1
Ashford Spurs	Sep-16 and May-17	LGF project delivered	Complete	Apr-18	Apr-20	Apr-20	24		1	7,886,830	7,886,830			1	1	1
Thanet Parkway	Apr-19	LGF project delivered	Complete	Dec-21	Jul-23	Jul-23	19		1	14,000,000	14,000,000			3	1	2
Dover Western Docks revival	Feb-17	LGF project delivered	Complete	Feb-17	Apr-17	Apr-17	2		3	5,000,000	5,000,000			5	3	4
Folkestone Seafront (non-transport)	Feb-16	LGF project delivered	Complete	Dec-17	Mar-18	Mar-18	3		3	5,000,000	5,000,000			4	3	3
A226 London Road/B255 St Clements Way	Nov-16	LGF project delivered	Complete	Mar-20	May-19	May-19			3	4,200,000	4,200,000			2	3	3
Coastal Communities Housing Intervention (Thanet)	Feb-16	LGF project delivered	Complete	Mar-21	Mar-21	Mar-21			1	666,666	666,666			1	1	1
Dartford Town Centre Transformation	Apr-18	Construction in progress	Complete	Mar-21	Dec-24	Dec-26	70	24	5	4,300,000	4,300,000			5	3	4
A2500 Lower Road	Sep-17	LGF project delivered	Complete	Dec-19	Mar-19	Mar-19			3	1,264,930	1,264,930			1	3	2
Kent and Medway EDGE hub	Sep-17, Mar-21 and Sep 21	LGF project delivered	Complete	Aug-20	Dec-22	Dec-22	28		1	7,344,000	7,344,000			2	1	1
Leigh Flood Storage Area and East Peckham - unlocking growth	Sep-18	Construction in progress	Complete	Jul-23	Mar-26	Mar-26	32		5	2,349,000	2,349,000			5	2	4
Sandwich Rail Infrastructure	Nov-17	LGF project delivered	Complete	Mar-20	Feb-20	Feb-20			1	1,913,170	1,913,170			3	1	2
M2 Junction 5	Feb-20	Construction in progress	Complete	Jan-23	Dec-24	Dec-24	23		5	1,600,000	1,600,000			5	3	4
Kent and Medway Medical School	Nov-19, Jul-20 and Feb-21	LGF project delivered	Complete	Sep-20	Jun-21	Jun-21	9		3	9,000,000	9,000,000			1	3	2
East Malling Advanced Technology Horticultural Zone	Jun-20 and Feb-21	LGF project delivered	Complete	Jul-21	May-22	May-22	10		1	1,998,600	1,998,600			1	1	1
Medway																
A289 Four Elms roundabout to Medway Tunnel	Mar-15	Design in progress	Complete	Dec-20	Mar-25	TBC			5	1,821,046	1,821,046			5	5	5
Strood Town Centre	Mar-15	LGF project delivered	Complete	Jun-18	Mar-22	Mar-22	46		3	8,600,000	8,600,000			4	3	3
Chatham Town Centre	Mar-15	LGF project delivered	Complete	Jul-17	Dec-19	Dec-19	29		3	4,200,000	4,200,000			1	3	2
Medway Cycling Action Plan	Mar-15	LGF project delivered	Complete	Mar-18	Mar-19	Mar-19	12		3	2,500,000	2,500,000			2	3	3
