

GBF (GBF) Funding Decisions

Forward Plan reference numbers: FP/AB/323, FP/AB/324, FP/AB/329, FP/AB/331, FP/AB/337, FP/AB/338, FP/AB/339, FP/AB/340, FP/AB/341, FP/AB/342, FP/AB/343, FP/AB/345.

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| Report title: Award of Getting Building Fund funding – high certainty | |
| Report to Accountability Board: 20 November 2020 | |
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| Date: 30 October 2020 | For: Decision |
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| SELEP Partner Authority affected: East Sussex, Essex, Kent and Thurrock | |

1. Purpose of report

- 1.1 The purpose of this report is for the Accountability Board (the Board) to consider the award of £48,636,190 Getting Building Fund (GBF) to the twelve projects (the Projects) detailed at Appendix C. The Projects are included in the £85m package of 34 GBF projects agreed with Government in July 2020.

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Approve** the award of a total of £48,636,190 GBF to the following twelve projects which have been assessed as offering High Value for Money with High certainty of achieving this:

- 2.1.1.1 Enterprise Centre for Horizon 120 Business Park, Essex - £7,000,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.4 of the report).
- 2.1.1.2 Harlow Library, Essex - £977,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.5 of the report) and the full funding package being confirmed by 9th November 2020 or the GBF will be automatically reallocated to the next project on the GBF pipeline.
- 2.1.1.3 Harlow College, Essex - £1,500,000, subject to government agreeing a change to the project outcomes (detailed in section 4.6 of the report).
- 2.1.1.4 Swan Modular Housing Factory, Essex - £4,530,000 GBF award, subject to agreeing a change to the project outcomes

(detailed in 4.7 of the report) and written confirmation being provided by the scheme promoter to confirm that the four risks to the project proceeding have been mitigated. If written confirmation has not been provided by 30th November 2020, the GBF will be automatically reallocated to the next project on the GBF pipeline.

2.1.1.5 UTC Maritime & Sustainable Technology Hub, East Sussex - £1,300,000 GBF award, subject to agreeing a change to the project outcomes (detailed in 4.8 of the report).

2.1.1.6 First and Second Floors, Building 500, Discovery Park, Sandwich, Kent - £2,500,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.9 of the report).

2.1.1.7 Javelin Way Development, Kent - £578,724 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.10 of the report).

2.1.1.8 New Performing & Production Digital Arts Facility @ North Kent College, Kent - £12,301,786 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.11 of the report).

2.1.1.9 Romney Marsh Employment Hub, Kent - £3,536,466 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.12 of the report).

2.1.1.10 Thanet Parkway Railway Station, Kent - £11,999,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.13 of the report).

2.1.1.11 The Meeting Place Swanley, Kent - £1,490,000 GBF award.

2.1.1.12 Transport and Logistics Institute, Thurrock - £600,000 GBF award, subject to government agreeing a change to the project outcomes (detailed in section 4.15 of the report).

2.1.2 **Note** that the award of GBF funding to the twelve projects is subject to sufficient GBF being received by SELEP from Central Government in 2021/22. *This point is considered further in the GBF update report (agenda item 13).*

3. Background

3.1 In July 2020 a package of 34 projects totalling £85m was agreed with Government to be suitable for GBF investment.

- 3.2 A business case has been developed for each GBF project and has been subject to independent assessment by the Independent Technical Evaluator (ITE) against the requirements of the SELEP Assurance Framework.
- 3.3 All twelve projects considered in this report have completed the ITE process. The GBF projects considered in this report have been assessed as presenting high value for money with a high level of certainty.
- 3.4 Full details of the projects can be found in the appendices and the outcome of the ITE assessment of each project under consideration in this report can be found at Appendix A.

