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<b>Report title:</b> Getting Building Fund Capital Programme update	
<b>Report to:</b> Accountability Board	
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<b>Meeting date:</b> 23 September 2022	<b>For:</b> Decision
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<b>SELEP Partner Authority affected:</b> 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 and provides an update on GBF spend to date, including confirmation of the 2021/22 year end position.

## 2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Note** the total spend on project delivery in 2021/22 of £50.666m GBF, as set out in Table 1 of the report.
- 2.1.2. **Note** the current reported spend across the GBF programme for the 2022/23 financial year of £20.784m, as set out in Table 2.
- 2.1.3. **Agree** the removal of the Laindon Place project from the GBF programme. The £790,000 GBF issued to Essex County Council should be returned to the Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects.
- 2.1.4. **Note** that sufficient assurance has been provided by Southend-on-Sea City Council that the Better Queensway project will proceed as planned following the Regulator for Social Housing's decision to downgrade Swan Housing's viability and governance grades and Swan's proposed partnership with Orbit. Should the project not proceed as planned and in accordance with the approved Business Case, the GBF funding will need to be repaid by Southend-on-Sea City Council in accordance with the terms of the Service Level Agreement (SLA) in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and Southend-on-Sea City Council.
- 2.1.5. **Note** the deliverability and risk assessment, as set out in Appendix C.

### **3. Summary Position**

- 3.1. In November 2021, the Fast Track Business Solutions for the Hastings Manufacturing Sector project was removed from the GBF programme. This released £3.5m GBF for reallocation to alternative projects on the GBF prioritised project pipeline. £1.4m of this GBF funding was awarded to support The Amelia Scott project in November 2021, and the remaining £2.1m was awarded to support 5 new projects (Princess Alexandra Hospital – Relocation of post graduate medical centre, Food Street Eastbourne, Braintree – Active Travel, Seven Sisters Country Park Visitor Infrastructure Uplift and Techfort, Dover) during the February 2022 Board meeting. All conditions attached to the award of funding to these projects have now been met.
- 3.2. Following the award of funding to these projects, a very limited GBF prioritised project pipeline remained in place, with only the Braintree – Active Travel project remaining on the pipeline seeking GBF investment of £1.709m. It has now been confirmed that this project would be unable to spend the balance of funding it sought through the pipeline in accordance with the required timescales and therefore there is no longer a project pipeline in place.
- 3.3. At the May 2022 meeting, the Board agreed that the Riding Sunbeams Solar Railways project be removed from the GBF programme due to insurmountable technical issues which meant that the project could not be delivered at this time. This released £2.527m GBF for reallocation to alternative projects. In addition, at this meeting, the Board are asked to agree the removal of the Laindon Place project from the GBF programme (as set out in Section 5 of this report) as it is unable to spend the funding in accordance with the required timescales. This will increase the total GBF funding available for reallocation to £3.317m.
- 3.4. A proposed approach to developing a new GBF project pipeline was presented to the Strategic Board in June 2022. It was proposed that the available funding 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, or as a result of current high inflation levels.
- 3.5. This approach was broadly agreed by the Strategic Board, but further clarification was needed on the finer details of the proposal and the application criteria before the process could commence. An electronic procedure was issued to the Strategic Board on 27 July 2022, which set out proposals for also inviting applications for additional funding from projects which are seeking to deliver additional works compared to those set out in their original Business Cases, i.e., further phases of the same project. This electronic procedure was agreed by the Strategic Board on 5 August 2022 and the required documentation was issued to Federated Board leads and relevant Upper Tier Local Authority officers on the same day.
- 3.6. The deadline for submitting applications was 26 August 2022, and a total of 16 applications were received seeking a total GBF investment of £7.8m. Federated Boards are currently undertaking a local prioritisation process which will feed into the proposed SELEP wide project pipeline due to be presented to the Strategic Board for consideration on 21 October 2022.

## Getting Building Fund Capital Programme Update

- 3.7. Any projects seeking additional funding, which are not prioritised by Strategic Board to receive part of the £3.317m GBF currently available, will remain on the pipeline to support future reallocation of GBF, should any existing projects be unable to deliver in accordance with their Business Cases, the requirements of the grant or the terms of the SELEP Assurance Framework.
- 3.8. At the May 2022 meeting, the Board agreed the introduction of a number of requirements which need to be met by all projects spending GBF funding beyond March 2022, so as to ensure timely completion of the GBF programme and performance against these requirements will be reported to the Board on a regular basis. An update on project compliance with these conditions is provided under Agenda Item 6.
- 3.9. The delivery of the GBF projects will continue to be closely monitored following the formal end of the programme in March 2022, with any identified High risk projects being flagged to the Board.

### 4. Getting Building Fund spend position

- 4.1. The 2021/22 year-end position shows GBF spend on delivery of projects of £50.666m.
- 4.2. There has been a substantial reduction in GBF spend when compared to the forecast spend position set out at the start of 2021/22, which assumed full spend of the GBF funding prior to 31 March 2022 in accordance with the stated requirements of the funding. Original forecasts showed planned GBF spend totalling £71.386m, which has reduced by £20.719m to £50.666m. This change is shown in Table 1 below.

*Table 1: 2021/22 outturn spend figures*

GBF (£m)				
Local Authority	Forecast spend 2021/22	Reported spend 2021/22	Variance	Variance %
East Sussex	9.765	2.437	-7.327	-75.0%
Essex	22.750	14.678	-8.073	-35.5%
Kent	28.753	27.179	-1.575	-5.5%
Medway	2.563	2.563	0.000	0.0%
Southend-on-Sea	5.400	2.287	-3.113	-57.7%
Thurrock	2.154	1.523	-0.631	-29.3%
<b>Total</b>	<b>71.386</b>	<b>50.666</b>	<b>-20.719</b>	<b>-29.0%</b>

- 4.3. It should be noted that the forecast spend for 2021/22 reflects the position provided by each local partner at the start of the financial year and therefore does not reflect decisions taken by the Board during the course of the year.
- 4.4. Therefore the forecast spend for 2021/22 for East Sussex County Council included full spend of the £3.5m GBF allocation awarded to the Fast Track Business Solutions for the Hastings Manufacturing Sector project and of the £2.527m GBF allocation awarded to the Riding Sunbeams Solar Railways project, which were subsequently removed from the GBF programme. Similarly, the forecast for Essex included full spend of the £790,000 GBF

## Getting Building Fund Capital Programme Update

allocated to the Laindon Place project which, subject to Board approval, will now be removed from the GBF programme.

