South East
Local Enterprise Partnership

ACCOUNTABILITY BOARD

10:00	**Friday, 17 November 2017**	**High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ**

Quorum: 3 (to include 2 voting members)

Membership

Mr Geoff Miles	Chairman
Cllr Kevin Bentley	Essex County Council
Cllr Paul Carter	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Rob Gledhill	Thurrock Council
Cllr John Lamb	Southend Borough Council
Angela O'Donoghue	Further Education/ Skills representative
Lucy Druesne	Higher Education representative

For information about the meeting please ask for:
Lisa Siggins
(Secretary to the Board)
lisa.siggins@essex.gov.uk
Tel: 03330134594

Meeting Information

All meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

Most meetings are held at High House Production Park, Purfleet. A map and directions to can be found http://hhpp.org.uk/contact/directions-to-high-house-production-park

If you have a need for documents in the following formats, large print, Braille, on disk or in alternative languages and easy read please contact the Secretary to the Board before the meeting takes place. If you have specific access requirements such as access to induction loops, a signer, level access or information in Braille please inform the Secretary to the Board before the meeting takes place. For any further information contact the Secretary to the Board.

The agenda is also available on the Essex County Council website

Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

		Pages
1	**Welcome and Apologies for Absence**	
2	**Minutes** To approve as a correct record the Minutes of the meeting held on 22 September 2017.	7 - 20
3	**Declarations of Interest** To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	**Public Questions** In accordance with the Policy adopted by the SELEP, a period of up to 15 minutes will be allowed at the start of every Ordinary meeting of the Accountability Board to enable members of the public to make representations. No question shall be longer than three minutes, and all speakers must have registered their question by email or by post with the Managing Director of the South East LEP (adam.bryan@essex.gov.uk) by no later than 10.30am seven days before the meeting. Please note that only one speaker may speak on behalf of an organisation, no person may ask more than one question and there will be no opportunity to ask a supplementary question. On arrival, and before the start of the meeting, registered speakers must identify themselves to the member of staff collecting names. A copy of the Policy for Public Questions is made available on the SELEP website - http://www.southeastlep.com/images/uploads/resources/PublicQuestionsPolicy.pdf Email :(adam.bryan@essex.gov.uk	
5	**A133 Colchester to Clacton Funding Decision**	21 - 38
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7	**A414 Chelmsford to Harlow Funding Decision**	**47 - 52**
8	**Mercury Theatre Funding decision**	**53 - 60**
9	**Sandwich Rail Infrastructure Funding Decision**	**61 - 70**
10	**A13 Widening project update**	**71 - 76**
11	**LGF Capital Programme Update Report**	**77 - 128**
12	**2017-18 Revenue Budget Update**	**129 - 132**
13	**SELEP Assurance Framework Implementation Plan delivery**	**133 - 160**
14	**Growing Places Fund Update**	**161 - 172**

15 Future meeting dates

To note that the future meeting dates of the Board:

- Friday 15th December 2017 at 9.30am at Ashford College.
- Friday 23rd February 2018 at 10.00 am at High House Production Park
- Friday 27th April 2018 at 10.00 am at High House Production Park
- Friday 15th June 2018 at 10.00 am at High House Production Park
- Friday 14th September 2018 at 10.00 am at High House Production Park
- Friday 16th November 2018 at 10.00 am at High House Production Park
- Friday 15th February 2019 at 10.00 am at High House Production Park

16 Urgent Business

To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the

Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

17 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 22 September 2017

Present:

Geoff Miles	Chairman
Cllr Gagan Mohindra	Essex County Council
Cllr Paul Carter	Kent County Council
Cllr Alan Jarrett	Medway Council
Cllr Keith Glazier	East Sussex County Council (item 11 onwards)
Cllr Rob Gledhill	Thurrock
Cllr John Lamb	Southend Borough Council
Angela O'Donoghue	FE & Skills
Lucy Druesne	Higher Education representative

ALSO PRESENT **Having signed the attendance book**

Louise Aitken	SELEP
Amy Beckett	SELEP
Suzanne Bennett	Essex County Council
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Chris Burr	Southend Borough Council
Georgina Button	SELEP
Jake Cartmell	Steer Davies Gleave
Kim Cole	Essex County Council
Dominic Collins	Essex County Council
Anthony Finbow	Member of the Public
Will Goodchild	Essex County Council
A Griffin	Southend Borough Council
Stephanie Holt	Kent County Council
Thomas Kozlowski.	Medway Council
Richard Longman	Thames Gateway Kent Partnership
Paul Martin	SELEP
William McLennan	Member of the Public
Stephanie Mitchener	Essex County Council
Fred Montague	Member of the Public

Wendy Montague	Member of the Public
Rhiannon Mort	SELEP
Derek Munton	Member of the Public
Lorna Norris	Essex County Council
Sarah Nurden	Kent and Medway Economic Partnership
Tim Rignall	Thurrock Council
Lisa Siggins	Essex County Council

1 Welcome and Apologies for Absence

The following apologies were received:

- Councillor Kevin Bentley (substituted by Councillor Gagan Mohindra as a non-voting observer.)
- Councillor Rodney Chambers (substituted by Councillor Alan Jarrett)

The Chairman welcomed Lucy Druesne, as the new Higher Education representative.

2 Minutes

The Minutes of the meeting held on 26th May 2017 were agreed as a correct record
and signed by the Chairman.

3 Declarations of Interest

None were made.

4 Public Questions

Question 1

The Chairman welcomed Mr McLennan, a local resident, who had previously registered his question.

"In the SELEP reply dated 23 May 2017 to my seven serious allegations of dishonest and misleading conduct by Medway Council in its LGF application for phase 1 of the Rochester Airport Technology Park, the letter stated:

"it is SELEP's view that;
i) To the best of SELEP and Medway Council's knowledge, no fraudulent, misleading or incorrect information has been provided as part of the Business Case or decision making by the Board;

and
ii) No clarification or new information has been provided which would materially impact on the decision which was previously taken by the Board to approve the £4.4m Local Growth Fund allocation to the Project."

For SELEP to absolve Medway Council of any wrongdoing the Accountability Board must have convened, discussed and agreed each of my evidenced allegations in respect of Medway Council's defence which I note contains no dates, or supportive documentation to support SELEP's findings.

Can you please provide the date of the SELEP discussion, participants and record of the meeting where it was agreed to absolve Medway Council of any wrongdoing stated in my letter dated 10th April 2017 and whether an independent person was engaged to investigate my claims."

Response
On the 26th April 2017 the South East Local Enterprise Partnership (SELEP) Secretariat formally wrote to Medway Council regarding the 7 claims set out in your letter dated 10th April 2017. A copy of the letter from SELEP Secretariat to Medway Council will be provided to you. On the 10th May 2017 the SELEP Secretariat received a response from Medway. This letter will also be provided to you. It is the SELEP Secretariat's view that Medway Council's letter provided a satisfactory response to the claims raised, and enabled the SELEP Secretariat to respond to the you in full on 23rd May 2017 confirming that no clarification or new information has been provided which would materially impact the decision taken by the SELEP Accountability Board on 10th June 2016 to approve the £4.4m Local Growth Fund allocation to the Project.

No independent person was engaged to investigate the claims.

Mr McLennan further addressed the Chairman to state that the response had not addressed his question and that he hadn't been informed of the date in which the Board had meet to discuss his allegations. The Chairman stated that it was not possible to raise further questions at this time and that this was the response of SELEP.

Question 2

The Chairman welcomed Mr Montague, a local resident who had previously registered his question. This was read out by Mr McLennan.

"The terrible Grenfell House fire tragedy highlights how local authorities can become complacent with respect to public safety from which corporate manslaughter charges could ensue.

In Mr McLennan's letter to SELEP dated April 10, 2017 he highlights the dangers should a stricken aircraft crash land on the 8 lane M2 motorway or High Speed 1 rail link which is directly in front of and within 500 metres of the runway end. The aircraft used at Rochester airfield are unsophisticated

and almost entirely reliant on pilot expertise.

The reconfiguration of the airport supported by SELEP will heighten the potential for a level of fatality unprecedented in the Medway area.

In SELEP's reply letter dated May 23, 2017 the Partnership appears complacent about public safety in respect of a major fatality associated to the Rochester Airport reconfiguration. SELEP have been misled by Medway Council's response which does not mention the 8 fatalities already associated with Rochester airport.

As stated in allegation letter the CAA has confirmed that public safety beyond the airport boundary is a matter for the local authority and not the CAA which Medway Council would like you to believe.

It is difficult to understand why SELEP, who are in receipt of evidenced news articles on the dangers and concerns of local Rochester residents, prefers to align itself with Medway Council's perspective stated in their application. Specifically;

"The safety concerns of local residents are without credible evidence" Can you please tell us why a public Safety report has not been demanded by SELEP and why the partnership members should not be held equally liable for any fatalities which may result from the airport reconfiguration?"

Response

It is beyond SELEP's remit to assess the safety of each project considered for funding. It is for the delivery partner to consider the safety of the project during construction and operation.

As stated in the SELEP Assurance Framework, the SELEP Accountability Board will take into account the following factors when determining funding allocations:

(a) Strength of strategic fit with SELEP objectives;

(b) Value for Money;

(c) Scale of the intervention and the amount of investment being sought, relative to funding availability; and

(d) Phasing of the investment being required.

This information is made available through the Project Business Case. Safety reports are not sought as part of the information required to support decision making by the SELEP Accountability Board, as this does not form one of the four factors for decision making. A Public Safety report has not been demanded by SELEP Secretariat because it is beyond SELEP's role and responsibility to investigate the safety of the Airports Operation. However, there is an expectation that each delivery partner will carry out the necessary checks to ensure that LGF projects do not adversely impact

on public safety, and that the outcome of those checks and reports are considered before the project is able to progress forward.

The letter of response from Medway Council stated that "Six incidents since 1975 which can be related directly to the airport site are included in investigation reports which are publicly available on the Air Accident Investigation Branch (AAIB) website. Seven people were injured in these incidents (1 seriously and six slightly), however, none of these incidents resulted in fatalities. The airport has to be licenced by the Civil Aviation Authority (CAA) in order to operate. The CAA clearly has no significant safety concerns regarding the site as the airport remains licenced. If the CAA did have any issues with the airport they would take action as appropriate".

The air industry is subject to stringent regulation, including The Standardised European Rules of the Air and the UK Rules of the Air Regulations 2015, which apply to all aircraft flying over the United Kingdom. In addition most aircraft require either a Certificate Of Airworthiness or a Permit To Fly. Both of these are reviewed periodically and take into account the maintenance records kept by the pilot for each aircraft. There is also a requirement for pilots to undergo appropriate training at a flying school before they are issued with a licence by the CAA.

The Council cannot reasonably be expected to ensure that the planes are all well maintained, or that the pilots are sufficiently well-trained. Rochester Airport Ltd. have a duty of care for people whilst they are onsite, however, once the plane is in the air it is solely the pilots' responsibility".

A full version of Medway Council's letter of response is available and will be provided to you.

Question 3

The Chairman welcomed Mr Finbow, a local resident, who had previously registered his question.

"In Medway Council's SELEP Rochester Airport Technology Park phase 1 application, at section 3.6 "Options Assessed" the Unitary Authority misleads by describing an airport closure scenario if funding was not forthcoming.

However, by July 2013, Medway Council had already detailed within their public documents that Cabinet and Full Council had fully approved the expenditure of £4.4 million project costs from council funds. There was no airport closure scenario as Council funds were already allocated well before the SELEP Local Growth Fund application was made. There was no reason to seek government funding for phase 1.

Whilst local residents may benefit from Medway council reserves not being spent directly on the airport development the influencing scenario supplied by Medway Council within the body of their application is misleading and

untrue.

Can you please explain why SELEP has not taken action against Medway Council for proffering an unrealistic and untrue scenario in their application to secure government funding.' "

Response

The options assessment completed as part of the project Business Case sets out the impact of a 'Do nothing' scenario. The assessment of a 'Do nothing' scenario is required in developing a business case to understand what the impact of no intervention would be. This 'do-nothing' scenario forms a baseline scenario on which to help assess the benefits to be achieved through the delivery of the proposed intervention. There may already be consensus to progress with a particular delivery option, but the Business Case needs to detail all potential options. The completion of a 'Do nothing' scenario is a requirement of a SELEP Business Case and therefore the inclusion of this information in the Business Case was not misleading.

It is SELEP Secretariats understanding that whilst funding was allocated through Medway Council's own capital budget, there was no funding commitment through contractual obligations. Medway Council has provided assurance of this point through its statement included in letter of response dated 10th May 2017 and a copy of this will be provided to you. It states the following:

"The declaration made by the authorising officer stated that:

"I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it."

"This statement was true at the time of submitting the Business Case for consideration and remained true until the Business Case was approved. It is only since the Business Case was approved by Accountability Board that expenditure has been committed in relation to this project".

Question 4

The Chairman welcomed Mr Nixon, a local resident, who had previously registered his question.

"The Managing Director of the South East Local Enterprise Partnership, Adam Bryan, stated in his email to me dated August 8th 2017:

I can confirm that SELEP were not provided with any additional information by Medway Council that was not included in SELEP's response to Mr McLennan, in relation to the claim that "Medway Council has breached the phase 1 RATP Capital Project Business case declaration to obtain government money for the airport works to which it had already financially committed and not therefore entitled". I can also confirm that no additional evidence was sought from Medway Council with regards to this, over and

above confirmation of the following declaration already included within the SELEP Business Case for Rochester Airport Phase 1 project:

"I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it."

While I appreciate Mr Bryan explaining that allocating no money is not a precondition of a successful application for LGF funding, can he please tell me why SELEP did not seek evidence from Medway Council to investigate the matter, given the allegations from Mr McLennan that there was evidence the council obtained money by deception?"

Response

In Medway Council's letter to SELEP Secretariat on the 10th May, Medway Council confirmed that "This statement was true at the time of submitting the Business Case for consideration and remained true until the Business Case was approved. It is only since the Business Case was approved by Accountability Board that expenditure has been committed in relation to this project". A copy of the letter to SELEP Secretariat from Medway Council dated 10th May 2017 will be provided to you.

SELEP Secretariat were reassured by Medway Council's response and it is SELEP Secretariats understanding that whilst funding was allocated through Medway Council's own capital budget, there was no funding commitment through contractual obligations at the time of the Business Case being submitted or the project being considered for funding.

Question 5

The Chairman welcomed Mr Munton, a local resident, who had previously registered his question

"The SELEP award of funding for Rochester Airport phase 1, does not feature in the 2014 LGF Round 1 successful projects. In the LGF Round 2 launch on 29th January 2015 the government directed LEP's to submit projects for possible funding during the summer with the awards to be announced September. An article in the Kent Messenger newspaper on the same day as the government LGF Round 2 announcement http://www.kentonline.co.uk/medway/news/rochesterairport-redevelopment-set-to-30960/ publicises Medway Council had secured £4 million to upgrade Rochester Airport from the government yet makes no mention of SELEP involvement. The records of the Medway Council meeting Feb 26th 2015 one month after the news article reveals that the Medway South Development Fund allocation of £4.4 million by Council for Rochester Airport was no longer required and that the money was reallocated. Again there is no mention of SELEP. Can you please provide the precise date of the SELEP Medway Council RATP phase 1 award and explain how SELEP secured government money on behalf of Medway Council for their project in advance of other LEP LGF Round 2 submissions."

Response

The Rochester Airport Technology Park Phase 1 project was allocated funding through Local Growth Fund (LGF) Round 2. The project was included in SELEP's LGF Round 2 bid to Government, which was submitted in 2014. On the 29th January 2015 the Government announced the allocation of £46.1m LGF Round 2 funding to SELEP. This LGF Round 2 allocation is termed the Growth Deal expansion. This Growth Deal expansion included a provisional allocation of funding to the provision of new employment and innovation space at Rochester Airport. A copy of the Growth Deal expansion LGF Round 2 funding allocation will be made available to you.

Following the provisional allocation of £4.4m to the Rochester Airport Technology Park Phase 1 project through LGF Round 2, Medway Council were required to develop a full business case for the Phase 1 Project to be reviewed through SELEP Independent Technical Evaluation process in advance of the final funding award by SELEP Accountability Board. It is only then that the funding is formally awarded to the Project and made available to Medway Council to utilise in line with the project spend. On the 10th June 2016 the SELEP Accountability Board approved the award of £4.4m to the Rochester Airport Technology Park Phase 1 project.

The SELEP is not responsible for any press release that Medway Council or any other organisation releases ahead of a formal decision.

Cllr Jarrett stated that "Medway Council remain committed to the project and that they will ensure that SELEP are kept updated of progress".

5 LGF Governance Arrangements

The Accountability Board (the Board) received a report from Rhiannon Mort, the purpose of which was to make the Board aware of the process for utilising Local Growth Fund (LGF) underspends and to agree the approach to introduce new LGF projects into the Growth Deal Programme.

The Board raised some queries around the process in question, which were clarified by Rhiannon, who further explained that there were certain restraints due to Government requirements. However, the Board raised concerns around the timescale required to complete the Independent Technical Evaluation review process and, questioned whether there should be greater local flexibility at a local level above the current 10% flexibility. Rhiannon confirmed that the Assurance Framework is reviewed annually and that this matter could be included at next review.

Resolved:

1. **To Note** the process set out in to the SELEP Assurance Framework for the use of LGF underspends; and
2. **To Agree** the process for the inclusion of new LGF projects in the SELEP LGF Capital Programme.

6 Tunbridge Wells A26 Cycle Improvements Funding Decision

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the value for money assessment for the A26 Cycle Improvements (Project) in Tunbridge Wells, Kent which has been through the Independent Technical Evaluator (ITE) process to enable £1m funding to be devolved to Kent County Council for scheme delivery.

Resolved:

1. **To Approve** the change of scope to Tunbridge Wells A26 Cycle and Junction Improvements Package
2. **To Approve** the £1m LGF allocation to A26 Cycle Improvements Project 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 this being achieved.

7 Innovation Centre - University of Essex Funding Decision

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the value for money assessment for the Innovation Centre at the University of Essex Knowledge Gateway (Project) which has been through the Independent Technical Evaluator (ITE) process to enable £2m Local Growth Fund (LGF) to be devolved to Essex County Council for scheme delivery.

Resolved:

To Approve the £2m LGF allocation to the Innovation Centre, University of Essex Knowledge Gateway to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money but with low certainty of this being achieved.

8 A2500 Lower Road Funding Decision

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the value for money assessment for A2500 Lower Road/ Barton Hill Drive Project (Project) in Swale, Kent which has been through the Independent Technical Evaluator (ITE) process to enable £1.265m funding to be devolved to Kent County Council for scheme delivery.

Rhiannon Mort confirmed the latest position with the expected £540,000 of developer contributions detailed in the report. Section 106 agreements are due to be signed over the next few weeks to commit these contributions.

Councillor Carter clarified, for the benefit of the members of the public who were present, that all the projects being considered at these meetings go through a lengthy process/assessment before being considered by the Board, and therefore the Board are able to be confident in their decision

making without the need for detailed discussion.

Resolved:

To Approve the £1.265m LGF allocation to A2500 Lower Road/ Barton Hill Drive Project to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high certainty of achieving this.

9 London Southend Airport Business Park Funding Decision

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the value for money assessment for the London Southend Airport Business Park Phase 2 Project (Phase 2 Project) in Southend which has been through the Independent Technical Evaluator (ITE) process to enable £815,000Local Growth Fund (LGF) to be devolved to Southend Borough Council to support the further development of the Project.

In addition, to help mitigate expected LGF slippage for the Phase 2 Project from 2017/18 the report set out the proposal to accelerate £4.5m LGF spend on Phase 1 of the Project in place of Southend Borough Council spend. This will be offset through a £4.5m reduced LGF contribution and £4.5m increase in Southend Borough Council contribution to Phase 2.

