

Appendix A - Getting Building Fund Project Background Information

Name of Project	Better Queensway Southend, SS2 5AW
Responsible Upper Tier Local Authority	Southend-on-Sea City Council
Delivery Organisation	Joint Venture between Southend-on-Sea City Council and Swan Housing (now Sanctuary Housing Association subject to completion of due diligence)
Getting Building Fund value	£4.2m
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>Southend-on-Sea City Council has been successful in securing £15m of funding from the Housing Infrastructure Fund to make the necessary highway improvement works and has entered into a joint venture with Swan Housing Association as development partner. This approach will employ a 'whole-place' approach to regeneration, addressing the inefficiently planned estate and poor quality of the existing 441 housing units on site, as well as enhancing the wider area and improving access to multiple development sites.</p>
Project benefits	<p>The project will deliver:</p> <ul style="list-style-type: none"> • 1,669 new homes • 7,945sqm of commercial space • 552 FTE jobs • Improved environmental benefits through energy efficiency • Transport benefits through the delivery of road, cycle, pedestrian infrastructure to improve access to the town centre • Economic benefits through the creation of additional high-quality commercial space and increased spend through an increased population on the site.

Financial Information	The funding package as set out in the Business Case was as follows:	
	Funding Source	Funding Package £
	Getting Building Fund	4,200,000
	Housing Infrastructure Fund	15,000,000
	Other	2,700,000
	Total	21,900,000
Current project constraints and risks	<p>The Regulator of Social Housing took the decision to downgrade Swan Housing Association's viability and governance grades. As a result of this decision, Swan Housing did not meet the Regulator's governance and viability standards and steps needed to be taken to improve work in these areas.</p>	
	<p>In February 2023, a merger between Sanctuary Housing Association and Swan Housing was finalised, with Swan Housing becoming a subsidiary of Sanctuary. Following this acquisition, Sanctuary commenced due diligence, including a review of the Business Plan for the wider Better Queensway project, and advised Southend-on-Sea City Council that a new business plan would be provided. Until these exercises are complete, there is uncertainty regarding whether Sanctuary will sanction continued involvement in the project. This is having a domino effect on the spend of the GBF funding as it has not yet been possible to release the funding to Sanctuary. This means that the full GBF funding allocation has been carried forward into Q1 2023/24.</p>	
	<p>There are other options available to Southend-on-Sea City Council if Sanctuary Housing Association is unable to continue to contribute to the project, but these options are likely to extend the delivery programme and may impact on the quantity of benefits which will be realised during the GBF monitoring period specified by Central Government.</p>	
Link to Project webpage	https://www.southeastlep.com/project/better-queensway-southend/	