4. Case for Investment

- 4.1 This report considers the award of £48,636,190 GBF funding to twelve new projects, as prioritised for inclusion in the £85m funding package awarded by Government to SELEP. Further information on all twelve projects can be found in Appendix C.
- 4.2 Information was presented to the Strategic Board about the expected project outputs/outcomes to inform the prioritisation of projects and was included within the bid to Central Government to secure GBF. Through the development of the Business Case, there have been changes to some of the project outputs/outcomes as more detailed assessment has been carried out to consider the project's expected benefits. Further information on any projects that have had changes to the project's outputs/outcomes can be found in Appendix E.
- 4.3 The overall programme outputs and outcomes included within the original funding submission have been agreed with Central Government and SELEP is required to agree any changes to the project outputs and outcomes with MHCLG.
- 4.4 A GBF baseline report was provided to Central Government on 13 November 2020, which provided updated information on the expected project outputs and outcomes, in line with the project business cases and the changes set out in Appendix E.
- 4.5 Government approval will be sought for this revised baseline before GBF is transferred to partner authorities for those projects listed in appendix E. If the change is not agreed by Central Government, a further decision will be sought from the Board, to confirm that revisions will be made to the project to ensure that the original project outputs/outcomes can be delivered or to agree how the funding should be reallocated, based on the advice from Central Government
- 4.6 **Enterprise Centre for Horizon 120 Business Park, Braintree**
 - 4.6.1 Table 1 provides an overview of the Horizon Business Park project.

4.6.2 The project seeks to deliver the provision of an Enterprise Centre for local businesses, with a variety of office spaces and a flexible conference space that can be transformed into smaller units.

4.6.3 The selection of this site came from Braintree commissioned feasibility study and it was found to support the delivery of relevant business space and thus help deliver the ambitions within Braintree's Plan for Growth

Table 1: Overview of the Enterprise Centre for Horizon 120 Business Park project

| | |
|--|----------------------------|
| GBF allocation: £7.0m | Total project cost: £16.0m |
| Key project benefits as stated in the business case: | |
| <ul style="list-style-type: none"> • 187 new jobs will be created. • Apprenticeships will increase as some of the SMEs flourish and expand. • Use of new technology to promote the green agenda. • Inclusion ancillary retail, a food outlet, serviced offices/meeting rooms and possibly childcare facilities create a sense of place. • Offering “best in class”, fibre-optic connectivity and Wi-Fi hotspots*¹. | |

4.7 **Harlow Library, Essex**

4.7.1 Table 2 provides an overview of the Harlow Library project.

4.7.2 The scheme will see the relocation of ACL from its current site into a refurbished Harlow Library providing a significant opportunity for redevelopment into a modern skill and learning hub for the district.

4.7.3 Through development of new facilities and alignment with the courses offered by Harlow College and requirements of businesses, it is envisaged that the skills levels of residents can be enhanced to meet the needs of expanding and relocating employers to Harlow such as Public Health England (PHE) and Princess Alexandra Hospital (PAH).

4.7.4 The approval of the GBF funding allocation to this project is subject to the full funding package being confirmed. ECC's funding contribution has been agreed at Recovery Advisory Board but just needs final sign off at with Cabinet Member, scheduled for 9th November 2020.

Table 2: Overview of the Harlow Library project

| | |
|--|-----------------------------|
| GBF allocation: £0.977m | Total project cost: £1.143m |
| Key project benefits as stated in the business case: | |
| <ul style="list-style-type: none"> • 452sqm of new learning space supporting 177 gross enrolments per annum. • £2.241m of gross GVA generated over a 10-year period. | |

¹ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- The project enables the delivery of a further phase of activity. Phase 2 has been scoped and can accommodate an estimated 33 new homes, including affordable housing*².

4.8 **Harlow College, Essex**

- 4.8.1 Table 3 provides an overview of the Harlow College project.
- 4.8.2 The Project will repurpose accommodation to a centre for delivering healthcare, health science, education and childcare, sustainable modern construction methods and digital technologies, embedding innovation in the different vocational pathways and fully preparing the College for the introduction and delivery of T Levels.
- 4.8.3 The Project will also improve accommodation and teaching spaces for the Education and Childcare T level pathway and ensure access to state-of-the-art equipment and facilities to support delivery including apprenticeships and higher technical levels.
- 4.8.4 The project will support growth in Harlow and the wider West Essex area including the £400m relocation of Public Health England, the need for health professionals including for the potential new hospital in West Essex and the growth at the Harlow Enterprise Zone.
- 4.8.5 There is a substantial change to the project's outcomes from the original submission to Central Government to the Business Case, however considering the scope of the project, it is understood that the original outcomes provided were made in error.