The Chairman reiterated Councillor Carter's comments in minute 8 above, and further confirmed that the agenda (including all reports) are published 5 days in advance of the meeting.

Councillor Lamb confirmed that Southend Borough Council is committed to making its £4.5m contribution in Phase 2.

Resolved:

1. **To Approve** an initial £815,000 LGF allocation to London Southend Airport Business Park Phase 2 Project to support the development of the Project identified in the Business Case and which has been assessed as presenting achieving high value for money with medium certainty of achieving this.
2. **To Approve** the re-allocation of £4.5m of LGF from Phase 2 to Phase 1
3. **To Approve** the additional spend of £4.5m LGF on Phase 1
4. **To Note** the intention to develop a Full Project Business Case to be considered by the Board for the remaining allocation to the Project.
5. **To Note** the amended LGF spend profile for the Project

10 Southend Central Area Transport Package Funding Decision

The Board received a report from Rhiannon Mort and a presentation from Steer Davies Gleave, the purpose of which was to make the Board aware of the value for money assessment for Southend Central Area Transport Scheme (S-CATS) Phase 2 (Project) which has been through the

Independent Technical Evaluator (ITE) process to enable £2m of Local Growth Fund (LGF) to be devolved to Southend Borough Council for scheme delivery.

Resolved:

To Approve the £2m LGF allocation to the Southend Central Area Transport Scheme Phase 2 to support the delivery of the Project identified in the Business Case and which has been assessed as presenting achieving very high value for money with medium to high certainty of achieving this.

11 Kent and Medway Engineering, Design, Growth and Enterprise Hub Funding Decision

The Board received a report and presentation from Louise Aitken, followed by a presentation from Steer Davies Gleave, the purpose of which was to seek the Board's approval for the award of £6.12m of Local Growth Fund (LGF) to be devolved to Kent County Council (KCC) for delivery of the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub (the Project).

Resolved

To Approve the award of £6.12m LGF to the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub as set out in the Business Case which has been assessed as presenting high value for money with medium certainty of achieving this. This award is subject to receipt from Kent County Council confirming that all additional funding required for this project has been secured.

12 LGF Capital Programme Update report

The Board received a report from Rhiannon Mort updating the Board on the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

In response to a question from Councillor Carter, Rhiannon clarified the position regarding the future year indicative funding allocation from Central Government. A discussion followed regarding indicative allocations and forward planning.

Resolved:

1. **To Approve** the final 2016/17 LGF spend position
2. **To Approve** the updated 2017/18 planned LGF budget for the spend of £122.816m for non-retained LGF projects and £31.126m for retained projects
3. **To Note** the updated LGF spend forecast for 2017/18
4. **To Note** the project delivery and risk assessment
5. **To Agree** the slippage of LGF spend from 2017/18 to 2018/19 for

the following projects:

a. Tunbridge Wells A26 Cycle Improvements (£0.448m);
b. A289 Four Elms Roundabout to Medway Tunnel Journey Time and Network Improvements (£1.855m);
c. Strood Town Centre Journey Time and Accessibility Enhancements (£0.020m);
d. Chatham Town Centre Place- Making and Public Realm Package (£0.800m);
e. Medway City Estate Connectivity Improvement Measures (£0.039m)
f. Rochester Airport Phase 1 (£1.464m);
g. Rochester Airport Phase 2 (£0.150m); and
h. London Southend Airport Business Park Phase 1 and Phase 2 (£6.081m)

6. **To Agree** the acceleration of LGF spend in 2017/18 for Thurrock Cycle Network Project (£0.531m)
7. **To Agree** the change to the Coastal Communities Housing Intervention Project in Hastings
8. **To Note** the reallocation of £0.231m from Kent Sustainable Interventions Programme to Tonbridge Town Centre Regeneration

13 The Open Golf 2020

The Board received a report from Stephanie Holt, Head of Countryside, Leisure and Sport, Kent County Council, which provided an update to the Board on the development of the Open Golf 2020 infrastructure project.

The Board discussed the timings involved and raised concerns regarding potential lack of funding contributions from the rail operators.

Councillor Carter raised that there are ongoing benefits to the provision of a permanent solution for transport improvements at Sandwich Railway Station, in addition to the benefits of support The Open Golf event, as the improvements will enable longer trains to serve Sandwich Railway Station.

Resolved:

1. **To Note** the intention for Kent County Council (KCC) to bring forward a Business Case through the SELEP Independent Technical Evaluator (ITE) review process for the potential allocation of £1,025,745 LGF to the Open Golf Rail Infrastructure Project, subject to the Business Case completing the ITE review process and the identification of an appropriate funding stream.
2. **To Note** the change to the Project's total cost estimate since January 2017; and
3. **To Note** the intention for the Permanent Solution to be taken forward as the preferred option of the Board on the 17th November 2017 for a funding decision, subject to the Project Business Case completing the ITE review process and identification of an appropriate funding source.

14 SELEP Revenue Funding Budget Update

The Board received a report from Suzanne Bennett, the purpose of which was to inform the Board of the current year revenue budget forecast outturn position as at the end of the first quarter. In addition, following the Board's approval of an increased contribution to reserves at its meeting held on 26 May 2017, approval is now sought to drawdown those funds to support activity that was previously budgeted to take place in financial year 2016/17.

The Board discussed the lack of fairness in the allocation of core funding from Government to SELEP and stressed that SELEP must continue to lobby the Government to ensure that a fair allocation is received.

Adam Bryan advised that this issue will be fed into the forthcoming LEP review and raised again at the SELEP Annual Conversation with Government in December.

Resolved:

1. **Approve** the withdrawal of **£132,000** from reserves and the subsequent equivalent increase in revenue expenditure budgets; and
2. **Note** the current forecast outturn position.

15 SELEP Assurance Framework Implementation Plan Delivery

The Board received a report from Adam Bryan, the purpose of which was to inform the Board of the progress which has been made by the SELEP team and the federal areas in implementing the changes necessitated by the refreshed Assurance Framework. This is to follow on from the update to the Board on 26th May 2017. The Board is reminded that it is accountable for assuring that all requirements are implemented; it is a condition of the funding that the Assurance Framework is being implemented.

Resolved:

To Note the progress to date in implementing the SELEP Assurance Framework.

16 Growing Places Fund update

The Board received a report from Rhiannon Mort updating the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

Resolved:

To Note the updated position on the GPF programme.

17 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 17th

November 2017.

There being no urgent business the meeting closed at 11.37 am.

Chairman

Report to Accountability Board	Forward Plan reference number: FP/AB/116
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**16th October 2017**
Title of report:	**A133 Colchester to Clacton LGF Funding Decision**
Report by:	**Rhiannon Mort, SELEP Capital Programme Manager**
Enquiries to:	Rhiannon.mort@essex.gov.uk

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 the A133 Colchester to Clacton Project (the Project) which has been through the Independent Technical Evaluator (ITE) review process to enable £2.74m funding to be devolved to Essex County Council for scheme delivery.

1.2 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Approve** the award of £2.74m Local Growth Fund (LGF) to support the delivery of the Project identified in the Business Case and which has been assessed as presenting very high value for money with high certainty of achieving this.

3. A133 Colchester to Clacton Project

3.1 The A133 Colchester to Clacton Project consists of a package of seven schemes to provide highway capacity, cycling and safety improvements along the Colchester to Clacton corridor.

3.2 The measures have been identified through the Colchester to Clacton Route Based Strategy. The objectives of which are to:

- Deliver transport improvements to support and accommodate future housing and employment growth, encouraging and assisting economic growth;
- Tackle congestion;
- Improve journey-time reliability;

- Improve safety on the route and reduce the number of people killed or seriously injured;
- Promote sustainable forms of travel;
- Improve accessibility and connectivity into and within Colchester;
- Maintain and improve the public transport network;
- Facilitate and improve pedestrian and cycling routes into and around the city;
- Develop long-term solutions to resolve gaps in the transport network;
- Improve air quality and the environment by providing and promoting the use of more sustainable forms of travel; and
- Maintain assets ensuring that the highways network (including roads, footways and cycleways) is resilient, safe to use, and fit for purpose.

3.3 The Project is made up of a proposed package of seven schemes will improve access into Colchester as a major employment centre in Essex and to help accommodate the scale of the planned growth. Through increasing capacity and encouraging modal shift, the schemes will support and help enable the delivery of 700 new jobs and 2,450 new homes in Tendering and Colchester.

3.4 The seven schemes include:

3.4.1 **Bromley Road Improvements** – Widen Bromley Road to a two lane approach from Colchester, introduce new Puffin crossing and modify junction layout.

3.4.2 **Safety Improvements** – Implement a variety of safety improvements between Frating roundabout, Progress Way and Little Clacton, including actions to reduce potential collisions.

3.4.3 **Frating Roundabout** – Introduce a left-turn slip from A133 (A120 Spur) to A133 East and modifications to the roundabout to accommodate this slip

3.4.4 **Frating Roundabout** – Introduce a left-turn slip from A133 East to A133 West

3.4.5 **Weeley Roundabout** – Junction and signage improvements

3.4.6 **Signage** – Various signage improvements along the route

3.4.7 **Cycling** – Improve the cycle paths along the A133 (Salary Brook), including the section from Greenstead Roundabout, that provides links and access to the University of Essex and the B1441 which runs alongside the A133 from Weeley to Progress Way, Little Clacton.

3.5 The total cost of the Project is estimated at £5.480m, with 50% of the funding contribution being from Essex County Council.

Table 1 A133 Colchester to Clacton Funding Profile

Funding (£m)	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF request		1.370	1.370		2.740
Essex County Council contribution	0.048	0.525	2.047	0.120	2.740
Total	0.048	1.895	3.417	0.120	5.480

4. Outcome of ITE Review

4.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high to very high value for money with a high certainty of achieving this.

4.2 The Project Business Case has demonstrated that the Project presents very high value for money, with a Benefit Cost Ratio (BCR) of 5.93:1.This BCR has been calculated following the latest Department for Transport WebTAG guidance.

4.3 The ITE has commented that no scenario testing was included as part of the Business Case value for money assessment. Whilst it would have been best practice for the Business Case to include this scenario testing of the proposed project benefits, the inclusion of scenario testing in the Business Case is not a condition of the funding. Given the very high BCR value then only very substantial changes would have a detrimental impact on the BCR value. As a result, the ITE review has confirmed that there is a high level of certainty in the value for money category.

5. Compliance with SELEP Assurance Framework

5.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework.

5.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework.

Table 2 SELEP Secretariat assessment of the Business Case 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 strategic objectives of the Project are identified. Whilst no explicit link is made within the Business Case between the project objectives and the SEP, the project objectives, including tackling congestion, improving journey time and assisting/encouraging economic growth, are aligned with the objectives of the SELEP Strategic Economic Plan. The A133 Colchester to Clacton project is also identified within the Strategic Economic Plan.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The expected project outputs and outcomes are set out in the Business Case and detailed in section 3 above. The ITE review confirms that Transport Users Benefits Appraisal (TUBA) has been completed to assess the expected outputs and outcomes of the intervention following WebTAG guidance.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review confirms that a Quantified Risk Assessment has been completed and a Risk Register is included in the Business Case, with risk owners having been identified. A detailed project programme has been included as an appendix to the Business Case.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR has been calculated as 5.93:1, which indicates very high value for money. When wider economic benefits are taken into account the adjusted BCR increases further to 6.19:1.

6. Financial Implications (Accountable Body comments)

6.1 This project is requesting approval of LGF allocations in 2018/19 and 2019/20; It should be noted that whilst future year grant payments from Government haven't been confirmed, funding for this Project is included in the indicative LGF programme allocations provided by Government for future years.

6.2 In considering allocating funding to this project, the Board should take into account the funding profile risk outlined in the Capital Programme Management report (Agenda item 11), particularly in relation to the funding risk in 2019/20. The report identifies that whilst there is sufficient funding for all LGF projects across the duration of the programme, in 2019/20 there is currently a funding gap of £26m (including the requirements of this project); it is noted that this risk is being carefully monitored by the SELEP Capital Programme Manager with potential options for mitigation being considered.

6.3 There are SLAs in place with the sponsoring authority which makes clear that future year funding can only be made available when the Government has transferred LGF to the Accountable Body.

7. Legal Implications (Accountable Body comments)

7.1 There are no legal implications arising out of this decision. All funding will be transferred to the sponsoring authority under the provisions of the SLAs already in place.

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

8.1 None at present.

9. Equality and Diversity implication

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 1 - Report of the Independent Technical Evaluator (As attached to Agenda Item 5).

11. List of Background Papers

- Business Case for A133 Colchester to Clacton

(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 Lorna Norris (On behalf of Margaret Lee)	 09/11/2017

steer davies gleave

Independent Technical Evaluator – Growth Deal Business Case Assessment (Q3 2017/18)

Accountability Board Report
November 2017

South East Local Enterprise Partnership

22790506
Client ref:



steer davies gleave

Independent Technical Evaluator – Growth Deal Business Case Assessment (Q3 2017/18)

Accountability Board Report
November 2017

South East Local Enterprise Partnership

Our ref: 22790506
Client ref:

Prepared by:
Edmund Cassidy
Steer Davies Gleave
28-32 Upper Ground
London SE1 9PD

+44 20 7910 5000
www.steerdaviesgleave.com

Prepared for:
Adam Bryan
South East Local Enterprise Partnership Secretariat
c/o Essex County Council
County Hall
Market Road
Chelmsford
Essex
CM1 1QH

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1 Independent Technical Evaluation of Q3 2017/18 starting Growth Deal Schemes

Overview

1.1 Steer Davies Gleave were reappointed by the South East Local Enterprise Partnership in April 2016 as Independent Technical Evaluators. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and decisions on investment to independent scrutiny.

1.2 This report is for the review of final Business Cases for schemes which are seeking funding through Local Growth Fund Rounds 1 to 3. Recommendations are made for funding approval on 17th November 2017 by the Accountability Board, in line with the South East Local Enterprise Partnership's own governance.

Method

1.3 The review provides commentary on the Business Cases submitted by scheme promoters, and feedback on the strength of business case, the value for money likely to be delivered by the scheme (as set out in the business case) and the certainty of securing that value for money.

1.4 Our role as Independent Technical Evaluator is not to purely assess adherence to guidance, nor to make a 'go' / 'no go' decisions on funding, but to provide evidence to the South East Local Enterprise Partnership Board to make such decisions based on expert, independent and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where value for money is not assessed as being high (i.e. where a benefit to cost ratio is below two to one and / or where information and / or analysis is incomplete).

1.5 The assessment is based on adherence of scheme business cases to Her Majesty's Treasury's *The Green Book: Appraisal and Evaluation in Central Government*[1], and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the DCLG Appraisal Guide. All of these provide proportionate methodologies for scheme appraisal (i.e. business case development).

1.6 Pro forma have been developed based on the criteria of *The Green Book,* a 'checklist for appraisal assessment from Her Majesty's Treasury, and WebTAG. Assessment criteria were removed or substituted if not relevant for a non-transport scheme.

1.7 Individual criteria were assessed and the given a 'RAG' (Red – Amber – Green) rating, with a summary rating for each case. The consistent and common understanding of the ratings are as follows:

- **Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
- **Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment, but should be amended in future submissions (e.g. at Final Approval stage).
- **Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before Gateway can be passed.

[1] Source: **https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf**

1.8 The five cases of a government business case are:

- **Strategic Case:** demonstration of strategic fit to national, Local Enterprise Partnership and local policy, predicated upon a robust and evidence-based case for change, with a clear definition of outcomes and objectives.
- **Economic Case:** demonstration that the scheme optimises public value to the UK as a whole, through a consideration of options, subject to cost-benefit analysis quantifying in monetary terms as many of the costs and benefits as possible of short-listed options against a counterfactual, and a preferred option subject to sensitivity testing and consideration of risk analysis, including optimism bias.
- **Commercial Case:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
- **Financial Case:** demonstration of how the preferred option will be fundable and affordable in both capital and revenue terms, and how the deal will impact on the balance sheet, income and expenditure account, and pricing of the public sector organisation. Any requirement for external funding, including from a local authority, must be supported by clear evidence of support for the scheme together with any funding gaps.
- **Management Case:** demonstration that the preferred option is capable of being delivered successfully in accordance with recognised best practice, and contains strong project and programme management methodologies.

1.9 In addition to a rating for each of the five cases, comments have been provided against Central Government guidance on assurance – **reasonableness** of the analysis, risk of error (or **robustness** of the analysis), and **uncertainty**. Proportionality is applied across all three areas.

1.10 Assessments were conducted by a team of transport and economic planning professionals, and feedback and support has been given to scheme promoters throughout the process through workshops, meetings, telephone calls and emails between September and October 2017.

2 Evaluation Results

Gate 2 Results

2.1 Table 2.1 below provides the results of our independent technical evaluation of each scheme seeking funding approval on 17th November 2017 by the South East Local Enterprise Partnership Accountability Board. It includes both our interim assessment ('Gate 1 Assessment') of each Outline Business Case and the subsequent final assessment of revised business cases updated in light of our intial feedback ('Gate 2 Assessment'). More detailed feedback has been issued to each scheme promoter and the secretariat of the South East Local Enterprise Partnership using a standard transport and non-transport assessment pro forma.

Summary Findings and Considerations for the Board

2.2 The following list contains recommendations to the Accountability Board, including key findings from the evaluation process and any issues arising.

Recommendations

2.3 The following schemes achieve high value for money with high certainty of achieving this:

- ***Colchester to Clacton (£2.7m):*** The scheme aims to deliver a package of schemes to provide highway capacity, cycling and safety improvements for the Colchester to Clacton corridor. The analysis has been carried out in a robust and reasonable manner with the economic case demonstrating that the scheme will provide very high/high value for money. The absence of sensitivity tests means that it is has not been possible to assess the resilience of the value for money of the scheme to alternative inputs, assumptions and parameters. However, the scheme has a strong benefit to cost ratio and only very large detrimental changes would lead to a degrading of the value for money category of the scheme.

- ***M11 J8 (£2.7m):*** The proposed scheme involves improvements at Junction 8 of the M11, which provides access to Bishops Stortford and Stansted Airport via the A120. Improvements include revised slip roads and replacement of the A1250 / A120 roundabout with a signalised junction. The analysis provides a proportionate assessment of the scheme costs and benefits which resulted in a strong benefit cost ratio representing high value for money. The analysis was robustly carried out ensuring high levels of certainty around this high value for money.

2.4 The following scheme achieves high value for money with medium/high certainty of achieving this:

- ***A414 Chelmsford to Harlow (£2.2m):*** The scheme will deliver a package of interventions to provide highways capacity, passenger transport and safety improvements for the Chelmsford to Harlow corridor. The absence of sensitivity tests means that it has not been possible to assess the resilience of the value for money of the scheme to alternative inputs, assumptions and parameters. However, the scheme has a reasonable benefit to cost ratio and relatively large detrimental changes would be required to lead to a degrading of the value for money category of the scheme.

2.5 The following scheme achieves high value for money with medium certainty of achieving this:

- ***Open Golf Sandwich Station Extension (£1.0m):*** The scheme components include the extension of platforms and construction of a new footbridge that will allow longer trains to stop at the station. The platform extensions will enable a new walking route to the golf course to be established. The appraisal methodology has been applied correctly. However, the omission of maintenance and renewal costs and the lack of justification regarding the level of optimism bias applied to capital costs reduces the level of certainty that can be attributed to the value for money of the scheme. In

addition, very little sensitivity analysis has been undertaken. This would help to determine the resilience of the scheme's value for money to changes in input assumptions and model parameters. The GVA-based estimates of the impact of the tournament have been converted into welfare-based benefits using an appropriate methodology. This analysis has demonstrated that the scheme would represent high value for money.

