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Report title: Getting Building Fund – Retention of funding beyond 30 September 2022	
Report to: Accountability Board	
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Meeting date: 23 September 2022	For: Decision
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SELEP Partner Authority affected: East Sussex County Council, Essex County Council, Kent County Council and Southend-on-Sea City Council	

1. Purpose of report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to consider whether the eight projects outlined in this report can retain their Getting Building Fund (GBF) funding allocations beyond September 2022. Seven of the projects have previously been granted extensions to GBF spend beyond March 2022 to the end of September 2022. A request to retain GBF funding beyond March 2022 against the final project (Food Street) has not previously been considered by the Board.
- 1.2. In order to inform the Board's decisions, consideration has been given as to whether the eight projects meet the requirements agreed in May 2022 for all projects retaining their respective GBF allocations beyond 31 March 2022.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. Choose **one** of the following two options for seven of the projects detailed in this report. The projects under consideration are 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 No Use Empty South Essex.

Option 1

- 2.1.1.1. **Agree** that the project meets the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022; and
- 2.1.1.2. **Agree** that the GBF funding allocation can be retained against the project for a further maximum period of 6 months (to 31 March 2023), subject to Strategic Board endorsement in October 2022; **OR**

Option 2

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- 2.1.1.3. **Agree** that the project does not meet the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022 and that the GBF funding which remains unspent at 30 September 2022 (at the end of the previously agreed extension) should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the funding to alternative projects.
- 2.1.1.4. **Note** that, following this Board meeting, a review of the project will be undertaken to determine whether there is a requirement for any of the remaining GBF funding allocation to be returned to the SELEP Accountable Body.

2.1.2. Choose **one** of the following two options in relation to the Food Steet project:

Option 1

- 2.1.2.1. **Agree** that the project meets the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022; and
- 2.1.2.2. **Agree** that the GBF funding allocation can be retained against the project for a maximum period of 12 months (to 31 March 2023) subject to Strategic Board endorsement in October 2022; **OR**

Option 2

- 2.1.2.3. **Agree** that the project does not meet the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022 and that the project should be removed from the GBF programme; and
- 2.1.2.4. **Agree** that the funding already transferred to the responsible Upper Tier Local Authority to support delivery of the project should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the full GBF allocation to the next project(s) on the GBF project pipeline.

3. Background

- 3.1. In July 2021, the Board agreed SELEP's position on the retention of GBF funding against projects beyond 31 March 2022. The Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied. The agreed criteria and conditions were as follows:
 - 3.1.1. The maximum extension offered to a GBF project is 6 months, to 30 September 2022.
 - 3.1.2. Only projects which have been delayed by external factors which could not have been foreseen at the time of Business Case development can be considered for retention of GBF funding beyond 31 March 2022. External factors could relate to

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the impact of external agencies (i.e. Network Rail or Central Government departments) or failure of suppliers/contractors to deliver in accordance with an agreed programme.

- 3.1.3. Projects must demonstrate that they meet the following six conditions before the Board will be asked to consider approving retention of GBF funding beyond 31 March 2022:

- 3.1.3.1. Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board;

- 3.1.3.2. Confirmation that all funding sources identified to enable delivery of the project are in place and provision of an updated GBF spend profile;

- 3.1.3.3. Written confirmation that all planning requirements will be met by 31 December 2021;

- 3.1.3.4. Confirmation that contractual commitments will be in place with the construction contractor by 31 January 2022;

- 3.1.3.5. Confirmation that the total project cost and the project benefits remain unchanged ensuring that the project continues to offer High value for money;

- 3.1.3.6. Endorsement from Strategic Board that the funding should be retained against the project beyond 31 March 2022.

- 3.2. Subsequently in May 2022, following a review of all projects which had received approval for retention of their GBF funding beyond March 2022, the Board agreed that all projects forecasting GBF spend beyond March 2022 must meet the following requirements:

- 3.2.1. All GBF funding must be spent within 12 months of the official end of the GBF programme, with full spend required by 31 March 2023.

- 3.2.2. All planning requirements must be met by 15 July 2022.

- 3.2.3. All other (non-planning) required consents and approvals must be received by 15 July 2022.

- 3.2.4. Contractual commitments must be in place with the construction contractor by 30 September 2022.

- 3.2.5. Any changes to total project cost (prior to construction contract award) and forecast benefits must be reported to the SELEP Secretariat to enable ongoing monitoring of the value for money offered by the project.

- 3.2.6. Ongoing reporting to the SELEP Secretariat on progress towards project delivery including provision of updated delivery milestones and notification of any changes to the funding sources identified to support project delivery must be provided.

- 3.3. These requirements were introduced as a mechanism for ensuring timely completion of the GBF programme and were not, at the time, intended to represent a new approach to

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determining whether funding could be retained beyond 31 March 2022. It was noted that there was still an expectation for projects to complete GBF spend by the date agreed by the Board under the terms of the extension granted to each individual project and that further extensions would only be granted in exceptional circumstances.

- 3.4. Seven of the eight projects outlined in this report are seeking approval for retention of their GBF funding allocation beyond the extension granted by the Board and their status has been assessed against the requirements outlined at Section 3.2 of this report. The final project, Food Street, has not previously sought approval for retention of its' GBF funding allocation beyond March 2022 as it was originally expected that the GBF funding would be spent in full prior to the end of 2021/22. In light of the fact that the GBF funding was not awarded to the project until February 2022, the request for retention of funding beyond March 2022 has also been assessed against the updated requirements agreed in May 2022.
- 3.5. Any projects which receive approval from the Board to retain their GBF funding beyond 30 September 2022 will provide updates at each subsequent Board meeting to demonstrate that the project remains on track to meet the agreed extended GBF spend deadline.

4. UTC Maritime and Sustainable Technology Hub

- 4.1. The UTC Maritime and Sustainable Technology Hub project is seeking to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site, comprising:
 - 4.1.1. 1,630 sqm of educational/training and business support space for the maritime sector;
 - 4.1.2. 1,595 sqm of commercial office space; and
 - 4.1.3. 1,500 sqm of ancillary space.
- 4.2. The completed development will enable a Maritime and Sustainable Technology Hub to be established in Newhaven to support the maritime sector across Sussex. The Hub will actively seek to encourage those industries involved in the design, construction, maintenance and operation of environmental, engineering and maritime products and services (clean, green and marine technologies) to invest in Newhaven.
- 4.3. The Board approved the award of £1.3m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, the full GBF allocation remains unspent.
- 4.4. In September 2022, the Board agreed that the GBF funding allocation could be retained against the project beyond March 2022 for a maximum period of 6 months to 30 September 2022. This extension was sought due to the existence of complex land ownership matters involved with delivery of the project which were taking longer than anticipated to resolve.
- 4.5. As reported to the Board in July 2022, the land ownership matters have now been resolved, with the acquisition of the building having been completed by Lewes District Council. The Board were also advised in July 2022 that there were additional costs associated with the acquisition which resulted in an increased total project cost. The additional funding required to enable delivery of the project was committed by Lewes District Council and updated

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value for money calculations were provided which indicated that the project continues to offer High value for money.

