

Digitally Connected Kent and Medway – Getting Building Fund (GBF)

Forward Plan reference number: FP/AB/291

Report title: Digitally Connected Kent and Medway – Getting Building Fund	
Report to Accountability Board: 18 September 2020	
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Date: 28.08.2020	For: Decision
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SELEP Partner Authority affected: Kent & Medway	

1. Purpose of report

- 1.1 The purpose of this report is to allow the Accountability Board (the Board) to consider the award of £2.290m Getting Building Fund (GBF) to the Digitally Connected Kent and Medway project (the Project), detailed at Appendix A. The Project is one of 34 schemes included in the £85m package of projects agreed with Government in July 2020.
- 1.2 The Project has submitted a business case for assessment by the Independent Technical Evaluator and has been assessed as presents high value for money, with high certainty of value for money being achieved.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Approve** the award of **£2,290,152** GBF to support the delivery of the Project as set out in Appendix A, subject to sufficient GBF being received by SELEP from Central Government.
 - 2.1.2 **Note** that the GBF grant and the associated conditions have not been received from Central Government, at the point of this report being published.

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 Each project is required to submit a business case which is independently assessed by the Independent Technical Evaluator (ITE) against the requirements of the SELEP Assurance Framework. The Project is the first to complete the process.
- 3.3 Details of the Project can be found at Appendix A and the ITE assessment can be found at Appendix B.

4. Getting Building Fund Overview

- 4.1 The GBF was launched by Government as a response to the secondary economic impacts of the COVID-19 lockdown. LEPs were asked to submit a long list of potential projects in the first instance.
- 4.2 Following the confirmation that SELEP has successfully secured a total of £85m, SELEP Ltd prioritised 34 projects to proceed based on the funding available. The final award of funding to these projects will be considered by the Board following the development and independent assessment of a project business case.
- 4.3 The proposed approach for the oversight of Getting Building Fund is not currently detailed within the SELEP Assurance Framework. An updated draft of the Assurance Framework is set out under agenda item 12 and is scheduled to be approved by SELEP Ltd in October 2020.
- 4.4 In advance of the arrangements being formally agreed, the Project has been assessed in accordance with the requirements of the Assurance Framework for Local Growth Fund. This is considered by the SELEP Secretariat to be a suitable approach for the oversight of capital funding based on the value of the funding and to ensure compliance with the requirements of the National Assurance Framework.
- 4.5 The arrangements include the development of a project business case in line with Government guidelines and the independent assessment of the business case by the ITE. This has considered the projects deliverability and Value for Money offered through the investment of public funding in the project. The ITE assessment approach is detailed in Appendix B.
- 4.6 This Project is the first to complete the ITE process, following a single review of the business case, with no substantial concerns having been raised through the 'Gate 1' assessment by the ITE.

5. Case for Investment

- 5.1 The ITE assessment has concluded that a compelling strategic case has been developed demonstrating that the scheme is well aligned with the strategic objectives of the Getting Building Fund. The implementation of the scheme will generate fifteen construction jobs and then it is forecast that a further fifteen permanent jobs will be created as an outcome of the increased broadband connectivity. It is also a scheme which will support the Green Recovery enabling more people to work remotely and reducing the number of car journeys taken.
- 5.2 The economic analysis is a proportionate assessment of the scheme costs and benefits. A bespoke assessment approach has been taken aligned with 'Green Book' principles and drawing on the most up to date evidence around the impact of improved connectivity on productivity and employment. The

analysis results in a benefit cost ratio of 2.7:1 representing “high” value for money.

- 5.3 Reasonable assumptions have been used to populate the scheme appraisal and a reasonable and robust programme has been provided which demonstrates that spend of the Getting Building Fund allocation and delivery of the scheme will be completed before March 2022. Therefore, it has been assessed that the scheme delivers “high” value for money with high levels of certainty.

6. Risks

- 6.1 There are no high risks identified to the delivery of the Project. Whilst Kent County Council (KCC) is the scheme promoter, the delivery will be taken forward by Building Digital UK, as part of the Department for Digital, Culture, Media and Sport (DCMS) and buildings on previous working between the two organisations.
- 6.2 The GBF grant and associated conditions for the GBF have not yet been received from MHCLG. Nor has the breakdown of funding across 2020/21 and 2021/22 been confirmed. As such, there is a risk in agreeing the split of funding across these two financial years for the Project, when the overall GBF programme position has not been considered, relative to the GBF funding profile and grant conditions from Central Government.
- 6.3 There is, however, an urgency for the Project GBF allocation to be confirmed in September 2020 for the Project to be completed within the required timescales. Failure of the Project to ensure a funding award from the Board at this meeting will likely result in the Project being unable to meet the requirements for spend of the GBF grant in full by 31 March 2022.

7. Financial Implications (Accountable Body Comments)

- 7.1 In considering the recommendation to award funding to this Project, the Board should note that no funding can be transferred until the GBF funding has been received by the Accountable Body and a grant agreement is in place to enable payments to be made.
- 7.2 It should also be noted that the funding conditions have yet to be received by the Accountable Body for this funding from the MHCLG. Any GBF awarded by the Board must adhere to any conditions specified; 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.
- 7.3 The Grant Agreement will set out the responsibilities of the Partner Authority to ensure compliance with the grant conditions; it will also include 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.

8. Legal Implications (Accountable Body Comments)

- 8.1 The terms set out in the grant conditions between the Accountable Body and Central Government for the Getting Building Fund will set out how the Getting Building Fund is to be administered and used.
- 8.2 Once the grant conditions have been received, 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.

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

- 9.1 It is intended that an additional Capital Programme Officer role will be created within the SELEP team to help oversee the delivery of the Getting Building Fund.

10. Equality and Diversity implications (Accountable Body Comments)

- 10.1 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:
 - 10.1.1 Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - 10.1.2 Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 10.1.3 Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 10.3 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.

11. List of Appendices

- 11.1 Appendix A- Project Information
- 11.2 Appendix B- ITE Assessment

12. List of Background Papers

12.1 Business Case for the Digitally Connecting Rural Kent and Medway project

Role	Date
Accountable Body sign off Peter Shakespear (On behalf of Nicole Wood, S151 Officer, Essex County Council)	08/09/20