- **Mercury Rising (£1.0m):** The scheme involves the expansion and redevelopment of the Mercury Theatre. Components include theatre capacity increase, expansion of the foyer and development of rehearsal space. The absence of sensitivity tests means that it has not been possible to assess the resilience of the value for money of the scheme to alternative inputs, assumptions and parameters. Additionally, there is no evidence that the impact of displacement or leakage has been considered. However, the BCR is sufficiently high that we would expect it to remain above 2 if these cost uplifts had been applied.

Table 2.1: Gate 1 & 2 Assessment of Growth Deal Schemes seeking Approval for Funding for Q2 2017/18

Scheme Name	Local Growth Fund Allocation (£m)	Benefit to Cost Ratio ('x' to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
								Reasonableness of Analysis	Robustness of Analysis	Uncertainty
Colchester to Clacton	2.7	Gate 1: 5.93	Amber	Amber	Green	Green	Green	The methodology is proportionate to the type and size of scheme	There are some inaccuracies in the appraisal spreadsheet and clarification around the assumptions underpinning the appraisal is required.	Evidence of sensitivity testing would increase the certainty around the value for money.
		Gate 2: 5.93	Amber/ Green	Green	Green	Green	Green	As above	Clarification has been provided of the appraisal assumptions. This now represents a robust analytical exercise.	There remains no evidence of sensitivity testing, but the BCR is sufficiently high to demonstrate resilience of value for money.
M11 J8	2.7	Gate 1: 3.2	Green	Green	Green	Green	Green	A sensible and proportionate methodology has been carried out.	The analysis is robust with a clear and compliant appraisal using up to date assumptions	The analysis has helped reduce uncertainty. The business case is complete with no amendments required.
		Gate 2: 3.2	Green	Green	Green	Green	Green	As above	As above	As above

Scheme Name	Local Growth Fund	Benefit to Cost Ratio (‘x’ to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
A414 Chelmsford to Harlow	2.2	Gate 1: 3.31	Amber/ Green	Amber/ Green	Green	Green	Amber/ Green	A standard TUBA-based transport appraisal has been undertaken, which is both sensible and proportionate.	The analysis has been carried out in a robust manner. There are a few assumptions which require further evidence.	Evidence of sensitivity testing would increase the certainty around the value for money. A monitoring and evaluation plan have not yet been developed.
		Gate 2: 3.31	Green	Green	Green	Green	Green	As above	Clarification has been provided of the assumptions underpinning the appraisal. This now represents robust business case analysis.	Evidence of sensitivity testing has been provided and a monitoring and evaluation plan has been outline.
Open Golf Sandwich Station Extension	1.0	Gate 1: 11.69	Amber	Red/ Amber	Amber/ Green	Red/ Amber	Red/ Amber	The methodology is proportionate to the type and size of scheme. GVA based appraisal has been carried out, so further analysis needs to be conducted to convert this to welfare benefits.	Further clarification and breakdown in calculations and assumptions is required to increase confidence in the analysis.	There is significant uncertainty around some of the key assumptions in the economic appraisal. Additionally, evidence of sensitivity analysis should be provided to demonstrate the resilience of the value for money.
		Gate 2: 3.9	Amber/ Green	Amber	Green	Red/ Amber	Amber	Additional analysis has been carried out to convert GVA benefits into welfare terms.	Additional information has been provided though there remain gaps in the analysis.	Key assumptions have been clarified and limited sensivity testing has been carried out.

Scheme Name	Local Growth Fund	Benefit to Cost Ratio (‘x’ to 1)	Strategic Case Summary	Economic Case Summary	Commercial Case Summary	Financial Case Summary	Management Case Summary	Assurance of Value for Money		
Mercury Rising	1.0	Gate 1: Not derived	Red/ Amber	Red	Amber	Red/ Amber	Amber	The case requires considerable additional detail to evidence the benefits which are driving the scheme. The data and description on inputs/costs and outputs/ benefits requires greater detail.	There is a lack of clarity around the basis for calculation of the scheme benefits.	Significantly more information is required to demonstrate the value for money of the scheme. There is also uncertainty around the security of the funding sources
		Gate 2: Not derived	Red/ Amber	Red/ Amber	Amber	Red/ Amber	Amber	There remains significant gaps in the analytical methodology which make it difficult to assess whether it constitutes reasonable analysis. Additional information should be provided to clarify how the benefits of the scheme are being forecast.	The lack of clarity remains and additional information about assumptions underpinning the economic appraisal are still required to aid assessment of analytical robustness.	Uncertainty around value for money and funding sources remains.
		Gate 2.2: 1.79	Amber/ Green	Red/ Amber	Amber	Amber	Amber/ Green	Additional information has been provided strengthening the strategic case. Further improvements need to be made to the economic appraisal methodology.	Some work has been done to clarify the assumptions in the economic appraisal.	There remains uncertainty around value for money of the scheme.
		Gate 2.3: 3.44	Amber/ Green	Amber	Amber	Amber	Amber/ Green	Additional work has been done to demonstrate that the scheme represents high value for money.	Work has been carried out to demonstrate that the economic appraisal has been accurately undertaken.	Uncertainty around the value for money of the scheme has been reduced by additional analysis carried out.

Our offices

Bogotá, Colombia
+57 1 322 1470
colombiainfo@sdgworld.net

Bologna, Italy
+39 051 656 9381
italyinfo@sdgworld.net

Boston, USA
+1 (617) 391 2300
usainfo@sdgworld.net

Denver, USA
+1 (303) 416 7226
usainfo@sdgworld.net

Leeds, England
+44 113 389 6400
leedsinfo@sdgworld.net

London, England
+44 20 7910 5000
sdginfo@sdgworld.net

Los Angeles, USA
+1 (213) 337 6790
usainfo@sdgworld.net

Madrid, Spain
+34 91 541 8696
spaininfo@sdgworld.net

Mexico City, Mexico
+52 (55) 5615 0041
mexicoinfo@sdgworld.net

New York, USA
+1 (617) 391 2300
usainfo@sdgworld.net

Rome, Italy
+39 06 4201 6169
italyinfo@sdgworld.net

San Juan, Puerto Rico
+1 (787) 721 2002
puertoricoinfo@sdgworld.net

Santiago, Chile
+56 2 2757 2600
chileinfo@sdgworld.net

São Paulo, Brazil
+55 (11) 3151 3630
brasilinfo@sdgworld.net

Toronto, Canada
+1 (647) 260 4860
canadainfo@sdgworld.net

Vancouver, Canada
+1 (604) 629 2610
canadainfo@sdgworld.net

Report to Accountability Board	Forward Plan reference number: FP/AB/117
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**23rd October 2017**
Title of report:	**M11 Junction 8**
Report by:	**Rhiannon Mort, SELEP Capital Programme Manager**
Enquiries to:	Rhiannon.mort@essex.gov.uk

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 M11 Junction 8 (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £2.734m funding to be devolved to Essex County Council for Project delivery.

1.2 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Approve** the award of £2.734m Local Growth Fund (LGF) to support the delivery of the Project identified in the Business Case and which has been assessed as presenting very high value for money with high certainty of achieving this.

3. M11 Junction 8

3.1 The M11 Junction 8 is a key junction for access to Stansted Airport, Bishop Stortford to the West and the A120 for access to Braintree and Colchester in the East.

3.2 The junction is already operating at capacity and experiences significant queuing during peak periods.

3.3 Stansted Airport is growing at an unprecedented rate of 2 million passengers per annum. The current capacity of the junction is unable to accommodate this scale of growth.

3.4 There is also a substantial amount of residential and commercial development planned in locations dependent upon access to the strategic road network via M11 Junction 8.

3.5 The Project is situated within the London – Stansted- Cambridge Corridor area which already has a population of 2.7million, but which is forecast to increase by 20% by 2032.

3.6 There are a number of planned developments in the area, including in Bishop's Stortford, where there is a commitment to deliver 2,300 homes which will add to this congestion. Local Plans for East Hertfordshire and Uttlesford are also being progressed, and this junction is an integral part of the infrastructure need to ensure that these Local Plans are sound.

3.7 The primary aim of the Project is to improve traffic flow through and around the junction, to accommodate the scale of planned growth.

3.8 The Project consists of measures at four locations to improve access to Stansted Airport, the Services area and between the M11 and the A120. The four locations include:

3.8.1 Location 1: South-west of the M11 Junction 8 – The provision of an additional approach lane on the northbound exit slip from the M11 Junction 8 onto the A120 towards Birchanger Green Services and Bishop's Stortford.

3.8.2 Location 2: A120/A1250 Roundabout (West of the M11 Junction 8) - Replace the existing A120/A1250 roundabout with a multi-arm signalised junction. In addition, the A120 "west link" will be widened from two lanes to three and the A120 "eastern link" will be widened to three lanes in the eastbound direction.

3.8.3 Location 3: M11 Junction 8 slip road onto A120 East - Improving and widening the slip road between the M11 in the southbound direction and the A120 in the east bound direction. A gantry will also be installed to span the five lanes at the junction with the roundabout.

3.8.4 Location 4: M11 Junction 8 exit onto B1256 Dunmow Road - Improving and widening the two lane entry to B1256 Dunmow Road from roundabout. *This final measure will be funded and delivered by private sector residential development.*

3.9 The package of schemes will help alleviate existing congestion and capacity constraints at the junction, which will achieve the following outcomes:-

3.9.1 Deliver committed housing growth, including planned development at Bishop's Stortford (2,300 homes), Uttlesford District (3,400 homes) and Harlow (16,000 homes), along with the potential for a further 4,000 homes around Bishop's Stortford;

3.9.2 Unlock 2,400 new jobs in the surrounding area, including Stansted Airport, through mitigating the impact of planned growth;

3.9.3 Improve air quality; and

3.9.4 Incentivise skills and apprenticeship opportunities, such as at Stansted Airport and through project delivery by Ringway Jacobs.

4. M11 Junction 8 Funding

4.1 The total cost of the Project is estimated at £9.056m. In addition to the £2.734m LGF allocation through SELEP, the Project has also secured £1.000m from GCGP LEP, a £4.1m Department for Transport National Productivity Investment Fund bid and a £0.321 private sector funding contribution.

4.2 The funding contribution to the Project from GCGP LEP is included within the LEPs capital programme. A letter of support from GCGP LEP has been provided and is available as a background document.

4.3 A funding contribution is also being sought from Stansted Airport (Manchester Airport Group), but if these negotiations prove unsuccessful the remaining project cost will be funded by Essex County Council. The project funding breakdown is shown in Table 1 below.

Table 1 M11 Junction 8 Funding Breakdown

£m	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF sought	0.500	0.400	1.334	0.500	2.734
GCGP LEP				1.000	1.000
Essex County Council		0.800	0.114		0.914
DfT NPIF		0.580	3.507		4.087
Housing developers			0.321		0.321
Total	**0.500**	**1.780**	**5.276**	**1.500**	**9.056**

5. Outcome of ITE Review

5.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high to value for money with a high certainty of achieving this.

5.2 The economic appraisal has evidenced an initial Benefit Cost Ratio (BCR) of 3.21:1 and an adjusted BCR of 3.32. This BCR has been calculated following the latest Department for Transport WebTAG guidance.

5.3 The review has confirmed that the analysis is robust with a clear and compliant appraisal using up to date assumptions. As such, there is high certainty of high value for money.

6. Compliance with SELEP Assurance Framework

6.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework.

6.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework.

Table 2 SELEP Secretariat assessment of the Business Case 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 ITE review confirms that the business case provides a review of SELEP policy as well Essex County Council's local policies, demonstrating how these align with the scheme objectives.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The expected project outputs and outcomes are set out in the Business Case and detailed in section 3 above. The ITE review confirms that the Project has been assessed using a VISSIM transport model. The outcomes of the VISSIM modelling assessment were further appraised using Transport Users Benefits Appraisal (TUBA), following WebTAG guidance.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review confirms that a Quantified Risk Assessment has been completed, through quantified risk modelling. A Risk Register, with mitigation measures, is also included in the Business Case. A simple programme has been provided for each of the four aspects of the

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
		Project.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		An initial BCR has been calculated as 3.21, which presents high value for money. When wider economic benefits are taken into account the adjusted BCR increases further to 3.32:1.

7. Financial Implications (Accountable Body comments)

7.1 This project is requesting approval of LGF allocations in 2017/18, 2018/19 and 2019/20; It should be noted that whilst we are in receipt of the current year funding, future year grant payments from Government haven't been confirmed, funding for this Project is included in the indicative LGF programme allocations provided by Government for future years.

7.2 In considering allocating funding to this project, the Board should take into account the funding profile risk outlined in the Capital Programme Management report (Agenda item 11), particularly in relation to the funding risk in 2019/20. The report identifies that whilst there is sufficient funding for all LGF projects across the duration of the programme, in 2019/20 there is currently a funding gap of £26m (including the requirements of this project); it is noted that this risk is being carefully monitored by the SELEP Capital Programme Manager with potential options for mitigation being considered.

7.3 There are SLAs in place with the sponsoring authority which makes clear that future year funding can only be made available when the Government has transferred LGF to the Accountable Body.

8. Legal Implications (Accountable Body comments)

8.1 There are no legal implications arising out of this decision. All funding will be transferred to the sponsoring authority under the provisions of the SLAs already in place.

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

9.1 None at present.

10. Equality and Diversity implication

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:

(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.

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 1 - Report of the Independent Technical Evaluator (As attached to Agenda Item 5).

11.2 Appendix 2 – Letter of support from GCGP LEP

12. List of Background Papers

- Business Case for M11 Junction 8

(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 Lorna Norris (On behalf of Margaret Lee)	 09/11/2017

GREATER CAMBRIDGE
GREATER PETERBOROUGH
ENTERPRISE PARTNERSHIP
DEFINING THE FUTURE

David Sprunt
Transportation Strategy & Engagement
Transportation, Planning and Development
Essex County Council
County Hall
Market Road
Chelmsford CM1 1QH

16 June 2017

Dear David

M11 J8 Scheme

We are writing to confirm GCGP LEP fully support the bid by Essex County Council for funding for the M11 J8 scheme.

This project is crucial to deliver both housing and jobs growth throughout the area and from a GCGP LEP perspective in terms of supporting reliable and easy access to Stansted Airport, a key destination for many of the businesses in the area with links across Europe.

We have already supported the scheme with some £1m of funding and a successful outcome would ensure this key piece of infrastructure comes forward in a timely manner.

Your sincerely

Adrian Cannard

Adrian Cannard
Director of Strategy & Planning

Report to Accountability Board	Forward Plan reference number: FP/AB/115
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**23rd October 2017**
Title of report:	**A414 Chelmsford to Harlow**
Report by:	**Rhiannon Mort, SELEP Capital Programme Manager**
Enquiries to:	Rhiannon.mort@essex.gov.uk

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 A414 Chelmsford to Harlow Project (the Project) which has been through the Independent Technical Evaluator (ITE) process to enable £2.173m funding to be devolved to Essex County Council for scheme delivery.

1.2 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

1.3 Whilst the Project was originally allocated £3.66m through LFG Round 1, a Business Case has been brought forward for the allocation £2.173m. Section 6 of this report sets out the proposed re-allocation of funding from the A414 Chelmsford to Harlow Project to the Mercury Theatre and the A414 Pinch Point Package.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Approve** the award of £2.173m Local Growth Fund (LGF) 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 to high certainty of achieving this.

3. A414 Chelmsford to Harlow

3.1 The Project consists of a package of five schemes to provide highway capacity, cycling and safety improvements for the Chelmsford to Harlow corridor. These schemes include:

3.1.1 Widford Roundabout – extend entry flair from A414 west to improve capacity

3.1.2 Four Wantz Roundabout – Resize roundabout, widen approaches, improve lane designation and introduce new Toucan crossing

3.1.3 A1169 Southern Way to Clock Tower roundabout (A1025 Second Avenue) – widened road to two lanes

3.1.4 Safety Improvements – lighting, signing and lines which have been identified through safety audit

3.1.5 Public Transport – Bus stop improvements, including new/ upgraded shelters, information and footways.

3.2 These measures have been identified through the Chelmsford to Harlow Route Based Strategy and extensive consultations on the interventions identified within this strategy.

3.3 The intended outcomes and objectives of the measures are to:

3.3.1 Provide a package of quality transport improvements to support and facilitate sustainable growth and regeneration along the A414;
3.3.2 Support economic growth, through business growth, new jobs and new houses;
3.3.3 Improve safety along the route, including reduced collisions
3.3.4 Encourage sustainable transport along the A414;and
3.3.5 Reduce congestion at key points along the corridor, to improve journey times and reliability for all vehicles.

3.4 The proposed package of schemes will improve access in Harlow Science Park and Enterprise Zone, supporting the delivery of 4,030 jobs and 910 homes, such as at the New Hall site off London Road.

3.5 The total cost of the Project is estimated at £4.346m, with 50% of the funding contribution being from Essex County Council.

Table 1 A414 Chelmsford to Harlow Funding Profile

£m	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF request		1.200	0.973		2.173
Essex County Council contribution		1.200	0.973		2.173
Total		2.400	1.946		4.346

4. Outcome of ITE Review

4.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high value for money with a medium to high certainty of achieving this.

4.2 The Project Business Case has demonstrated that the Project presents high value for money, with a Benefit Cost Ratio (BCR) of 3.31:1.This BCR has been calculated following the latest Department for Transport WebTAG guidance.

4.3 The ITE has commented that no scenario testing of the expected project benefits was included as part of the Business Case value for money assessment. Whilst it would have been best practice for the Business Case to include this scenario testing of the proposed project benefits, the inclusion of scenario testing in the Business Case is not a condition of the funding. Given the high BCR value then only very substantial changes would have a detrimental impact on the BCR value. As a result, the ITE review has confirmed that there is a medium to high level of certainty in the value for money category.

5. Compliance with SELEP Assurance Framework

5.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework.

5.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework.

Table 2 SELEP Secretariat assessment of the Business Case 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 strategic objectives of the project are identified. The ITE review confirms that the A414 Chelmsford to Harlow Route Based Strategy supports the SELEP Vision to 'Create the most enterprising economy in England' and the single SELEP goal 'to promote steady, sustained economic growth over the next two decades' by improving access to employment, markets and suppliers, with a particular emphasis on access to Harlow's three

		Enterprise Zone sites.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The expected project outputs and outcomes are set out in the Business Case and detailed in section 3 above. The ITE review confirms that Transport Users Benefits Appraisal (TUBA) has been completed following a sensible and proportionate approach to assess the expected outputs and outcomes of the intervention following WebTAG guidance.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review confirms that a Quantified Risk Assessment has been completed and a Risk Register is included in the Business Case, with risk owners having been identified. A detailed project programme has been included as an appendix to the Business Case. An organisation chart has also been included which sets out individual roles and responsibilities.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR has been calculated as 3:31:1, which indicates high value for money. When wider economic benefits are taken into account the adjusted BCR increases to 3:46:1.

6. A414 Chelmsford to Harlow LGF Allocation

6.1 The A414 Chelmsford to Harlow project was provisionally allocated £3.66m through LGF Round 1. However, the revised cost estimates prepared as part of the Business Case development has reduced and, as such, £1.487m has been identified as unallocated.

6.2 Change requests have been submitted for the re-allocation of this remaining £1.487m LGF following the process agreed at the Board meeting on the 22nd September 2017, for re-allocating LGF underspend within a Federated Areas programme and for the inclusion of new LGF projects into SELEP's Growth Deal programme.

A414 Pinch Point Package

6.3 It is proposed that £0.487m LGF will be re-allocated to A414 Pinch Point Package. The A414 Pinch Point Package was approved by the Board in June 2015, but has experienced substantial cost increase as a result of project complications and delays.