- 4.5. In addition, Essex, Kent and East Sussex forecasts did not take into account the award of funding to the prioritised GBF pipeline projects which received funding in November 2021 and February 2022.
- 4.6. In addition, GBF spend has been lower than forecast as a result of 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 the approach to the works to be reconsidered. This issue has been further compounded by delays in key materials supply chains which have been affected by both the COVID-19 pandemic and Brexit, and labour shortages due to COVID-19 enforced absences and increased demand following the period of lockdown. As a result of these issues, construction programmes have not progressed as expected prior to the start of 2021/22.
- 4.7. To date, the Board have agreed that 10 projects can retain their GBF funding beyond March 2022 for a maximum period of 6 months. In addition, in November 2021 the Board agreed that as an exception 2 projects (Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas) can retain their GBF funding beyond March 2022 for a maximum period of 12 months. Furthermore, in February 2022 the Board agreed that, as an exception, the Techfort project could retain its' GBF funding beyond March 2022 for a maximum period of 9 months. This brought the total number of projects which have received approval for retention of their GBF funding allocation beyond March 2022 to 13.
- 4.8. The Laindon Place project received approval from the Board for retention of GBF funding beyond March 2022, however, as the Board are asked to agree the removal of the project from the GBF programme at this meeting, the project has not been included within the summary set out at Section 4.7. It should also be noted that there is an outstanding request for retention of funding beyond March 2022 for the Food Street project. The Board are asked to consider this request under Agenda Item 6, but an update on the project is provided in Section 8 of this report.
- 4.9. Table 2 below sets out the updated GBF spend forecast for 2022/23. This table takes into account the extended GBF spend profiles for all projects forecasting spend beyond March 2022 and reflects the £3.317m GBF which is currently unallocated (subject to the Board agreeing the removal of the Laindon Place project at this meeting). In accordance with Government expectations, it is expected that this funding will be awarded to alternative projects and be fully spent within the 2022/23 financial year.

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

GBF (£m)						
Local Authority	Actual spend 2020/21	Actual spend 2021/22	Actual spend 2022/23 To Date (Q1)	Forecast spend rest of 2022/23	GBF Total Allocation	% of GBF funding spent to date
East Sussex	1.656	2.437	0.000	1.600	5.693	71.9%
Essex	4.542	14.678	0.000	8.074	27.293	70.4%
Kent	6.201	27.179	0.514	3.534	37.428	90.6%
Medway	0.205	2.563	0.000	0.000	2.768	100.0%
Southend-on-Sea	0.000	2.287	0.557	2.557	5.400	52.7%
Thurrock	0.946	1.523	0.499	0.132	3.100	95.7%
Unallocated funding	0.000	0.000	0.000	3.318	3.318	0.0%
<b>Total</b>	<b>13.550</b>	<b>50.666</b>	<b>1.570</b>	<b>19.214</b>	<b>85.000</b>	<b>77.4%</b>

- 4.10. Reported GBF spend in Q1 2022/23 (April to June 2022) has been significantly lower than forecast. At the outset of the financial year, spend of £6.586m was forecast but spend reported during Q1 2022/23 only totals £1.57m. A number of projects have continued to experience delays with delivery due to the impacts of the COVID-19 pandemic and Brexit, and as a consequence have requested further extensions allowing retention of GBF funding beyond September 2022. These requests are presented for Board consideration under Agenda Item 6.
- 4.11. Assuming the Board agree the removal of the Laindon Place project from the GBF programme, 25 of the 39 projects which remain in the GBF programme have fully spent their GBF funding allocation. The remaining projects have either received approval for or have submitted requests for retention of their GBF funding allocation beyond March 2022.
- 4.12. 15 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. Laindon Place

- 5.1. The Laindon Place development will see a new high street for Laindon with 25,000ft<sup>2</sup> of new retail space, new landscaped public realm, street parking, a new larger supermarket, 224 new homes and an expanded new health centre. The GBF funding was awarded to help support the delivery of electric vehicle charging points, installation of shop frontages and delivery of high quality public realm.
- 5.2. The project was awarded £790,000 GBF funding in March 2021 and the full GBF allocation remains unspent. This funding is currently being held by Essex County Council.
- 5.3. As the Board are aware the Laindon Place project has been subject to a number of delays since the GBF funding was awarded, including the need for redesign work due to changes in legislation and delays in securing approval from the Highways Authority and in securing planning consent for the updated designs.

## Getting Building Fund Capital Programme Update

- 5.4. The GBF funding is being used to deliver the finishing touches to the wider project, as set out above, and Swan (as delivery partner) have now confirmed that due to delays in progressing the wider project, they will be unable to spend the GBF funding on the works sets out in the Business Case within the required timeframe. As a result, the Board are asked to agree the removal of the project from the GBF programme.
- 5.5. The key project benefits as stated in the Business Case for the project include:
  - 5.5.1. A minimum of 60 jobs to be created in the new retail units at Laindon
  - 5.5.2. A minimum of 65 jobs to be created on the construction site 244 new homes are being delivered as part of the Laindon Place regeneration scheme
  - 5.5.3. 16 new retail units are being delivered as part of the Laindon Place regeneration scheme
  - 5.5.4. A new medical centre is being delivered as part of the Laindon Place regeneration scheme
  - 5.5.5. A new supermarket is being delivered as part of the Laindon Place scheme
  - 5.5.6. A new office space is being delivered as part of the Laindon Place scheme
- 5.6. As the wider regeneration project is still progressing, it is expected that these benefits will still be realised, albeit over a longer time period than expected at the time of Business Case approval.
- 5.7. If the Board agree the removal of the project from the GBF programme, a variation agreement will be completed which will formalise this change. Essex County Council will be required to repay the full £790,000 GBF allocation to the Accountable Body for SELEP, within 4 weeks of this Board meeting. The £790,000 will be reallocated through the new prioritised project pipeline currently being developed.

## 6. Better Queensway

- 6.1. As reported at recent meetings, the Better Queensway project is an estate and town centre renewal project which is being delivered as a joint venture between Southend-on-Sea City Council and Swan Housing. The £4.2m GBF funding will be used to support delivery of early enabling works for the wider project.
- 6.2. The Board have previously been made aware that the Regulator for Social Housing recently took the decision to downgrade Swan Housing's viability and governance grades. As a result of this decision, Swan Housing do not currently meet the Regulator's governance and viability standards and steps need to be taken to improve work in these areas.
- 6.3. In addition, it has been noted that Swan Housing have announced a planned partnership with Orbit, which if agreed is expected to complete in late 2022. It has previously been reported that initial discussions between Swan Housing and Orbit had been positive, and that consultation with customers of both organisations had been undertaken but the final status of the partnership was not known at the time of the last Board meeting.

