

Forward Plan reference numbers: FP/AB/569

Report title: Growing Places Fund Update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 23 September 2022	For: Information
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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 **Note** that the expected revised repayment schedule proposal for the Eastbourne Fisherman's Quayside and Infrastructure Development project will now not be forthcoming until the November 2022 Accountability Board meeting as additional time is needed for East Sussex County Council to undertake all required due diligence on the proposed revised repayment mechanism and schedule.

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 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.
- 3.3 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.

- 3.4 At this time, due to the ongoing work within SELEP to transition to its new role (as agreed at the [June 2022 Strategic Board](#) meeting), there are no immediate plans for a new round of GPF funding to be launched. However, it is expected that a further update on the potential for a future round of funding will be brought to both the Strategic Board and this Board prior to the end of 2022/23.

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 ten 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. Repayments forecast for 2022/23 reflect the latest repayment schedules approved by the Board.
- 4.5 As reported at the last two Board meetings, a significant risk to the agreed repayment schedule for the Eastbourne Fisherman's Quayside and Infrastructure Development project has been identified. It is now expected that a proposed revised repayment schedule for the project will be presented to the November 2022 Board meeting. Further information on this risk is provided in Section 6 below. The GPF repayment schedules are set out in Appendix B.
- 4.6 Given that a revised repayment schedule has not yet been provided for the Eastbourne Fisherman's Quayside and Infrastructure Development project, it has been assumed (for the purpose of the cash flow) that the remaining balance owed against this project (£0.825m) will be repaid prior to the end of 2022/23, in accordance with the repayment schedule previously agreed by the Board.

Table 1: GPF Cash Flow Position

£	2022/23	2023/24
GPF available at the outset of year	13,039,744	14,009,744
GPF funding repurposed	-	-
GPF available for investment	13,039,744	14,009,744
GPF Round 1 planned investments	0	0
GPF Round 2 planned investments	0	0
GPF Round 3 planned investments	4,650,000	0
Position before GPF repayments are made	8,389,744	14,009,744
GPF repayments expected	5,620,000	1,740,000
Carry forward	14,009,744	15,749,744

4.7 As shown in Table 1 total GPF Round 3 drawdown of £4.65m is forecast for 2022/23. Sufficient GPF funding is currently being held to meet these drawdown requirements. 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.

4.8 In November 2021, the Board agreed a revised repayment schedule for the Centre for Advanced Engineering project. As required, in advance of the Accountability Board meeting, the Essex County Council Section 151 Officer reviewed the proposed repayment mechanism and repayment schedule and recommended that a formal Continued Confirmation Statement and Reprofiting of the forecast expenditure be provided by South Essex College (as the delivery organisation) to the Accountability Board and Essex County Council on an annual basis. It is expected that the first Continued Confirmation Statement will be presented to the Board in November 2022, with a view to providing ongoing assurance that the agreed repayment schedule remains viable.

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 There continues to be a high risk (red) with regard to the repayment of the loan issued to support the Eastbourne Fisherman's Quayside and Infrastructure Development project. Further details on this risk are set out under Section 6 of this report.

- 5.3 The only other high risk identified relates to the delivery of the forecast project outcomes for the North Queensway project. The GPF funded enabling works have been delivered and the site is now unlocked for delivery of a new business park providing serviced development plots of high quality industrial and office premises. Delivery of this workspace is dependent upon receipt of private sector investment and the site is currently being marketed, however, to date no development has come forward on the site.
- 5.4 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.
- 5.5 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. Eastbourne Fisherman's Quayside and Infrastructure Development project – update towards provision of a revised repayment schedule

- 6.1 The Eastbourne Fisherman's Quayside and Infrastructure Development project was awarded £1.15m GPF in December 2017. The funding was awarded to support the build of a Fisherman'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.
- 6.2 As the Board are aware from previous updates, the project encountered a number of issues (as summarised at the [February 2020 Board meeting](#)) which significantly delayed progress. However, following resolution of these issues, work commenced onsite on 27th July 2020 and the project completed in April 2021 enabling the onsite shop to open and operation of the seafood processing infrastructure to commence.
- 6.3 The project has also been awarded £1.44m Local Growth Fund funding to support delivery of Phases 2 and 3 of the project, which includes a Visitor Centre, a base for the Eastbourne Fisherman's Under 10m Community Interest Company (CIC) outreach and engagement work and storage space for fishing and landing equipment as well as a repair workshop. Phases 2 and 3 of the project completed in March 2022 allowing use of the buildings to commence.