Table 3: Overview of the Harlow College project

| GBF allocation: £1.5m | Total project cost: £3.5m |
|--|---------------------------|
| Key project benefits as stated in the business case: <ul style="list-style-type: none"> • Provide training that will address skills shortages and support skills development in growing sectors. • The annual GVA for the centre is £578,220, with a GVA over a 20 year period of £30,062. When tested against a scenario showing a 50% reduction in learner take up due to COVID-19 and/or lack of employer buy in and an increase in estimated costs, the 20 year GVA is £15,031,173. • Greater collaboration with employers through alignment with local skills priorities • Renewal and modernisation of 4,900m² teaching and learning accommodation • Widen participation | |

² *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- Growth due to development of new T Level programmes and technical qualifications leading to 1,148 learners completing T Level programmes across 4 T level routes by 2026*³.

4.9 **Swan Modular Housing, Essex**

- 4.9.1 Table 4 provides an overview of the Swan Modular Housing project.
- 4.9.2 The project will enable the company to both increase its current production capacity of Cross Laminated Timber (CLT) housing modules, as well as establish an innovative in-house capability to manufacture fabricated steel modules, which are essential for the construction of higher buildings (over 18m high) meeting changes to legislation regarding combustible materials.
- 4.9.3 This will enable Swan to deliver circa 830 new homes per annum by 2024, already a leader in Modern Methods of Construction (MMC), as well as further innovate and more efficiently produce a range of construction modules.
- 4.9.4 This new factory will facilitate reduced development costs and accelerated delivery as well as creating new and innovative jobs, building industry capacity, upskilling the local workforce and allowing for the supply of modular components to other local authorities / developers.
- 4.9.5 There are four project constraints listed in Confidential Appendix D which need to be satisfied before the project is able to proceed to delivery. Funding approval is subject to written confirmation being provided to confirm that these four risks being mitigated. A verbal update on these risks will be provided at the Board meeting. If the risks have not been addressed by 30th November 2020, it is recommended that the GBF allocation should be automatically reallocated to the next project on the GBF pipeline.
- 4.9.6 The information provided in the Business Case shows an increase in the scale of the project outputs and outcomes relative to the original submission to SELEP Ltd and Central Government.

Table 4: Overview of the Swan Modular Housing project

| | |
|--|--|
| GBF allocation: £4.53m | Total project cost: See confidential Appendix D. |
| Key project benefits as stated in the business case: | |
| <ul style="list-style-type: none"> • 248 FTE gross operational jobs (124 net additional FTE jobs for South Essex, after adjusting for deadweight, leakage, displacement and multiplier effects) | |

³ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- 144 new learners assisted
- Manufacturing of 2,500 steel MMC modules per annum by year 5, along with expansion of cross laminated timber (CLT) MMC module production to 1000 by year 5
- Supporting the development of 1,500 new homes over a five-year period, of which 40% (600) are estimated to be affordable*⁴.

4.10 **UTC Maritime & Sustainable Technology Hub, East Sussex**

4.10.1 Table 5 provides an overview of UTC Maritime & Sustainable Technology Hub project.

4.10.2 The project is to convert an existing, disused educational facility and Grade-II listed building in Newhaven into a multi-purpose site.

4.10.3 This will comprise of F1 educational/training and business support space for the maritime sector, commercial office space and ancillary space.

4.10.4 There has been no change to the overall project outputs and outcomes, however, more detail has been provided in terms of the breakdown of these outcomes for space use between the submission to Central Government and the Business Case.