## Getting Building Fund Capital Programme Update

- 6.4. In February 2022, the Board agreed that the GBF funding awarded to the 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 for Social Housing's decision to downgrade Swan Housing's viability and governance grades and Swan Housing's planned partnership with Orbit. It was agreed that if the project was unable to proceed as planned, the GBF funding would need to be returned to Essex County Council, as the Accountable Body for SELEP for reallocation to alternative projects.
- 6.5. Whilst updates were provided at the May and July 2022 Board meetings, they did not provide sufficient assurance that the project would proceed as planned and consequently the condition attached to the release of the funding has not yet been satisfied. At the July 2022 meeting, following notification that a letter of assurance had been very recently received from Southend-on-Sea City Council's S151 officer, the Board agreed that the project could have an extension until this meeting to allow time for the letter to be reviewed and for SELEP to confirm whether the required assurances regarding continued delivery of the wider project had been provided.
- 6.6. Southend-on-Sea City Council have provided an update on the current status of the proposed partnership between Swan Housing and Orbit. The partnership is progressing, and it is expected that it will formally complete on 1 October 2022, with a proposed 'go live' date of 3 October 2022.
- 6.7. Whilst Orbit are continuing to undertake all the required due diligence with regard to the Better Queensway project and the work undertaken by Swan Housing to date, there is an indication from Orbit that they are keen for the project to continue once the partnership has been completed. This is supported by Orbit seeking formal consent from Southend-on-Sea City Council to a 'change of control' in favour of Orbit as required under Southend's LLP partnership agreement with Swan, which indicates that Orbit are preparing to take on all of Swan's obligations with regard to the project.
- 6.8. It should also be noted that there is currently an agency agreement in place between Orbit and Swan Housing which allows Swan to draw upon Orbit's development and regeneration officer resource as necessary in support of their projects whilst the partnership is progressing towards formalisation.
- 6.9. A letter of assurance from the Southend-on-Sea City Council S151 Officer is provided at Appendix **E**.
- 6.10. In the meantime, delivery of the wider project is continuing to progress. The Phase 1A Reserved Matters Application was submitted in December 2021 and is currently being progressed by Southend-on-Sea City Council, as the Local Planning Authority. It is currently expected that this application will be determined in October 2022.
- 6.11. Furthermore, the detailed design for the highways element of the project was completed in Spring 2022 and procurement for a contractor has commenced, with tenders received in July 2022. These tenders are currently being evaluated; however, it has been confirmed that 3 compliant tenders which are within the expected budget have been received.
- 6.12. Some initial early enabling works have also been commissioned including utilities diversions and the demolition of a key footbridge over Queensway which is required to enable delivery

## Getting Building Fund Capital Programme Update

of the project. Additional detailed design and quotation information has been sought and received from all the statutory utility companies including UKPN, Essex and Suffolk Water, BT, Virgin and Cadent Gas.

- 6.13. The next step is to complete a new Business Plan and timeline for the delivery of the highway and residential outputs. It is expected that these documents will be approved by early 2023, allowing work to progress on site during 2023. In the interim, Swan and Southend-on-Sea City Council have continued to progress early acquisitions to enable the project and support regeneration of the existing estate.
- 6.14. The GBF funding allocation of £4.2m will be used to support design, project management, early acquisition of properties and enabling works to enable the wider Queensway project to be unlocked and delivered, including:
  - 6.14.1. the diversion of a gas main in Essex Street which will help facilitate the Phase 1 plot delivery;
  - 6.14.2. demolition of a footbridge over Queensway;
  - 6.14.3. delivery of the detailed design for the highways element of the project; and
  - 6.14.4. early acquisition by negotiation or on the open market (where applicable) of flats on the existing residential estate, required to enable the de-risking and delivery programme of the wider project.
- 6.15. As at the end of Q1 2022/23 GBF spend totalling £2.843m has been reported, with a further £0.357m forecast for spend in Q2, leaving a balance of £1m forecast for spend in Q3 and Q4. The remaining GBF funding will be used to support the completion of a number of early acquisitions, the demolition of a footbridge and the diversion of a gas main. These works have been commissioned but have not yet started onsite.
- 6.16. The Board have previously agreed that the Better Queensway project can retain its' GBF funding allocation beyond March 2022 for a maximum period of 6 months to 30 September 2022. In light of the above forecast, a request for retention of the GBF funding for a period of a further 6 months has been submitted and, subject to the Board being satisfied that sufficient assurance has been provided regarding ongoing delivery of the wider project, will be considered under Agenda Item 6.
- 6.17. On the basis of the information provided by Southend-on-Sea City Council it is considered that sufficient assurance has been provided with regard to the ongoing delivery of the wider project. There remain areas of uncertainty which cannot be fully addressed until the partnership between Orbit and Swan Housing has been completed, and therefore the project will continue to be closely monitored over the coming months as the legalities are finalised. Should the project not proceed as planned and in accordance with the approved Business Case, the GBF funding will need to be repaid by Southend-on-Sea City Council in accordance with the terms of the Service Level Agreement (SLA) in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and Southend-on-Sea City Council.



## **7. Update on projects which have received approval for retention of GBF funding beyond March 2022**

- 7.1. 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 by 30 September 2022 (or 31 March 2023 for the two Essex broadband projects/31 December 2022 for Techfort) at the latest.
- 7.2. To date, the Board have approved the retention of GBF funding beyond March 2022 against 13 projects and updates on all of these projects are provided in Appendix D. A more comprehensive update on the Better Queensway project is also provided at Section 6 of this report.
- 7.3. The projects which are reporting GBF spend beyond March 2022 are all progressing; however, it should be noted that requests for retention of GBF funding beyond September 2022 have been received in relation to the UTC Maritime and Sustainable Technology Hub, Tendring Bikes and Cycle Infrastructure, Swan Modular Housing Factory, Jaywick Market and Commercial Space, Romney Marsh Employment Hub, Better Queensway and South Essex No Use Empty projects. The Board are asked to consider these requests under Agenda Item 6.
- 7.4. 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 is required and that value engineering may need to be employed to enable this. As the Board are aware there is a clear expectation from Government that the full GBF funding allocation should be spent supporting project delivery by 31 March 2023. Submission of requests for retention of GBF funding beyond September 2022 increases the risk that this deadline may not be achievable by all projects. Failure to meet the Government deadline for spend of GBF funding would represent a significant reputational risk for both SELEP and the Upper Tier Local Authority responsible for project delivery and may adversely impact on any funding applications submitted directly to Government by impacted local partners for future funding streams.
- 7.5. As referenced at Section 3.6 of this report, a total of 16 applications for additional GBF funding have been received. Seven of these applications relate to projects which have received approval for retention of GBF funding beyond March 2022. The following five projects have submitted applications seeking additional GBF funding to help support delivery of the full scope of the agreed Business Case: Seven Sisters Country Park Visitor Infrastructure Uplift, Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas, Jaywick Market and Commercial Space, Tendring Bikes and Cycle Infrastructure and Discovery Park Incubator. This funding has been sought to reduce the need for value engineering as a result of increased costs and to safeguard the forecast project benefits.
- 7.6. The other two referenced applications for additional GBF funding are seeking funding to support delivery of further phases of the project. These applications relate to the Techfort and ASELA LFFN projects. If secured this funding will enable delivery of additional works outside the scope of the existing Business Cases and will support the realisation of further benefits.

7.7. All projects detailed in Appendix D will continue to be closely monitored and their delivery status will be taken into account when developing a proposed GBF project pipeline for consideration by the Strategic Board in October 2022.

## 8. Deliverability and Risk

8.1. 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 project, relative to the expected completion dates, as set out in the original Business Cases.

