

Forward Plan reference number: FP/AB/185

Report title: Innovation Park Medway LGF funding decision	
Report to Accountability Board on 15th February 2019	
Report author: Rhiannon Mort, SELEP Capital Programme Manager	
Date: 28 th January 2019	For: Decision
Enquiries to: Rhiannon Mort, Rhiannon.Mort@southeastlep.com	
SELEP Partner Authority affected: Medway Council	

1. Purpose of Report

- 1.1 The purpose of this report is to make the Accountability Board (the Board) aware of the value for money assessment for Innovation Park Medway (northern site) – Enabling Infrastructure (the Project) (formerly Rochester Airport – phase 2) which has been through the Independent Technical Evaluator process, to enable the £3.7m Local Growth Fund (LGF) allocation to be devolved to Medway Council for project delivery.

2. Recommendations

- 2.1. The Board is asked to:

- 2.1.1. **Note** that the Project is dependent upon the delivery of the Rochester Airport Phase 1 project;
- 2.1.2. **Approve** the award of £3.7m LGF allocation to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high Value for Money with medium certainty of achieving this, **subject to** evidence relating to the Rochester Airport Phase 1 project being received that:
- 2.1.2.1. the determination of the planning application for the control tower and hub building has not been subject to a successful judicial review application;
 - 2.1.2.2. a construction contractor has been appointed, within the available budget, and a signed legal contract is in place between Medway Council and the construction contractor.

If confirmation is not provided by the 1st April 2019 that the two funding conditions set out above have been satisfied, it is expected that the funding decision will be revisited by the Board at its next meeting on the 12th April 2019.

2.1.3. **Note** that all LGF payments to local partners are subject to SELEP's receipt of sufficient funding from Central Government, as detailed in the LGF Capital Programme Report, considered under Agenda Item 15.

3. Background



- 3.1. 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 forms the North Kent Enterprise Zone.
- 3.2. The vision for Innovation Park Medway is to attract high GVA businesses focused on the technology, engineering and knowledge intensive sectors. These businesses will deliver high value jobs in the area and 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.
- 3.3. Innovation Park Medway consists of two parcels of land, either side of Rochester Airport. The northern site is currently part of Rochester Airport and is in use as one of the two operational runways at the airport. The southern site is south of Innovation Centre Medway and is currently partially used as an overflow car park for the Innovation Centre but is primarily an unused site.
- 3.4. In June 2016 the Board awarded £4.4m LGF, from LGF round 2, to the delivery of the Rochester Airport Phase 1 project. This investment will change the configuration of Rochester Airport, whilst also delivering improvements to the airport infrastructure to help safeguard the future of the airport. Reconfiguration of the airport allows the closure of the second runway which releases the land required for the development of the northern site of Innovation Park Medway. The Project under consideration will deliver the

enabling infrastructure required to bring forward development on this section of the innovation park.

- 3.5. The Board has also approved the award of £650,000 Growing Places Fund (GPF) to the delivery of the Innovation Park Medway southern site enabling works project. This investment will bring forward enabling works on the southern site of the innovation park, which will make the site more attractive to businesses looking to relocate and expand in Medway.
- 3.6. The Rochester Airport Phase 1 enabling works (LGF2 funding) are required to enable both the Project and the Innovation Park Medway southern site enabling works GPF project to progress, as the Phase 1 works both release the land required for development on the northern site and free the southern site from current CAA flightpath safeguarding restrictions, through the closure of one of the two existing runways. The closure of the second runway will be required as soon as the Rochester Airport Phase 1 works begin onsite, in order to provide the required safety margin for both the construction contractor and pilots using the airport. This is expected to be in April 2019.

4. Rochester Airport Phase 1

- 4.1. In June 2016 the Board approved the award of £4.4m LGF funding to the Rochester Airport Phase 1 project. The funding was awarded to deliver airport improvement works, with the objective of enhancing the airport's operational infrastructure and improving its attractiveness to business investment whilst also unlocking longer-term commercial land opportunities to support high-value businesses, employment and skills in Medway.
- 4.2. Since the LGF funding was awarded by the Board in June 2016 a number of issues, including complications with the planning process and public opposition to the proposed airport improvements, have been encountered which have significantly impacted on project progress.
- 4.3. As a result of the delays encountered, costs rose significantly, prompting Medway Council to propose a change to the project scope. The proposed change in scope did not impact on deliverability of the overarching objectives of safeguarding the future of the airport and releasing the land for development of the innovation park.
- 4.4. The proposed change in project scope was considered and agreed by the Board in June 2018.
- 4.5. Following the Board's decision to approve the change in scope for the project, Rochester Airport Ltd. submitted two further planning applications to seek planning consent for the remaining works, including the new control tower and hub building and relocation of the helipads.
- 4.6. Both planning applications were considered by Medway Council's Planning Committee on 19th December 2018, with the planning application relating to