- 4.6. As reported at the last Board meeting, a tender process has been completed to appoint a contractor to deliver the initial phase of works within the building. These works include:
 - 4.6.1. Recommissioning all elements of the building following the closure period, ensuring that everything is statutory compliant and that any health and safety issues are addressed;
 - 4.6.2. Mechanical and Engineering works to improve air handling throughout the building;
 - 4.6.3. Creation of areas within the building to support the mix of uses in line with the proposed utilisation Business Case;
 - 4.6.4. Works to the adjacent harbour wall as necessary;
 - 4.6.5. Creation of onsite car parking.
- 4.7. At the last Board meeting, it was reported that these works were expected to be completed between July and October 2022, with completion of full GBF spend anticipated in Q2 2022/23. Significant progress has been made on the recommissioning works for the building and Lewes District Council are working with prospective tenants to finalise the scope of internal works needed to meet tenant specifications.
- 4.8. However, Lewes District Council have now advised that there was insufficient time remaining in Q2 2022/23 for the full GBF spend to be incurred. The limited time available to progress these works was further compounded by current delays in obtaining required construction materials. As a result, Lewes District Council and East Sussex County Council are seeking approval for retention of the GBF funding against the project for a further period of 3 months, to 31 December 2022.
- 4.9. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A.
- 4.10. The project complies with all the requirements agreed by the Board in May 2022 and remains on track for completion prior to 31 March 2023 as required.
- 4.11. Whilst the acquisition of the building represented the most significant risk to project delivery, Lewes District Council have identified a lack of demand for the space within the new Hub as a potential risk. However, as reported previously, Lewes District Council have commissioned a Utilisation Optimisation Study for the building, and this has confirmed that there is likely to be good demand for space in the new Hub. Work to finalise the utilisation optimisation for the building is ongoing, with a view to meeting the aims of the GBF funding whilst also providing wider community and business benefits required to support regeneration.

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- 4.12. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that regular updates on project delivery continue to be provided to the Board to ensure that the construction works are progressing as planned.

5. Food Street

- 5.1. Food Street is an aspiration to develop a vibrant, independent food and drink-based economy at the seafront end of Terminus Road, Eastbourne. The project will bring 5 commercial units back into use as part of an enhanced commercial offer in Eastbourne Town Centre.
- 5.2. The Board approved the award of £0.1m of GBF funding to support delivery of the project in February 2022, and at that time it was expected that the GBF funding would be spent in full by 31 March 2022. However, as at the end of Q1 2022/23, the full GBF allocation remains unspent.
- 5.3. As detailed in the GBF Update Report (Agenda Item 5), 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 incurred during 2021/22 could not be claimed against the GBF funding allocation as originally intended.
- 5.4. It has now been confirmed that there is eligible expenditure in 2022/23 to which the GBF funding can be applied. As the Board have not previously agreed that the funding can be retained against the project beyond March 2022, Eastbourne Borough Council and East Sussex County Council are seeking approval for retention of the GBF funding against the project beyond March 2022 for a period of 7 months, to 31 October 2022. Whilst delivery of the shop units was completed in July 2022, additional time is required to allow East Sussex County Council to issue the funding to Eastbourne Borough Council.
- 5.5. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A. This demonstrates that the project meets all the requirements agreed by the Board.
- 5.6. There are no remaining risks to project delivery as the works to be funded through the GBF allocation have been completed.

6. Tending Bikes and Cycle Infrastructure

- 6.1. The project will deliver a bespoke bike loan scheme and improved cycle network infrastructure within Jaywick Sands and Clacton aimed at tackling inequality within one of the most deprived areas of the country. The project will provide access to wider employment, training and up-skilling opportunities, support economic growth in Jaywick and address health inequalities by enabling and supporting active travel.
- 6.2. The Board approved the award of £2.3m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £1.781m of the GBF allocation remains unspent.

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- 6.3. In February 2022, the Board were informed that the bespoke bike loan scheme had been successfully launched in Summer 2020 for Jaywick and Clacton residents, but that delivery of the improved cycle network infrastructure had been delayed. This delay was due to the need to redesign some elements of the proposed cycle route to address comments raised during the stakeholder engagement and public consultation exercise. It was considered important to address these comments as failure to do so would likely result in a reduction in the effectiveness of the project in encouraging an increase in cycle trips.
- 6.4. To allow sufficient time for these design changes to be taken forward, Tendring District Council and Essex County Council sought approval from the Board for retention of the GBF funding allocation beyond March 2022 for a maximum period of 6 months, to 30 September 2022.
- 6.5. When the Board originally agreed the retention of GBF funding against the project beyond March 2022, it was expected that the redesign work would be completed by March 2022. This would allow construction contractor mobilisation to commence in March 2022, with construction taking place between May and September 2022. Tendring District Council have subsequently advised that it wasn't possible for the design work to be completed within that timeframe due to 2 main factors. Firstly, this was due to the scale of the redesign needed following further public engagement and secondly, this was due to resource constraints in Spring 2022 as a direct result of the COVID-19 pandemic. This in turn delayed the procurement of a construction contractor, which delayed the start of works onsite. This delay has been further compounded by issues within the materials supply chain which, as widely reported, are resulting in longer lead in times than would normally be expected.
- 6.6. Construction commenced onsite in August 2022, with completion expected by early 2023. As a result of the delays experienced in progressing the delivery of the project, Tendring District Council and Essex County Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023.
- 6.7. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A. This demonstrates that the project meets all the requirements agreed by the Board.
- 6.8. As set out in Appendix A, it is anticipated that as a result of the changes to the cycle route, additional benefits will be realised compared to those set out in the original project Business Case. The focus will now be on delivering a high-quality cycle route on the sea front connecting Jaywick and Clacton. This route will use more innovative lighting which will be powered by solar and wind power, which will offer a route which is more suited for cycling at all times of the year.
- 6.9. The revised cycle route will provide better links to jobs and opportunities, including links to the Jaywick Market and Commercial Space project (also partially funded through the GBF). The improvements to the sea front route will link to the wider Essex Coastal Path, meaning that the route also has the potential to increase leisure trips and to support the local tourism economy.
- 6.10. Tendring District Council have identified 5 remaining risks to project delivery. These risks are:

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- 6.10.1. Discovery of white fibre asbestos and the impact that this will have on the construction programme. This risk has been mitigated by increasing the risk budget to include funding for specialist asbestos removal.
 - 6.10.2. The construction programme extending beyond December 2022 due to unforeseen issues. This risk has been accepted but if this risk materialises, efforts will be made to make sure that the project is completed by February 2023 at the latest, ensuring that the conditions attached to the GBF funding are met.
 - 6.10.3. Impacts on the delivery programme as a result of COVID-19 enforced absences among construction teams working on the project. In order to mitigate this risk, the delivery of this project will be prioritised over other active travel schemes and resource will be diverted from other projects to support delivery if required.
 - 6.10.4. Increasing construction costs due to rising materials costs. This risk has been accepted as the risk of increasing materials costs has been factored into the risk budget applied to the project.
 - 6.10.5. Adverse weather having a detrimental impact on the construction during the Winter months. This will be mitigated by prioritising certain activities at the start of the construction process and by seeking to complete delivery by February 2023 at the latest.
- 6.11. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the delivery programme and the status of the risks outlined above.

7. Swan Modular Housing Factory

- 7.1. The GBF funding awarded to the Swan Modular Housing Factory project is being used to support delivery of a modular housing factory in Basildon. The factory will deliver up to 1,000 homes per year from January 2024.
- 7.2. The Board approved the award of £4.53m GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £2.064m of the GBF allocation remains unspent.
- 7.3. In May 2022, the Board were asked to approve the retention of the GBF funding against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022. This additional time was required due to extra work that needed to be undertaken to address the following challenges:
 - 7.3.1. Lead times on some items are now significantly longer than originally anticipated.
 - 7.3.2. In some cases, where original quotes have lapsed, suppliers are re quoting significantly higher prices. As a consequence, the delivery partner has had to seek alternative suppliers, change the scope or develop alternative solutions so as to ensure project delivery can progress.

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- 7.4. Swan NULiving (the delivery partner) have advised that lead in times for some items have continued to prove challenging due to a combination of procurement complexity caused by Brexit and a global shortage of some items, including electronics and steel. Some of the specific items referenced in the last extension request have now been sourced, such as work platforms and CCTV, but other items including wireless access points, steel jigs and fixtures and shop floor signalling devices continue to prove problematic and remain subject to long lead in periods.
- 7.5. In addition, Swan have advised that a new issue with the concrete floor has come to light during the delivery of the project. The project was progressing as planned and the floor was due to be marked out and safety barriers installed to demark pedestrian gangways and safe routes for mechanised vehicles, when it was noticed that the concrete floor was uneven. Following investigation, it transpired that earlier works to implement the conveyor system had not been performed to specification and, as a result, had resulted in movement in some parts of the concrete floor. It is considered that if this issue is not rectified now, it will likely become worse over time, and therefore it is believed to be essential that the concrete floor is rectified now to ensure the smooth running of the factory once commissioned.
- 7.6. The determination of the correct rectification approach and the completion of these works has resulted in a delay in the fit out of at least 5 months. As a result of these delays, Swan NULiving and Essex County Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023.
- 7.7. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A.
- 7.8. Whilst the project meets the majority of the requirements agreed by the Board, it is noted in Appendix A that the steel transport frames remain subject to tender. It is expected that Swan NULiving will be in a position to place all orders prior to the end of December 2022, but this does mean that contractual commitments for the steel transport frames will not be in place by 30 September 2022 as required by the Board.
- 7.9. This delay in progressing the tender process for the steel transport frames, in conjunction with the identified global shortage of steel and the long lead in times, does increase the risk that it will not be possible for the GBF funding allocation to be spent in full by 31 March 2023 as required.
- 7.10. Swan NULiving have indicated that the most significant risk to project delivery is the need to rectify the issues with the concrete floor. To ensure that the correct course of action is taken to address the issue, reports have been sought from 3 different specialist engineers and the company who laid the floor. These reports are all expected to be received by early September 2022 and will help to determine the most effective course of action. Specialist contractors to take forward the agreed course of action have been identified and these works will be undertaken as soon as possible so as to minimise the delay to project delivery.
- 7.11. At this stage, it remains unclear what the recommended course of action will be and therefore the timeline for rectifying the issue cannot be confirmed. A further 6 month extension has been requested based on the worst case scenario which would require the

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replacement of the whole section of floor. If repairs are possible, rather than replacement, the delay to project delivery should be reduced.

- 7.12. The only other risk identified is the increase in the cost of energy, however, this is not considered to be a significant risk as the production processes employed are not energy intensive and work is ongoing to install a solar panel array on the roof of the factory which will help to offset these cost increases.
- 7.13. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the delivery programme, procurement of the steel transport frames and the status of the risks outlined above.

8. Jaywick Market and Commercial Space

- 8.1. The project will build and operate a covered market and affordable business space on a gateway site in Jaywick Sands to support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.
- 8.2. The project will construct affordable rent business units offering 9,500 sqft lettable area and a covered local market of 10 affordable pitches. Alongside this, the public realm in the area will be improved including the creation of a new community garden and a multipurpose hard landscaped area which can be used for outdoor markets and seasonal events. 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.
- 8.3. The Board approved the award of £1.972m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £1.728m of the GBF allocation remains unspent.
- 8.4. In November 2021, the Board were advised that concerns had been raised over the rising cost of materials and increasing volatility in the materials market and the impact that this would have on the total project cost. Cost consultants working on the project evidenced a significant escalation of costs within the industry and identified a number of factors that have influenced the cost escalation including the COVID-19 pandemic, Brexit, Suez Canal blockage, lack of HGV drivers and stockpiling by housebuilders.
- 8.5. These concerns prompted a review of the design for the project in an effort to reduce costs where possible. This exercise took longer than expected and impacted upon the delivery programme. As a result, Tendring District Council and Essex County Council requested approval for retention of the GBF funding against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022.
- 8.6. In February 2022, the Board were advised that procurement of a construction contractor had completed and that the tenders received were significantly higher than anticipated, resulting in a funding gap of over £2m.