Table 5: Overview of the UTC Maritime & Sustainable Technology Hub project

| | |
|--|-----------------------------|
| GBF allocation: £1.3m | Total project cost: £1.778m |
| Key project benefits as stated in the business case: | |
| <ul style="list-style-type: none"> • 1,630sqm of F1 class training/education space • 1,595sqm of E class office space • 1,500sqm of Ancillary zones, including storage, lift shafts, stairwells etc. • 133 gross jobs (46 net new jobs) • £3,683,095 in Land Value Uplift • £2,054,948 in external benefits associated with workforce upskilling • Additional Maritime Businesses supported each year from 2022/23 (number to be agreed) • 346 trainees achieving qualifications each year*⁵. | |

4.11 **First and Second Floors, Building 500, Discovery Park, Sandwich, Kent**

4.11.1 Table 6 provides an overview First and Second Floors, Building 500, Discovery Park, Sandwich project.

⁴ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

⁵ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.11.2 The project involves the refurbishment of two floors within the East Block of Building 500 at Discovery Park, to provide around 30,000sqft of net lettable incubator space.

4.11.3 The new facility will include self-contained laboratory units, informal breakout and café space and shared lab support facilities.

Table 6: Overview of the First and Second Floors, Building 500, Discovery Park, Sandwich project

| | |
|---|---------------------------|
| GBF allocation: £2.0m | Total project cost: £5.5m |
| <p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • An increase in the number and survival rate of life science businesses in Kent and Medway • Increased collaboration between start-up and growing firms, larger businesses and academic institutions • Increased investment at Discovery Park (and in East Kent more broadly) as a result of the increase in business activity • Increased investment in start-ups and growing businesses through the opportunity to create a network of investors • Longer term benefits through the growth of the life science cluster as a driver of growth in East Kent, contributing to the greater resilience of the sector and regional productivity growth^{*6}. | |

4.12 **Javelin Way Development, Kent**

4.12.1 Table 7 provides an overview Javelin Way Development project.

4.12.2 The project will support the development of the site for employment use, with a focus on the development of Ashford's creative economy.

4.12.3 Consisting of two elements, the project will look at the construction of a 'Creative Laboratory' production space leased by Kent County Council and the development of 29 light industrial units for sale and/or lease suitable for additional creative businesses as well as the general market.

4.12.4 The Javelin Way project was awarded a loan of £1.597m from the Growing Places Fund in November 2018. The GBF funding has been sought to bridge an anticipated shortfall in the funding package as a result of COVID-19 related uncertainty in the property sales market.

4.12.5 As a result the GBF funding does not directly deliver any additional benefits, however, it does ensure that the project can progress as planned thereby safeguarding the jobs and employment workspace expected to be delivered through the Growing Places Fund supported project.

⁶ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

Table 7: Overview of the Javelin Way Development project

| | |
|--|---|
| GBF allocation: £578,724 | Total project cost: £11.2m including £1.597m Growing Places Fund. |
| <p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • Creation of 171 new jobs (12 within the Creative Laboratory and 159 within the industrial units) • Safeguarding of 12 jobs within the Creative Laboratory, and a further 15-21 freelance roles • Increased student learners and creative internships • Longer term sustainability of Ashford's cultural infrastructure • Growth in creative industries supply chain • Opportunities for business growth • Wider access to cultural and creative education*⁷ | |

4.13 New Performing & Production Digital Arts Facility @ North Kent College, Kent

4.13.1 Table 8 provides an overview New Performing & Production Digital Arts Facility @ North Kent College project.

4.13.2 The project will provide a new Performing and Production Digital Arts Facility at North Kent College's Dartford campus.

4.13.3 This will enable the College to maintain and develop its established strengths in performing arts and digital design, respond to growing student demand and contribute to the long-term growth of the creative and cultural sector.

4.13.4 The amount of GBF sought has decreased from £12.625m to £12.302m with there now being £323,204 of unallocated GBF funding. This change in funding ask reflects a change to the total cost of delivering the project. This change of cost has been identified through the more detailed project development work which has been undertaken to support the business case. There are no changes to the project scope relative to the original project scope considered by SELEP Ltd and Central Government.