the relocation of the helipads being approved. The planning Committee were minded to approve the application for the control tower and hub building, however, due to an outstanding holding objection from Highways England they were not in a position to do so. The Head of Planning was granted delegated authority to approve the planning application if Highways England formally removed their objection.

- 4.7. On 21st January 2019 Highways England formally removed their holding objection, which allowed the decision notice for the second planning application to be issued to Rochester Airport Ltd.
- 4.8. Medway Council have begun the procurement process to appoint contractors to deliver all aspects of the Phase 1 works, with tenders received by 6th February 2019. It is anticipated that contractors will be appointed on 27th February (subject to planning) under a design and build contract. All works are being procured at the same time to confirm that the revised project outputs can all be delivered within budget, prior to any works being undertaken onsite.
- 4.9. Design work is programmed to take place during March 2019, with construction planned for April 2019 to March 2020.
- 4.10. If any further delays are encountered with the delivery of the Phase 1 works there is an increased deliverability risk for both these works and the Project under consideration given the proximity of the end of the Growth Deal period. Progress on the project will be closely monitored and the Board will be updated should any further delays be encountered.
- 4.11. Rochester Airport Ltd. have indicated that they have been approached with offers of private sector follow on investment, which would enable the construction of a second new hangar on the airport site (as was included in the original project scope). If these offers of private sector investment are realised it is intended that the additional hangar will be delivered at the same time as the other airport infrastructure improvement works, as this will enable cost savings. The other new hangar will be funded through the LGF allocation.
- 4.12. Work is ongoing by Medway Council and Rochester Airport Ltd. to determine how best to facilitate these works and realise the potential cost savings whilst also taking into account the procurement requirements associated with using public funding and the management of any cost over-runs given that the two new hangars are adjacent to each other and share an adjoining wall.

5. GPF funding

- 5.1. In September 2018 the Board approved the award of £650,000 GPF funding to the Innovation Park Medway project.
- 5.2. This project will bring forward various site enabling works on the southern site at the innovation park; including:

- 5.2.1. Access road with shared footpath, cycle route, lighting and signage;
- 5.2.2. Utility ducting/service strip;
- 5.2.3. Fencing site boundary; and
- 5.2.4. Demolition of unused building.
- 5.3. Completion of these works will de-risk the southern site, making it more attractive to businesses looking to relocate and expand in Medway.
- 5.4. The GPF investment will enable the delivery of 4,500m² Net Internal Area of B1 land use, such as offices, research and development facilities etc. This will unlock approximately 307 net additional FTE jobs, as well as offering indirect benefits for the local economy.
- 5.5. The anticipated development on the site is subject to completion of the Rochester Airport Phase 1 works. Once completed the Phase 1 works will facilitate the closure of one of the two operational runways at Rochester Airport. Closure of this runway will release the southern site from current CAA flightpath safeguarding requirements, which places significant restrictions on the height and form of any development on the site.
- 5.6. Work is ongoing by Medway Council to finalise the GPF loan agreement which will facilitate the draw down of funding. In the meantime, preparatory work has begun with plans submitted for demolition of the unused building, with demolition expected to take place during 2018/19. Work will also shortly commence on the detailed design for the proposed works.
- 5.7. Completion of the GPF funded works is now expected in April 2020, rather than December 2019 as set out in the Business Case presented to the Board for approval of the funding award in September 2018. Medway Council have provided assurances that this change will not impact on the agreed GPF repayment schedule.