Medway City Estate	Mar-15	LGF project delivered	Complete	Mar-21	Apr-22	Apr-22	13		1	2,200,000	2,200,000			1	1	1
Rochester Airport - phase 1	Jun-16	LGF project delivered	Complete	Mar-18	Nov-21	Nov-21	45		3	4,400,000	4,400,000			1	3	2
Innovation Park Medway (phase 2)	Feb-19	LGF project delivered	Complete	Dec-20	Jun-23	Jul-23	31	1	2	3,700,000	3,700,000			5	4	4
Strood Civic Centre - flood mitigation	Feb-18	LGF project delivered	Complete	Apr-19	Jun-19	Jun-19	2		3	3,500,000	3,500,000			5	3	4
Innovation Park Medway (phase 3)	Jul-20	LGF project delivered	Complete	Dec-21	Jun-23	Jul-23	19	1	2	1,518,500	1,518,500			5	4	4
Southend																
Southend Growth Hub	2015	LGF project delivered	Complete	Dec-16	Mar-17	Mar-17	3		3	720,000	720,000			1	3	2
TGSE LSTF - Southend	Mar-15	LGF project delivered	Complete	Aug-16	Mar-17	Mar-17	7		1	1,000,000	1,000,000			1	1	1
A127 Kent Elms Corner	Jun-16	LGF project delivered	Complete	May-17	May-19	May-19	25		3	4,300,000	4,300,000			2	3	3
A127 The Bell	Nov-18 and Feb-19	Construction in progress	Ongoing	Mar-21	Sep-23	Mar-24	37	6	5	4,300,000	4,214,457	-42,457	128,000	4	2	4
A127 Essential Bridge and Highway Maintenance	Sep-16, Nov-18 and Feb-19 and Feb 2021	LGF project delivered	Complete	Mar-21	Aug-21	Aug-21	5		3	8,000,000	8,000,000			1	3	2
Southend Central Area Action Plan	Jun-16, Sep-17 and Feb-19	LGF project delivered	Complete	Mar-21	Jun-22	Jun-22	15		1	7,000,000	7,000,000			1	1	1
London Southend Airport Business Park	Feb-16, Sep-17, Sep-18 and Sep-21	LGF project delivered	Complete	Mar-21	Jul-23	Jul-23	28		1	23,369,517	23,369,517			1	1	1
Southend Town Centre Interventions	Jul-20 and Feb-21	Construction in progress	Complete	Mar-21	Jan-24	Jan-24	35		5	1,625,000	1,625,000			1	2	3
Thurrock																
TGSE LSTF - Thurrock	Mar-15	LGF project delivered	Complete	Mar-16	Mar-20	Mar-20	49		1	1,000,000	1,000,000			1	1	1
Thurrock Cycle Network	Apr-16	LGF project delivered	Complete	Mar-19	Mar-19	Mar-19			3	5,000,000	5,000,000			1	3	2
London Gateway/Stanford le Hope	Feb-17	Design in progress	Complete	Dec-18	TBC	TBC			5	7,500,000	7,500,000			4	5	5
A13 - widening development	Feb-17	LGF project delivered	Complete	Dec-19	Dec-20	Dec-20	12		1	5,000,000	5,000,000			1	1	1
Purfleet Centre	Jun-16	On hold	Complete	Sep-27	Dec-30	TBC			5	5,000,000	5,000,000			4	5	5
Grays South	Feb-19	On hold	Ongoing	Jul-22	TBC	TBC			5	10,840,274	5,141,603		5,698,671	5	5	5