4.13.5 The Strategic Board will be asked on 11 December 2020 to agree how the £323,204 GBF funding should be reallocated.

Table 8: Overview of the New Performing & Production Digital Arts Facility @ North Kent College project

| | |
|--|------------------------------|
| GBF allocation: £12.302m | Total project cost: £13.981m |
| Key project benefits as stated in the business case: | |

⁷ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

- The safeguarding and consolidation of North Kent College as a leading centre for performing and digital arts in the Thames Estuary
- An increased supply of skills linked with the creative economy
- The greater sustainability – financially and environmentally – of North Kent College’s Dartford campus*⁸.

4.14 **Romney Marsh Employment Hub, Kent**

4.14.1 Table 9 provides an overview Romney Marsh Employment Hub project.

4.14.2 The project will further develop the Mountfield Road Industrial Estate including the development of a business hub divided into 14 rooms of varying sizes, with offices built for businesses that will range in size from 2-10 employees.

4.14.3 The planned flexibility of the space within the business hub will mean that it could also lend itself to providing space for skills training and there is land within the hub site for the building to be further extended depending on demand.

Table 9: Overview of the Romney Marsh Employment Hub project

| | |
|---|-----------------------------|
| GBF allocation: £3.536m | Total project cost: £7.081m |
| <p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • Unlock the delivery of 6 hectares of employment land which is expected to be capable of delivering some 15,000sqm of new Gross External Area industrial space • 751sqm business/skills hub • 620 FTE Gross Jobs (64 business hubs + 556 on developed land) over a 10 year period. 335 jobs over a 5 year period. • Net Land Value Uplift NPV of £1,067,476 • Welfare-related impacts, estimated at £30.6m, or £22.0m at NPV. These GDP impacts are a mix of additional tax revenues and negated welfare payments nationally. <p>Alongside the monetised benefits, the project has the potential to bring a number of wider economic output, including potential to:</p> <ul style="list-style-type: none"> • Retain and attract inward investment in the County and the SELEP area • Provide the opportunity for local companies to expand their operations within the area • Support the delivery and attractiveness of the Mountfield Road Industrial Estate • Provide quality business accommodation in Romney Marsh that can meet the needs of local employers*⁹ | |

⁸ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

⁹ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.15 Thanet Parkway Railway Station, Kent

- 4.15.1 Table 10 provides an overview Thanet Parkway Railway Station project.
- 4.15.2 The project will deliver a new train station which will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line.
- 4.15.3 The proposed station will provide two platforms suitable for use by 12-car trains and the station forecourt will include two ticket vending machines, two bus shelters and a set down area will be provided for buses, taxis and passenger drop off, together with staff parking.
- 4.15.4 Parking will be provided inclusive of short stay bays for passenger drop off and taxis, disabled bays, provision for electric vehicle charging, motorcycles spaces and pedal cycle parking spaces.
- 4.15.5 To provide access to the station, a new direct access road will be provided from the A299 Hengist Way. Pedestrian and cycle access are provided from Cliffsend village via Clive Road, ensuring sustainable access to the station.
- 4.15.6 The Thanet Parkway project was awarded £14m from the Local Growth Fund in February 2020, subject to conditions. These conditions were related to planning and funding.
- 4.15.7 The planning conditions have been met as planning consent was awarded to the project on the 2 September 2020.
- 4.15.8 In terms of the funding conditions, Kent County Council have provided written confirmation to confirm that the funding package is in place to proceed with the delivery of the Project. Whilst Kent County Council are waiting for confirmation as to whether a £3,402,731 bid to the New Station Fund has been successful. Kent County Council have committed to bridge this funding gap if the application is unsuccessful.