8.2. 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).

8.3. The risk assessment has been conducted for GBF projects based on:

8.3.1. **Delivery** – considers project delays and any delays to the delivery of the project outputs/outcomes. 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.

8.3.2. 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 greater than 4 (Amber/Red), unless the project has now been delivered and there is no substantial impact on the expected project outcomes delivery.

8.3.3. **Finances** – considers changes to project spend profiles, project budget, certainty of match funding contributions and amount of GBF spend forecast for beyond the end of the formal GBF programme (where agreed by the Board).

8.3.4. **Reputation** – considers the reputational risk for the delivery partner, relevant Upper Tier Local Authority and SELEP Ltd.

Table 3: Summary of GBF project risk

Risk Score	Number of projects	GBF allocation to projects (£m)	GBF spend forecast in 2022/23
Low Risk - 1	14	24.932	0.000
Low/Medium Risk - 2	3	4.303	0.000
Medium Risk - 3	11	27.980	1.012
Medium/High Risk - 4	3	5.329	4.737
High Risk - 5	8	19.138	10.148
<b>Total</b>	<b>39</b>	<b>81.683</b>	<b>15.897</b>

8.4. In total £19.138m GBF is allocated to High risk projects, with £10.148m of this funding unspent at the end of Q1 2022/23. No risk assessment has been applied to the £3.317m

## Getting Building Fund Capital Programme Update

GBF currently unallocated and as a result the table does not total to the full £85m GBF allocation awarded by Central Government to SELEP.

- 8.5. A number of projects are considered to present a High financial risk due to the profiling of the GBF funding. Projects which are forecasting a high proportion of GBF spend beyond the end of the formal GBF programme have been assessed as Medium/High Risk or High Risk. If delivery is progressing to programme, these projects are not automatically assumed to be High Risk in all areas and are therefore not all reflected within the eight 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.
- 8.6. The eight High Risk projects identified in Table 3 are:
  - 8.6.1. UTC Maritime and Sustainable Technology Hub
  - 8.6.2. Food Street, Eastbourne
  - 8.6.3. Jaywick Market and Commercial Space
  - 8.6.4. Swan Modular Housing Factory
  - 8.6.5. Tendring Bikes and Cycle Infrastructure
  - 8.6.6. Romney Marsh Employment Hub
  - 8.6.7. Better Queensway
  - 8.6.8. South Essex No Use Empty
- 8.7. The UTC Maritime and Sustainable Technology Hub, Jaywick Market and Commercial Space, Swan Modular Housing Factory, Tendring Bikes and Cycle Infrastructure, Romney Marsh Employment Hub and South Essex No Use Empty projects are considered to be High risk as requests to retain their GBF funding allocation beyond September 2022 have been received. These requests will be considered under Agenda Item 6 at this meeting.
- 8.8. An update on the Better Queensway project is provided under Section 6 of this report and a request to retain the GBF funding allocation against the project beyond September 2022 will be considered under Agenda item 6.
- 8.9. The Food Street project is considered to be High risk as a request to retain the GBF funding allocation beyond March 2022 has been submitted but has not yet been determined by the Board. As reported at the last Board meeting, the GBF funding awarded to the project was transferred to East Sussex County Council prior to the end of 2021/22 as per the decision taken by the Board in February 2022. However, the necessary back-to-back agreement between East Sussex County Council and Eastbourne Borough Council was not completed by 31 March 2022 and therefore expenditure in 2021/22 could not be claimed against the GBF funding allocation as originally intended. This agreement was subsequently completed on 5 May 2022.
- 8.10. It was originally reported that delivery of the Food Street project had been completed prior to the end of March 2022, and therefore further work was required in order to determine

## Getting Building Fund Capital Programme Update

whether the GBF funding allocation could still be applied to the project given the delay in completing the required back-to-back agreement.

- 8.11. It has subsequently been confirmed that the work to bring the shop units back into use was not completed prior to 31 March 2022. The project was reported to be complete on the basis that, at the end of 2021/22, it was understood that the GBF funding had been spent in full. This has since been revised and, following amendments to the structure of Appendix C, there is a clear differentiation between project completion and completion of GBF spend.
- 8.12. As work continued on the shop units beyond 31 March 2022, it is now intended that the GBF funding will be applied against expenditure incurred in 2022/23, which is in line with the Service Level Agreement in place between East Sussex County Council, Essex County Council (as Accountable Body) and SELEP Ltd. It has been confirmed that the work on the shop units was completed in July 2022 and evidence of expenditure has been provided to East Sussex County Council.
- 8.13. As indicated above, a request to retain the GBF funding awarded to the Food Street project beyond March 2022 has been received. This request seeks retention of the GBF funding until the end of October 2022, despite the works already having been completed, to ensure that there is sufficient time for the funding to be issued to Eastbourne Borough Council by East Sussex County Council. This request is set out under Agenda Item 6.

## 9. GBF Programme Risks

- 9.1. In addition to project specific risks, Appendix B sets out the overall programme risks. The main 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 currently unallocated GBF funding to existing GBF projects will help to partially mitigate this risk. Other mitigation measures currently being employed include:
  - 9.1.1. 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;
  - 9.1.2. purchase of all materials at the outset of the construction programme in order to offset the risk of further cost increases; and
  - 9.1.3. identifying alternative suppliers or alternative solutions so as to mitigate both cost increases and extended lead in periods.
- 9.2. 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 the benefits realised through the GBF funding 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.

- 9.3. There is 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 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.

### **10. Financial Implications (Accountable Body comments)**

- 10.1. All funding allocations which are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. The Accountable Body has received all of its GBF allocation from Government and this funding was transferred in full to Partner authorities to support delivery of the Projects by the end of 2021/22.
- 10.2. Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant. This is managed through a Service Level Agreement (SLA) that is in place with each Partner Authority and sets out the conditions of the grant.
- 10.3. With the remaining balance of GBF for 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.
- 10.4. 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 Covid-19 pandemic and Brexit.
- 10.5. 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.
- 10.6. GBF is allocated through a grant determination from MHCLG (now Department of Levelling Up, Housing and Communications) via section 31 of the Local Government Act 2003; this 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.*
- 10.7. Should the funding not be utilised in accordance with the conditions, Government may request return of the funding, or withhold future funding streams.
- 10.8. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all funding was defrayed by 31 March 2022.
- 10.9. The latest forecast (table 2) indicates that £20.784m of the total £85m GBF allocation will be spent after 31 March 2022. 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

## Getting Building Fund Capital Programme Update

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.

- 10.10. It is a requirement of the SLA that when the Board approves a decision to cancel a Project, the funding awarded may be required to be returned to the Accountable Body; this may include funding that has already been defrayed. Should the Board agree to the recommendation at section 2.1.3 of this report, the Accountable Body team will work with colleagues in Essex County Council with respect to the return of the funding to SELEP.
- 10.11. With respect to the Better Queensway project, should the partnership with Orbit ultimately be unsuccessful and Southend-on-Sea City Council be unable to secure delivery of the Project, the Board may request for the return of the GBF funding under the terms of the SLA in place with the Council.