6. Innovation Park Medway (northern site) enabling infrastructure (the Project)

- 6.1. The Board are being asked to consider the award of £3.7m LGF funding to the Innovation Park Medway (northern site) enabling infrastructure project, which was provisionally allocated funding through LGF round 3.
- 6.2. The Project will bring forward enabling infrastructure for the first section of the northern site of the innovation park, including the delivery of:
 - 6.2.1. access road, with associated footpath, cycle path and public realm improvements;
 - 6.2.2. lighting and directional signage;
 - 6.2.3. new drainage piping and soakaways;
 - 6.2.4. new water main for potable water;
 - 6.2.5. electricity – ring main and secondary substation;

- 6.2.6. gas main provision;
 - 6.2.7. trenching for and provision of fibre cabling;
 - 6.2.8. site surveys; and
 - 6.2.9. associated capital project consultancy.
- 6.3. The Business Case indicates that the enabling works will be delivered by December 2020, with the first businesses occupying the site from late 2021.
- 6.4. It is expected that delivery of these enabling works will encourage private sector investment in the site, which will bring forward 38,500 sqm (gross external area – GEA) of commercial floorspace across the first section of the innovation park, creating 1,365 new highly skilled jobs in engineering and technology by 2030/31.
- 6.5. It is noted in the Business Case that there has been significant interest from businesses from the priority sectors identified within the vision for the site looking to locate at the Innovation Park prior to any works or active marketing being undertaken, with fifteen serious enquiries received from businesses looking to establish themselves on the site since the launch of Innovation Park Medway on 18th September 2018. As a result, significant levels of private sector investment are anticipated, as set out in the project spend profile. However, this funding has not yet been committed.
- 6.6. The Business Case indicates that Medway Council have not yet confirmed their preferred development approach for the Innovation Park site, although a significant amount of work has been undertaken to assess the available options. The options under consideration include:
- 6.6.1. Freehold sale of the site;
 - 6.6.2. Long leasehold sale of the site;
 - 6.6.3. Development Partnership; and
 - 6.6.4. Medway Council to act as Developer for the site.
- 6.7. A Delivery Plan and Business Rates Strategy for the site have been developed, and will be considered by the Innovation Park Medway Delivery Board in March 2019. The recommendation outlined in the report is procurement through leasehold to allow for delivery of the site either through a development partnership or with Medway Council as the developer. Whilst the formal democratic decision-making process will conclude at the Delivery Board meeting in March, engagement with Board members shows significant support for the recommended option and it is expected that the recommendation will be endorsed.
- 6.8. An updated Masterplan is currently being developed for the Innovation Park Medway site, which will set out the vision that will shape development on the site. It is anticipated that the Masterplan will be adopted in March 2019. Alongside this Medway Council, in partnership with Tonbridge and Malling Borough Council, are developing a Local Development Order (LDO) and Design Code for the site, with the aim of simplifying the planning process in order to deliver the Masterplan aspirations. It is expected that the LDO and

Design Code will be adopted in July 2019, however, consultation on the LDO is not expected to take place until Q1 2019/20. Any resultant delay in the adoption of the LDO and Design Code will impact on the delivery programme for the Project.

- 6.9. It is expected that Medway Council will provide an update on the LDO once it has been agreed through the Capital Programme update reporting.
- 6.10. The delivery of the Project outputs is dependent upon the Rochester Airport Phase 1 enabling works. The Phase 1 works will reconfigure and safeguard the future of Rochester Airport, enabling the closure of the second operational runway. The closure of the runway is required to release the land on which the northern site of the innovation park will be delivered.
- 6.11. As the Board is aware, through previous project updates, progress on the Rochester Airport Phase 1 project has been slow, predominantly as a result of complications encountered during the planning process and through public opposition to the proposed works. Any further delays to the Phase 1 works will impact on delivery of the Project, potentially making the Project undeliverable within the Growth Deal period.
- 6.12. Whilst some progress has now been demonstrated on the Rochester Airport Phase 1 project (as outlined in Section 4 of this report), the main works have not yet commenced onsite and only £369,000 of the £4.4m LGF allocation, as approved by the Board in June 2016, has been spent to date.
- 6.13. A contractor to deliver the works has not yet been appointed, meaning there remains a risk that the project outputs cannot be delivered within the agreed budget. It is noted in section 4 that the procurement process has now commenced in relation to design and build of all the outputs stated within the revised project scope, which will bring about increased certainty regarding affordability of the project. Medway Council will consider value engineering options if required to ensure that the works are delivered within the agreed budget.
- 6.14. It is noted in Section 4 of this report that planning consent has now been granted for all the works within the revised scope for the Rochester Airport Phase 1 project. A previous planning decision regarding the original Phase 1 works was subject to a judicial review application and therefore there is considered to be a significant risk that a judicial review could be sought against the recent Medway Council planning process.
- 6.15. Medway Council will know whether a judicial review application has been submitted by 4th March 2019, with initial consideration of the viability of the application being undertaken by 18th March. Should a judge consider that there is a case to answer, this will result in an indefinite delay in delivering the proposed Phase 1 works, as the planning application covers the key areas of work which facilitate the safeguarding of existing and creation of new jobs on the Rochester Airport site which are central to safeguarding the future of the airport. Any further significant delays to the delivery of the Phase 1 works