Table 10: Overview of the Thanet Parkway Railway Station project

| | |
|--|---|
| GBF allocation: £11.999m | Total project cost: £31.513m, including £14m Local Growth Fund. |
| Key project benefits as stated in the business case: <ul style="list-style-type: none">• Accelerate the pace of housing delivery in Thanet• Stimulate the creation of additional jobs• Generate additional passenger boardings and new rail journeys• Improve the journey time from Thanet to London St Pancras International• Offer enhanced connectivity between areas of deprivation and employment | |

- Increase the use of sustainable transport by offering sustainable access to the station, i.e. electric vehicle charging points and cycle parking spaces
- Positively contribute to economic growth by attracting higher skilled workers to the area
- Generate increased attractiveness of the area to prospective residents and developers
- Reduce unemployment in the local area*¹⁰.

4.16 **The Meeting Place Swanley, Kent**

4.16.1 Table 11 provides an overview The Meeting Place Swanley project.

4.16.2 The project will deliver The Meeting Point in Swanley town centre – a new and innovative ‘work hub’ alongside 17 new homes.

4.16.3 This will be achieved through the redevelopment of a prominent site which is in Sevenoaks District Council ownership and which has been redundant for several years.

4.16.4 The housing element of the scheme responds to the identified need for smaller units, especially for younger workers.

4.16.5 The Meeting Point will help to bring new activity and footfall to a part of the town centre currently dominated by a secondary, poor quality retail offer, contributing to a coordinated regeneration strategy for the town.

Table 11: Overview of The Meeting Place Swanley project

| | |
|--|--|
| GBF allocation: £1.49m | Total project cost: See Confidential Appendix D. |
| <p>Key project benefits as stated in the business case:</p> <ul style="list-style-type: none"> • Additional housing to meet demand • Increased town centre living, contributing to the vitality of the area and reducing the need for private transport use • Additional jobs and business activity generated by the work hub • Increased business and worker productivity (estimated £3.331m additional GVA) • Stronger local SME networks and collaboration • Demonstration of innovation to the market, potentially driving further demand and commercial responses • Increased footfall and economic activity on the High Street – leading to further diversification and investment • ‘Catalytic’ contribution to wider regeneration, by demonstrating demand and supporting the viability of subsequent schemes. | |

¹⁰ There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

4.17 **Transport and Logistics Institute, Thurrock**

4.17.1 Table 12 provides an overview the Transport and Logistics Institute project.

4.17.2 The project is looking to create a transport and logistics facility in Grays town centre to help raise the profile of Thurrock as the logistics capital of the UK through the provision of the first college based bespoke training facility in the country.

4.17.3 The project wants to provide a range of training opportunities to meet skills gaps in the transport, logistics and warehousing industry and raise the profile of the Logistics sector as a good career route for both young people and adults by upskilling and reskilling adults to retain and/or gain employment in the logistics industry, particularly those who have been made redundant due to the COVID pandemic.

Table 12: Overview of the Transport and Logistics Institute project

| | |
|---|------------------------------|
| GBF allocation: £0.6m | Total project cost: £999,840 |
| Key project benefits as stated in the business case: | |
| <ul style="list-style-type: none">• Upskill residents to support job retention and providing new skills will enable residents to access new employment opportunities. This would reduce strain on universal credit applications and claims.• Skilled employees will maximise the economic potential and competitiveness of the local area and attract inward investment.• Increased local employment would reduce the strain on other local services such as health and housing.• Providing the first College logistics training facility in the country will raise the profile of the logistics industry as a career which will significantly benefit the sector.• Attracting more staff and students to the facility based in Grays town centre would further aid the regeneration of the local area*¹¹. | |

5. **Risks**

5.1 Of the £85m GBF allocation secured by SELEP, £42.5m has been transferred to Essex County Council (as the Accountable Body for SELEP) in 2020/21. The second tranche of £42.5m funding due to be received has, at this stage, only been allocated to SELEP and remains subject to confirmation from Central Government that the funding will be transferred in 2021/22. There is therefore a risk that the second tranche of funding will not be received, which will present a risk to the completion of the twelve projects set out in this report which are due to be delivered across the two-year period. If it is not possible for the projects to be completed, the realisation of project outcomes and impacts will also be adversely affected.