6.4 A revised value for money calculation is currently being prepared and it is intended that a decision will be sought from the Board at a future meeting, for the reallocation of £0.487m to the A414 Pinch Point Package.

Mercury Rising Theatre

6.5 To utilise the remaining £1m LGF the Board is asked to consider the reallocation of £1m LGF to the Mercury Rising Theatre project. A decision to allocate and award £1m LGF to the Mercury Rising project is sought under Agenda Item 8.

7. Financial Implications (Accountable Body comments)

7.1 This project is requesting approval of LGF allocations in 2018/19 and 2019/20; It should be noted that whilst future year grant payments from Government haven't been confirmed, funding for this Project is included in the indicative LGF programme allocations provided by Government for future years.

7.2 In considering allocating funding to this project, the Board should take into account the funding profile risk outlined in the Capital Programme Management report (Agenda item 11), particularly in relation to the funding risk in 2019/20. The report identifies that whilst there is sufficient funding for all LGF projects across the duration of the programme, in 2019/20 there is currently a funding gap of £26m (including the requirements of this project); it is noted that this risk is being carefully monitored by the SELEP Capital Programme Manager with potential options for mitigation being considered.

7.3 There are SLAs in place with the sponsoring authority which makes clear that future year funding can only be made available when the Government has transferred LGF to the Accountable Body.

8. Legal Implications (Accountable Body comments)

8.1 There are no legal implications arising out of this decision. All funding will be transferred to the sponsoring authority under the provisions of the SLAs already in place.

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

9.1 None at present.

10. Equality and Diversity implication

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:

(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.

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 1 - Report of the Independent Technical Evaluator (As attached to Agenda Item 5).

12. List of Background Papers

- Business Case for A414 Chelmsford to Harlow

(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 Lorna Norris (On behalf of Margaret Lee)	 09/11/2017

Report to Accountability Board	Forward Plan reference number: FP/AB/106
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**3rd November 2017**
Title of report: Mercury Rising Theatre Project LGF funding decision	
Report by:	**Rhiannon Mort, SELEP Capital Programme Manager**
Enquiries to:	Rhiannon.mort@essex.gov.uk

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 Mercury Rising Theatre Project (Project) in Colchester, Essex which has been through the Independent Technical Evaluator (ITE) process to enable £1m LGF to be devolved to Essex County Council for scheme delivery.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Note** the risk that:

2.1.1.1 the proposed funding contribution from the Mercury Theatre has not been secured in full; and

2.1.1.2 the proposed funding contribution from the Arts Council England is due to be considered on the 15th December 2017.

2.1.2 **Approve** the inclusion of the Mercury Rising Theatre Project in the Local Growth Fund (LGF) Growth Deal Programme; and

2.1.3 **Approve** the award of £1m LGF, identified through the reduction in allocation of LGF to the A414 Chelmsford to Harlow Project, to Mercury Theatre Project to support the delivery of the Project identified in the Business Case and which has been assessed as presenting achieving high value for money with medium certainty, subject to:

2.1.3.1 Written confirmation of the proposed funding contribution from the Arts Council England being received, as detailed in paragraph 5.4.

3. Background

3.1 This report brings forward the Mercury Theatre Project for the allocation and award of £1m LGF, through utilising the reduced allocation LGF to the A414 Chelmsford to Harlow project.

3.2 The Project is not currently included as a Growth Deal project, but has emerged as a priority for Essex County Council and Greater Essex Business Board since the submission of LGF Round 3 priorities.

3.3 As detailed in Agenda Item 7, the A414 Harlow to Chelmsford project has indicated that it will no longer require the full provisional LGF allocation of £3.66m, instead it is seeking £2.173m to be allocated to the A414 Harlow to Chelmsford Project through LGF Round 1. Accordingly, Essex County Council and Greater Essex Business Board are seeking to utilise the availability of the £1m LGF from the A414 Chelmsford to Harlow project for the investment in the Mercury Theatre Project. The remaining £0.487m will be considered at a future Board meeting for allocation to a separate project.

3.4 The inclusion of the Project in the Growth Deal programme was considered and endorsed by Greater Essex Business Board on the 15th August 2017.

3.5 A Business Case has been prepared for the Project which has completed the ITE process, as a condition of the SELEP Assurance Framework.

3.6 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

4. Mercury Rising Theatre Project

4.1 The Project will enable the expansion and redevelopment of the Mercury Theatre, a significant regional cultural performance and training venue in Colchester, Essex. The redevelopment of the theatre and the surrounding area offers the opportunity to build on the organisation's success, the continued growth of the creative industries in the County and the growing visitor economy in Colchester, Essex and the wider South East.

4.2 The theatre has a reputation for a diverse programme that appeals to all audiences throughout the year. This is complemented by education, outreach, training and professional development. It is the only full-time professional producing theatre in Essex.

4.3 The principal objectives of the Project include:

4.3.1 Creating additional jobs and developing skills and contributing to boosting local productivity;
4.3.2 Contributing to the economic growth of the creative sector and local tourism and visitor economy to support the significant population growth in the Borough
4.3.3 The growth of a strategic local arts venue, growing financial resilience and attracting and retaining audiences; and
4.3.4 Creating new areas of public realm at a significant gateway point to the town for walking and cycling

4.4 The Project is intended to create a world class theatre facility for artists and audiences to improve users experience and attract more visitors to the theatre.

The investment will improve rehearsal and production facilities to support high quality production, to attract new productions to the theatre. The Project will also provide a new home for 10 newly created businesses, with demand having been identified from similar facilities in the local area.

4.5 The Project will deliver 52.3 gross additional direct Full Time Equivalent (FTE) jobs, including employment in the creative sector, visitor economy and construction industry.

4.6 Without substantial investment the offer provided by the theatre will decline, visitor numbers will not be sustained, revenue will decline and the long-term future of the site and the public realm will become unsustainable. This would have a damaging impact for both the town's economy and perceptions of Colchester as a growing cultural tourism destination, as the Mercury provides a year-round source of visitors and a growing market of over-night stays.

5. Project Cost and Funding Profile

5.1 The Project is seeking an LGF contribution of £1 million towards the total Project costs of £8.98 million to proceed with the development of the Mercury. The breakdown of funding contributions for the Project is detailed in Table 1 below.

Table 1 Funding Partners Contributions

	2016/17	2017/18	2018/19	2019/20	Total
SELEP LGF sought			£1,000,000		£1,000,000
Essex County Council		£500,000	£500,000		£1,000,000
Colchester Borough Council			£500,000	£500,000	£1,000,000
Arts Council England	£478,730		£2,000,000	£1,521,270	£4,000,000
Mercury Theatre fundraising		£47,200	£150,250	£1,791,517	£1,988,967
Total	£478,730	£547,200	£4,150,250	£3,812,967	£8,988,967

5.2 The funding contributions from Essex County Council and Colchester Borough Council have been confirmed. Of the £1,988,697 contribution identified from Mercury Theatre, only £746,000 has been secured through fund raising activity to date. This leaves a remaining £1,242,697 to be raised by the theatre through fundraising efforts.

5.3 Potential sources have been identified to help bridge the Mercury Theatre contribution funding gap and bids have been submitted to date, totalling £900,000, including bids to the European Regional development Fund (ERDF), Garfield Weston Foundation and Foyle Foundation. In the event that Mercury Theatre is unable to raise the £1,242,697 through fundraising efforts the Theatre has been offered a bank loan to bridge the funding gap.

5.4 In addition, of the £4m funding contribution from the Arts Council England, only £473,000 has been released to date and the remaining £3,527,000 is currently only identified and has not yet been confirmed. The Project is due to be considered by the Arts Council England for the award of £3,527,000 at a meeting on the 15th December 2017, so that the decision by the Arts Council England can be informed by the decision taken by SELEP in relation to the proposed LGF award.

5.5 It is therefore recommended to the Board, that the LGF award to the Project should be subject to the Arts Council England having been secured. The Board also is asked to consider the risk in relation to the proposed funding contributions from the Mercury Theatre through fundraising efforts.

6. Outcome of ITE Review

6.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high value for money with a medium certainty of achieving this.

6.2 The updated economic appraisal of the Project has resulted in Benefit Cost Ratio (BCR) of 3.44:1, categorised as high value for money. This economic appraisal has been completed based on a cost per job Gross Value Added approach.

6.3 The absence of sensitivity tests means that it has not been possible to assess the resilience of the value for money of the scheme to alternative inputs, assumptions and parameters. Additionally, there is no evidence that the impact of displacement or leakage has been considered. However, the BCR is sufficiently high that we would expect it to remain above 2 if sensitivity analysis had been undertaken and the impact of displacement and leakage had been taken into account. As such, there is medium certainty of high value for money being achieved.

6.4 Through the management of the LGF capital programme any variations to the Project cost and/or expected project benefits will be monitored. If there is a change to the Project which may detrimentally impact on the Project's value for money case, the Project's Business Case will be reviewed and a further decision may be sought from the Board.

7. Compliance with SELEP Assurance Framework

7.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework.

7.2 The assessment confirms the compliance of the project with SELEP's Assurance Framework.

Table 2 SELEP Secretariat assessment of the Business Case 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 Business Case sets out the rational for the project which is aligned with SELEPs objectives to support the Creative Industry and tourism sector, as key growth sectors for SELEP.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The Business Case sets out the expected outputs and anticipated outcomes to be delivered through the Project, as summarised in section 3 above. The ITE review confirms that the assessment approach is sound. The outcomes of the project have been assessed in a bespoke model as part of the economic appraisal, which follows appropriate guidelines. The appraisal has not taken into account the displacement of benefits, but it is the ITE's view that given the high BCR value of 3.44:1, that the consideration of displacement in the appraisal would not impact the BCR category.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		The ITE review confirms that a detailed risk register has been produced, but this does not yet include a significant level of detail on the construction phase of the Project. As such, a detailed risk update will be sought through the ongoing monitoring of this project and updates will be provided through the Capital Programme Monitoring report to the Board each quarter. A contingency cost has been included within then Project budget, which will

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
		help to mitigate the impact of project issues which are incurred through project delivery, from leading to an increase in the total project cost.
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR has been calculated as 3.44:1, which indicated high value for money.

8. Financial Implications (Accountable Body comments)

8.1 The Board should note the risk to the project due to the currently unconfirmed contributions from both the Arts Council of £3.5m and the potential unfunded element to be contributed by the Mercury Theatre fund raising of £1.2m. This gap of £4.7m is equivalent to 53% of the total £9.0m required for the project.

8.2 If the gap cannot be closed should the Arts Council funding not be secured or the Theatre be unable to fully secure all funds required, the Project will not be able to be completed. Any costs incurred will be abortive and as such, will not be applicable to be funded by LGF. We advise that no spend is made in advance of total funding being agreed and that if any spend is incurred, the risk of underwriting that spend sits with the authority incurring the costs.

9. Legal Implications (Accountable Body comments)

9.1 All funding will be transferred to the sponsoring authority under the provisions of the SLA's currently in place.

9.2 The Board have been advised that the additional funding required by the Project is yet to be confirmed from the Arts Council, and therefore it is recommended that the LGF contribution to the Project to conditional on that funding being secured.

10. Staffing and other resource implications (Accountable Body comments)

10.1 None at present.

11. Equality and Diversity implication

11.1 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.

11.2 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.

12. List of Appendices

12.1 Appendix A - Report of the Independent Technical Evaluator (As attached to Agenda Item 5).

13. List of Background Papers

- Business Case for Mercury Theatre Project

(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 Lorna Norris (On behalf of Margaret Lee)	 09/11/2017

Report to Accountability Board	Forward Plan reference number: FP/AB/111
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**27th October 2017**
Title of report:	**The Open 2020 Championship Rail Infrastructure Funding Decision**
Report by:	**Rhiannon Mort, SELEP Capital Programme Manager**
Enquiries to:	Rhiannon.mort@essex.gov.uk

1. Purpose of report

1.1 The purpose of this report is to seek Accountability Board (Board) approval for the inclusion and award of £1,025,745 Local Growth Fund (LGF) to The Open 2020 Championship Rail Infrastructure Project (the Project) at Sandwich Railway Station, Kent.

1.2 A Business Case has been prepared for the Project and has been considered through the SELEP Independent Technical Evaluator (ITE) review process, as a condition of the SELEP Assurance Framework.

1.3 The ITE report sets out the detailed analysis of the Project. This report is included in Appendix 1, of Agenda Item 5.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Consider** the following risks:

2.1.1.1 The proposed funding contributions from the Department for Transport (DfT) or the R&A are not committed. The proposed, but uncommitted funding contributions from the DfT and the R&A are identified in the Business Case as amounting to 68% of the total project cost; and

2.1.1.2 The R&A have not yet confirmed that the event will be returning to Sandwich, which was a condition of funding set out in the Board letter of support dated 10th January 2017.

2.1.2 **Approve** the inclusion of the Project into the LGF Programme;

2.1.3 **Approve** the award of £1,025,745 LGF, identified from the underspend and reallocation of LGF from Ashford International Connectivity Project, to support the delivery of the permanently in situ solution as identified in the Business Case and which has been assessed as presenting high value

for money with medium certainty of achieving this. This award is subject to:

2.1.3.1 The underspend from the Ashford Spurs project being confirmed; and
2.1.3.2 Confirmation from the R&A that the event will be hosted at Royal St George's on at least 3 further occasions on a 7-8 years cycle; and
2.1.3.3 Written confirmation from the DfT and R&A that their funding contributions have been committed.

3. The Open 2020 Championship – Royal St George's Golf Course Sandwich (The Open) Rail Infrastructure Project

3.1 Following negotiation between Kent County Council, Dover District Council and The R&A, The Open Championship will be returning to Royal St George's Golf Club in Sandwich for the fifteenth time in 2020, provided the required works under the Project are delivered.

3.2 The last time Kent hosted The Open in 2011, it generated a £77m benefit to the Kent economy, of which £24.14m was direct additional spend. The event is forecast to grow from 180,000 spectators in 2011 to at least 200,000 spectators for 2020.

3.3 As the Board have previously been made aware one of the major issues arising from the event in 2011 was the impact the High Speed rail service had on the town. Twelve car rail carriages were used to increase rail capacity for trips to the event, however Sandwich railway station can only support 8 carriages along its platform length. As a result, the additional carriages blocked a level crossing for up to 40 minutes in every hour, causing delays for road vehicles including the park and ride buses. This lead to a very poor customer experience, along with disruption to local residents and businesses. The R&A have made it very clear that The Open cannot return to Sandwich without the transport problems of 2011 being fully addressed.

3.4 Accordingly, transport improvements are required at Sandwich Railway Station to enable the expected number of spectators to access the Royal St George's Golf Course when The Open is underway. Without these transport improvements, the R&A have confirmed that Kent will not be invited to host The Open, and the area will lose the resultant economic impact.

3.5 The proposed infrastructure investments at Sandwich Railway Station under the Project include platform extensions and a second over-footbridge. These improvements will enable longer trains to stop at Sandwich Railway Station without blocking the level crossing.

3.6 The platform extensions will provide a new walking route to the golf course to be established that will be separate to other modes of transport. This will

improve capacity and the safety of spectators, as well providing a good customer experience.

3.7 At the Board meeting on the 22nd September 2017, the Board endorsed the delivery of the permanently in situ solution, as opposed to the temporary solution which was considered by the Board in January 2017. However, SELEP has subsequently been made aware that the additional rail infrastructure delivered at Sandwich Rail Station through this 'permanent' solution will only be operational whilst the event is being held in Sandwich, as the infrastructure will not be fully compliant with DDA standards. The cost of delivering the infrastructure to the DDA standards would further increase the Project cost.

3.8 The Business Case for SELEP's consideration has been developed on the basis of a permanently in situ solution being delivered. However, the DfT has made SELEP Secretariat aware of its view that the temporary extension option is still under consideration by the DfT.

3.9 As the Board is considering the award of LGF to the Project based on the delivery of a permanently in situ intervention, any change to the proposed intervention, from a permanently in-situ option to an alternative solution, will be subject to further Business Case review and consideration by the Board.

3.10 There is an agreement in principle with the R&A that The Open will return on a further two occasions after 2020, no more than eight years apart each time. This commitment was insisted upon by the Board on the 20th January 2017as a requirement of the SELEP LGF contribution to the Project, and remains a condition of the SE LEP contribution. This condition was communicated to the R&A in the SELEP Letter of Support dated 10th January 2017. Accordingly the permanent solution will enable the event to return in the future with no further rail infrastructure improvements needed.

3.11 The Project objectives are to:

- Secure The Open, and two subsequent Opens in a shorter cycle than usual;
- Positively contribute to economic growth by encouraging growth in spectators numbers;
- Use the international and national corporate interest in the event to support Kent's inward investment ambitions;
- Encourage modal shift from the car to train for the event;
- Improve spectator experience of the Sandwich Open; and
- Grow long term golf tourism in Kent

4. Funding allocation to Project

4.1 This Project has been identified as a priority by the Kent and Medway Economic Partnership (KMEP) to support The Open 2020 Championship, subsequent to the LGF Round 3 submission and funding announcement from Government. Accordingly an appropriate funding stream has had to be identified.

4.2 This Project has followed the approved process for the re-allocation of LGF and for the introduction of new projects into the LGF programme, agreed by the Board on the 22nd September 2017.

4.3 On 7th September 2017 KMEP provided endorsement that the £1,025,745 allocation will be fulfilled through the identification of LGF underspend on its Ashford International Rail Connectivity Project (Ashford Spurs). On 26th May 2017, Ashford Spurs was approved a LGF allocation of £9.8m. This included a substantial level of contingency to meet with Network Rail's requirements, but it is KMEP's expectation that Ashford Spurs will come in around £2.3m underspent, when it completes in March 2018.

4.4 Accordingly KMEP will re-allocate £1,025,745 of its LGF allocation from Ashford Spurs to the Project, reducing the LGF allocation to Ashford Spurs allocation to £8,774,255. Any further underspend identified from Ashford Spurs will be brought to the Board's attention and it is expected that KMEP will identify a proposal for the use of that remaining LGF underspend at a future date.

5. Funding allocations

5.1 The total cost of the Project is estimated at £4,299,200, with funding contributions from Kent County Council and from a collection of five local authorities in East Kent. The remaining funding contribution is expected from The R&A and the Department for Transport, although to date the exact amount is unknown, and there is no formally confirmation from either party that they will be contributing to the overall costs of this Project. Accordingly without their contributions there is a gap of £2,923,455 in funding. This is equivalent to 68% of the total funding required.

Table 1 Proposed Funding Profile

	2017/18	2018/19	2019/20	2020/21	Total
SELEP LGF sought	£101,460	£ 914,285		£ 10,000	£1,025,745
Kent County Council	£250,000				£ 250,000
East Kent Councils	£100,000				£ 100,000
R&A					TBC
DfT					TBC
Total	£451,460	£2,333,581	£1,504,720	£ 10,000	£4,299,761

5.2 Following a meeting with Kent County Council, the R&A, and the Secretary of State for Transport, the Secretary of State has instructed further value engineering work, to be undertaken by Network Rail. Once the value engineering exercise has been completed, the exact share of the outstanding contribution will be determined. It is expected that the value engineering will be completed before the end of the calendar year.

5.3 At this stage, the DfT has not confirmed a precise funding contribution to the Project. The potential DfT contribution to the Project will be informed by the cost of the scheme, following the review by Network Rail and other partners, and an appropriate apportionment of the costs based on a clear indication of the beneficiaries of the scheme.

5.4 In addition, the DfT has commented that any funding contribution from the DfT would be subject to meeting value for money criteria and that this must include both the capital cost of the Project and the ongoing operation and maintenance costs of the infrastructure.