Appendix D - Local Growth Fund Delivery and Risk

Project	Deliverability									Financial						
	Accountability Board approval	Delivery Status	Spend status of LGF funding award	Expected completion date (as stated in Business Case)	Expected completion date (May 2023)	Expected completion date (August 2023)	Months delay incurred (since original Business Case)	Months delay incurred (since last update)	Deliverability RAG rating	LGF allocation (£)	Actual LGF spend to end of 2022/23 (£)	Spend Q1 2023/24 (£)	Forecast LGF spend from Q2 2023/24 onwards (£)	Financials RAG rating	Reputational risk RAG	Overall RAG rating
A13 widening	Apr-17, Jul-20 and Mar-21	Construction in progress	Complete	Dec-19	Jun-23	Sep-23	46	3	5	76,500,000	76,500,000			5	4	5
Managed Centrally																
Capital Skills	Mar-15	LGF project delivered	Complete	Mar-17	Mar-17	Mar-17			3	21,974,561	21,974,561			4	4	4
M20 Junction 10a	Feb-17	LGF project delivered	Complete	Sep-20	Dec-19	Dec-19			3	19,700,000	19,700,000			1	3	2
TOTAL										578,935,369	530,740,712	-184,316	48,378,973			

Appendix E - High Risk LGF projects

Project	RAG Rating	LGF allocation (£m)	Percentage of LGF allocation spent by 30 September 2021	Main project risk	Funding conditions attached/Updates required by the Board
Queensway Gateway Road, East Sussex		10.00	100%	Land acquisition required for several parcels of land to enable completion of the project.	LGF funding spent in full by 31 March 2021. The Board will be provided with an update on the project, under Agenda Item 11.
Hastings and Bexhill Movement and Access Package		9.00	44%	One element of the project scope is no longer able to come forward following decision by Hastings Borough Council to refuse the proposal. In addition, significant cost increases have been experienced across the programme.	A project change request and revised Business Case reflecting the change in project scope has been brought forward for Board consideration at this meeting (Agenda Item 10).
A127 Fairglen Junction Improvements, Essex		15.00	10%	Business Case requires DfT approval. Decision still outstanding.	Board will be notified once DfT funding decision has been made.
Beaulieu Park Railway Station		12.00	0%	Essex County Council have 2 HIF projects which are covered under the same agreement. The other HIF project has been struggling with cost increases which may mean the project is not delivered. The joint agreement may mean that the Beaulieu Park Station funding is lost if the other project cannot progress.	An update on the project is provided under Agenda Item 14.
A28 Chart Road, Kent		2.76	100%	Project on hold, awaiting confirmation of the local funding sources to enable the delivery of the project. Risk that LGF spend to date may become an abortive revenue cost and will need to be repaid to SELEP.	Project remains on hold. Board will be updated if the position changes and the project can progress to delivery or if there is a requirement for the LGF funding to be returned to SELEP for reallocation.
A28 Sturry Link Road, Kent		5.90	20.3%	Acquisition of land from a number of land owners required to enable delivery of the project.	Following award of planning permission in September 2021, negotiations have commenced with land owners but progress has been slower than anticipated. An update on the project is provided under Agenda Item 15.
A289 Four Elms roundabout to Medway Tunnel		1.82	100%	LGF funding spent in full progressing design for the scheme. Delivery of the works was to be funded through the HIF funding secured by Medway Council. The HIF funding has been removed from the project by Homes England and to date, no alternative funding has been secured to deliver the project. As a result, it is likely that LGF spend has become an abortive revenue cost which does not meet the grant conditions.	The project remains a priority for Medway Council and efforts are being made to secure alternative funding to enable delivery of the approved LGF Business Case. At this time the Board are asked to agree that the LGF funding can be retained against the project whilst Medway Council investigate alternative funding sources. Regular updates will be provided to the Board on the status of the project.
London Gateway/Stanford le Hope, Thurrock		7.50	100%	Planning permission has not yet been granted for the full extent of the project. In addition, costs have increased and there is uncertainty regarding the scope of the second phase of the project. Furthermore, there is not currently an agreed LGF Business Case in place for the project.	An update on the project is provided under Agenda Item 13.
Purfleet Centre		5.00	100%	Whilst LGF funding has been spent in full, there is a risk to the realisation of the forecast project benefits.	Following unsuccessful delivery of the project to date, a full range of alternative delivery options are currently being considered. The Board will be updated once this review has been completed.
Grays South		10.84	44%	Acquisition of land from a number of land owners required to enable delivery of the project. Project delivery is subject to progression through Network Rail GRIP process. In addition, a full review of the project is being undertaken to determine how/if the project should move forward.	Project currently on hold whilst awaiting the outcome of the project review. It is expected that a full update on the project will be provided at the November 2023 Board meeting.
A13 Widening, Thurrock		76.50	100%	Project programme and costs have differed significantly from position set out in project Business Case.	Project is now nearing completion and work is ongoing to manage project costs. An update on the projected final project cost and lessons learnt through delivery of the project is provided under Appendix 12.

Total 156.32

Appendix F - LGF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Failure of third-party organisations to deliver LGF projects	Local authorities have entered into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver LGF projects. If the external organisations experience financial difficulty and are unable to deliver LGF projects, it may not be possible to recover the LGF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	4	20	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring LGF to third party organisations and to ensure clear processes are in place for the oversight of LGF projects delivered by third party organisations.
Affordability of LGF projects	There are likely to be substantial delays to LGF projects at each stage of project delivery as a result of COVID-19, with an impact on the total cost of LGF projects. This is likely to be further exacerbated by increasing materials costs and rising inflation levels, which has been widely reported across the LGF programme. In addition, there is also a risk to S106 funding contributions which have previously been committed towards LGF projects. Local authority budgets are likely to come under increased pressure and private sector contributions may not be available to the scale/timescales originally anticipated.	4	5	20	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all LGF projects.
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of LGF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace to benefits realisation through the project.	4	4	16	As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery. Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.
Delivery of LGF project benefits	Local partners have made substantial progress towards the delivery of LGF projects, including the outputs identified in the project business cases. However, the economic impact of COVID-19 is likely to substantially reduce the benefits achieved through LGF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the LGF programme. There is also a risk that, in light of COVID-19, there may be changes to project scope brought forward to the Board, which could impact the scale of benefits achieved through LGF investment. As such, the forecast outcomes to be achieved through the Growth Deal, in terms of houses and jobs, will require revision.	3	5	15	SELEP will work with local partners over the coming months to understand the potential impact of COVID-19 on the expected benefits to be realised through LGF investment. For any new LGF funding decisions brought forward to the Board, consideration will be given to ensure there remains a strong strategic and economic case for investment in the projects, in light of the potential impacts of COVID-19 in leading to longer term behaviour change.