¹¹ *There has been a change to the outputs and/or outcomes to be achieved through the delivery of the project, between those reported in the business case and those included in the original submission to Government. This change to the project outcomes will need to be agreed with Central Government.

5.2 SELEP have been asked for a total award of £48,636,190 for these twelve projects. £33,773,898 of this total is not due to be spent until 2021/22 and therefore is at risk until confirmation from Central Government for the 2021/22 funding has been received by SELEP. Please refer to Appendix B for further details.

5.3 Each of the projects under consideration in this report has produced a comprehensive risk register which identifies the key risks faced by the Projects and sets out appropriate individual mitigating actions in each case. No high risks have been identified in relation to the delivery of any of the Projects included in this report.

6. Financial Implications (Accountable Body Comments)

6.1 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 now received GBF for 2020/21 from MHCLG in September 2020 of £42.5m.

6.2 Should the second remaining tranche of GBF for £42.5m from Government be delayed or withdrawn in 2021/22 resulting in insufficient funding to the programme, there could be a risk to completion of GBF projects and delivery of outcomes.

6.3 The Accountable Body has now received GBF grant conditions from MHCLG and is working with SELEP to establish service level agreements (SLA's) with each Lead Authority.

6.4 Essex County Council as Accountable Body to SELEP, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.

6.5 All GBF will be transferred to the sponsoring authority under the terms of a Funding Agreement or SLA which makes clear that funding can only be made available when HM Government has transferred GBF to the Accountable Body.

6.6 Should the Board approve the award of funding in this report, the Accountable Body will transfer GBF funding to the sponsoring authorities on confirmation from Government that the changes to the Project outputs and outcomes are accepted.

6.7 The Agreements will set out the circumstances under which funding may have to be repaid should it not be utilised in line with the conditions of the grant or in accordance with the Decisions of the Board.

7. Legal Implications (Accountable Body Comments)

7.1 The terms set out in the grant conditions between the Accountable Body and Central Government for the GBF will set out how the GBF is to be administered and used.

7.2 Service Level Agreements will be put in place between the SELEP Accountable Body, SELEP Ltd and the six County/Unitary Authorities for the transfer of the funding in line with the terms of the grant conditions received from Central Government.

8. Staffing and other resource implications (Accountable Body Comments)

8.1 An additional Capital Programme Officer role has been created within the SELEP team to help oversee the delivery of the GBF.

9. Equality and Diversity implications (Accountable Body Comments)

9.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

9.3 In the course of the development of the project business 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 were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

10. List of Appendices

10.1 Appendix A – Report of the Independent Technical Evaluator

10.2 Appendix B – GBF Funding Awards

10.3 Appendix C – GBF Project Information

10.4 Appendix D – Confidential Appendix – funding package information

10.5 Appendix E – Changes of Outcomes

11. List of Background Papers

- 11.1 Business Case for Enterprise Centre for Horizon 120 Business Park
- 11.2 Business Case for Harlow Library
- 11.3 Business Case for Harlow College
- 11.4 Business Case for Rocheway Independent Living
- 11.5 Business Case for Swan Modular Housing Factory
- 11.6 Business Case for Riding Sunbeams Solar Railways
- 11.7 Business Case for UTC Maritime & Sustainable Technology Hub
- 11.8 Business Case for First and Second Floors, Building 500, Discovery Park, Sandwich
- 11.9 Business Case for Javelin Way Development
- 11.10 Business Case for New Performing & Production Digital Arts Facility @ North Kent College
- 11.11 Business Case for Romney Marsh Employment Hub
- 11.12 Business Case for Thanet Parkway Railway Station
- 11.13 Business Case for The Meeting Place Swanley
- 11.14 Business Case for Transport and Logistics Institute

(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 Peter Shakespear (On behalf of Nicole Wood, S151 Officer Essex County Council) | 11.11.2020 |