- 6.4 As reported at the May 2022 Board meeting, a repayment of £0.25m was due to be made against the project prior to the end of 2021/22. However, it was only possible for a repayment of £0.1m to be made against the project prior to the end of the financial year and therefore the project defaulted on the agreed repayment schedule. As a consequence, interest is now chargeable on the remaining balance of the GPF loan (£0.825m) until the repayments are brought back into alignment with the agreed repayment schedule.
- 6.5 It was reported in July 2022 that a proposed revised repayment schedule would be brought forward for Board consideration at this meeting. The Eastbourne Fisherman's Under 10m CIC (delivery partner) have been taking steps to develop a robust revised repayment schedule and have worked with Locate East Sussex to prepare a comprehensive and viable new Business Plan.
- 6.6 The Business Plan and associated financial plan, which includes a proposed revised repayment schedule for the GPF loan, have been provided to East Sussex County Council for their review. An initial review of the documents has been undertaken by East Sussex County Council officers but further time is needed to ensure that full due diligence can be completed and that Section 151 Officer sign-off can be obtained confirming that the proposed revised repayment mechanism and repayment schedule are robust and viable.
- 6.7 It is now expected that the proposed revised repayment schedule will be brought to the Board for consideration in November 2022. This repayment schedule will also need to be considered by the Strategic Board in December 2022 due to the number of changes to the repayment schedule which have previously been agreed by the Board.
- 6.8 In the meantime, the Board should be aware of the ongoing risk of non-payment of the balance of the loan for the Eastbourne Fisherman's Quayside and Infrastructure Development project, as a result of the default position of the 2021/22 scheduled repayment and uncertainty relating to the updated repayment schedule for the outstanding balance on the loan. Until a proposed revised repayment schedule is brought forward for Board consideration, it should be noted that the repayment schedule previously agreed by the Board remains in place and requires full repayment of the remaining £0.825m funding during 2022/23 (as set out in Section 4.6 of this report).

7. Financial Implications (Accountable Body Comments)

- 7.1 A total of £13.04m (table 1) GPF has been carried forward from 2021/22. There is sufficient funding available to meet the already agreed GPF investments due in this financial year. Of this balance, £8.389m is uncommitted increasing to £14.009m uncommitted balance for 2022/23, should all loan repayments be received in line with current Board decisions and credit agreements in place. There is a likely risk this balance will drop pending a request to come forward to the Board for a change to repayment schedule of Eastbourne Fisherman's Quayside and Infrastructure

Development project, which could drop the available uncommitted balance of GPF to £13.185m for 2022/23.

- 7.2 The existing GPF project pipeline has now been expended, with no further projects due to come forward for consideration of GPF award at this time and no plans currently for a new round of GPF funding to be launched. Due to ongoing uncertainty from Government regarding the future role of LEP's, it is advised that options for the use of the available balance of GPF should be brought forward to the Strategic Board and the Board for consideration in 2022/23 and decision made on the future management of GPF as a recyclable capital loan scheme.
- 7.3 There is a continued risk in 2022/23 that scheduled repayments by existing projects will not be made as planned due to difficulties experienced by projects as a result of Brexit, COVID-19, economic uncertainty and inflation.
- 7.4 The Board are asked to continue to note that there has been a default in the loan repayment in respect of the Eastbourne Fisherman's Quayside and Infrastructure Development project in 2021/22.
- 7.5 The credit agreement states that interest will be applicable on the loan which is in default as detailed in 8.1 of this report. An indicative calculation of interest chargeable to East Sussex County Council as the 'borrower' under these terms was provided to the Board at the May 2022 meeting. An end date of 22 September 2022 (aligned with the September Board meeting) was assumed for illustration purposes but is not confirmed; as the request to re-profile the loan repayment has not been brought forward to this meeting, as previously anticipated, the interest will continue to accrue on the loan.
- 7.6 The full balance of the loan is scheduled for repayment in 2022/23 as per the credit agreement. East Sussex County Council have provided assurance to the Accountable Body, that they continue to work closely with the Eastbourne Fisherman's Under 10m CIC to ensure a robust and achievable proposed repayment reprofile is presented to the Board for consideration, with a view that this will now be presented at the November 2022 meeting.
- 7.7 If an existing GPF project is put forward for a change to its repayment schedule, under the terms of the credit agreement with Essex County Council, the lead County/Unitary Authority is required to provide assurance that there is reasonable justification for a delay in repayment and that the project is still viable in the longer term to make the repayments in full.
- 7.8 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. Reprofiling 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.