would cast doubt on the deliverability of both these works and the Project under consideration within the Growth Deal period.

- 6.16. For these reasons, and as a result of the dependency by the Project on the Phase 1 works, it is recommended that whilst funding is awarded for the Project it is subject to Medway Council providing evidence that the planning application has not been subject to a successful judicial review and that a construction contractor has been appointed and a legal contract put in place to ensure delivery of the Phase 1 works.

7. Options considered

- 7.1. Through the development of the project, consideration has been given to the options available. These options are considered in detail within the Business Case and are summarised as:
- 7.1.1. **Do nothing (no LGF investment)** – If the LGF contribution is not forthcoming development of the innovation park site will continue, however, the speed of development will be significantly slower. This would negatively impact upon the benefits released as a result of securing Enterprise Zone status, with limited development coming forward during the Enterprise Zone period.
- 7.1.2. In addition, the early opportunity to de-risk the site for both the Local Authority and/or a development partner would be missed, leading to a significantly reduced site value and interest in locating there.
- 7.1.3. **Do Minimum** – This option assumes 33% less available funding, which would mean that 33% less enabling works would be delivered. It is considered that this option would raise some interest in the site and would provide a small quantum of development by businesses. However, the level of development is likely to be limited as a result of the reduced provision of key infrastructure.
- 7.1.4. It is considered that this option will not enable delivery of the project objectives and it will slow the rate of development of the innovation park. In addition, this option will lead to increased infrastructure costs as the work will be delivered in a number of phases, which also has the potential to cause disruption for those businesses which are early occupiers of the site.
- 7.1.5. **Do Something** – This option, which assumes the £3.7m LGF investment requested, would involve the provision of the enabling infrastructure required to facilitate partial build out of the northern site of the innovation park, amounting to a total of 38,500m² GEA of commercial space. It is considered that this option will create substantial interest among the developer and end user business communities to develop further parts of the site and provide sufficient impetus for higher education stakeholders to collaborate in the

development of the site. This option is considered to be a less risky approach compared to developing the site in a single stage (Do Maximum).

- 7.1.6. **Do Maximum** – This option would involve provision of the enabling infrastructure required to facilitate the build out of the entire northern site of the innovation park, amounting to a total of 98,500m² GEA of commercial space. The additional cost of delivering the wider infrastructure could be funded through borrowing against future Business Rate receipts, but the exact cost of building out the entire site is currently unconfirmed.
- 7.1.7. Whilst this option has the potential to deliver large scale benefits, which meet the project objectives, there would be a need for a higher level of contribution from development partners, which carries greater risk.
- 7.2. The preferred option is to Do Something – partial build out of the site will deliver: an access road and surface parking, drainage and water, power, gas, broadband fibre and landscaping. The Business Case indicates that this option will ensure the project objectives are delivered, will minimise risk associated with developing the site and will offer good value for money.
- 7.3. It is expected that once this section of the innovation park is fully built out, the following outcomes will be achieved:
 - 7.3.1. Delivery of 38,500m² GEA of commercial floorspace;
 - 7.3.2. Creation of 1,365 new highly skilled jobs in engineering and technology;
 - 7.3.3. Fifty construction jobs delivered during 2020/21.

8. Public Consultation and Engagement

- 8.1. Medway Council has a long-held ambition to deliver a high-quality business, science and technology park on part of the Rochester Airport site. This was consulted on as part of the Medway Local Plan 2003.
- 8.2. A Masterplan is currently being developed for Innovation Park Medway. During the Masterplan process, the public were consulted on the proposals for the wider Innovation Park Medway site and were given the opportunity to put forward their ideas for the site which have been incorporated into the final Masterplan where appropriate. This consultation exercise took place between 17th September and 29th October 2018. In addition, two public consultation events were held at Innovation Centre Medway, which is adjacent to the Innovation Park Medway site.
- 8.3. The response received during the Masterplan public consultation was mainly positive, with the local community welcoming the proposals for the site and the creation of new highly-skilled jobs in the area. Concerns were raised regarding the impact on the transport network of the proposed Innovation Park and around proposed building heights on the site, and the impact these may

have on both local residents and the neighbouring Area of Outstanding Natural Beauty. These points were all taken into account as part of Medway Council's decision-making process, in relation to both the Project and the wider development of the Innovation Park.