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- 8.7. A further update on the project was provided to the Board in May 2022. This update indicated that a complete funding package was in place with additional funding having been committed by both Essex County Council and Tendring District Council. In addition, updated value for money calculations were provided which demonstrated that the project continued to offer High value for money. At that time, it was expected that construction would take place between May 2022 and February 2023 and that the GBF funding would be spent in full by 30 September 2022.
- 8.8. Following commencement of the construction work onsite, both asbestos and unexpected ground obstructions were discovered. The asbestos and the ground obstructions have been excavated and removed safely but this has delayed delivery of the project.
- 8.9. This delay has been further compounded by the unavailability of plant needed to deliver the piling. In addition, there remains a real concern that the current shortage of materials being experienced in the United Kingdom and the delays in receiving them will continue to add pressure to the timeline. It is now expected that the project will be complete and the building ready for use in late March 2023. As a result of these delays, Tendring District Council and Essex County Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023.
- 8.10. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A. This demonstrates that the project meets all the requirements agreed by the Board.
- 8.11. As outlined above, Tendring District Council have identified the current shortage of materials and the extended lead-in times as an ongoing risk to project delivery. This risk will need to be continuously monitored as it presents a significant risk to the construction programme and the ability to spend the full GBF funding allocation by 31 March 2023 as required.
- 8.12. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the delivery programme.

9. Romney Marsh Employment Hub

- 9.1. GBF investment was sought to help support the further development of the Mountfield Road Industrial Estate. Phase 1 of the project has delivered a business hub which is divided into 14 rooms of varying sizes, with offices built for businesses that range in size from 2-10 employees. The planned flexibility of the space within the business hub means 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 to provide either more business space or a more bespoke skills facility depending upon demand.
- 9.2. The GBF funding is primarily being used to support delivery of Phase 2 of the project. This phase of the project will bring forward a new access road and the required utilities infrastructure to unlock the potential for future commercial development on the remaining 6 hectares of the site.

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- 9.3. The Board approved the award of £3.536m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £0.617m of this allocation remains unspent.
- 9.4. The main contractor for the design and construction of Phase 2 of the project was appointed in April 2021 and this work was programmed for completion in December 2021. The contract included the design and construction of the drainage and highway works needed to provide a new access road and for all the required utility infrastructure needed to support the proposed development plots on the available land.
- 9.5. The utility infrastructure works were delayed due to the statutory utility companies working to longer than expected timescales when considering requests for information or approvals for proposed works. It is understood that these delays were as a result of staff shortages caused by the COVID-19 pandemic. As a result of these delays, a request to retain the GBF funding beyond 31 March 2022 for a maximum period of 6 months was approved by the Board in February 2022.
- 9.6. Folkestone and Hythe District Council have indicated that delivery of the project has continued to be affected by delays in progressing the required utility infrastructure works. These delays have been as a result of a number of factors including ongoing extended response times from utility companies.
- 9.7. It is also noted that there is a requirement for a 2 stage approval of the utility designs from the Distribution Network Operator (DNO) (companies that own and operate the electricity or gas infrastructure that connects properties to the national grid). The designs were submitted for approval in late May 2022, and the first stage approval was received in late June 2022. Folkestone and Hythe District Council were advised that it would take a maximum of 2 weeks for the second stage approval to be received. Despite weekly chasing by the Council, this approval was not received until 12 August 2022.
- 9.8. The electricity to the site cannot be turned on until electrical substation switch gear has been installed. This switch gear could not be ordered until the designs were approved by the DNO and an order was placed on 12 August 2022. Upon placing the order Folkestone and Hythe District Council were informed that there was a 20 week lead in time for the item. As a result, the project completion date has been delayed until 20 January 2023.
- 9.9. It is reported that the works are expected to be substantially complete by the end of September 2022, but that time is required to process the claims submitted by the contractor and then to submit claims to Kent County Council to secure drawdown of the GBF funding. As a result, Folkestone and Hythe District Council and Kent County Council are seeking approval for retention of the GBF funding against the project for a further period of 4 months, to 31 January 2023.
- 9.10. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A.
- 9.11. Whilst the project meets the majority of the requirements agreed by the Board in May 2022, it should be noted that DNO approval for the utility designs was not received until 12 August 2022 – 4 weeks after the deadline agreed by the Board. Based on the timetable provided to Folkestone and Hythe District Council by the DNO, it was expected that the approval would

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be in place prior to the 15 July 2022 deadline, however, due to the delays outlined above, final approval was not forthcoming within this timeframe.

- 9.12. In most scenarios, failure to secure the required comments and approvals by the deadline agreed by the Board would present a significant risk to the delivery of the project within the required timeframe. However, in this instance, this risk has been mitigated as the required approvals are now in place. In addition, the project is nearing completion and all outstanding orders have been placed, allowing for provision of a robust programme which demonstrates that the GBF spend can still be spent in advance of 31 March 2023 as required.
- 9.13. Folkestone and Hythe District Council have confirmed that the only remaining risk to project delivery is the switch gear which is required to turn on electricity to the site. As indicated above, it is expected that the switch gear will be received in January 2023 allowing completion of the project.
- 9.14. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that further updates are sought on the status of the switch gear order at future meetings to ensure that there is no further delay in delivery.

10. Better Queensway

- 10.1. Better Queensway is an estate and town centre renewal project, seeking to transform a 5.2-hectare site to the north of Southend town centre. The project will include phased demolition of existing residential and commercial units, including four tower blocks and redevelopment to provide up to 1,669 dwellings and 7,945sqm of commercial space made up of retail, office, and community and leisure space. The project will also involve significant infrastructure and engineering work to provide a new four lane carriageway with footpath, cycle and bus facilities, which will remedy the sites severance with the High Street, provide a greater developable area, reduce pollution and improve connectivity, including important through traffic routes to the seafront.
- 10.2. The project is in receipt of £15m of funding from the Housing Infrastructure Fund to enable the necessary highway improvement works and Southend-on-Sea City Council has entered into a Joint Venture with Swan Housing Association as development partner. GBF investment was sought due to unforeseen costs associated with the upgrade of local electrical networks to provide the needed capacity to meet new government guidelines on energy use in new homes and to enable sufficient resilience in the local grid to provide the required level of electrical vehicle charging points to future proof the town centre.
- 10.3. The Board approved the award of £4.2m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, £1.357m of the GBF allocation remains unspent.
- 10.4. In November 2021, the Board were advised that a hybrid planning application for the full Better Queensway scheme had been 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

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complete than anticipated, which delayed the formal award of hybrid planning consent until September 2021.