## **11. Legal Implications (Accountable Body comments)**

- 11.1. 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.

## **12. Equality and Diversity Implications**

- 12.1. 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:
- 12.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - 12.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - 12.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 12.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 12.3. 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.

## **13. List of Appendices**

## Getting Building Fund Capital Programme Update

13.1. Appendix A – GBF Spend Position

13.2. Appendix B – Programme Risk Register

13.3. Appendix C - Project deliverability and risk update

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

13.5. Appendix E – Better Queensway – Southend-on-Sea City Council S151 Officer letter of assurance

**(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	Date
<b>Accountable Body sign off</b>  Stephanie Mitchener  (on behalf of Nicole Wood, S151 Officer, Essex County Council)	    14 <sup>th</sup> September 2022

Appendix A - GBF Spend Position														
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	2021/22 Actual	Q1 2022/23 Actual	Q2 2022/23 Forecast	Q3 2022/23 Forecast	Q4 2022/23 Forecast	2022/23 Forecast	Total Actual + Forecast
	<b>East Sussex</b>													
GBF003	Restoring the Glory of the Winter Garden	1,600,000	577,764	226,599	420,859	246,753	128,024	1,022,236						1,600,000
GBF004	The Observer Building, Hastings (Phase 2) Option A	1,713,000	934,678		228,313	125,465	424,544	778,322						1,713,000
GBF009	Charleston's access road: removing the barrier to growth	329,835			142,941	47,096	139,798	329,835						329,835
GBF010	Creative Hub, 4 Fisher Street, Lewes	250,000	143,116	89,431	17,453			106,884						250,000
GBF012	Sussex Innovation Falmer - Covid Secure adaptions-	200,000		155,810	44,190			200,000						200,000
GBF013	UTC Maritime & Sustainable Technology Hub	1,300,000									1,300,000		1,300,000	1,300,000
GBF039	Food Street, Eastbourne	100,000									100,000		100,000	100,000
GBF040	Seven Sisters Country Park Visitor Infrastructure Uplift	200,000								200,000			200,000	200,000
		5,692,835	1,655,558	471,841	853,756	419,314	692,366	2,437,277		200,000	1,400,000		1,600,000	5,692,835
	<b>Essex</b>													
GBF005	Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	680,000								332,885	347,115		680,000	680,000
GBF006	Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	1,820,000								270,110	1,225,093	324,797	1,820,000	1,820,000
GBF014	Enterprise Centre for Horizon 120 Business Park	7,000,000	967,422		1,458,670	1,213,675	3,360,233	6,032,578						7,000,000
GBF015	Harlow Library	977,000			90,349	509,859	376,792	977,000						977,000
GBF016	Jaywick Market & Commercial Space	1,972,000					243,636	243,636		503,860	1,224,504		1,728,364	1,972,000
GBF017	Labworth Car Park, Canvey Island modernisation	700,000	326,888	371,297	1,815			373,112						700,000
GBF018	Modus	1,960,000	1,960,000											1,960,000
GBF019	Nexus	1,600,000				299,798	1,300,202	1,600,000						1,600,000
GBF020	Remodelling of buildings at Harlow College to provide new 'T'-levels	1,500,000	24,328	31,470		942,256	501,946	1,475,672						1,500,000
GBF021	Rocheway	713,000	218,498		494,502			494,502						713,000
GBF022	Swan modular housing factory	4,530,000	1,044,405		504,811	273,177	643,217	1,421,205		606,091	348,800	1,109,499	2,064,390	4,530,000
GBF023	Tendring Bikes & Cycle Infrastructure	2,300,000					518,887	518,887		239,113	925,200	616,800	1,781,113	2,300,000
GBF024	Tindal Square, Chelmsford	750,000					750,000	750,000						750,000
GBF035	Laindon Place (removed from programme)													
GBF041	Princess Alexandra Hospital Training and Education Facility	500,000					500,000	500,000						500,000
GBF042	Braintree Active Travel	291,000					291,000	291,000						291,000
		27,293,000	4,541,541	402,767	2,550,147	3,238,765	8,485,913	14,677,592		1,952,059	4,070,712	2,051,096	8,073,867	27,293,000
	<b>Kent</b>													
GBF001	Digitally Connecting Rural Kent and Medway	2,290,152		121,096	67,623	242,828	1,858,605	2,290,152						2,290,152
GBF025	Javelin Way Development	578,724	578,724											578,724
GBF026	Romney Marsh Employment Hub	3,536,466			435,000	533,995	1,816,775	2,785,770	133,580	417,569	199,547		750,696	3,536,466
GBF027	Thanet Parkway Railway Station	11,999,000	3,162,699	3,536,934	1,359,963	370,563	3,568,841	8,836,301						11,999,000
GBF028	First and Second Floors, Building 500, Discovery Park, Sandwich	2,500,000				211,398		211,398	380,799	1,907,803			2,288,602	2,500,000
GBF029	New Performing & Production Digital Arts Facility @ North Kent College	12,301,796	2,459,825	2,519,264	2,928,439	2,769,601	1,624,667	9,841,971						12,301,796
GBF030	The Meeting Place Swanley	1,490,000				607,530	882,470	1,490,000						1,490,000
GBF036	St George's Creative Hub	323,204				310,000	13,204	323,204						323,204
GBF038	The Amelia Scott	1,400,000					1,400,000	1,400,000						1,400,000
GBF043	Techfort	1,009,000								200,000	809,000		1,009,000	1,009,000
		37,428,342	6,201,248	6,177,294	4,791,025	5,045,915	11,164,563	27,178,796	514,379	2,525,372	1,008,547		4,048,298	37,428,342



Appendix A - GBF Spend Position														
Project Number	Project Name	GBF Allocation (£)	2020/21 Actual	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	2021/22 Actual	Q1 2022/23 Actual	Q2 2022/23 Forecast	Q3 2022/23 Forecast	Q4 2022/23 Forecast	2022/23 Forecast	Total Actual + Forecast
	Medway													
GBF007	Britton Farm Redevelopment Learning, Skills & Employment Hub	1,990,000	205,157	147,999	156,512	564,867	915,465	1,784,843						1,990,000
GBF037	Innovation Park Medway - Sustainable City of Business	778,323					778,323	778,323						778,323
		2,768,323	205,157	147,999	156,512	564,867	1,693,788	2,563,166						2,768,323
	Southend													
GBF031	Better Queensway	4,200,000					2,286,658	2,286,658	556,671	356,671	400,000	600,000	1,913,342	4,200,000
GBF032	South Essex No Use Empty	1,200,000								550,000	325,000	325,000	1,200,000	1,200,000
		5,400,000					2,286,658	2,286,658	556,671	906,671	725,000	925,000	3,113,342	5,400,000
	Thurrock													
GBF008	LFFN	2,500,000	946,218	501,191	330,000	91,666		922,857	498,509	132,416			630,925	2,500,000
GBF034	Transport and Logistics Institute	600,000		469,500	130,500			600,000						600,000
		3,100,000	946,218	970,691	460,500	91,666		1,522,857	498,509	132,416			630,925	3,100,000
	Unallocated funding	3,317,500											3,317,500	3,317,500
	Total	85,000,000	13,549,722	8,170,591	8,811,940	9,360,527	24,323,288	50,666,346	1,569,559	5,716,518	7,204,259	2,976,096	20,783,932	85,000,000

## Appendix B - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
<b>Affordability of GBF projects</b>	There have been widely reported increases in materials costs as a result of COVID-19 and Brexit. These increases alongside rising inflation has 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 it is proposed that the unallocated GBF funding is 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>
<b>Operational budgets</b>	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>
<b>Extended delivery programmes</b>	<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	4	16	<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>
<b>Failure of third-party organisations to deliver GBF projects</b>	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.