5.5 Furthermore, the proposed R&A contribution is also uncommitted and of unknown value at this stage.

5.6 As part of the Board's decision making, the Board is asked to consider the delivery risk if DfT and/or R&A contributions are not committed or are insufficient to bridge the funding gap.

5.7 To mitigate the risk that the expected underspend from Ashford Spurs does not materialise or that DfT and R&A contributions are insufficient to bridge the funding gap, it has been agreed with Kent County Council that no LGF will be spent on the Project in advance of:

5.7.1 the underspend from the Ashford Spurs project being confirmed; and

5.7.2 written confirmation that the R&A and the DfT contributions have been committed; and

5.7.3 confirmation from R&A that the Open would return to Sandwich in line with the expectations set out at paragraph 3.9.

5.6 The Board will be updated once these risks have been mitigated, to enable funding to be released to enable LGF spend on the Project.

6. ITE Review

6.1 The SELEP ITE has assessed the Project Business Case through the Gate 1 and Gate 2 process and has recommended that the Project achieves high value for money with a medium certainty of achieving this.

6.2 The economic appraisal has indicated a Benefit Cost Ratio (BCR) of 3.92:1, which is categorised as high value for money. This BCR has been calculated based on the GVA benefits to the local economy, which have also been converted into welfare benefits. The Project benefits have been assessed on an assumption that the event will be held on at least a further two occasions.

6.3 The ITE review confirms that a sensible and proportionate appraisal methodology has been applied to the analysis. Although at the time of the ITE undertaking their review there was some uncertainty as to a reduced optimism bias having been applied within the Business Case, this has subsequently been confirmed by Network Rail as sufficient for the scope and nature of this Project.

6.4 The maintenance and renewal costs have been omitted from the Business Case value for money assessment. However, these costs will be included in the on-going schedule of costs agreed between Network Rail and the incumbent Train Operating Company.

6.5 In addition, very little sensitivity analysis has been undertaken. Sensitivity analysis would have helped to determine the resilience of the scheme's value for money to changes in input assumptions and model parameters. As such, there is medium certainty that high value for money will be received.

6.6 There is a risk that if the event fails to return on a further two occasions, then the Project would not demonstrate high value for money. As such, a commitment to the event being held in Sandwich on a further two occasions is identified as a condition of the funding.

7. Compliance with SELEP Assurance Framework

7.1 Table 2 below considers the SELEP Secretariat assessment of the Business Case against the requirements of the SELEP Assurance Framework. The assessment confirms the compliance of the project with SELEP's Assurance Framework.

Table 2 SELEP Secretariat assessment of the Business Case 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 Business Case does not give specific reference to the SELEP Strategic Economic Plan, but the rationale for intervention is defined. The Project will support SELEP's ambition to deliver 200,000 new additional jobs, through creating new temporary employment, supporting the tourism sector, coastal communities and the wider East Kent economy.
Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account		The expected project outcomes are set out in the Business Case and detailed in section 3 above. The ITE review confirms that a sensible and proportionate approach to assess the expected outputs and outcomes of the intervention.
Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood)		A Quantified Risk Assessment has not been undertaken, but will be produced at the end of GRIP Stage 4 (Network Rail's project development phase for single option development), currently expected to be April 2018. For now, a contingency allowance of 35% has been applied. Full risk assessment will be determined at GRIP 3 and included in detailed risk register. Key risks are identified within the Business Case and a risk management strategy is included as an appendix to the Business Case. A project delivery plan has been prepared by Network Rail and is available as an appendix to the Business Case. A more detailed delivery plan will need to follow in due course and will be made available to the Board as part of the SELEP Capital Programme Update Report.

Requirement of the Assurance Framework to approve the project	Compliance	Evidence in the Business Case
A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions		A BCR has been calculated as 3.92:1 which indicates high value for money based on the Open Championship being held in Sandwich on at least two further occasions.

8. Financial Implications (Accountable Body comments)

8.1 The Board should note the substantial risk to the project due to the unconfirmed and unquantified contributions from both the DfT and the R&A. At time of writing there is a gap of £2.9m, which is equivalent to 68% of the total £4.3m required for the project.

8.2 If the gap cannot be closed the Project will not be able to be completed. Any costs incurred will be abortive and as such, will not be applicable to be funded by LGF. We advise that no spend is made in advance of total funding being agreed and that if any spend is incurred, the risk of underwriting that spend sits with the authority incurring the costs.

8.3 It should also be noted that no confirmation has been received from the R&A that the Open will return to Sandwich in line with the SELEP Board's requirements. The assessment of value for money and BCR has been made on the basis that the event will return for a further two occasions. If these assurances aren't received it is recommended that the BCR is recalculated based on the benefits created from just a single event should the Board be minded to continue with the project.

9. Legal Implications (Accountable Body comments)

9.1 The Board should be aware that the approval of the LGF funding to this Project is conditional on a number of factors being formalised and confirmed namely;

9.1.1 R&A provide confirmation that the Open will return on at least 3 separate occasions on a 7-8 year rota;

9.1.2 R&A and the DfT provide confirmation of their funding commitment to the project; and

9.1.3 LGF underspend is formally identified from the Ashford Spurs project.

9.2 Mitigation has been put in safeguard the LGF spend on this project, and in the event that the conditions are not met. Funding will only be released by the Accountable Body on confirmation that these conditions have been satisfied. Any spend on Project will be either through partner contributions or at Kent County Councils risk.

9.3 Furthermore the Board at its meeting in September 2017, were informed that the change from the temporary solution to the permanent one sought under

the Business case would allow for improved access to the Sandwich station for international travellers. The Board should note that the permanent solution is not intended to be open to the public outside the Open being hosted, and therefore these benefits will not be realised.

10. Staffing and other resource implications (Accountable Body comments)

10.1 None at present.

11. Equality and Diversity implication

11.1 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.

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

11.3 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.

12. List of Appendices

12.1 Appendix A - Report of the Independent Technical Evaluator (As attached to Agenda Item 5).

13. List of Background Papers

12.1 Business Case for The Open 2020 Championship Rail 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, Head of Finance	 09/11/17

(On behalf of Margaret Lee)	

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**5th November 2017**
Title of report:	**A13 widening update report**
Report by:	**Rhiannon Mort, SELEP Capital Programme Manager** **Paul Rogers, Programme Manager Major Schemes, Thurrock Council**
Enquiries to:	Rhiannon.mort@essex.gov.uk

1. Purpose of report

1.1 The purpose of this report is to provide the Accountability Board (the Board) with an update on the A13 widening project (the Project).

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Note** the update report; and

2.1.2 **Agree** to the acceleration of Department for Transport (DfT) retained funding on the A13 widening scheme in advance of the Local Growth Fund (LGF) A13 widening development funding

3. Background

3.1 The A13 widening project was allocated LGF through LGF Round 1, with a provisional allocation of up to £75m; the largest allocation of all the LGF projects within SELEP's Growth Deal programme.

3.2 The Project will increase highway capacity of the A13, in order to reduce congestion, facilitating growth at London Gateway and remove constraints to development; thereby unlocking the full potential of the corridor to deliver jobs and housing.

3.3 The LGF investment will widen the A13 between the A13 interchange with the A128 (Orsett Cock Roundabout) and A1014 at Stanford-le-Hope. This will complete a 3-lane carriageway from the M25 to the A1014 interchange.

3.4 As a large scale investment, the DfT identified the Project as a retained scheme, meaning that the project would be held as part of the DfT's major schemes portfolio. LGF is received by SELEP Accountable Body directly from

the DfT, rather than via the Department for Communities and Local Government (as is the case for non-retained LGF projects).

3.5 The Secretary of State for Transport's approval was required for the full Business Case and award of funding. Project update monitoring reports are also submitted to the DfT directly each quarter through the lifecycle of the project, rather than DCLG.

3.6 SELEP approved the award of £5m LGF development funding to the Project, to be spent in 2016/17, to enable the Project to progress in advance of the final Business Case approval by the Secretary of State for Transport. However, spend of £2.292m A13 Widening development funding has slipped from 2016/17 to 2017/18, as approved by the Board on the 22nd September 2017. This slippage was due to an overly ambitious spend forecast for the Project and delays to the Business Case sign off.

3.7 On the 31st March 2017, the Board approved the award of a further £66.057m LGF to the Project. This further award of funding, to enable the delivery and construction of the Project, was subject to Secretary of State approval, which was granted on the 12th April 2017; news welcomed by SELEP and Thurrock Council.

4. A13 widening delivery update

4.1 At the end of June/beginning of July, Thurrock Council (the Council) awarded two separate contracts. The detail design contract was awarded to Atkins and the construction contract was awarded to Kier. Since award, Atkins and Kier have been working together to develop a combined programme and revised expenditure profile.

4.2 The revised programme and spend profile has identified a substantial slippage of LGF from a planned spend of £28.544m in 2017/18 to a revised forecast spend for 2017/18 of £10.337m in relation to the DfT retained LGF; this is in addition to the £2.292m A13 widening development funding LGF that has already slipped from 2016/17. This is shown in Table 1 below. As such, a forecast slippage of £18.207m DfT retained LGF has been reported.

Table 1 A13 Widening LGF spend planned and updated forecast

Original Spend Profile (March 2017)

£M LGF	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
DfT Retained Scheme Funding	-	28.544	20.236	17.277	-	-	66.057
SELEP Development Funding	5.000	-	-	-	-	-	5.000

Updated Spend Forecast (August 2017)

£M LGF	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
DfT Retained Scheme Funding	-	10.337	33.224	20.613	1.197	0.685	66.057
SELEP Development Funding	2.708	2.292	-	-	-	-	5.000

4.3 In light of the substantial level of LGF slippage, a meeting was held with the DfT officers, involving SELEP and the Council, to discuss the slippage and to consider mitigation options; mitigations being considered by the DfT are set out in section 6 below.

4.4 To ensure greater accuracy of report and oversight of the Project, the Council has put in place additional project and programme governance measures, including:

4.4.1 Monthly project board meetings involving monthly review of the programme and spend profile by Thurrock officers;
4.4.2 Quarterly Thurrock Council LGF programme board meetings to review the programme in advance of updates to SELEP or Government;
4.4.3 Better adherence to reporting guidance on the reporting of planned and actual expenditure;
4.4.4 Increased level of communication with DfT; and
4.4.5 Quarterly update reports to SELEP Accountability Board.

4.5 In addition, the DfT have requested that DfT retained scheme LGF funding is spent in advance of the LGF development funding. If this request is approved by the Board, the remaining £2.292m LGF development will be used to support the delivery and construction of the Project and the spend profile will be updated, as shown in Table 2 below.

4.6 The slippage of £2.292m LGF development funding from 2017/18 to 2018/19 will add to the overall LGF forecast slippage from 2017/18 to 2018/19 and has been included in the forecast LGF slippage detailed in the capital programme update report under Agenda Item 11.

4.7 Spend of DfT retained LGF in advance of the development funding will reduce the DfT retained LGF slippage from 2017/18 to 2018/19 to £15.915m.

Table 2 A13 widening updated spend forecast (October 2017), including acceleration of DfT retained funding

Updated Spend Forecast (October 2017)							
£M LGF	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
DfT Retained Scheme Funding	-	12.629	30.932	20.613	1.197	0.685	66.057
SELEP Development Funding	2.708	-	2.292	-	-	-	5.000

5. A13 Project Delivery Update

5.1 The detailed design and construction contracts have now been awarded and the following project milestones have been identified:

- Contract award: 3 July 2017
- Ground investigation: 14 August 2017 to 15 January 2018
- Detailed Design: 26 July 2017 to 16 May 2018
- Site clearance: 31 October 2017 to 28 June 2018
- Statutory Undertakers' Diversions: 4 September 2017 to 22 August 2019
- Construction: 17 May 2018 to 28 October 2019
- Terminal float: 29 October 2019 to 6 March 2020

5.2 The Business Case set out the proposed completion of the Project by December 2019. It is now expected that the Project construction phase will be completed by the end of March 2020.

5.3 The A13 widening project programme and spend profile will be kept under review by the Council and this will be used to inform all future reporting returns to SELEP Secretariat, the DfT and quarterly update report to the Board.

6. Mitigating DfT retained scheme DfT funding

6.1 In April 2017, the DfT transferred the total £28.544m LGF allocation for 2017/18 which was planned to be spent on the Project during this financial year.

6.2 Given the forecast slippage of £15.915m, the DfT is currently considering whether this funding should be transferred back to the DfT for investment elsewhere in DfT's major projects portfolio in 2017/18.

6.3 Alternatively, the amount of funding transferred to SELEP Accountable Body in Quarter 1 2018/19 may be reduced until the LGF currently held by SELEP and the Council, in relation to the Project, has been spent.

6.4 Once the DfT have determined their preferred option, the Board will be updated accordingly.

7. Financial Implications (Accountable Body comments)

7.1 The risk of return or withholding of future allocations until needed of the Local Growth Fund (retained element) by the DfT, does not have significant financial implications for the Project funding, as, at present, there is no suggestion that the funding for the Project will not continue to be committed by the DfT.

7.2 The return of the Local Growth Fund to the DfT, should they request it, would reduce the amount of interest earned on balances held by SELEP by an estimated £70,000; further detail on this is set out in Agenda item 12.

7.3 With regard to swapping out LGF spend allocated by the DCLG for LGF allocated by the DfT, from the SELEP position, this is largely presentational; however, this arrangement will need to be clarified with the CLG to ensure that they are clear with regard to the additional slippage in the main LGF programme for 2017/18.

8. Legal Implications (Accountable Body comments)

8.1 There are no legal implications arising out of this decision. All funding is being transferred to the sponsoring authority under the provisions of the SLAs already in place.

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

9.1 None at present.

10. Equality and Diversity implication

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:

(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.

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 None

12. List of Background Papers

- Business Case for A13 Widening Project

(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	

Lorna Norris (On behalf of Margaret Lee)	09/11/2017

Report to Accountability Board	**Forward Plan reference number:** FP/AB/109
Date of Accountability Board Meeting:	17th November 2017
Date of report:	30th October 2017
Title of report:	Capital Programme Management of the Local Growth Fund
Report by	Rhiannon Mort, SELEP Capital Programme Manager
Enquiries to	Rhiannon.mort@essex.gov.uk

1. Purpose of report

1.1 The purpose of this report is to update the SELEP Accountability Board (the Board) on the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Note** the updated LGF spend forecast for 2017/18
2.1.2 **Note** the project delivery and risk assessment
2.1.3 **Agree** the slippage of LGF spend from 2017/18 to 2018/19 for the following projects:
- 2.1.3.1 Eastbourne Town Centre (£1.945m);
- 2.1.3.2 STEM Innovation Centre (£4.550m);
- 2.1.3.3 Basildon Integrated Transport Package (£1.068m)
- 2.1.3.4 Maidstone Integrated Transport Package (£0.729m);
- 2.1.3.5 Thanet Parkway (£4.000m);
- 2.1.3.6 Coastal Communities Housing Intervention – Thanet (£0.370m);
- 2.1.3.7 A289 Four Elms Roundabout to Medway Tunnel Journey Time and Network Improvements (£1.768m)
- 2.1.3.8 Strood Town Centre Journey Time and Accessibility Enhancements (£1.220m);
- 2.1.3.9 Chatham Town Centre Place-making and Public Realm Package (0.869m);
- 2.1.3.10 Rochester Airport – Phase 1 (£1.944m);
- 2.1.3.11 Rochester Airport – Phase 2 (£0.300m); and
- 2.1.3.12 Strood Civic Centre – flood mitigation (£0.250m)
- 2.1.3.13 TGSE LSTF – Thurrock (£0.169m);
- 2.1.3.14 Thurrock Cycle Network (£0.620m);
- 2.1.3.15 London Gateway/Stanford le Hope (£0.837m)
- 2.1.3.16 A13 Widening Development Funding (£2.292m)

2.1.4 **Agree** the acceleration of LGF spend in 2017/18 for the following projects:

2.1.4.1 Eastbourne and South Wealden Walking and Cycling LSTF package (£0.750m);
2.1.4.2 Devonshire Park (£1.600m);
2.1.4.3 A131 Chelmsford to Braintree (£0.750m)
2.1.4.4 M11 Junction 8 Improvements (£0.500m)

2.1.5 **Agree** the reduced spend forecast in 2017/18 and 2018/19 for the Ashford International Rail Connectivity Project to support the re-allocation of LGF to the Sandwich Rail Infrastructure Project in 2018/19, subject to the award of LGF to the Sandwich Rail Infrastructure Project under Agenda Item 9.

2.1.6 **Note** the reallocation of LGF from A414 Harlow to Chelmsford Route Based Strategy to Mercury Theatre Project, subject to agreement by the Board under Agenda Item 7

2.1.7 **Note** the change request for the Phase 2 Forum development Southend, subject to development of a Business Case and completion of ITE review process

3. 2017/18 LGF update – delivery

3.1 To date, the Board has approved a total of 70 projects and the award of over £347m LGF to projects included within SELEP's Growth Deal programme.

3.2 For projects awarded LGF to date, a majority of these projects have now completed detailed design work and construction works have started on sites. Through the first part of the financial year, project delivery highlights for each Local Partner include:

3.2.1 **East Sussex:** Site demolition works have started on Devonshire Park project, which was awarded LGF through Round 3 and approved by the Board in March 2017. The project will deliver a Welcome Centre, as part of the conference centre, to attract new visitors to Eastbourne and East Sussex.

3.2.2 **Essex:** The first part of 2017/18 has seen the completion of Colchester Integrated Transport Package and Town Centre works, including measures to tackle congestion and increase capacity to support the delivery of jobs and houses, particularly within the cities Northern Growth Area.

3.2.3 **Kent:** In August, the Folkestone Triennial event showcased SELEP's investment in the Folkestone Seafront project, with harbour dredging and beach re-shaping having been completed, along with a new beach walkway.

3.2.4 **Medway:** The construction works as part of Chatham Town Centre place-making and public realm works are progressing on site and are due to complete in the early part of 2018/19. The project will deliver improvements to Chatham Station, along with improved pedestrian and cycle connectivity links to the town centre.

3.2.5 **Southend:** Phase 1 of the Southend Airport Business Park has now been completed; delivering a site access road and works to unlock the site for commercial development. The second phase of the project is now underway, to unlock 60,000^{2}m of employment space.

3.2.6 **Thurrock:** Land negotiations and acquisitions continue for the Purfleet Centre Project, with the intention of creating a new town centre supported by substantial residential development. The detailed design works are near completion and a planning application is due to be submitted in late 2017.

3.3 To date, SELEP has seen the successful delivery of 17 projects, with a further 9 projects due to complete in 2017/18. These projects are listed in Table 1 below.

Table 1 – Project delivery to date and for completion by end of 2017/18

Projects Completed to Date	Delivered on Budget
Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	
Sovereign Harbour (aka Site Infrastructure Investment)	
Colchester Broadband	
Colchester LSTF	Increase in LGF allocation to manage increase in cost
Colchester Town Centre	Delivered under budget
TGSE LSTF – Essex	
A414 Maldon to Chelmsford RBS	
Colchester Park and Ride and Bus Priority measures	
Tonbridge Town Centre	Increase in project scope
M20 Junction 4	

Project to be completed by end of 2017/18	Project Risk
Newhaven Flood Defence (SELEP funded part)	
Coastal Communities Housing Intervention – East Sussex	
A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Increase in total project cost
Rathmore Road	
Ashford Spurs	
Folkestone Seafront – non-transport	
Medway Cycling Action Plan	
A127 Kent Elms Corner	Delays to project delivery and LGF spend,
Phase 1 Southend Central Area Action Plan – Transport Project	

Tunbridge Wells Junction Improvements Package Phase 1	Delivered under budget
Maidstone Gyratory Bypass	
Folkestone Seafront : onsite infrastructure and engineering works	
Maidstone Sustainable Access to Employment	
Dover Western Docks Revival – A20 Improvements	
Southend Growth Point (Phase 1 of SCAAP non-transport)	
TGSE LSTF - Southend	

4. 2017/18 LGF update - finance

4.1 On the 22nd September the Board was provided with an updated planned spend for 2017/18 based on the additional slippage identified through the Declaration of Grant Usage. The restated budget restated to total planned spend for 2017/18 as £122.596m for non-retained and £31.126m for Department for Transport (DfT) retained schemes. The detail can be seen in Table 2 below.