Appendix F - LGF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
Closure of SELEP	<p>In August 2023, Government confirmed that LEPs will no longer receive core funding after 2023/24, and that there is an expectation that LEP activities will be transitioned into local authorities. This means that the oversight of the LGF programme, including any required engagement with Government, will cease at or close to 31 March 2024.</p> <p>It is important that new arrangements are put in place to ensure that oversight of the LGF programme continues. Without appropriate oversight there is a risk that projects may not be delivered in accordance with approved Business Cases and that required programme wide reporting will not be provided to Government.</p>	4	3	12	<p>Following receipt of advice from Government, discussions are ongoing between SELEP, Essex County Council (as Accountable Body for SELEP) and all six Upper Tier Local Authority partners to determine how the management of the capital programme should be taken forward post SELEP.</p> <p>Any required decisions on the ongoing management of the LGF programme will be presented at future Board meetings.</p>
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
LGF spend beyond the Growth Deal period	Based on the LGF spend figures reported at the end of 2020/21, LGF totalling £106.351m will be spent beyond the original Growth Deal deadline of 31 March 2021.	3	4	12	<p>All projects which are forecasting LGF spend beyond the revised Growth Deal deadline are required to meet five criteria, to help ensure that LGF spend beyond the Growth Deal is only permitted on an exceptional basis.</p> <p>SELEP used Option 4 Capital Swaps to demonstrate the spend of all but £4.656m of the LGF at the end of 2020/21. The remaining funding was reported as spent in 2021/22. Whilst this approach is permitted under the terms of the grant from Central Government, there is a potential reputational risk to SELEP's delivery track record. This may impact SELEP's ability to successfully secure future funding from Central Government.</p>
Resource to deliver LGF projects	There is a risk to the availability of resource to deliver LGF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	3	3	9	SELEP Ltd extended the delivery of the Growth Deal period by six months to help ease some of the delivery pressures and to support the appropriate governance of projects.

Appendix G - Outstanding post scheme completion Monitoring and Evaluation reports

Project	Area	1 Year Post Completion	3/5 Year Post Completion
Swallow Business Park	East Sussex	Received	Outstanding
Coastal Communities Housing Intervention	East Sussex	Outstanding	Not due
Devonshire Park	East Sussex	Outstanding	Outstanding
Colchester Broadband Infrastructure	Essex	Received	Outstanding
Colchester Integrated Transport Package	Essex	Outstanding	Not due
Coastal Communities Housing Intervention	Essex	Outstanding	Outstanding
Innovation Centre - University of Essex Knowledge Gateway	Essex	Received	Outstanding
STEM Innovation Centre, Colchester	Essex	Outstanding	Not due
Basildon Digital Technologies Campus	Essex	Outstanding	Not due
Colchester Institute - Groundworks training centre	Essex	Outstanding	Not due
Tonbridge Town Centre	Kent	Received	Outstanding
Sittingbourne Town Centre Regeneration	Kent	Outstanding	Not due
M20 Junction 4	Kent	Received	Outstanding
Tunbridge Wells Junction Improvement Package	Kent	Outstanding	Outstanding
Maidstone Gyratory Bypass	Kent	Received	Outstanding
Middle Deal Transport Improvements	Kent	Outstanding	Not due
Kent Sustainable Interventions Programme	Kent	Outstanding	Not due
West Kent LSTF	Kent	Outstanding	Not due
Folkestone Seafront: onsite infrastructure and Engineering Works	Kent	Outstanding	Outstanding
Rathmore Road	Kent	Received	Outstanding
Dover Western Dock Revival	Kent	Received	Outstanding
Folkestone Seafront (non-transport)	Kent	Received	Outstanding
A226 London Road/B255 St Clements Way	Kent	Received	Outstanding
A2500 Lower Road	Kent	Outstanding	Outstanding

Project	Area	1 Year Post Completion	3/5 Year Post Completion
Kent and Medway Medical School	Kent	Outstanding	Not due
Strood Town Centre journey time and accessibility improvements	Medway	Outstanding	Not due
Chatham Town Centre Placemaking	Medway	Outstanding	Outstanding
Medway Cycling Action Plan	Medway	Received	Outstanding
Rochester Airport - Phase 1	Medway	Outstanding	Not due
Strood Civic Centre – flood mitigation	Medway	Outstanding	Outstanding
Southend Growth Hub	Southend	Received	Outstanding
A127 Kent Elms Corner	Southend	Received	Outstanding
Thurrock Cycle Network	Thurrock	Received	Outstanding
M20 Junction 10a	Central	Outstanding	Not due