**Appendix B - GBF Programme Risks (High Risks only)**

<b>Risk</b>	<b>Description</b>	<b>Risk Impact</b>	<b>Risk Probability</b>	<b>Overall Risk</b>	<b>Mitigation</b>
<b>Delivery of GBF project benefits</b>	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.	<b>3</b>	<b>5</b>	<b>15</b>	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.
<b>Resource to deliver GBF projects</b>	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.	<b>4</b>	<b>3</b>	<b>12</b>	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.  Projects are also still allowed to continue project delivery past the March 2022 deadline as long as the GBF allocation to the project has been spent.
<b>Supply Chain Risk</b>	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.	<b>4</b>	<b>3</b>	<b>12</b>	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.

Appendix C - Getting Building Fund Delivery and Risk																
Project	Deliverability								Financial							
	Accountability Board approval	Project Delivery Status	GBF Spend Status	Expected completion date (per Business Case)	Expected completion date (Jun-2022)	Expected completion date (Aug-2022)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 Q1 (£)	Remaining spend 2022/23 (£)	Financials RAG rating	Deliverability risk RAG rating	Reputational risk RAG rating	Overall
<b>East Sussex</b>																
Restoring the Glory of the Winter Garden	Oct-20	In Construction	Complete	May-22	Jul-22	Mar-23	10	8	1,600,000	1,600,000			1	4	2	2
The Observer Building, Hastings (Phase 2) Option A	Oct-20	In Construction	Complete	Dec-22	Dec-22	Dec-22			1,713,000	1,713,000			3	3	2	3
Charleston's access road: removing the barrier to growth	Nov-20 and Jul-21	Completed	Complete	Mar-21	May-22	May-22	13		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	1	1	1
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	Ongoing	Mar-22	Mar-23	Mar-23	12		1,300,000			1,300,000	5	5	4	5
Food Street, Eastbourne	Feb-22	In Construction	Ongoing	Mar-22	Apr-22	Sep-22	5	4	100,000			100,000	5	5	4	5
Seven Sisters Country Park Visitor Infrastructure Uplift	Feb-22	In Construction	Ongoing	Sep-22	Sep-22	Jan-23	4	4	200,000			200,000	5	3	2	3
<b>Essex</b>																
Acceleration of full-fibre broadband deployment in very rural or very hard-to reach premises	Oct-20	In progress	Ongoing	Jun-21	Mar-23	Mar-23	21		680,000			680,000	5	4	1	3
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises	Oct-20	In progress	Ongoing	Dec-21	Mar-23	Mar-23	15		1,820,000			1,820,000	5	4	2	4
Enterprise Centre for Horizon 120 Business Park	Nov-20	Completed	Complete	Jun-22	Jul-22	Jul-22	1		7,000,000	7,000,000			3	3	2	3
Harlow Library	Nov-20	Completed	Complete	Oct-21	Jun-22	Jun-22	7		977,000	977,000			1	1	1	1
Jaywick Market & Commercial Space	Nov-20	In Construction	Ongoing	Mar-22	Mar-23	Mar-23	11		1,972,000	243,636		1,728,364	5	5	4	5
Labworth Car Park, Canvey Island modernisation	Nov-20	Completed	Complete	Jun-21	Aug-21	Aug-21	2		700,000	700,000			1	1	1	1
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	10		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
Rocheway Independent Living	Nov-20	In Construction	Complete	Dec-22	Dec-22	Dec-22			713,000	713,000			2	1	2	2
Swan modular housing factory	Nov-20	In Construction	Ongoing	Mar-24	Mar-24	Mar-24			4,530,000	2,465,610		2,064,390	5	5	4	5
Tendring Bikes & Cycle Infrastructure	Nov-20	In Construction	Ongoing	Mar-22	Sep-22	Dec-22	9	3	2,300,000	518,887		1,781,113	5	5	4	5
Tindal Square, Chelmsford	Nov-20	In Construction	Complete	Mar-22	Aug-22	Nov-22	7	3	750,000	750,000			3	4	3	3
Princess Alexandra Hospital Training and Education Facility	Feb-22	Completed	Complete	Feb-22	May-22	May-22	2		500,000	500,000			1	1	1	1
Braintree Active Travel	Feb-22	In Construction	Complete	Sep-22	Sep-22	Sep-22			291,000	291,000			3	3	2	3
<b>Kent</b>																
Digitally Connecting Rural Kent and Medway	Sep-20	Completed	Complete	Mar-22	Mar-22	Mar-22			2,290,152	2,290,152			1	1	1	1
Javelin Way Development	Nov-20	In Construction	Complete	Mar-22	Jul-22	Dec-22	10	5	578,724	578,724			3	4	2	3
Romney Marsh Employment Hub	Nov-20	In Construction	Ongoing	Feb-22	Aug-22	Jan-23	10	4	3,536,466	2,785,770	133,580	617,116	5	5	4	5
Thanet Parkway Railway Station	Nov-20	In Construction	Complete	Dec-22	May-23	May-23	5		11,999,000	11,999,000			3	4	3	3
First and Second Floors, Building 500, Discovery Park, Sandwich	Nov-20	In Construction	Ongoing	Jul-21	Oct-22	Oct-22	15		2,500,000	211,398	380,799	1,907,803	5	4	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			1	1	1	1