- 8.4. The preferred planning mechanism for the innovation park site is a Local Development Order (LDO), as this will simplify and accelerate the planning process and will minimise risk for businesses looking to locate on the site. Further public consultation will be undertaken when a draft Local Development Order has been prepared. It is expected that this consultation will take place during quarter 1 of 2019/20, although the exact consultation dates are still to be confirmed.
- 8.5. There has been opposition to the Rochester Airport Phase 1 project from local residents, which the Board have been made aware of through previous Board reports. In addition, there have been a number of delays to the delivery of the Rochester Airport Phase 1 works, particularly through processes to secure planning consent.
- 8.6. Given the interdependency between the Rochester Airport Phase 1 works and the Project, there is a risk that the timescales for delivering the Project could be impacted by any further delays to Rochester Airport Phase 1 works.

9. Project Cost and Funding

- 9.1. The total cost of delivering the Project is estimated at £48.9m, which includes both expected public and private sector investment, as set out in Table 1 below.

Table 1 – Innovation Park Medway (northern site) enabling infrastructure spend profile (£m)

Source	2018/19	2019/20	2020/21	2021/22	2022/25	Total
SELEP LGF	0.21	2.18	1.31			3.7
Public Sector investment				0.2		0.2
Private Sector Investment (TBC)			5.0	10.0	30.0	45.0
Total	0.21	2.18	6.31	10.2	30.0	48.9

- 9.2. The Business Case indicates that the stated Project outputs can be delivered through the £3.7m LGF allocation alone. No other financial contribution is being made towards the enabling infrastructure works.

Innovation Park Medway LGF funding decision

- 9.3. The project value and funding sources stated within the Business Case include both public and private sector investment in the site, with investment being shown beyond the Growth Deal period and forming a contribution to the wider development of Innovation Park Medway, beyond the enabling works outlined in the Business Case.
- 9.4. The public sector contribution stated within the Business Case refers to the reinvestment of Business Rates, received by Medway Council and Tonbridge and Malling Borough Council, from businesses who choose to locate at the Innovation Park. As Innovation Park Medway is located within the North Kent Enterprise Zone a commitment is made through a Memorandum of Understanding with Government that Business Rates received will be reinvested in the site. This reinvestment in the site will continue for a period of 25 years and is therefore likely to be more significant than set out in the spend profile, in Table 1.
- 9.5. Receipt of these Business Rates is dependent upon businesses coming forward to occupy the site. Whilst receipt of this income is considered to be low risk by Medway Council, due to the level of interest expressed in the site to date by businesses, it is noted that this funding is not yet secure.
- 9.6. The private sector contribution stated within the Business Case refers to the investment by private companies through building their premises on the innovation park site. The stated £45m contribution has been derived from a verified Royal Institution of Chartered Surveyors (RICS) costing, and assumes build out of approximately 21,000sqm of commercial space by 2025.
- 9.7. Whilst the Business Case indicates that there has been significant interest from the private sector in establishing commercial premises on the Innovation Park Medway site, it is also noted that the delivery approach has not yet been confirmed. Therefore, Medway Council have not been in a position to formally market the site, meaning that the private sector contribution reflects expectations for the site but it has not yet been secured.
- 9.8. Income received by Medway Council as a result of investment in the site will be re-invested to facilitate delivery of further enabling infrastructure across the wider site, thereby allowing development of the entire Innovation Park Medway site.
- 9.9. An LGF3b bid has been submitted by Medway Council seeking an additional £2.3m LGF funding to enable delivery of further enabling infrastructure across the wider site. The Project under consideration will provide the enabling infrastructure for the northern cluster on the northern site of the Innovation Park. It is envisaged that the LGF3b funding would be used to bring forward the enabling infrastructure for the southern cluster on the northern site of the Innovation Park.
- 9.10. Medway Council have indicated an intention to bring forward the Project and the LGF3b works (if funding is awarded) in tandem in order to streamline construction costs, whilst also maximising the benefits offered through being

within the North Kent Enterprise Zone. The enabling works outlined within the LGF3b application could, in the long term, be funded through reinvestment of Business Rates, however, this approach would result in fewer businesses realising the benefits of locating within the Enterprise Zone and would delay the creation of additional jobs on the site.