- 10.5. In addition, it was reported that the project had experienced delays to the procurement of the enabling works due to utility companies requiring longer than usual lead-in times. This was in part due to the impacts of the COVID-19 pandemic but was also related to other supply chain issues being experienced more generally across the construction industry. As a result of these delays, Southend-on-Sea City Council sought approval for retention of GBF funding against the project beyond March 2022 for a maximum period of 6 months, to 30 September 2022.
- 10.6. As the Board are aware 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. In addition, it has been noted that Swan Housing have announced a planned partnership with Orbit, which is expected to complete in October 2022. Whilst Swan Housing and Southend-on-Sea City Council committed to delivering the GBF funded enabling works at risk, these factors raised some concerns regarding the ongoing deliverability of the wider Better Queensway project and as a result, the project has been rated as High risk at recent meetings.
- 10.7. As outlined in the GBF Update Report (Agenda Item 5), additional assurances regarding the ongoing delivery of the wider project have now been received from Southend-on-Sea City Council.
- 10.8. Despite the initial uncertainty caused by the change in Swan Housing's status, work has continued to progress the GBF funded enabling works, with £3.2m of the £4.2m GBF allocation expected to be spent by 30 September 2022. The remaining £1m will be spent on demolition of a footbridge, diversion of a gas main and the acquisition of properties.
- 10.9. The demolition of the footbridge and the gas main diversion have been commissioned but work has not yet commenced onsite due to supply chain and resource issues. These works are currently scheduled to take place during October and November 2022.
- 10.10. The property acquisitions referred to in Section 10.8 of this report are well advanced but there is a possibility that completion may slip into Q3 2022/23.
- 10.11. As a result of these factors, Southend-on-Sea City Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023. As indicated above, it is expected that the remaining GBF funded enabling works will be completed during Q3 2022/23, however, a 6 month extension is being sought to ensure there is some contingency in the programme for the demolition of the footbridge and the diversion of the gas main in case of any further delays.
- 10.12. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A.
- 10.13. It is indicated within Appendix A that the project costs have increased since the submission of the Business Case and the consideration of award of funding to the project by the Board.

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At this stage, the scale of the cost increase is unknown, and it is unclear whether this increase in cost will be met through public or private sector funding.

- 10.14. At the time of GBF funding award, the BCR for the project was reported to be 3:1 based on consideration of all public sector funding secured to support project delivery. It should be noted that an increase in project benefits of an additional 93 new homes has been reported, which will partially offset the impact of any cost increase on the BCR.
- 10.15. Given the lack of information currently available with regard to the scale of the cost increase, to which element of the wider project it applies and as to how this cost increase will be funded, it is not currently possible to confirm that the project still offers High value for money. However, it should be noted that the Better Queensway project is also in receipt of £15m from Central Government through the Housing Infrastructure Fund and is therefore subject to value for money obligations outlined by Government.
- 10.16. It has been noted by Southend-on-Sea City Council that there is an identified risk within the construction industry supply chain which may lead to cost inflation. This risk will be managed by entering into contracts for the different elements of the project which fix the costs at the outset of the work.
- 10.17. It is recommended that if the Board approve the retention of GBF funding against the project beyond September 2022, that a further update is provided to the Board in November 2022 which provides an update on the demolition of the footbridge and the diversion of the gas main. In addition, greater clarity on the scale of the cost increase, how this will be funded and any impact on the value for money offered by the project will need to be considered. Furthermore, confirmation will be sought as to whether the planned partnership between Swan Housing and Orbit has been completed. If uncertainty remains on either the value for money offered by the project or the partnership between Swan Housing and Orbit, the Board will be asked to consider whether funding should remain committed to the project at the November 2022 meeting.

11. No Use Empty South Essex

- 11.1. 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.
- 11.2. The project replicates the scheme which has been supported through the Growing Places Fund in Kent.
- 11.3. The Board approved the award of £1.2m of GBF funding to support delivery of the project in November 2020. As at the end of Q1 2022/23, none of this allocation has been used to support delivery of the project.
- 11.4. 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.

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- 11.5. 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. As a result of these delays, the Board agreed that the GBF funding could be retained against the project beyond March 2022 for a maximum period of 6 months.
- 11.6. The No Use Empty South Essex scheme was officially launched in April 2022, and a number of applications for funding have been received. It is expected that an initial £0.55m will be issued to support the first 3 applications before the end of Q2 2022/23. In addition, there are other applications currently being processed which, if successful, will require GBF investment of £0.35m.
- 11.7. Southend-on-Sea City Council are seeking approval for retention of the GBF funding against the project for a further period of 6 months, to 31 March 2023, due to the longer than anticipated duration of the required loan assessment and approval process. This process is, on average, taking a period of 18 weeks to complete.
- 11.8. In addition, Southend-on-Sea City Council have indicated that a number of applications have been withdrawn due to the current economic climate. This has resulted in a reduced pipeline for the No Use Empty scheme at the current time.
- 11.9. Southend-on-Sea City Council have indicated that a number of new enquiries have been received and that they remain confident that it will be possible for the GBF funding to be issued in full by 31 March 2023.
- 11.10. Information has been provided to demonstrate how the project meets the requirements agreed by the Board in May 2022 for all projects retaining their respective Getting Building Fund (GBF) allocations beyond 31 March 2022. This information is set out in Appendix A.
- 11.11. The primary outstanding risk to delivery of the project relates to the uncertainty regarding the level of demand for the No Use Empty loans within South Essex due to the current economic climate as outlined above. However, in addition to the applications submitted to date, Southend-on-Sea City Council have received a number of enquiries which they are confident will lead to applications ensuring that the GBF funding allocation is fully utilised.
- 11.12. Whilst Appendix A provides assurances that the total project cost and expected project benefits remain in line with the information presented in the Business Case. It should be noted that due to the nature of the project, the private sector funding contributions will not be confirmed until suitable properties have been identified and loan applications approved. Similarly, the exact scale of benefits cannot be confirmed until suitable properties have been identified. The total project cost and benefits outlined within the Business Case were informed by Kent County Council's experience of delivering the No Use Empty initiative and are therefore considered to be realistic and achievable.
- 11.13. Responsibility for securing any required planning consents and for appointing suitable contractors to deliver the works sits with the property owners, rather than Southend-on-Sea City Council. For applicants to be eligible for the No Use Empty initiative all planning permissions must be in place and 2 quotes for the required works must be provided with loan applications.
- 11.14. Given the duration of the loan assessment and approval process, it is recommended that the project is revisited by the SELEP Capital Programme Team in advance of the

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November 2022 Accountability Board meeting to determine whether sufficient applications have been received to enable the investment of the full GBF funding allocation. If, in November 2022, there remains unallocated funding after considering all applications received, it will be recommended that the remaining funding is removed from the project and reallocated through the new GBF project pipeline.

12. Options available to the Board

- 12.1. The Board are asked to consider whether the 8 projects outlined within this report can retain their GBF funding allocations beyond 30 September 2022 (or 31 March 2022 in the case of Food Street). This report sets out two options for the Board to consider in relation to each project outlined within this report.