4.2 On the 18th October 2017, officers from each Federated Area attended the SELEP Programme Consideration Meeting to:

- Provide an updated spend forecast for 2017/18 and future years of the LGF programme;
- Discuss the project deliverability and risk assessment;
- Identify project changes to be brought to the attention of the Board; and
- Consider mitigation to be implemented to address project risks.

4.3 Each federated area has provided an updated spend forecast for 2017/18 as shown in Appendix 1 & 2 and as summarised in Table 2 below.

Table 2 Updated LGF spend forecast 2017/18

LGF (£m)						
	Planned Spend in 2017/18 (as restated in September 2017)	**Total Forecast Spend in 2017/18 (as reported in October 2017)**	**Variance***	**Variance* (%)**	Variance approved to date	Variance to considered on the 17th November 2017
East Sussex	25.999	26.404	0.405	0.016	0.000	0.405
Essex	17.867	14.099	-3.768	-0.211	0.600	-4.368
Kent	32.236	25.923	-6.313	-0.196	-0.918	-5.395
Medway	12.299	5.910	-6.389	-0.519	-0.038	-6.351
Southend	13.508	7.517	-5.991	-0.444	-5.991	0.000
Thurrock	12.293	8.905	-3.387	-0.276	0.000	-3.918
Skills	0.096	0.096	0.000	0.000	0.000	0.000
M20 Junction 10a	8.300	8.300	0.000	0.000	0.000	0.000
LGF Sub-Total	122.597	97.153	-25.443	-0.208		
Retained	31.126	15.211	-15.915	-0.511		
Total Spend Forecast	153.723	112.364	-41.358	-0.269		

4.4 Table 2 identifies substantial variance between the planned spend and updated spend forecast of £25.443m excluding DfT retained schemes and £41.358m including DfT retained schemes.

4.5 The revised total forecast LGF spend in 2017/18 now totals £97.153m excluding retained schemes and £112.364m including DfT retained schemes. This is relative to a planned spend of £122.596m excluding retained schemes and £153.722m including retained schemes, as re-state in September 2017.

4.6 The updated spend forecasts takes account of the forecast slippage and acceleration of LGF projects in 2017/18 as highlighted through the October LGF update returns by local partners. The changes to forecast spend identified since August 2017 are detailed in Table 3 below.

Table 3 Identified LGF slippages and acceleration in 2017/18 (£m), reported since previous Board meeting

	Planned LGF spend in 2017/18	Updated LGF spend forecast (as updated in September 2017)	Re-profiling from 2017/18 to 2018/19	Reason for Change	Board Decision
East Sussex					
Eastbourne and South Wealden Walking and Cycling LSTF package	£0.880	£1.630	£0.750	Acceleration of LGF spend to help mitigate slippage on Eastbourne Town Centre LSTF access and improvements package	The Board is asked to approve the acceleration of LGF spend by £0.750m in 2017/18.
Eastbourne Town Centre LSTF access and improvement package	£2.450	£0.505	-£1.945	Substantial programme delays resulting in LGF underspend. See detail in 4.7.1 below.	The Board is asked to approve the slippage of £1.945m LGF from 2017/18 to 2018/19
Devonshire Park	£3.400	£5.000	£1.600	Acceleration of LGF spend to help mitigate slippage on Eastbourne Town Centre LSTF access and improvements package	The Board is asked to approve the acceleration of LGF spend by £1.600m in 2017/18
Essex					
Basildon Integrated Transport Package	£1.868	£0.800	-£1.068	The Board approved the re-profiling of £1.868m LGF in May 2017, in line with the revised Business Case considered by the Board for	The Board is asked to approve the revised slippage of £1.068m from 2017/18 to 2018/19.

	Planned LGF spend in 2017/18	Updated LGF spend forecast (as updated in September 2017)	Re-profiling from 2017/18 to 2018/19	Reason for Change	Board Decision
				approval. Subsequently the opportunity to accelerate £800,000 LGF spend in 2017/18 has been identified.	
A131 Chelmsford to Braintree	£0.750	£1.500	£0.750	Acceleration of LGF spend to help mitigate slippage on STEMs Innovation Centre	The Board is asked to approve the acceleration of LGF spend by £0.750m in 2017/18
STEM Innovation Centre	£4.650	£0.100	-£4.550	Substantial programme delays resulting in LGF underspend. See detail in 4.7.2 below.	The Board is asked to agree the slippage of £4.550 LGF from 2017/18 to 2018/19.
M11 Junction 8 Improvements	£0.000	£0.500	£0.500	Acceleration of LGF spend to help mitigate slippage on STEMs Innovation Centre	The Board is asked to approve the acceleration of LGF spend by £0.500m in 2017/18
Kent					
Maidstone Integrated Transport Improvements	£2.135	£1.405	-£0.729	Project delays as a result of revised design to accommodate additional traffic from new residential development sites.	The Board is asked to approve the slippage of £0.729m LGF from 2017/18 to 2018/19.

	Planned LGF spend in 2017/18	Updated LGF spend forecast (as updated in September 2017)	Re-profiling from 2017/18 to 2018/19	Reason for Change	Board Decision
Ashford International Connectivity Project (Ashford Spurs)	£8.903	£8.607	-£0.296	Due to the identified underspend for the project and the re-allocation of funding to Sandwich Rail Infrastructure Project, the forecast spend in 2017/18 has reduced.	The Board is asked to approve the reduced spend forecast in 2017/18 and 2018/19 to support the re-allocation of LGF to Sandwich Rail Infrastructure Project.
Thanet Parkway	£4.000	£0.000	-£4.000	No clear option has been identified to bridge the project funding gap and to progress to project delivery. A detailed update is provided in 4.7.3 below.	The Board is asked to approve the slippage of £4.000m LGF from 2017/18 to 2018/19.
Coastal Communities Housing Intervention-Thanet	£0.667	£0.297	-£0.370	Delays to the start of construction works with the Ethelbert Crescent works due to complete in early 2018/19 and the Warwick Road works to start on site in summer 2018/19.	The Board is asked to approve the slippage of £0.370m LGF from 2017/18 to 2018/19.

	Planned LGF spend in 2017/18	Updated LGF spend forecast (as updated in September 2017)	Re-profiling from 2017/18 to 2018/19	Reason for Change	Board Decision
Medway					
A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	£2.353	£0.585	-£1.768	At the last Board meeting the Board was provided with a detailed project update. A preferred option has now been identified and a revised Business Case is due to be considered in February 2018.	The Board is asked to approve the revised slippage of £1.768m from 2017/18 to 2018/19.
Strood Town Centre Journey Time and Accessibility Enhancements	£2.417	£1.197	-£1.220	The project is progressing to programme with works expected to start on site in January 2018. However, the planned spend was too ambitious to be achieved and a revised spend profile has been prepared. See detail in 4.7.4 below.	The Board is asked to approve the revised slippage of £1.220m LGF from 2017/18 to 2018/19.
Chatham Town Centre Place-Making and Public Realm Package	£2.183	£1.314	-£0.869	The project programme has been amended to avoid Battle of Medway celebrations and Christmas shopping/events period. This delay to the project has implications for	The Board is asked to approve the revised slippage of £0.869m LGF from 2017/18 to 2018/19.

	Planned LGF spend in 2017/18	Updated LGF spend forecast (as updated in September 2017)	Re-profiling from 2017/18 to 2018/19	Reason for Change	Board Decision
				the LGF spend profile.	
Rochester Airport Phase 1	£2.825	£0.881	-£1.944	This project has experienced substantial delays. This has mainly been the result of delays to the submission of planning applications.	The Board is asked to approve the revised slippage of £1.944m LGF from 2017/18 to 2018/19.
Rochester Airport Phase 2	£0.300	£0.000	-£0.300	The delays to the Phase 1 project have had an impact on the development of the Phase 2 project.	The Board is asked to approve the revised slippage of £0.300m LGF from 2017/18 to 2018/19.
Strood Civic Centre – flood mitigation	£1.000	£0.750	-£0.250	The Business Case is due to be submitted in February 2018 but the slippage reflects the updated project programme based on the delayed Business Case submission.	The Board is asked to approve the slippage of £0.250m LGF from 2017/18 to 2018/19.
Thurrock					
TGSE LSTF - Thurrock	£0.269	£0.100	-£0.169	There have been substantial delays to the delivery of this project with the Business Case setting out an expected project completion date	The Board is asked to approve the slippage of £0.169m from 2017/18 to 2018/19

	Planned LGF spend in 2017/18	Updated LGF spend forecast (as updated in September 2017)	Re-profiling from 2017/18 to 2018/19	Reason for Change	Board Decision
				by September 2016.	
Thurrock Cycle Network	£2.589	£2.500	-£0.089	Two designers and contractor on board to help press ahead with construction of Tranche 1a schemes and design for 1b and 2. However some spend risk identified.	The Board is asked to approve the revised slippage of £0.089m from 2017/18 to 2018/19.
London Gateway/ Stanford le Hope	£2.837	£2.000	-£0.837	Programme has been delayed due to the need to complete a value engineering exercise to reduce project cost. Project can be delivered within available budget but schedule has been delayed.	The Board is asked to approve the slippage of £0.837m from 2017/18 to 2018/19.
A13 Widening Development Funding	£2.292	£0.000	-£2.292m	Substantial underspend has been identified in 2017/18. A detailed project update in provided in Agenda Item 10.	The Board is asked to approve the slippage of £2.292m LGF from 2017/18 to 2018/19.

4.7 Projects with slippage of greater than £1m LGF which have been identified through the last round of update reporting include:

4.7.1 **Eastbourne Town Centre LSTF access and improvement package (£1.945m LGF slippage)**

The project has experienced substantial delays due to the need to revise the project design work to reflect comments received through public and stakeholder consultation. This has had a knock on impact on the timescales for procurement, overall project delivery and LGF spend. The first phase of the project (£3m LGF for Terminus Road improvements associated with the extension of the Arndale Centre) was due to complete in 2017/18, but the revised programme shows works starting on site in January 2018 and the project is now expected to complete in spring 2019.

Detailed design work has been completed and tenders have been issued for the construction works. A Business Case for the second phase of the project is due to be considered by SELEP Accountability Board in February 2018.

4.7.2 **STEM Innovation Centre (£4.550m LGF slippage)**

The STEM Innovation Centre project has experienced project delays due to the proposed change of scope to the project. Whilst it was originally intended that the £5m LGF allocation would be invested solely at the Colchester Institute, a revised proposal is due to be considered by the Board on the 15th December 2017. A change request is being development for the split of the LGF allocation between interventions at the Colchester Campus and the Braintree Campus. Project Business Cases are currently being developed on this basis. Project delays have been experienced as a result of the need to amend project governance arrangements.

Subject to the projects being recommended for approval in February 2018 and the Board approving the projects, it is expected that the two projects will be delivered by December 2019. A revised spend profile has been submitted to reflect the revised project delivery schedule.

4.7.3 **Thanet Parkway (£4m LGF slippage)**

The funding gap for Thanet Parkway remains following the unsuccessful bid to the New Stations Fund. KCC, acting on advice from the Department for Transport, is exploring options to close the funding gap from investment by the rail industry. The draw-down of LGF funding has therefore been re-profiled to reflect these changing circumstances and the likely timeframe to secure funding from alternative sources to complete the funding package.

4.7.4 **Strood Town Centre Journey Time and Accessibility Enhancements (£1.220m LGF slippage)**

The Strood town centre journey time and accessibility enhancements project comprises both public realm and traffic management improvements. Throughout the project there has been ongoing engagement with the internal Traffic Management and Road Safety teams to ensure that the proposed highway changes improve the performance of the traffic network whilst also complying with the required design and safety standards. As work on RIBA stage 3 (developed design) was drawing to a close a stage 1 Road Safety Audit was requested to formally assess the safety of the highway proposals. This Road Safety Audit identified a number of points which required further consideration by the design team before work could commence on RIBA stage 4 (technical design).

Whilst work was underway to address the points raised by the Road Safety Audit, it was possible to commence work on RIBA stage 4 for phase 1 of the public realm improvements. This has ensured that despite the minor delay in progressing with the technical design for the highway improvements the project is still moving forward with work expected to start onsite in January 2018. It is anticipated that the highway improvement works will begin onsite in April 2018, following completion of RIBA stage 4.

When the 2017/18 spend profile was initially established it was anticipated that construction work would begin onsite during late 2017, rather than early 2018. As a result of this amendment to the programme it has been necessary to re-profile £1.2m into 2018/19. Despite the required re-profiling the project will still be complete by the end of 2018/19, which is in line with the agreed funding period.

4.7.5 **A13 Widening Development Funding (£2.292m)**

A detailed update on the A13 Widening project is provided under Agenda Item 10.

4.8 In addition, an adjusted slippage has been provided for A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements, Rochester Airport Phase 1 and Basildon Integrated Transport Package. These projects continue to show a slippage of greater than £1m LGF, as detailed in Table 3.

5. Programme Slippage Summary

5.1 At the outset of 2017/18 financial year, a £3.009m over-profiling of the LGF programme was identified due to the difference between the planned LGF spend and the amount of LGF underspend available in 2017/18. However, as a result of the slippage of LGF from 2016/17 to 2017/18 and slippage of LGF spend which has already been identified from 2017/18 there is now a forecast slippage of £21.363m LGF from 2017/18 to future years of the programme (excluding retained schemes), as set out in Table 4 below.

Table 4 LGF spend relative to LGF allocation in 2017/18, excludes retained schemes (£m)

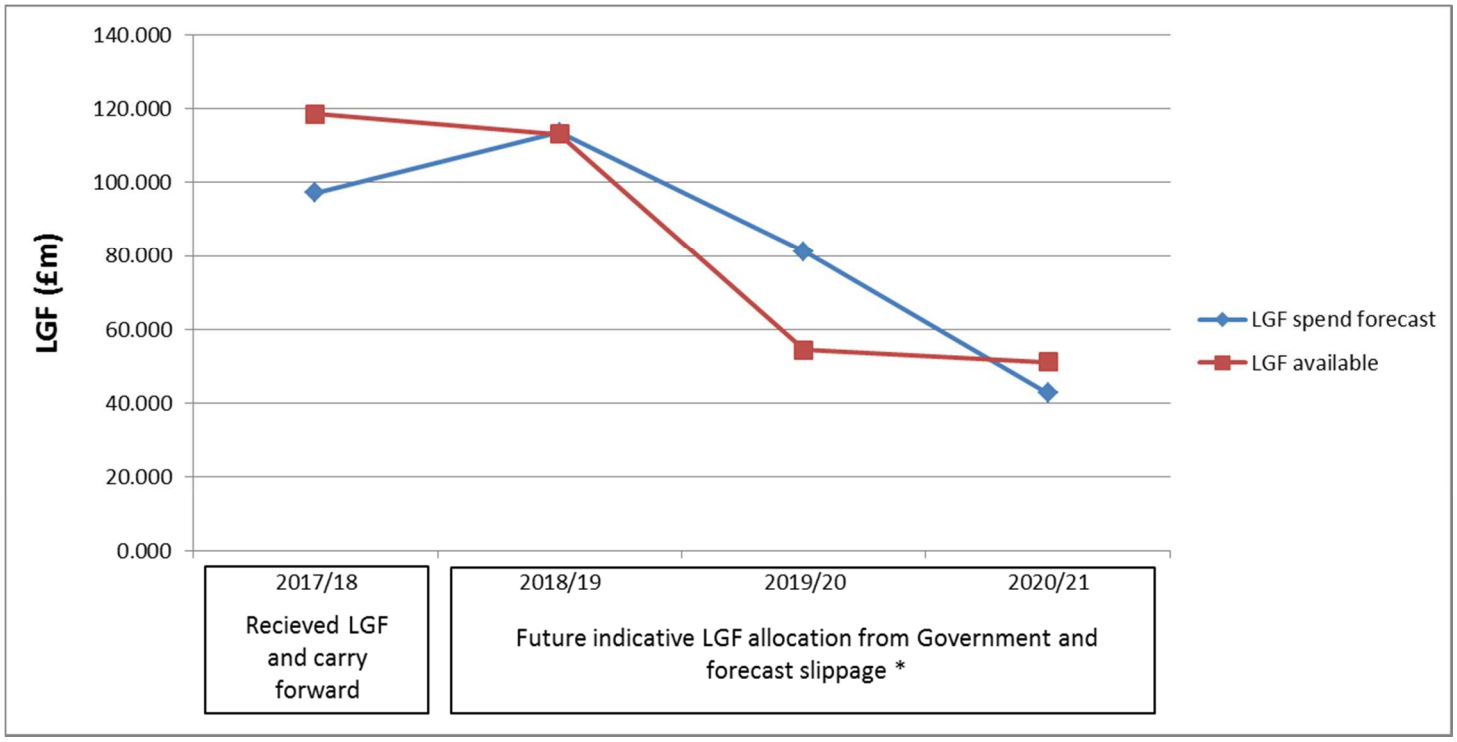
	(£m)
LGF allocation in 2017/18	92.088
Carry forward from 2015/16 and 2016/17 to 2017/18	26.428
Total LGF available to spend in 2017/18	118.517
Total LGF revised planned spend in 2017/18	97.153
Variance*	21.363

*Difference between the total LGF available to spend in 2017/18 and the updated 2017/18 spend forecast.

*Difference between the total LGF available to spend in 2017/18 and the updated 2017/18 spend forecast.

5.2 Whilst delivery partners are encouraged to accelerate LGF spend in 2017/18 where possible, the expected slippage of LGF spend during 2017/18 will be used to help offset the difference between the spend profile and the annual funding allocation from Government during 2018/19 and 2019/20 as set out in Figure 1 below.

Figure 1 LGF spend profile relative to LGF available



*Including forecast LGF slippage from 2017/18 to 2018/19

5.3 Figure 1 shows that the amount of LGF available in 2017/18 now exceeds the planned spend by £21.363m. Through the duration of the programme there is sufficient LGF allocated by Government to fund all LGF projects included in the programme. However, in 2019/20 the planned LGF spend currently exceeds the LGF expected to be available, whilst in 2020/21 the amount of LGF available exceeds the planned spend. In 2018/19, the planned spend currently aligns with the LGF available.

5.4 Without any mitigation actions being applied, the expected gap between the planned LGF spend and the amount of LGF available in 2019/20 totals £26.7m. However potential mitigation measures have identified.

5.5 The LGF allocation from the Department for Communities and Local Government (DCLG) remains an indicative allocation. To help mitigate the risk in relation to future year funding and the cap in the funding allocation in 2019/20, SELEP continues to seek reassurance from Government of future LGF allocations and has requested the re-profiling of our LGF allocation from Government to increase the amount of LGF available in 2019/20, offset against a decrease in 2020/21. This will help align our LGF allocation from Government more closely with our forecast LGF spend profile.

5.6 In a scenario that a change to the LGF profile from Government is not feasible, Appendix 4 shows the impact of the funding gap on our spend profile. This analysis considers the expected difference between the forecast LGF spend in future years of the programme relative to the amount of LGF available. This is based on some assumptions about the level of LGF slippage which may occur from 2017/18 to 2018/19 and 2018/19 to 2019/20, and through spending local funding contributions in advance of LGF.