Project	Deliverability								Financial					Deliverability risk RAG rating	Reputational risk RAG rating	Overall
	Accountability Board approval	Project Delivery Status	GBF Spend Status	Expected completion date (per Business Case)	Expected completion date (Jun-2022)	Expected completion date (Aug-2022)	Months delay (since Business Case)	Months delay (since last update)	GBF Allocation (£)	Actual spend to 2021/22 (£)	Actual spend 2022/23 Q1 (£)	Remaining spend 2022/23 (£)	Financials RAG rating			
The Meeting Place Swanley	Nov-20	In Construction	Complete	May-22	Aug-22	Nov-22	5	3	1,490,000	1,490,000			2	4	2	3
St George's Creative Hub	Mar-21	Completed	Complete	Jun-21	Dec-21	Dec-21	6		323,204	323,204			1	1	1	1
The Amelia Scott	Nov-21	Completed	Complete	Mar-22	Mar-22	Mar-22			1,400,000	1,400,000			1	1	1	1
Techfort	Feb-22	In Design	Ongoing	Sep-22	Dec-22	Dec-22	3		1,009,000			1,009,000	5	3	3	4
<b>Medway</b>																
Britton Farm Redevelopment Learning, Skills & Employment Hub	Sep-20	In Construction	Complete	Feb-23	Feb-23	Feb-23			1,990,000	1,990,000			2	1	2	2
Innovation Park Medway - Sustainable City of Business	Jul-21	In Construction	Complete	Mar-22	Mar-23	Mar-23	11		778,323	778,323			3	4	3	3
<b>Southend</b>																
Better Queensway	Nov-20	In Construction	Ongoing	Mar-34	Mar-34	Mar-34			4,200,000	2,286,658	556,671	1,356,671	4	5	5	5
South Essex No Use Empty	Nov-20	In progress	Ongoing	Mar-22	Sep-22	Mar-23	11	5	1,200,000			1,200,000	5	4	5	5
<b>Thurrock</b>																
LFFN	Oct-20	In progress	Ongoing	Feb-22	Sep-22	Nov-22	8	1	2,500,000	1,869,075	498,509	132,416	2	4	2	3
Transport and Logistics Institute	Nov-20	Completed	Complete	Aug-21	Dec-21	Dec-21	4		600,000	600,000			1	1	1	1
Unallocated																
Unallocated funding									3,317,500			3,317,500				
<b>TOTAL</b>									<b>85,000,000</b>	<b>64,216,068</b>	<b>1,569,559</b>	<b>19,214,373</b>				

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

<b>UTC Maritime and Sustainable Technology Hub</b>
Extension granted: 6 months
GBF allocation: £1,300,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: East Sussex County Council
<b>Brief project description</b>
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.
<b>Reasons why extension was sought</b>
Delivery of the project has been delayed due to complex land ownership matters which have taken significantly longer than anticipated to resolve.
<b>Update on project delivery</b>
A contractor has been appointed to deliver the initial GBF funded works, and work is due to continue onsite during Q3 2022/23.
It is expected that the project will be completed by March 2023 at the latest.
A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.

<b>Seven Sisters Country Park Visitor Infrastructure Uplift</b>
Extension granted: 6 months
GBF allocation: £200,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: East Sussex County Council
<b>Brief project description</b>
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.
<b>Reasons why extension was sought</b>
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 restraints. Additional time was required to design and deliver these elements.
<b>Update on project delivery</b>
A contractor has been appointed to deliver the initial GBF funded works, and work commenced onsite on 4 July 2022.
It is expected that the project will be completed by January 2023 at the latest.

<b>Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas</b>
Extension granted: 12 months
GBF allocation: £680,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: Essex County Council
<b>Brief project description</b>
<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 Phase 4b 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.</p> <p>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>
<b>Reasons why extension was sought</b>
<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 Phase 4 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 Projects 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
A contract change to invest most of the GBF funding (£606,000) has been completed and a second change request to use the remaining funds is currently being processed. The project is on track to complete delivery by December 2022, with subsequent payment as per the updated delivery plan presented at the November 2021 Board meeting.

<b>Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas</b>
Extension granted: 12 months
GBF allocation: £1,820,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: Essex County Council
<b>Brief project description</b>
<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 Phase 4b rollout programme to reach additional rural areas, with a focus on upgrading business premises.</p>
<b>Reasons why extension was sought</b>
<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 Phase 4 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 Projects 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>
<b>Update on project delivery</b>
<p>The contract change to invest all of the GBF funding (£1,820,000) has been completed. The project is in delivery and is on track to complete by December 2022, with subsequent payment in Q4 2022/23 as per the agreed delivery plan as presented to the November 2021 Board meeting.</p>

<b>Jaywick Market and Commercial Space</b>
Extension granted: 6 months
GBF allocation: £1,972,000
% of GBF funding spent to end of Q1 2022/23: 12.4%
Responsible Upper Tier Local Authority: Essex County Council
<b>Brief project description</b>
<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>
<b>Reasons why extension was sought</b>
<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 additional time was required to spend the GBF funding awarded to support delivery of the project.</p>
<b>Update on project delivery</b>
<p>A tender process was undertaken to appoint a contractor to deliver the works. The tenders received were significantly higher than anticipated, meaning that Tendring District Council had to re-evaluate their finances and seek additional finance from partners to enable delivery of the project.</p> <p>The scale of the cost increase also gave rise to concerns regarding the ability of the project to continue to offer High value for money.</p> <p>As reported at the May 2022 Board meeting, the funding gap has now been bridged and an updated Value for Money assessment was provided which demonstrated that the project continued to offer High value for money.</p> <p>A contractor has now been appointed and work commenced onsite in May 2022. Project completion is expected by April 2023.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

<b>Swan Modular Housing Factory</b>
Extension granted: 6 months
GBF allocation: £4,530,000
% of GBF funding spent to end of Q1 2022/23: 54.4%
Responsible Upper Tier Local Authority: Essex County Council
<b>Brief project description</b>
The GBF funding is being used to support delivery of a modular housing factory in Basildon. The new factory is immediately adjacent to Swan's current factory, which was established in 2017, which provides 70 jobs and produces c450 homes per year. The new factory will deliver up to an additional 1,000 homes per year. The factories will provide homes across Swan's programme and for third parties – in total a pipeline of some 8,000 new homes. The combined capacity of 1,450 homes per year could be doubled if second shifts were to be introduced.
<b>Reasons why extension was sought</b>
The primary reasons for the delay in progressing the project are significantly longer lead-in times for some items than originally anticipated, the need to identify alternative suppliers in order to mitigate cost increases and in some cases the need to develop alternative solutions so as to mitigate the issues caused by cost increases and extended lead in times. Due to these delays, additional time was required to enable full spend of the GBF funding allocation.
<b>Update on project delivery</b>
Work on the GBF funded elements of the project is continuing, with completion expected by March 2023. This will allow construction to commence at the factory, whilst the remainder of the site is fitted out. It is expected that fit out of the entire factory will be complete by March 2024.
A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.