Option 1:

- 12.1.1. **Agree** that the project meets the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022; and
- 12.1.2. **Agree** that the GBF funding allocation can be retained against the project for a further maximum period of 6 months (to 31 March 2023) subject to Strategic Board endorsement in October 2022.
- 12.2. If the Board choose Option 1, the project(s) outlined in this report will continue to delivery in accordance with their Business Case(s) as previously agreed by the Board. The projects have either indicated that their forecast benefits remain unchanged or have increased and therefore the benefits realised will as a minimum be line in with the original prioritisation by the Strategic Board. If the Board choose Option 1 for all projects outlined in this report, it will mean that there will be no further funding available to support projects on the emerging prioritised GBF project pipeline at this time.
- 12.3. The Board should be aware that given the timing of these requests for retention of GBF funding beyond September 2022, and the associated risks outlined within this report, there is a possibility that some or all of these projects will be unable to complete delivery by March 2023 as required under the conditions agreed by the Board. This risk will be continuously monitored to determine whether any mitigating actions are required.
- 12.4. Central Government have been very clear that all GBF funding must be spent in full by 31 March 2023 and failure to do so would represent a significant reputational risk both for SELEP and for the Upper Tier Local Authority responsible for project delivery. Failure of a local partner to meet the requirements of the GBF funding may weaken their case to secure future funding from alternative government funding streams.
- 12.5. It should, however, be noted that the Grant Determination letter in relation to the GBF allocation does not impose any conditions whereby Government can reclaim the funding if it is not spent in accordance with the stated timetable. Furthermore, the GBF Grant Offer letter indicates that there is an expectation for LEP's and their Accountable Body's to use the freedoms and flexibilities available to them to manage the capital budget between programmes.

Option 2:

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12.6. Under Option 2 (for all projects other than Food Street), the Board is asked to:

12.6.1. **Agree** that the project does not meet the requirements previously agreed by the Board for all projects retaining their respective GBF funding allocations beyond 31 March 2022 and that the GBF funding which remains unspent at 30 September 2022 (at the end of the previously agreed extension) should be returned to the SELEP Accountable Body within 4 weeks of this Board meeting to allow reallocation of the funding to alternative projects.

12.6.2. **Note** that, following this Board meeting, a review of the project will be undertaken to determine whether there is a requirement for any of the remaining GBF funding allocation to be returned to the SELEP Accountable Body.

12.7. If the Board choose Option 2, the project(s) outlined within this report will remain in the GBF programme but the relevant Upper Tier Local Authority will be required to return the GBF funding which remains unspent at 30 September 2022. This funding must be repaid within 4 weeks of this Board meeting to allow the reallocation of the funding to alternative projects via the emerging GBF project pipeline, which are able to meet the requirements agreed by the Board in May 2022.

12.8. It should be noted that applications for additional GBF funding have been received from two of the projects outlined in this report (Tendring Bikes and Cycle Infrastructure and Jaywick Market and Commercial Space). If the Board choose to agree Option 2 in relation to these projects, the projects will no longer be eligible for additional GBF funding and will, as a consequence, not be included in the emerging GBF prioritised project pipeline.

12.9. Should the Board agree Option 2 for any of the projects outlined in this report, a further review of each project will need to be conducted to determine whether there is a requirement for any of the remaining GBF funding to also be returned to the Accountable Body for reallocation. This review will focus on whether the projects continue to meet the requirements of the Service Level Agreement (SLA) between SELEP Ltd., the relevant Upper Tier Local Authority and Essex County Council (as the Accountable Body for SELEP) and the SELEP Assurance Framework.

12.10. Should it be determined that any further funding needs to be returned to the Accountable Body for reallocation, this will be subject to a decision at the November 2022 Board meeting.

12.11. Given that the Food Street project has not previously received approval for retention of the GBF funding beyond March 2022, the options available to the Board in relation to this project are slightly different. Option 1 allows the retention of the GBF funding against the project for a maximum period of 12 months, rather than 6 months as for the other projects. This will allow retention of the GBF funding to 31 March 2023 if required, although it is expected that the GBF funding will be issued in full to Eastbourne Borough Council prior to the end of October 2022.

12.12. Option 2 requires the removal of the Food Street project from the GBF programme and requires the full repayment of the GBF funding transferred to East Sussex County Council to support project delivery.

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- 12.13. The report does not identify the recommended option in relation to any of the projects outlined within this report. However, commentary as to how each of the projects meets the requirements agreed by the Board in May 2022 has been provided, alongside an explanation of any remaining risks to project delivery, to allow the Board to make informed decisions in each case.

13. Next Steps

- 13.1. If the Board choose Option 1, endorsement will be sought from the Strategic Board in October 2022. The funding will be retained against the project(s) and they will progress to delivery. Project updates will be provided at each Board meeting to ensure that the project(s) remain on track to complete GBF spend by 31 March 2023 at the latest. This option applies to all projects outlined in this report.
- 13.2. If the Board choose Option 2 (for all projects other than Food Street), the GBF funding which remains unspent at 30 September 2022 must be returned to the SELEP Accountable Body for reallocation to alternative projects. The relevant Upper Tier Local Authority will be required to return this funding within 4 weeks of this Board meeting.
- 13.3. Following the Board meeting, a review of the project will be undertaken to determine whether there is a requirement for any of the remaining GBF funding awarded to the project to be returned to the SELEP Accountable Body for reallocation, as set out in Section 12.9 of this report. Should it be determined that there is a requirement for further funding to be returned to the Accountable Body, this will be subject to a decision at the November 2022 Board meeting.
- 13.4. If the Board choose Option 2 in relation to the Food Street project, the project will be removed from the GBF programme and this will be formalised through the completion of a Variation Agreement. East Sussex County Council will be required to return the £0.1m of GBF funding that has been transferred to them to support delivery of the project. This funding must be returned within 4 weeks of this Board meeting to allow reallocation of the funding to alternative projects.
- 13.5. Any funding returned to Essex County Council (as Accountable Body for SELEP) will be reallocated to alternative projects on the emerging GBF prioritised project pipeline at the November 2022 Board meeting.

14. Financial Implications (Accountable Body comments)

- 14.1. 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. 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.
- 14.2. GBF was allocated through a grant determination from MHCLG (now renamed the Department for Levelling Up, Housing and Communities) via section 31 of the Local Government Act 2003; this is subject to the following condition:

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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.

- 14.3. 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 is defrayed by 31 March 2022.
- 14.4. All GBF is transferred to the Partner Authorities, under the terms of a Funding Agreement or SLA which makes clear that funding can only be used for the purposes of delivery of the agreed project, unless agreed prior to the change, by the Accountability Board
- 14.5. Should the Board choose to agree option 1, the Board is advised to continue to monitor delivery of the Projects to ensure that the GBF is spent in line with the decisions of the Board.
- 14.6. Should the Board choose to agree option 2, the Accountable Body will work with the respective Partner Authorities to recover the funding allocations, in accordance with the Board decision.