5.7 The analysis shows that through the spend of local funding contributions in advance of LGF and through the slippage of LGF between financial years (applying a conservative estimate), there is the potential to reduce the over-profiling in 2019/20 to £6.378m. However, this will add substantial pressure to the delivery of projects and LGF spend during 2020/21, as the final year of the LGF programme, and will add to the risk of LGF slippage beyond the Growth Deal programme.

6. Retained Schemes

6.1. There are currently six projects identified as retained schemes for which LGF is received by the SELEP Accountable Body directly from the DfT. Reporting on project progress and the spend of the LGF allocation is provided directly to the DfT for these projects, rather than through the Cities and Local Growth Unit Team, as is the case for all other LGF projects.

6.2. A substantial expected slippage has been identified for retained schemes from 2017/18 to future years of the programme as a result of the substantial spend slippage for the A13 widening scheme. The 2017/18 budget set out the planned spend of £28.544m on the project in 2017/18. However, the forecast spend in 2017/18 has now reduced substantially, as a result of the reduced spend forecast for the A13 widening project. A detailed project update is provided under Agenda Item 11.

6.3. The DfT has asked SELEP to accelerate spend of DfT retained funding on the project in advance of the remaining A13 widening development funding. The £5m A13 widening development funding was originally awarded by the Board in April 2015 to support the development of the project in advance of the Secretary of State for Transport approving the project in full. The spend of £2.292m LGF has slipped from 2016/17 to 2017/18 as a result of programme delays. To comply with the DfT's request, it is proposed that the A13 widening development funding will now be spent in 2018/19 to support the construction works for the project.

6.4. By accelerating the spend of retained DfT funding in advance of the A13 widening development funding this will increase the spend forecast for the A13 widening project to £12.629

6.5. Taking into account the updated spend forecast for the A13 widening project the total forecast has reduced from a total planned spend of £31.126m LGF to a updated spend forecast of £15.211m LGF in 2017/18.

7. Project Changes

7.1. In accordance with the SELEP Change Request Process a number of change requests have come forward for consideration by the Board. These include:

7.1.1. Reallocation of £1.000m LGF underspend from A414 Harlow to Chelmsford to the Mercury Rising Project – considered under agenda item 8;

7.1.2. Reallocation of £1.023m LGF from Ashford International Connectivity Project (Ashford Spurs) to Sandwich Rail Infrastructure – considered under agenda item 9; and

7.1.3. Change of scope to the Southend Central Area Action Plan (non-transport)

Southend Central Area Action Plan - Non-Transport Project

7.2. Through LGF Round 1 the Southend Central Area Action Plan (non-transport) and was allocated £6.720m LGF, with the project being divided into two distinct phases.

7.3. The first phase of works was for the Southend Growth Point Project. This involved works, including the delivery of a new heating and ventilation system in the former central library, to support the more intensive use of the Gallery and Hive Enterprise Centre. The space has provide business space to help support sustainable start-up business and the growth of small businesses in Southend.

7.4. These Phase 1 works have now been fully completed, delivering flexible business accommodation for events, networking and training session for occupiers and local businesses. The Business Essex, Southend and Thurrock (BEST) Growth Hub team are also now located at the centre.

7.5. It was originally intended that the Phase 2 works would include the compulsory purchase and demolition of a derelict building along Victoria Avenue to enable the conversion of the land into new residential units. However, the public sector investment in the area to date has acted as a catalyst for the private sector developers, in partnership with a Housing Association, to bringing forward 280 units.

7.6. The impact of this private sector led development has not only had a positive impact on housing delivery in sustainable locations, but also negates the need for LGF investment to fund this second phase of development.

7.7. As such, it is Southend Borough Council's intention to bring forward a revised proposal for the allocation of the remaining £6m LGF on the Forum 2 Project. This change is subject to a Business Case being prepared for the Forum 2, which satisfies the ITE Business Case review process.

7.8. The Forum is the UK's first public-academic library and includes teaching space for both South Essex College and the University of Essex which has enabled their expansion. It is also home to Focal Point Gallery.

7.9. The Forum 2 project will deliver additional teaching space, cultural space and opportunities for businesses, students and academics to grow together focussed on the key sector of digital, cultural and creative industries.

7.10. The investment will support the digital, creative and cultural sector b delivering a 5,000m^2 building including: 700m^2 of commercial/teaching restaurant, 1600m^2 of FE/HE teaching space/performance studios, 400m^2 of gallery and associated space, 400m^2 of artists' studios/workshops alongside associated office/circulation and social/community spaces.

7.11. In addition to the proposed £6m LGF allocation, local funding contributions will also be made to the Project by Southend Borough Council (£10m) and South Essex College (£3m).

7.12. A Business Case is currently being developed for the Forum 2 project and is due to be considered by the Board in February 2018.

8. Deliverability and Risk Summary

8.1. Appendix 4 sets out the summary deliverability and risk position for each project, as summarised in Table 5 below. A Red-Amber-Green (RAG) risk rating has been identified for each LGF project, based on consideration of each projects:

- Public & stakeholder acceptability;
- Feasibility;
- Planning risk (securing of powers & consents);
- Certainty of total cost estimate;
- Affordability / certainty of local funding sources;
- Value for money risk; and
- Complexity / dependence / flexibility of scheme

Table 5 LGF project delivery risk and LGF spend risk

	Project Delivery Risk	LGF spend risk
Low	73	56
Medium	21	29
High	3	12
Total	97	97

6.1 Further detail is provided on some specific project risks for project RAG rated as Red for project delivery.

- **Beaulieu Park Railway Station** - The project has been RAG rated as red due to the substantial funding gap and the early stage of project development. The project is allocation £1.25m LGF in 2017/18, with a total LGF allocation of £12m. However, this funding cannot be spent until a potential funding route has been identified to bridge the current funding gap.

  All local partners are committed to building the new station and the Great Eastern Taskforce, including senior representatives of all partners and DfT, met on the 10th October 2017 to exploring all options to bridge the funding gap before the project is able to progress to GRIP Stage 3. In addition, a Housing Infrastructure Fund has also been submitted by Essex County Council to DCLG to bridge the funding gap.

- **Thanet Parkway** - The project is allocated £4m LGF in 2017/18 and a further £6m in 2018/19. However the project is not yet in a position to draw down this funding owning to a substantial funding gap and need to identify a funding route to bridge the funding gap. As a result, this project is currently RAG rated red.

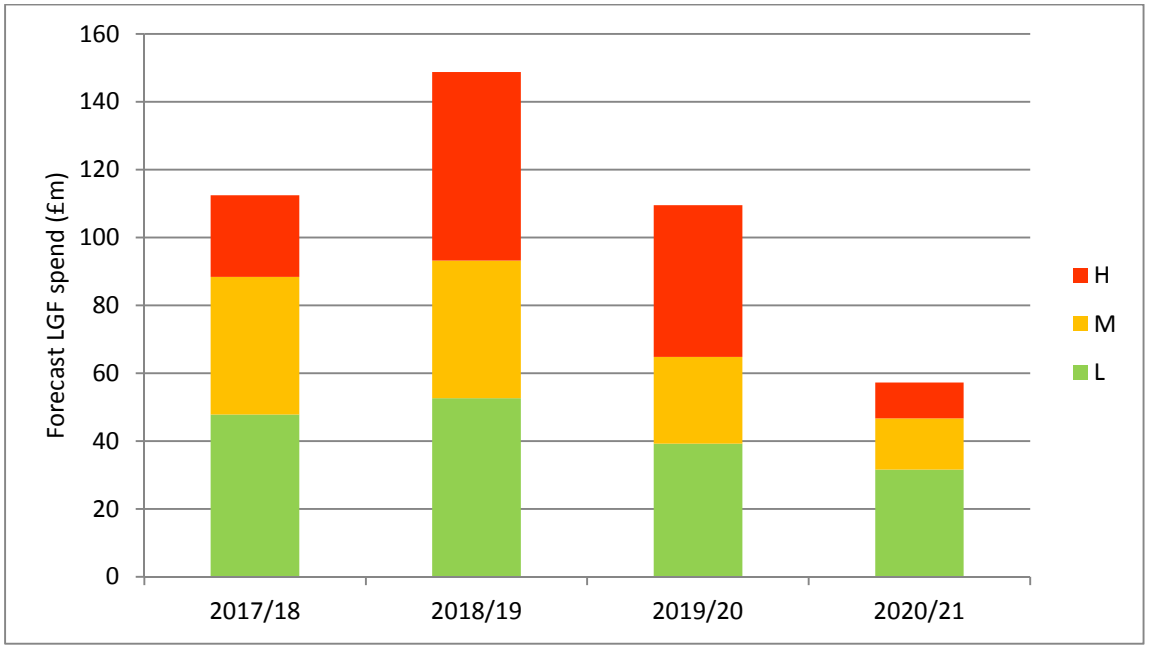
  An £8.8m funding bid was submitted by Kent County Council for Network Rail's New Station Fund, but proved unsuccessful. A meeting has been held with senior officers from the DfT to consider all available funding opportunities and a funding strategy is currently being developed by Kent County Council.

  Acting upon the advice of the DfT, Kent County Council is now engaging with the rail industry to discuss possible financing options for a new station. A Kent County Council Capital bid has also been submitted to underwrite the current £8.8m gap in funding for this project to allow the project to proceed until further negotiations with the rail industry can be held and/or contributions from developers can be secured.

- **Queensway Gateway Road:**

  The Queensway Gateway Road scheme will deliver a new link road between Queensway and the A21. Construction works are underway for the first phase of the project. However, higher than expected tender returns have been provided for phase 2 works. In total, the project is allocated £6m LGF, but the cost of the project will now expected to exceed the allocated budget. A revised cost estimate is currently being prepared and a detailed update will be provided to the Board in Q4 2017/18 to detail the proposed mitigation measures.

Figure 2 LGF spend risk relative to planned LGF spend (£m) – including retained schemes



6.2 Figure 2 above sets out the LGF spend risk per annum. This LGF spend risk considers the certainty that the LGF allocation will be spent as profiled. The graph highlights potential for further LGF slippage from 2017/18 to 2018/19, which presents a substantial programme risk and highlights the risk of a high proportion of LGF slippage from 2017/18 to future years of the programme.

6.3 Given the high proportion of LGF spend RAG rated as amber and red and the substantial backloading of spend in Q4 2017/18, it seems sensible to identify and accelerate the delivery of LGF projects where feasible to do so. Local partners are asked to consider any further projects included in the Growth Deal programme, which could be accelerated in 2017/18. Any request to accelerate should not further increase the gaps against funding already identified in 2019/20 (as detailed in paragraphs 4.3 and 4.4 above).

7. LGF Programme Risks

7.1 In addition to project specific risks, the following LGF programme risks have also been identified. These risks have been listed in terms of the scale of impact they are expected to have on the LGF programme and the management of the programme going forward.

7.1.1 Delivery of project outputs and outcomes

Risk: Local partners have made substantial progress towards the delivery of projects included within the Growth Deal programme, including the outputs identified in the Project Business Cases. However, Government continues to

seek evidence of the delivery of jobs and houses which SELEP committed to deliver within its Growth Deal with Government. Whilst this information has been sought through update reports from SELEP, evidence of jobs and housing delivery from local partners has not been forthcoming. This has a reputational risk for SELEP and the robustness of our case to Government for further funding.

Mitigation: Within the new Business Case templates, scheme promoters are required to re-state the expected jobs and houses which local partners commit to deliver through the Project. The S151 officer letter sign off of each Business Case includes a commitment for each local partner to allocate sufficient resource to the monitoring and evaluation of each LGF project.

The outputs delivered to date will be also be reported to each Strategic Board meeting to ensure clear oversite of project outcomes to date and oversight of the information reported back to Central Government.

7.1.2 Availability of LGF to align with project spend profiles

Risk: The availability of LGF during future years of the LGF programme does not match the forecast spend profile for LGF projects. As shown in Figure 1, the forecast LGF spend in 2019/20 exceeds the expected amount of LGF available in 2019/20.

Mitigation: To help ensure LGF allocations are available to align with project spend profiles, some funding may intentionally be carried between financial years to help manage the overall programme. The timing of LGF relative to local funding contributions to projects is also under review. Updates will be provided within the Capital Programme Update at each Board meeting to ensure that the planned LGF spend profile is considered in relation to the funding made available by Government.

In addition, the annual conversation with Central Government officials will be used as an opportunity to seek an amendment to profile for which LGF is made available to SELEP by Government. In particular, opportunities will be explored to bring forward LGF from 2020/21 to 2019/20.

7.1.3 Slippage of LGF from 2017/18 to future years of the programme

Risk: The latest update report has identified a substantial backloading of LGF spend in Q4 2017/18, with a forecast spend of £54.888m in Q4 2017/18 relative to the revised total planned spend of £97.153m in 2017/18 (excluding retained schemes). This creates a substantial risk of LGF slippage from 2017/18 to future years of the programme. This is in addition to the slippage of £21.363m which has already been identified

Mitigation: Local partners are asked to accelerate LGF spend in 2017/18 where possible, such as through the acceleration of spend on LGF projects. In addition, partners are asked to put mitigation measures in place at a local level to ensure that LGF spend forecasts can be achieved. The acceleration of any

projects in 2017/18 (to utilise the expected slippage of LGF spend from 2017/18 to future years of the programme) will be managed to ensure that the acceleration of projects does not add to the gap between then LGF planned spend and LGF available for spend in 2019/20.

In addition, there will be clear communication with Government about the successful delivery of LGF projects to date and to need retain LGF slippage by SELEP to help manage the availability of LGF in 2018/19 and 2019/20.

7.1.4 Governments funding commitment to future years of the LGF Programme

Risk: Currently Government has only given a provisional funding allocation for future years of the LGF programme and the level of LGF to be received by SELEP has yet to be confirmed. In light of the upcoming general election and new Government, this increases the risk in relation to future year funding allocations to the Growth Deal.

Mitigation: SELEP continues to seek assurances and formal confirmation of SELEP's LGF allocation to future years of the programme. In addition, SELEP continuously works to ensure Government are made aware of the benefits brought about through LGF investment.

7.1.5 LGF spend profiles extending beyond the Growth Deal Projects

Risk: For certain LGF projects, particularly the larger scale and more complex projects, there is a risk of LGF spend slipping beyond the Growth Deal period. This risk is increased by the gap between the planned LGF spend and LGF available potentially leading to potential delays to the award of LGF to projects.

Mitigation: The potential slippage of LGF spend beyond the Growth Deal period is being considered on a project- by- project basis. Where funding awards have not yet been made by SELEP Accountability Board local partners will be asked to provide an update on the timescales for the Business Case to be developed for funding award and the expected project delivery programme to give assurance that the LGF can be fully spent by March 2021.

Where there are high risks to LGF spend before 2020/21, local partners are asked to work with their Federated Boards to develop alternative proposals for the spend of LGF allocations.

7.1.6 Total project cost escalation

Risk: For certain LGF projects included in our Growth Deal, the total cost estimate has increased since the original bid submission and provisional LGF allocation was awarded. Increases in total project costs may impact on our ability to deliver the projects and outcomes/outputs which SELEP committed to achieve through LGF investment. Escalations in project cost may also impact on the Value for Money case for projects included in our Growth Deal.

Mitigation: SELEP is now taking a proactive approach in monitoring the total cost of LGF projects. Any changes to the total cost of a project must be reported to the Board through the Change Request process to ensure that projects continue to demonstrate Value for Money. Where cost escalation occurs, it is expected that this increase in costs will be met by local partners, unless agreed with the Board otherwise.

7.1.7 Resource within Local Authorities and in the private sector to support the delivery of the Growth Deal programme.

Risk: A lack of resource within the delivery authorities, consultancies and contractors to support the development and construction of LGF projects may result in an increase in project cost estimates (as the tender costs are higher than originally forecast) and/or a delay to project programme for delivery. Organisational restructures may also lead to gaps in knowledge and resource to support programme delivery.

Mitigation: Opportunities are being sought for early engagement with the industry to raise awareness of the LGF programme and the pipeline of work coming forward. Assurances are also being sought through the S151 Officer letter which supports Business Case submissions to ensure that the delivery body has access to the skills, expertise and resource to support the delivery of the project.

8. Financial Implications (Accountable Body Comments)

8.1 Forecast spend again has reduced from the last report. As we move towards the final quarter of the year the opportunities to address the slippage through management of the programme decreases and it is now likely that a large underspend will remain at the end of the year.

8.2 We advise that the Secretariat make Government sponsors aware of the potential outturn position and work closely with the sponsoring Departments to ensure that their expectations for year-end is managed.

8.3 The slippage in year is in part driven by funding allocations made by Government based on both, information provided a number of years ago and the balancing of the national programme so it was always likely that funding mismatches would occur.

8.4 Concerns remain about the funding gap in 2019/20. Slippage of the programme goes some way to address this gap but this does have a knock-on effect of projects potentially not being completed by the stated end of the programme, 31st March 2021. Consideration to the impact of this should be made with partners and Government representatives.

8.5 It is noted that one of the recommendations from the review of LEP Governance and Transparency by Mary Ney is that "Government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period". We very much support that recommendation and will being pushing Government for a response.

9. Legal Implications (Accountable Body Comments)

10. Staffing and other resource implications

10.1 None

11. Equality and Diversity implications

11.1 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.