<b>Tendring Bikes and Cycle Infrastructure</b>
Extension granted: 6 months
GBF allocation: £2,300,000
% of GBF funding spent to end of Q1 2022/23: 22.6%
Responsible Upper Tier Local Authority: Essex County Council
<b>Brief project description</b>
<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 Street Fund and sustainable infrastructure proposed as a result of this programme</p>
<b>Reasons why extension was sought</b>
<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>
<b>Update on project delivery</b>
<p>The bespoke bike scheme is operational and has started to issue bikes to local residents.</p> <p>Work has commenced onsite to deliver the cycle network infrastructure and it is expected that the project will be completed in December 2022.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

<b>Romney Marsh Employment Hub</b>
Extension granted: 6 months
GBF allocation: £3,536,466
% of GBF funding spent to end of Q1 2022/23: 82.5%
Responsible Upper Tier Local Authority: Kent County Council
<b>Brief project description</b>
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.
<b>Reasons why extension was sought</b>
An 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.
<b>Update on project delivery</b>
<p>Delivery of the project is nearing completion, although installation of the utilities has not yet commenced onsite. A revised utilities programme is due to be provided and it is expected that the works will be completed in Q3 2022/23. Completion of the utility installation will facilitate completion of the remaining highway/footway works, including surfacing.</p> <p>Project completion is expected in January 2023.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

<b>Discovery Park Incubator (First and Second Floors, Building 500, Discovery Park, Sandwich)</b>
Extension granted: 6 months
GBF allocation: £2,500,000
% of GBF funding spent to end of Q1 2022/23: 23.7%
Responsible Upper Tier Local Authority: Kent County Council
<b>Brief project description</b>
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
<b>Reasons why extension was sought</b>
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.
<b>Update on project delivery</b>
<p>Contracts have now been agreed for all main works packages and construction work has commenced onsite. Key works delivered to date include main ductwork installation, installation of partitions in the first floor incubator space and installation of electrical distribution boards.</p> <p>The project is nearing completion with the flooring due to be installed in late August and a furniture order having been placed to support fit out.</p> <p>Project completion is expected in October 2022.</p>

<b>Techfort</b>
Extension granted: Up to 9 months
GBF allocation: £1,009,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: Kent County Council
<b>Brief project description</b>
<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>
<b>Reasons why extension was sought</b>
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.
<b>Update on project delivery</b>
<p>Planning Consent and Scheduled Monument Consent were both granted in advance of the 20 May 2022 deadline set by the Board.</p> <p>Procurement of a construction contractor is underway, with appointment expected imminently, allowing work to commence onsite in September 2022.</p> <p>Project completion is expected in December 2022.</p>



<b>Better Queensway</b>
Extension granted: 6 months
GBF allocation: £4,200,000
% of GBF funding spent to end of Q1 2022/23: 67.7%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
<b>Brief project description</b>
<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>
<b>Reasons why extension was sought</b>
<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.</p>
<b>Update on project delivery</b>
<p>The GBF funding is being spent on the early enabling works to support the delivery of the major wider regeneration project, which is expected to complete in 2034. The GBF funding has been used to support the early acquisition of properties on the estate and the development of the detailed design for the highway improvement works. The remaining GBF funding is due to be spent supporting further acquisitions, demolition of a footbridge and diversion of a gas main.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p> <p>As outlined at previous Board meetings, the Regulator for Social Housing took the decision to downgrade Swan Housing Association's viability and</p>

governance grades. As a result of this decision, Swan Housing do not currently meet the Regulator's governance and viability standards and steps need to be taken to improve work in these areas.

It has also been noted at previous meetings that Swan have announced a planned partnership with Orbit, which if approved is expected to complete in late 2022.

Assurances were sought by the Board with regard to the ongoing delivery of the wider project in light of these issues. These assurances have now been provided and have been outlined in full within the Board report.

<b>No Use Empty South Essex</b>
Extension granted: 6 months
GBF allocation: £1,200,000
% of GBF funding spent to end of Q1 2022/23: 0%
Responsible Upper Tier Local Authority: Southend-on-Sea City Council
<b>Brief project description</b>
<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>
<b>Reasons why extension was sought</b>
<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 is that a Service Level Agreement will 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 have 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 has been significantly delayed.</p>
<b>Update on project delivery</b>
<p>The No Use Empty South Essex initiative was launched on 19 April 2022 and an initial 3 applications, with a total value of £550,000, are currently being determined.</p> <p>The timeline for processing and approving the applications has been longer than anticipated, with an approximate 18 week turnaround and some applications have been withdrawn due to the current economic climate. However, further applications have been received and are currently being processed. In addition, a number of new enquiries have been received and are being following up with a view to converting them to applications.</p> <p>Further publicity is planned to increase the number of applications received.</p> <p>A request for retention of the GBF funding beyond September 2022 has been received and will be considered under Agenda Item 6.</p>

<b>ASELA LFFN</b>
Extension granted: 6 months
GBF allocation: £2,500,000
% of GBF funding spent to end of Q1 2022/23: 94.7%
Responsible Upper Tier Local Authority: Thurrock Council
<b>Brief project description</b>
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.
<b>Reasons why extension was sought</b>
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.
<b>Update on project delivery</b>
<p>Delivery of the project continues with the remaining sites due to be completed by December 2022.</p> <p>It was expected that the works would be completed in September 2022, but completion has been delayed due to the need for the blocked ducts to be resolved and appropriate traffic management approvals/measures to be put in place.</p>

Our ref:

Your ref:

Date: 14<sup>th</sup> July 2022

Dear Sirs

## Better Queensway: Orbit and Swan Merger Update

Following your recent meeting with Council Officers I wanted to reassure you of our continued commitment to this vital regeneration programme for our City and to share with you the latest information we have regarding the merger between Orbit and Swan for our flagship Better Queensway project.

Although due diligence is currently continuing, senior officers at Swan have informed us that Orbit are keen that the project will continue once the merger is completed. We received the attached letter of reassurance from Susan Hickey, Acting Chief Executive of Swan on 13th May 2022.

In addition, we have been asked by Orbit's Director of Corporate Finance and Treasury for our formal consent to a "change of control" in favour of Orbit as required under our LLP partnership agreement with Swan. This request also indicates that Orbit are preparing to take on all Swan's obligations for this major programme.

In practical terms the two organisations have already started working together through a new Development Service Agreement that sees Swan's development team, led by a newly appointed MD Brian Nearney, being overseen by Group Director of Orbit Homes, Helen Moore.

We believe that the target date for the merger is now October 2022. In the meantime, SCC officers continue to work closely with the LLP Project Director to ensure progress on the major outputs required this year including the enabling works being funded by SELEP.

We are committed to this major programme and the transformational regeneration benefits that it will deliver for Southend-on-Sea. SELEP's support and continued commitment to funding the enabling works is imperative to the success and future delivery of the major life changing benefits that this project will achieve locally. The combined total of planned public/private investment is estimated to be well in excess of £1/2 Billion across the lifetime of the project.

We are hopeful that once Orbit have completed their due diligence over the summer, we will have a new agreed business plan and timeline for the delivery of the highways and residential outputs. We are confident that the spend deadline for the GBF can be achieved.

As you know Orbit are a very large and financially secure organisation, with an excellent track record of delivery. Their interests and passion are to transform neighbourhoods and deliver high-quality new housing, so we expect their long-term involvement to be a major positive for the scheme.

Thank you for your continued support for this strategically and vitally important project to our City and do let us know if there is anything else that you need from us.

Yours sincerely



**Joe Chesterton**

**Executive Director, Finance & Resources**