15. Legal Implications (Accountable Body comments)

- 15.1. The grant funding will be administered in accordance with the terms of the Grant Determination Letter between the Accountable Body and Central Government and is required to be used in accordance with the terms of the Service Level Agreements between the SELEP Accountable Body, SELEP Ltd and the Upper Tier Local Authority. If a project does not meet the conditions of the SLA, in line with the terms of the SLA, the Accountable Body may clawback the funding for reallocation by SELEP Ltd.

16. Equality and Diversity Implications

- 16.1. 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:
 - 16.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 16.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 16.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 16.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 16.3. 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.

17. List of Appendices

Getting Building Fund – Retention of funding beyond 30 September 2022

17.1. Appendix A - Compliance with conditions for GBF spend beyond 30 September 2022

(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
Accountable Body sign off Stephanie Mitchener (On behalf of Nicole Wood, S151 Officer, Essex County Council)	14 th September 2022

Appendix A – Compliance with conditions for GBF spend beyond 30 September 2022

UTC Maritime and Sustainable Technology Hub	
Additional extension requested: 3 months	
Responsible Upper Tier Local Authority: East Sussex County Council	
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	
The updated programme for the Project is as follows:	
Milestone	Expected date
Design and implement procurement of works	April 2022 (completed)
Agree lease documentation	May 2022 (completed)
Develop project specification	June 2022 (completed)
Detailed design	July 2022 (completed)
Commencement of construction works	July/August 2022
Completion of project	January 2023
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile	
<p>As reported to the Board in July 2022, the total project cost has increased by £0.572m due to the higher than expected costs associated with the acquisition of the building. Lewes District Council have increased their financial contribution to the project to cover these costs.</p> <p>An updated GBF spend profile has been provided which indicates that the full £1.3m allocation will be spent in Q3 2022/23 and therefore the GBF funding will be spent in full prior to 31 March 2023.</p>	
Written confirmation that all planning requirements were met by 15 July 2022	
There are no planning requirements associated with the project	
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022	
No other consents are required	
Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022	
Procurement of a construction contractor was completed in May 2022 and work has commenced onsite	
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money	
<p>The total project cost has increased by £0.572m whilst the benefits remain unchanged. An updated BCR calculation has been provided and reviewed by the ITE. As reported at the July 2022 Board meeting, the project is still considered to offer High value for money.</p>	
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met	

The required quarterly reporting submission from East Sussex County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Food Street, Eastbourne	
Extension requested: 7 months (to the end of October 2022)	
Responsible Upper Tier Local Authority: East Sussex County Council	
Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board	
The updated programme for the remaining works on the Project is as follows:	
Milestone	Expected date
Site mobilisation works commenced	April 2021
Project completion	July 2022
Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile	
All funding sources identified to enable delivery of the project are in place.	
An updated GBF spend profile has been provided which indicates that the GBF funding will be spent in full during Q3 2022/23 and consequently the GBF funding will be spent in full prior to 31 March 2023.	
Written confirmation that all planning requirements were met by 15 July 2022	
There are no planning requirements associated with the project	
Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022	
All required consents were in place before 15 July 2022	
Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022	
Procurement of a construction contractor has been completed and work commenced onsite in July 2021.	
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money	
The total project cost and project benefits remain unchanged.	
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met	
The required quarterly reporting submission from East Sussex County Council has been received.	
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022	
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.	

Tendring Bikes and Cycle Infrastructure

Additional extension requested: 6 months

Responsible Upper Tier Local Authority: Essex County Council

Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board

Project design and contractor procurement have been completed. The updated programme for the remainder of the Project is as follows:

Milestone	Expected date
Commencement of construction	August 2022
Project completion	December 2022

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

All funding sources identified to enable delivery of the Project are in place.

The GBF funding will be spent in full prior to 31 March 2023.

The updated GBF spend profile is as follows (£):

2021/22	2022/23					Total
	Q1	Q2	Q3	Q4	Total	
518.887	-	239.113	925.200	616.800	1.781.113	2.300.000

Written confirmation that all planning requirements will be met by 15 July 2022

There are no planning requirements for the project

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

There are no outstanding consents

Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022

Contractual commitments are in place and contract delivery is in progress.

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

Confirmation has been provided that the total project cost remains unchanged. The forecast project benefits remain either unchanged or have been enhanced as a result of changes to the design for the scheme following public consultation.

Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met

The required quarterly reporting submission from Essex County Council has been received.

Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022

Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Swan Modular Housing Factory

Additional extension requested: 6 months

Responsible Upper Tier Local Authority: Essex County Council

Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board

The updated programme for the Project is as follows:

Milestone	Expected date
Confirm scope for floor repair works	September 2022
Design of floor repairs and contractor appointment	September 2022
Delivery of floor repair works	October 2022 to February 2023
Reinstatement of services	November 2022 to March 2023
Completion of GBF funding works	March 2023

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

All funding sources identified to enable delivery of the Project are in place.

The GBF funding will be spent in full prior to 31 March 2023.

The updated GBF spend profile is as follows (£):

2020/21	2021/22	2022/23					Total
		Q1	Q2	Q3	Q4	Total	
1,044,405	1,421,205	-	606,091	348,800	1,109,499	2,064,390	4,530,000

Written confirmation that all planning requirements will be met by 15 July 2022

All required planning requirements have been met.

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

All other (non-planning) required consents and approvals have been received.

Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022

Contractual commitments or purchase orders are in place for all the remaining works, except for the steel transport frames which are still subject to tender. It is anticipated that all contractual commitments will be in place by 31 December 2022.

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

Confirmation has been provided that the total project cost and the expected project costs remain unchanged, although it is noted that the project has faced significant challenges due to Brexit and global supply issues. This has necessitated the alteration of some of the implemented elements to

maintain cost control, without sacrificing the ability of the system to deliver the anticipated benefits.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Essex County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Jaywick Market and Commercial Space

Additional extension requested: 6 months
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Responsible Upper Tier Local Authority: Essex County Council
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Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board
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The updated programme for the Project is as follows:

Milestone	Expected date
Commencement of construction onsite	May 2022
Construction complete	February 2023
Opening of building	Late March 2023

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

As reported to the Board in May 2022, the total project cost has increased from £2.13m to £4.45m. Additional funding has been committed by Tendring District Council and Essex County Council to ensure that a full funding package is available to support project delivery.

The GBF funding will be spent in full prior to 31 March 2023.