- 7.9 Under the terms of the credit agreements between Essex County Council as the Accountable Body to SELEP being the 'lender' and the lead County/Unitary Authority being the 'borrower' (and SELEP Ltd as a party for post incorporation credit agreements) that on a quarterly basis a progress report is to be provided by the Borrower to include; a statement of project progress and any deviation, a revised Projects, Financial plan, and update of outputs achieved and those forecast, amongst other updates as requested. This is to enable robust and timely reporting to be provided to the Accountability Board on the status of project delivery, outputs and risks and mitigations.
- 7.10 It is 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 where 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 Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	14 th September 2022

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
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 and the building is now in use.	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. Revised repayment schedule will be brought to the November 2022 Board meeting.	Project is now complete and outcomes have started to be realised		Reduced repayment made in March 2022, and revised repayment schedule will be brought to the November 2022 Board meeting.
North Queensway	East Sussex	Round One	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 16,000m ² (gross) of high quality industrial and office premises.	GPF invested, project complete and full repayment made. Private sector investment is required to bring forward commercial development on the site. The site is currently being marketed and discussions are ongoing regarding land options and planning.	GPF funded enabling works complete	GPF funding spent in full	GPF repaid in full	Delivery of the planned commercial workspace is dependent upon receipt of private sector investment. The site is currently being marketed, with a view to bringing forward the required investment.		The GPF funded enabling works have been completed, however, no commercial workspace has been brought forward to date. The site continues to be marketed.
Green Hydrogen Generation Facility	Kent	Round Three	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.	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. The wind farm due to the 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.	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.	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.	No repayment risk identified. Increasing levels of demand for green hydrogen in the region is expected to enable timely repayment of the GPF funding.	Project outcomes will be delivered as per the Business Case	Risk of fluctuation in the electricity and natural gas markets has materialised, with a similar effect on the market price of hydrogen.	Construction has been delayed due to COVID-19 impacts. Project outcomes still expected to be delivered as per the Business Case.

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Name of Project	Upper Tier Local Authority	GPF Round	Description	Current Status	Deliverability and Risk					
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Observer Building, Hastings - Tranche 1	East Sussex	Round Three	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>Planning permission for the proposed works was granted in September 2020.</p> <p>Following a period of value engineering, works commenced onsite. Installation of a new lift has been delayed but the majority of the works have now been completed.</p> <p>Heads of terms are being negotiated with the first tenants of the 12 studio-offices within the building, and occupation is expected prior to the end of September 2022.</p>	This is a complex project seeking to address the impacts of 35 years of dereliction. Delivery of the GPF funded works is nearing completion, with installation of the new lift outstanding	GPF allocation has been spent in full	The repayment schedule remains as set out in the Business Case but the ongoing global economic uncertainty presents a risk and makes forecasting difficult.	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	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>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. Work is ongoing to ensure that the whole building is weathertight but cost inflation has made it impossible to complete all the planned works	Work is ongoing at the site and therefore the GPF spend risk is considered to be low.	The repayment schedule remains as set out in the Business Case but the ongoing global economic uncertainty presents a risk and makes forecasting difficult.	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
Centre for Advanced Engineering	Essex	Round Two	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>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>	Project delivered	GPF funding spent in full	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. The first update is due to be presented at the November 2022 Board meeting.	Initial project outcomes reported including new learners, apprentices and new jobs created but further updates required		Revised repayment schedule agreed and initial information on project outcomes provided.
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	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.	High level update on wider project outcomes provided	The overall cost of the project has risen significantly due to the increase in construction materials costs in 2021/22 and as a result, a viability report has been prepared to test the current project outputs.	GPF funded works delivered and GPF funding repaid in full. However, cost increases have impacted on the delivery of the wider project.

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
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.	Advanced clearance works have been undertaken. Procurement of a construction contractor has concluded and work commenced onsite on 1 August 2022.	Construction contract has been awarded and work has commenced onsite	The first tranche of the GPF funding has been drawn down and will be used to support project delivery. Following Board agreement that the project has met the funding conditions attached to the award of the remaining funding, a Variation Agreement is currently progressed to allow release of the remaining funding.	There is a minor risk that the final development site will be slow to build out, meaning that their S106 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.	Current volatility in the materials market may pose a risk to the budget. The COVID-19 pandemic could potentially impact on availability of workforce particularly during winter 2022. Engagement with utility companies has taken longer than anticipated but float has been included in the programme to mitigate this risk.	Project has commenced onsite and will be subject to a shorter delivery programme than that set out in the Business Case. Identified risks will be monitored as the project progresses.
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 of £578,724 to bridge a viability gap which has arisen as a result of COVID-19 impacts on the property market. Construction is nearing completion, with final utilities work and surfacing of the road and car park ongoing.	Construction is nearing completion.	GPF funding spent in full as works are nearing completion.	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. Marketing of the local industrial units has commenced.	Project has been delayed due to long lead-in times for the required utility works but these have now been completed and the final elements of the project are in progress.	Project delivery is progressing well. However, the full impact of COVID-19 on the sales market of industrial units is not currently known and therefore there remains an element of uncertainty.
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 five projects within this programme. Of these, one project has recently been approved for funding, 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.	All GPF funding has now been allocated to approved projects	Legal documentation in relation to the recently approved loan is currently being finalised. It is expected that the funding will be issued to the loan recipient in September 2022.	Loan recipients were allowed a repayment holiday until 30 September 2021 but repayments have now recommenced. A revised repayment schedule has been agreed for one of the projects due to the impacts of the COVID-19 pandemic.	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 recently approved final project and therefore forecast project outcomes should still be achieved.		The award of the final loan has now been approved but the remaining GPF funding is yet to be drawn down and spent on project delivery.
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