10. Outcome of ITE Review

- 10.1. The ITE review confirms that the Project Business Case provides a proportionate assessment of the schemes costs and benefits which results in a strong benefit cost ratio representing high Value for Money.
- 10.2. The analysis was robustly carried out and delivers high levels of certainty around the Value for Money categorisation.
- 10.3. The ITE review confirms that a reasonable assessment approach has been employed, using the DCLG Land Value Uplift method.
- 10.4. The wider Innovation Park Medway project has secured additional grant funding through previous rounds of the LGF, as well as loan funding through the GPF. Limited progress has been made on delivering these projects and as a result the ITE review identifies a deliverability risk within the Growth Deal period in relation to the Project.

11. Project Compliance with SELEP Assurance Framework

- 11.1. Table 2 below considers the assessment of the Business Case against the requirements of the SELEP Assurance Framework.
- 11.2. The assessment confirms the compliance of the Project with SELEP's Assurance Framework.

Table 2 - Assessment of the Project against the requirements of the SELEP Assurance Framework

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan		The Project meets with the objectives of the SELEP Strategic Economic Plan through supporting the development of the Thames Gateway. The project objectives of raising GVA, increasing productivity and providing new highly skilled employment opportunities also align with SELEPs strategic objectives.

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		<p>The project outputs and outcomes are clearly defined.</p> <p>The schemes impact has been assessed following CLG Appraisal Guidance and HM Treasury Green Book.</p>
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		<p>Work is underway on a Masterplan and Local Development Order for the site to support the delivery of the project.</p> <p>The Business Case highlights the Project dependency on completion of the Rochester Airport phase 1 works.</p> <p>A detailed risk register is included as part of the Business Case.</p>
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		<p>A BCR value has been calculated as 2.6:1, categorised as high value for money.</p> <p>The BCR calculations also consider the benefits offered by the Rochester Airport Phase 1 project.</p>

12. Financial Implications (Accountable Body comments)

- 12.1. It is noted that should the Board approve the funding for this Project, it is conditional and may require further consideration by the Board should these conditions not be met by the 1 April 2019; the conditions are viewed to be appropriate given the delays in delivery of the initial phases of this Project and the associated risk of potential spend beyond the Growth Deal period.
- 12.2. All funding allocations that are agreed by the Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2018/19 have been confirmed however funding for future years is indicative. It should be noted that Government has made future funding allocations contingent on full compliance with the updated National Assurance Framework. Allocations for 2019/20 are also contingent on the Annual

Performance Review of SELEPs LGF programme by Government, the outcome of which is expected in March 2019.

- 12.3. There is a high level of forecast slippage within the overall programme which totals £43.3m in 2018/19; this presents a programme delivery risk due to the increased proportion of projects now due to be delivered in the final years of the programme; and it presents a reputational risk for SELEP regarding securing future funding from Government where demonstrable delivery of the LGF Programme is not aligned to the funding profile. This risk, however, is offset in part by the recognition that the profile of the LGF allocations did not consider the required spend profile when determined by HM Government.
- 12.4. There are SLAs in place with the sponsoring authority which makes clear that future years funding can only be made available when HM Government has transferred LGF to the Accountable Body.

13. Legal Implications (Accountable Body comments)

- 13.1. There are no legal implications arising out of the decision set out within this report.
- 13.2.

14. Equality and Diversity implication

- 14.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 14.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 14.3. In the course of the development of the project business case, 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.

15. List of Appendices

- 15.1. Appendix 1 – Rochester Airport – Phase 1 project background and update.
- 15.2. Appendix 2 - Report of the Independent Technical Evaluator (as attached to Agenda Item 6).
- 15.3. Appendix 3 – Innovation Park Medway Site Plan.

16. List of Background Papers

- 16.1. Business Case for Innovation Park Medway (northern site) Enabling Infrastructure

(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 Margaret Lee, S151 Officer, Essex County Council)	07/02/19

Appendix 3 – Innovation Park Medway Site Plan