The updated GBF spend profile is as follows (£):

2021/22	2022/23					Total
	Q1	Q2	Q3	Q4	Total	
243,636	-	503,860	1,224,504	-	1,728,364	1,972,000

Written confirmation that all planning requirements will be met by 15 July 2022

All planning requirements have been met.

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

All other (non-planning) required consents and approvals were received by 15 July 2022

Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022
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A construction contractor has been appointed and work has commenced onsite.

Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
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The total project cost has increased from £2.13m to £4.45m since submission of the Business Case due to tenders received during the construction contract procurement process being significantly higher than anticipated.

The Board considered a revised value for money calculation for the project in May 2022 which demonstrated that the project continues to offer a BCR of 3.8:1.

Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Essex County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Romney Marsh Employment Hub

Additional extension requested: 4 months

Responsible Upper Tier Local Authority: Kent County Council

Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board

The updated programme for the Project is as follows:

Milestone	Expected completion date
Installation of boundary fencing	9 September 2022
Installation of utilities	12 September 2022
Preliminaries	16 September 2022
Delivery of drainage infrastructure	16 September 2022
Surveys and Investigations	30 September 2022
Delivery of roads, footpaths and verges	30 September 2022
Substantial completion	30 September 2022
Project completion	31 March 2023

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

All funding sources identified to enable delivery of the Project are in place.

The GBF funding will be spent in full prior to 31 March 2023.

The updated GBF spend profile is as follows (£):

2021/22	2022/23					Total
	Q1	Q2	Q3	Q4	Total	
2,785,770	133,580	417,569	199,547	-	750,696	3,536,466

Written confirmation that all planning requirements will be met by 15 July 2022

All planning requirements were met by 15 July 2022.

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

Approval of the utility designs for both gas and electricity were not received until 12 August 2022.

The designs were submitted to the relevant utility companies in late May 2022. There is a 2 stage approval process and the first stage was approved in late June 2022. It was expected that the second stage approval would take a maximum of 2 weeks to be confirmed, however, full approval was not received until August 2022.

Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022

Contractual commitments with the construction contractor are in place, and work is nearing completion.

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

The total project cost and the project benefits remain unchanged since submission of the Business Case and therefore the project continues to offer High value for money.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Kent County Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

Better Queensway

Additional extension requested: 6 months

Responsible Upper Tier Local Authority: Southend-on-Sea City Council

Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board

The updated programme for the Project is as follows:

Milestone	Expected date
Hybrid Planning Application considered by Southend-on-Sea City Council Planning Committee	March 2021
Completion of required S106 agreement for the wider Better Queensway scheme	September 2021
Formal award of Hybrid Planning Consent	September 2021
Completion of demolition and infrastructure works (GBF funded)	March 2023
Delivery of highways infrastructure investment	2023 to 2025
Demolition of four existing residential blocks	2025 onwards
Construction of housing, commercial space and public realm	2024 to 2033
Completion of the wider Better Queensway project	2033

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

Junior Loan, HIF funding and the GBF is in place, alongside a funding strategy which will enable project delivery.

The GBF funding will be spent in full prior to 31 March 2023.

The updated GBF spend profile is as follows (£):

2021/22	2022/23				Total
	Q1	Q2	Q3	Q4	
2,286,658	556,671	356,671	400,000	600,000	4,200,000

Written confirmation that all planning requirements will be met by 15 July 2022

All planning requirements for the GBF funded elements of the Project have been met with consent granted in September 2021.

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

All other non-planning required consents and approvals are in place.

Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022

Swan Commercial Services have been procured by Southend-on-Sea City Council as delivery partner and a Construction Management Agreement is in place.
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
<p>It has been indicated that project costs have increased since the submission of the Business Case, however, it is also noted that the benefits have also increased with the Project now expected to deliver 1,760 new homes (an increase of 93 homes).</p> <p>The scale of the cost increase is unknown at this time and it is unclear whether this increase in cost will be met through public or private sector funding.</p> <p>At the time of Business Case submission and the award of funding by the Board, the BCR for the Project was reported to be 3:1 based on the consideration of all public sector funding secured to support project delivery.</p>
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Southend-on-Sea City Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.

No Use Empty South Essex

Additional extension requested: 6 months

Responsible Upper Tier Local Authority: Southend-on-Sea City Council

Provision of a clear delivery plan with specific delivery milestones and completion date to be agreed by the Board

The updated programme for the Project is as follows:

Milestone	Expected date
Initial Site Identification	October 2021 to March 2022
Formal launch of No Use Empty South Essex	April 2022
Identification of further sites	Ongoing until November 2022 or until funding fully allocated
Assessment of applications for loan funding	Ongoing to March 2023 or until funding fully allocated
Loan repayments	By March 2026

Confirmation that all funding sources identified to enable delivery of the Project are in place and provision of an updated GBF spend profile

Due to the nature of the project, the private sector funding contributions to support project delivery cannot be confirmed until suitable sites have been identified. Private sector investment will be agreed on a case-by-case basis as loans are agreed with property owners. All other funding sources identified to enable delivery of the Project are in place.

It is currently expected that the GBF funding will be spent in full prior to 31 March 2023, however, the position will be reviewed at the November 2022 Board meeting and if insufficient applications have been received, the unallocated funding may be removed from the project.

The updated GBF spend profile is as follows (£):

2022/23			Total
Q2	Q3	Q4	
550,000	325,000	325,000	1,200,000

Written confirmation that all planning requirements will be met by 15 July 2022

No planning consents are outstanding. The GBF funding is to be made available for developers/landlords as 0% interest loans to bring empty commercial properties back into use as either alternative commercial or mixed-use premises. To be eligible for a loan all applicants must demonstrate that they have any required permissions, including planning.

Confirmation that all other (non-planning) required consents and approvals received by 15 July 2022

All other non-planning required consents and approvals have been received.

Confirmation that contractual commitments will be in place with the construction contractor by 30 September 2022
Southend-on-Sea City Council will not be entering into any contractual commitments with construction contractors with regard to this project. Procurement responsibilities sit with the loan recipient. All applicants are required to provide two quotes for the required works with their loan application.
Confirmation that the total project cost and the project benefits remain unchanged ensuring that the Project continues to offer High value for money
The total project cost and the expected benefits remain unchanged from those set out in the Business Case.
Confirmation that obligations to provide ongoing reporting to the SELEP Secretariat on progress towards project delivery have been met
The required quarterly reporting submission from Southend-on-Sea City Council has been received.
Endorsement from Strategic Board that the funding should be retained against the Project beyond 30 September 2022
Subject to Board approval, Strategic Board endorsement will be sought in October 2022.