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Chatham Waterfront	Medway	Round One	<p>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.</p> <p>A waterfront development site that can provide up to 175 homes over 6 to 10 storeys with ground floor commercial space.</p>	<p>Piling is now complete for all blocks and work is continuing on 3 of the blocks.</p> <p>Work has commenced to deliver the new turning required to access the site.</p>	<p>GPF funded element of the project has been completed.</p> <p>COVID-19 impact on wider project delivery is being continually monitored but work is ongoing onsite</p>	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.		Impact of COVID-19 pandemic on project delivery is being continually monitored but work is continuing onsite.
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	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 then 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.	<p>GPF invested, project complete and repayment made in full.</p> <p>The refurbished building is now in use and having a positive impact in the town centre.</p>	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	Project Complete	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.
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>Demolition of the disused building is now complete.</p> <p>The Masterplan and Local Development Order (LDO) 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. Architects have been appointed to design the two buildings and the car park which will be located on the site. Marketing of the site is ongoing.</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.		The GPF funded enabling works have now been delivered and the GPF funding has been repaid in full

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
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.	<p>"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.</p> <p>To date 83 units have been completed and occupied.</p>	There is no identified delivery risk following the change in approach to Phase 2 of the project	GPF spend is expected to increase in 2022/23 and 2023/24 as the final funds are used to address poor quality housing stock.	<p>COVID-19 has impacted on the construction sector and the time required to return derelict homes back into use.</p> <p>In addition, it is unknown at present how much of an impact COVID-19 will have on sales values of the homes.</p> <p>A revised repayment schedule was agreed by the Board in November 2020.</p>	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.		<p>Project is progressing well following change to Phase 2 of the project.</p> <p>Project is expecting to exceed the project outcomes set out in the Business Case.</p>
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.	<p>12 projects currently contracted and underway in Canterbury, Dover, Folkestone, Herne Bay, Hythe, Margate, Sheerness, Sittingbourne and Ramsgate. These projects are expected to return 13 empty commercial units back into use and create 42 residential units.</p> <p>Discussions are ongoing regarding 2 potential new projects in Faversham and Folkestone.</p> <p>Approval for accelerated drawdown of £500,000 GPF originally forecast for drawdown in 2023/24 was granted at the July 2022 Board meeting.</p>	The first 12 projects are in contract and discussions are ongoing regarding further properties which may be added to the programme.	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.	The impact of COVID-19 on the High Street may result in fewer large commercial premises coming forward for redevelopment. However, initial signs are good and encouraging discussions are ongoing with developers.		Project is progressing well and accelerated drawdown of GPF funding has been agreed to support project delivery.
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.	<p>The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m² of high quality office space.</p> <p>Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19.</p>	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

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
Rochester Riverside	Medway	Round One	<p>The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways.</p> <p>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.</p>	<p>The first housing units were completed in Q2 of 2019. 331 homes are now occupied, with a further 171 under construction (Phases 1 to 3).</p> <p>Construction of the new 2 form entry school commenced in July 2021, with completion expected by September 2022.</p> <p>Planning applications are being prepared/have been submitted in relation to future phases of development on the site.</p>	This project is already on site and the S106 agreement was signed at the end of January 2018. Phases 1 and 2 have been completed and Phase 3 is well underway	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.	Contractors stopped work onsite due to the COVID-19 pandemic, which caused a 10 week delay to the programme. However, work is now progressing well. The supply chain has experienced some delays but these are being factored into future works.	Overall the project is on track to deliver outputs and outcomes.
Charleston Centenary	East Sussex	Round Two	<p>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.</p>	<p>The GPF funded works on the café-restaurant are now complete and the café-restaurant is open.</p> <p>Immediate impacts of the COVID-19 pandemic have been experienced, resulting in delays to repayment of the GPF loan.</p>	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	<p>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 3,473m² of office space.</p>	<p>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.</p> <p>Immediate impacts of the COVID-19 pandemic were experienced, resulting in delays to repayment of the GPF loan.</p>	Project complete.	GPF allocation spent in full.	Revised repayment schedule agreed in February 2022 which is achievable against expected cashflows	Financial sustainability of business tenants is returning to pre COVID-19 levels thereby reducing the risk that project outcomes will not be realised.		Project delivered and revised repayment schedule agreed.
No Use Empty Commercial Phase I	Kent	Round Two	<p>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.</p>	<p>The project has contracted with 12 projects in Dover, Folkestone and Margate.</p> <p>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.</p>	Project is nearing completion	The full £1.0m of GPF funding has been allocated to projects	A revised repayment schedule was agreed by the Board in November 2020 and repayments are being made in line with this schedule.	Contracts are now in place to ensure delivery of the outcomes stated within the Business Case. Timeframe for realisation of benefits will be affected by COVID-19 construction delays.	No other risks identified. The number of commercial units in contract exceed the total stated in the Business Case.	Works delivered through the Project are nearing completion.
No Use Empty Residential	Kent	Round Three	<p>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.</p>	<p>The Growing Places Fund loan agreement has now been completed by all parties and the funding released to Kent County Council.</p> <p>There is a healthy pipeline of projects for 2022/23 and further publicity around the initiative is planned. The first 5 projects under this funding stream are now in contract, with a total of 9 projects now approved.</p>	Delivery of the project is at an early stage but there is a proven track record of delivery.	GPF spend commenced in Q1 2022/23 following completion of the contracts relating to the initial projects.	No repayment risk identified to date. It is intended that the majority of the funds will be allocated during 2022/23. This should mitigate any risk of late repayment against the repayment schedule.	It is expected that benefits will be realised as per the Business Case.		Project is in the early stages but is progressing well.

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
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.
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	No repayment risk identified	It has been reported that the majority of the forecast outcomes have been realised despite the impacts of the COVID-19 pandemic.		Project 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
Barnhorn Green Commercial and Health Development	East Sussex	Round Three	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. 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.	The Growing Places Loan agreement has now been completed. No funding has been drawn down to date. Full update on project delivery to be provided following initial drawdown of funding.	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding
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. Full update on project delivery to be provided following initial drawdown of funding.	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding	Risk update to be provided following initial drawdown of funding
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						
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 2022	2022/23 total	2023/24 total	2024/25 total	2025/26 total	2026/27 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	3,920,008	1,500,000	1,000,000	1,000,000	1,500,000	-	-	5,000,000
Sub Total		46,705,042	46,705,042	40,262,050	38,130,675	4,575,000	1,000,000	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	20,000	20,000	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	825,000	-	-	-	-	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	800,000	200,000	-	-	-	-	1,000,000
Sub Total		8,417,000	8,417,000	8,417,000	3,245,000	1,045,000	640,000	690,000	1,797,000	1,000,000	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	1,443,000	-	-	-	750,000	750,000	500,000	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	-	-	-	-	400,000	600,000	-	1,000,000
Herne Relief Road	Kent	3,500,000	2,100,000	-	-	-	-	-	3,500,000	-	3,500,000
Observer Building, Hastings - Tranche 2	East Sussex	1,616,500	1,616,500	1,226,200	-	-	-	-	1,616,500	-	1,616,500
No Use Empty Residential	Kent	2,500,000	2,500,000	75,000	-	-	-	-	1,250,000	1,250,000	2,500,000
Sub Total		18,186,500	14,036,500	5,094,200	-	-	100,000	1,750,000	14,586,500	500,000	18,186,500
Total		73,308,542	69,158,542	53,773,250	41,375,675	5,620,000	1,740,000	3,940,000	16,383,500	1,734,600	73,289,775

Appendix C - Growing Places Fund Drawdown Schedule

Name of Project	Upper Tier Local Authority	Total Allocation	Total drawn down to end 2021/22	2022/23 total	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	1,500,000	500,000	-	2,000,000
No Use Empty South Essex	Southend	1,000,000	-	1,000,000	-	1,000,000
Herne Relief Road (subject to meeting funding conditions)	Kent	3,500,000	2,100,000	1,400,000	-	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	13,536,500	4,650,000	-	18,186,500
Total		72,062,542	67,412,542	4,650,000	-	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.