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

11.3 In the course of the development of the project business cases, the delivery of the project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

12.1 Appendix 1 - Financial monitoring

12.2 Appendix 2 - Summary LGF spend profile

12.3 Appendix 3- Deliverability and Risk

12.4 Appendix 4 – Analysis of LGF spend forecast relative to LGF available

13. List of Background Papers

13.1 None

(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 Suzanne Bennett **On behalf of Margaret Lee**	 09/11/17

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
East Sussex									
LGFSE2	LGF00002	Newhaven Flood Defences	East Sussex	1.100	0.400		0.400	0.000	0.000
LGFSE23	LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	0.000	1.500		1.500	0.000	0.600
LGFSE24	LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	0.970	0.880		1.630	0.750	6.000
LGFSE35	LGF00036	Queensway Gateway Road	East Sussex	2.540	3.460		3.460	0.000	0.000
LGFSE49	LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	1.400	0.000		0.000	0.000	0.000
LGFSE50	LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	1.700	0.000		0.000	0.000	0.000
LGFSE51	LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	11.010	5.590		5.590	0.000	0.000
tbc2	LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	0.000	1.352		1.352	0.000	10.648
tbc3	LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined with above sc	East Sussex	0.000	0.000		0.000	0.000	0.000
LGFSE52	LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	0.550	2.450		0.505	-1.945	4.945
tbc25	LGF00073	A22/A27 junction improvement package	East Sussex	0.000	0.000		0.000	0.000	4.000
LGFSE62	LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.667		0.667	0.000	0.000
	LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	6.300		6.300	0.000	1.900
	LGF00099	Devonshire Park	East Sussex	0.000	3.400		5.000	1.600	0.000
Total				19.270	25.999	0.000	26.404	0.405	28.093

* Excludes variance superseded by decision at this Board meeting

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Essex									
LGFSE4	LGF00004	Colchester Broadband Infrastructure	Essex	0.200	0.000		0.000	0.000	0.000
LGFSE25	LGF00025	Colchester LSTF	Essex	2.400	0.000		0.000	0.000	0.000
LGFSE26	LGF00026	Colchester Integrated Transport Package	Essex	2.200	1.400		1.400	0.000	1.400
LGFSE27	LGF00027	Colchester Town Centre	Essex	3.804	0.796		0.796	0.000	0.000
LGFSE28	LGF00028	TGSE LSTF - Essex	Essex	3.000	0.000		0.000	0.000	0.000
LGFSE31	LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	8.000	2.000		2.000	0.000	0.000
LGFSE32	LGF00032	A414 Maldon to Chelmsford RBS	Essex	2.000	0.000		0.000	0.000	0.000
LGFSE33	LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	1.014	1.986		1.986	0.000	0.000
LGFSE34	LGF00034	Basildon Integrated Transport Package	Essex	1.633	1.868		0.800	-1.068	6.567
LGFSE36	LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	5.800	0.000		0.000	0.000	0.000
tbc8	LGF00048	A131 Chelmsford to Braintree	Essex	0.000	0.750		1.500	0.750	1.160
tbc9	LGF00049	A414 Harlow to Chelmsford	Essex	0.000	0.000		0.000	0.000	3.660
tbc10	LGF00050	A133 Colchester to Clacton	Essex	0.000	0.000		0.000	0.000	2.740
tbc11	LGF00051	A131 Braintree to Sudbury	Essex	0.000	0.000		0.000	0.000	1.800
tbc19	LGF00063	Chelmsford City Growth Area Scheme	Essex	0.000	0.500		0.500	0.000	9.500
tbc20	LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.000	0.000		0.000	0.000	0.800
tbc22	LGF00070	Beaulieu Park Railway Station	Essex	0.000	1.250		1.250	0.000	10.750
LGFSE62	LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.000	0.667		0.667	0.000	0.000
	LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000		0.000	0.000	5.000
	LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	0.000	1.000	0.600	1.600	0.000	1.900
	LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	0.000	1.000		1.000	0.000	1.000
	LGF00101	STEM Innovation Centre - Colchester Institute	Essex	0.000	4.650		0.100	-4.550	4.900
	LGF00102	A127/A130 Fairglen Interchange new link road	Essex	0.000	0.000		0.000	0.000	6.235
	LGF00103	M11 Junction 8 Improvements	Essex	0.000	0.000		0.500	0.500	2.234
		Mercury Rising Theatre Project	Essex	0.000	0.000		0.000	0.000	1.000
Total				30.051	17.867	0.600	14.099	-4.368	60.646

* Excludes variance superseded by decision at this Board meeting

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Kent									
LGFSE3	LGF00003	Kent and Medway Growth Hub	Kent	0.389	2.612		2.612	0.000	3.000
LGFSE6	LGF00006	Tonbridge Town Centre Regeneration	Kent	2.631	0.000		0.000	0.000	0.000
LGFSE7	LGF00007	Sittingbourne Town Centre Regeneration	Kent	2.499	0.001		0.001	0.000	0.000
LGFSE8	LGF00008	M20 Junction 4 Eastern Overbridge	Kent	2.200	0.000		0.000	0.000	0.000
LGFSE9	LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhur	Kent	0.792	0.608	-0.448	0.160	0.000	0.848
LGFSE10	LGF00010	Kent Thameside LSTF	Kent	2.532	0.468		0.468	0.000	1.500
LGFSE11	LGF00011	Maidstone Gyratory Bypass	Kent	4.429	0.171		0.171	0.000	0.000
LGFSE12	LGF00012	Kent Strategic Congestion Management programme	Kent	1.550	0.728		0.728	0.000	2.522
LGFSE13	LGF00013	Middle Deal transport improvements	Kent	0.800	0.000		0.000	0.000	0.000
LGFSE14	LGF00014	Kent Rights of Way improvement plan	Kent	0.250	0.300		0.300	0.000	0.450
LGFSE15	LGF00015	Kent Sustainable Interventions Programme	Kent	0.550	0.492		0.492	0.000	1.686
LGFSE16	LGF00016	West Kent LSTF	Kent	2.108	0.792		0.792	0.000	2.000
LGFSE17	LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.541	0.000		0.000	0.000	0.000
LGFSE42	LGF00038	A28 Chart Road	Kent	1.869	1.131		1.131	0.000	7.200
LGFSE43	LGF00039	Maidstone Integrated Transport	Kent	0.265	2.135		1.405	-0.729	7.229
LGFSE44	LGF00040	A28 Sturry Link Road	Kent	0.401	0.373	0.043	0.416		5.083
LGFSE45	LGF00053	Rathmore Road	Kent	4.200	0.000		0.000	0.000	0.000
LGFSE46	LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.028	0.272		0.272	0.000	0.000
LGFSE47	LGF00055	Maidstone Sustainable Access to Employment	Kent	2.000	0.000		0.000	0.000	0.000
LGFSE48	LGF00059	Ashford Spurs	Kent	0.167	9.374	-0.471	8.607	-0.296	0.000
tbc1	LGF00041	Thanet Parkway	Kent	0.000	4.000		0.000	-4.000	10.000
LGFSE59	LGF00058	Dover Western Dock Revival	Kent	4.915	0.085		0.085	0.000	0.000
tbc16	LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent	0.000	0.000		0.000	0.000	0.000
LGFSE61	LGF00062	Folkestone Seafront (non-transport)	Kent	1.967	3.033		3.033	0.000	0.000
tbc24	LGF00072	A226 London Road/B255 St Clements Way	Kent	0.715	1.312	-0.042	1.270	0.000	2.215
LGFSE62	LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.000	0.667		0.297	-0.370	0.370
	LGF00086	Dartford Town Centre Transformation	Kent	0.000	0.200		0.200	0.000	4.100
	LGF00088	Fort Halsted	Kent	0.000	1.530		1.530	0.000	0.000
	LGF00092	A2500 Lower Road	Kent	0.000	0.387		0.387	0.000	0.878
	LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	Kent	0.000	1.120		1.120	0.000	5.000
	LGF00096	A2 off-slip at Wincheap, Canterbury	Kent	0.000	0.354		0.354	0.000	4.046
	LGF00094	Leigh Flood Storage Area and East Peckham - unlocking growth	Kent	0.000	0.091		0.091	0.000	4.545
		Sandwich Rail Infrastructure	Kent	0.000	0.000		0.000	0.000	1.026

Total	37.797	32.236	-0.918	25.923	-5.395	63.698

* Excludes variance superseded by decision at this Board meeting

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Medway									
LGFSE18	LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Imp	Medway	0.700	2.353		0.585	-1.768	11.100
LGFSE19	LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	1.972	2.417		1.197	-1.220	9.000
LGFSE20	LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	1.816	2.183		1.314	-0.869	4.000
LGFSE21	LGF00021	Medway Cycling Action Plan	Medway	1.378	1.121	0.001	1.122	0.000	2.500
LGFSE22	LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	0.481	0.099	-0.039	0.060	0.000	2.000
LGFSE60	LGF00061	Rochester Airport - phase 1	Medway	0.179	2.825		0.881	-1.944	4.400
	LGF00089	Rochester Airport - phase 2	Medway	0.000	0.300		0.000	-0.300	3.700
	LGF00091	Strood Civic Centre - flood mitigation	Medway	0.000	1.000		0.750	-0.250	3.500
Total				6.525	12.299	-0.038	5.910	-6.351	40.200
			* Excludes variance superseded by decision at this Board meeting						

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Southend									
LGFSE5	LGF00005	Southend Growth Hub	Southend	0.720	0.000		0.000	0.000	6.720
LGFSE29	LGF00029	TGSE LSTF - Southend	Southend	1.000	0.000		0.000	0.000	1.000
LGFSE53	LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	0.767	2.233		2.233	0.000	7.000
LGFSE58	LGF00057	London Southend Airport Business Park Phase 1 and 2 (including Southend and	Southend	2.366	11.274	-5.991	5.283	0.000	23.090
		Total		4.853	13.508	-5.991	7.517	0.000	37.810
				* Excludes variance superseded by decision at this Board meeting					

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Thurrock									
LGFSE30	LGF00030	TGSE LSTF - Thurrock	Thurrock	0.731	0.269		0.100	-0.169	1.000
LGFSE54	LGF00046	Thurrock Cycle Network	Thurrock	0.096	2.589		2.500	-0.620	5.000
LGFSE55	LGF00047	London Gateway/Stanford le Hope	Thurrock	0.663	2.837		2.000	-0.837	7.500
LGFSE56	LGF00052	A13 Widening - development	Thurrock	2.708	2.292		0.000	-2.292	5.000
LGFSE57	LGF00056	Purfleet Centre	Thurrock	0.695	4.305		4.305	0.000	5.000
	LGF00104	Grays South	Thurrock	0.000	0.000		0.000	0.000	10.840
Total				4.893	12.293	0.000	8.905	-3.918	34.340

* Excludes variance superseded by decision at this Board meeting

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Centrally Managed									
	LGF00001	Capital Skills Projects	SELEP wide	21.904	0.096		0.096		0.000
	LGF00071	M20 Junction 10a	Kent	0.000	8.300		8.300		11.400
Total				21.904	8.396	0.000	8.396	0.000	11.400

* Excludes variance superseded by decision at this Board meeting

Appendix 1 - Financial Monitoring

LGF £m					2017/18 spend forecast				
Project Number	SELEP number	Project Name	Promoter	2015/16 and 2016/17 spend	Updated Planned spend 2017/18 (As agreed in September 2017)	2017/18 Variance approved to date*	October 2017 update spend forecast	Variance to spend forecast 2017/18 to be considered by the Board in November 2017	Forecast LGF spend in future years
Retained schemes									
LGFSE37	LGF00079	A127 Fairglen Junction Improvements	Essex	0.000	0.000		0.000	0.000	15.000
LGFSE38	LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex	4.000	0.000		0.000	0.000	0.000
LGFSE39	LGF00081	A127 Kent Elms Corner	Southend	2.889	1.411		1.411	0.000	0.000
LGFSE40	LGF00082	A127 The Bell	Southend	0.000	0.860		0.860	0.000	3.440
LGFSE41	LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend	0.689	0.311		0.311	0.000	7.000
	LGF00084	A13 Widening	Thurrock	0.000	28.544		12.629	-15.915	53.428
Total				7.578	31.126	0.000	15.211	-15.915	78.868

* Excludes variance superseded by decision at this Board meeting

Appendix 2 - Summary LGF Spend Profile

Summary LGF Spend Profile — Oct-17

Project Number	SELEP number	Project Name	Promoter	2015/16 (total)	2016/17 (total)	2017/18	2018/19	2019/20	2020/21	2021/22	All Years
East Sussex											
LGFSE2	LGF00002	Newhaven Flood Defences	East Sussex	0.300	0.800	0.400					1.500
LGFSE23	LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Trans	East Sussex	0.000	0.000	1.500	0.600				2.100
LGFSE24	LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF pa	East Sussex	0.600	0.370	1.630	1.750	2.000	2.250		8.600
LGFSE35	LGF00036	Queensway Gateway Road	East Sussex	1.419	1.121	3.460					6.000
LGFSE49	LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor	East Sussex	0.505	0.895	0.000					1.400
LGFSE50	LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	0.530	1.170	0.000					1.700
LGFSE51	LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	6.410	4.600	5.590					16.600
tbc2	LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	0.000	0.000	1.352	3.648	3.500	3.500		12.000
tbc3	LGF00043	Hastings and Bexhill LSTF walking and cycling package (comb	East Sussex	0.000	0.000						0.000
LGFSE52	LGF00044	Eastbourne town centre LSTF access & improvement packag	East Sussex	0.000	0.550	0.505	3.445	1.500			6.000
tbc25	LGF00073	A22/A27 junction improvement package	East Sussex	0.000	0.000	0.000		2.000	2.000		4.000
LGFSE62	LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.000	0.000	0.667					0.667
	LGF00097	East Sussex Strategic Growth Project	East Sussex	0.000	0.000	6.300	1.900				8.200
	LGF00099	Devonshire Park	East Sussex	0.000	0.000	5.000					5.000
Essex											
LGFSE4	LGF00004	Colchester Broadband Infrastructure	Essex	0.200	0.000	0.000					0.200
LGFSE25	LGF00025	Colchester LSTF	Essex	0.911	1.489	0.000					2.400
LGFSE26	LGF00026	Colchester Integrated Transport Package	Essex	1.527	0.673	1.400	1.400				5.000
LGFSE27	LGF00027	Colchester Town Centre	Essex	0.955	2.849	0.796					4.600
LGFSE28	LGF00028	TGSE LSTF - Essex	Essex	2.131	0.869	0.000					3.000
LGFSE31	LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge I	Essex	5.870	2.130	2.000					10.000
LGFSE32	LGF00032	A414 Maldon to Chelmsford RBS	Essex	1.000	1.000	0.000					2.000
LGFSE33	LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	0.409	0.605	1.986					3.000
LGFSE34	LGF00034	Basildon Integrated Transport Package	Essex	1.633	0.000	0.800	2.000	3.100	1.467		9.000
LGFSE36	LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	6.800	-1.000	0.000					5.800
tbc8	LGF00048	A131 Chelmsford to Braintree	Essex	0.000	0.000	1.500	1.000	0.160			2.660
tbc9	LGF00049	A414 Harlow to Chelmsford	Essex	0.000	0.000	0.000	1.830	1.830			3.660
tbc10	LGF00050	A133 Colchester to Clacton	Essex	0.000	0.000	0.000	1.370	1.370			2.740
tbc11	LGF00051	A131 Braintree to Sudbury	Essex	0.000	0.000	0.000		0.900	0.900		1.800
tbc19	LGF00063	Chelmsford City Growth Area Scheme	Essex	0.000	0.000	0.500	4.000	5.500			10.000
tbc20	LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.000	0.000	0.000	0.000	0.800			0.800
tbc22	LGF00070	Beaulieu Park Railway Station	Essex	0.000	0.000	1.250		5.750	5.000		12.000
LGFSE62	LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.000	0.000	0.667					0.667
	LGF00095	Gilden Way Upgrading, Harlow	Essex	0.000	0.000		2.500	2.500			5.000
	LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	0.000	0.000	1.600	1.900				3.500
	LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	0.000	0.000	1.000	1.000				2.000
	LGF00101	STEM Innovation Centre - Colchester Institute	Essex	0.000	0.000	0.100	1.900	3.000			5.000
	LGF00102	A127/A130 Fairglen Interchange new link road	Essex	0.000	0.000			3.200	3.035		6.235
	LGF00103	M11 Junction 8 Improvements	Essex	0.000	0.000	0.500		0.500	1.734		2.734
		Mercury Theatre	Essex				1.000				1.000
Kent											
LGFSE3	LGF00003	Kent and Medway Growth Hub	Kent	0.000	0.389	2.612	1.000	1.000	1.000		6.000
LGFSE6	LGF00006	Tonbridge Town Centre Regeneration	Kent	1.833	0.799	0.000					2.631
LGFSE7	LGF00007	Sittingbourne Town Centre Regeneration	Kent	0.345	2.155	0.001					2.500
LGFSE8	LGF00008	M20 Junction 4 Eastern Overbridge	Kent	0.488	1.712	0.000					2.200
LGFSE9	LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 L	Kent	0.603	0.189	0.160	0.848				1.800
LGFSE10	LGF00010	Kent Thameside LSTF	Kent	2.051	0.480	0.468	0.800	0.400	0.300		4.500
LGFSE11	LGF00011	Maidstone Gyratory Bypass	Kent	0.704	3.724	0.171					4.600
LGFSE12	LGF00012	Kent Strategic Congestion Management programme	Kent	0.863	0.687	0.728	0.922	0.800	0.800		4.800
LGFSE13	LGF00013	Middle Deal transport improvements	Kent	0.000	0.800	0.000					0.800
LGFSE14	LGF00014	Kent Rights of Way improvement plan	Kent	0.193	0.056	0.300	0.150	0.150	0.150		1.000
LGFSE15	LGF00015	Kent Sustainable Interventions Programme	Kent	0.143	0.406	0.492	0.600	0.586	0.500		2.728
LGFSE16	LGF00016	West Kent LSTF	Kent	0.800	1.308	0.792	0.700	0.700	0.600		4.900
LGFSE17	LGF00017	Folkestone Seafront : onsite infrastructure and engineering	Kent	0.533	0.008	0.000					0.541
LGFSE42	LGF00038	A28 Chart Road	Kent	0.885	0.984	1.131	6.000	1.200			10.200
LGFSE43	LGF00039	Maidstone Integrated Transport	Kent	0.000	0.265	1.405	3.729	3.285	0.215		8.900
LGFSE44	LGF00040	A28 Sturry Link Road	Kent	0.000	0.401	0.416	1.800	3.283			5.900
LGFSE45	LGF00053	Rathmore Road	Kent	1.562	2.638	0.000					4.200
LGFSE46	LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.022	0.005	0.272					0.300
LGFSE47	LGF00055	Maidstone Sustainable Access to Employment	Kent	0.131	1.869	0.000					2.000
LGFSE48	LGF00059	Ashford Spurs	Kent	0.000	0.167	8.607					8.774
tbc1	LGF00041	Thanet Parkway	Kent	0.000	0.000	0.000	4.000	6.000	0.000		10.000
LGFSE59	LGF00058	Dover Western Dock Revival	Kent	0.000	4.915	0.085					5.000
tbc16	LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent								0.000
LGFSE61	LGF00062	Folkestone Seafront (non-transport)	Kent	0.000	1.967	3.033					5.000
tbc24	LGF00072	A226 London Road/B255 St Clements Way	Kent	0.000	0.715	1.270	2.173	0.042			4.200
LGFSE62	LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.000	0.000	0.297	0.370				0.667
	LGF00086	Dartford Town Centre Transformation	Kent	0.000	0.000	0.200	2.050	1.750	0.300		4.300
	LGF00088	Fort Halsted	Kent	0.000	0.000	1.530					1.530
	LGF00092	A2500 Lower Road	Kent	0.000	0.000	0.387	0.781	0.054	0.044		1.265
	LGF00093	Kent and Medway Engineering and Design Growth and Ente	Kent	0.000	0.000	1.120	2.500	2.500			6.120
	LGF00096	A2 off-slip at Wincheap, Canterbury	Kent	0.000	0.000	0.354	1.388	2.658			4.400
	LGF00094	Leigh Flood Storage Area and East Peckham - unlocking grov	Kent	0.000	0.000	0.091	1.500	1.500	1.545		4.636
		Sandwich Rail Infrastructure	Kent	0.000	0.000	0.000	1.026	0.000	0.000		1.026
Medway											
LGFSE18	LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey tim	Medway	0.298	0.402	0.585	1.916	4.000	3.899		11.100
LGFSE19	LGF00019	Strood Town Centre Journey Time and Accessibility Enhance	Medway	0.200	1.772	1.197	5.831				9.000
LGFSE20	LGF00020	Chatham Town Centre Place-making and Public Realm Packa	Medway	0.870	0.945	1.314	0.870				4.000
LGFSE21	LGF00021	Medway Cycling Action Plan	Medway	0.228	1.150	1.122					2.500

Appendix 2 - Summary LGF Spend Profile

Summary LGF Spend Profile											Oct-17
Project Number	SELEP number	Project Name	Promoter	2015/16 (total)	2016/17 (total)	2017/18	2018/19	2019/20	2020/21	2021/22	All Years
LGFSE22	LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	0.300	0.181	0.060	0.438	1.021			2.000
LGFSE60	LGF00061	Rochester Airport - phase 1	Medway	0.000	0.179	0.881	2.990	0.350			4.400
	LGF00089	Rochester Airport - phase 2	Medway	0.000	0.000	0.000	0.520	1.930	1.250		3.700
	LGF00091	Strood Civic Centre - flood mitigation	Medway	0.000	0.000	0.750	2.450	0.300			3.500
Southend											
LGFSE5	LGF00005	Southend Growth Hub	Southend	0.018	0.702	0.000	0.500	1.000	4.500		6.720
LGFSE29	LGF00029	TGSE LSTF - Southend	Southend	0.800	0.200	0.000					1.000
LGFSE53	LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Pack	Southend	0.000	0.767	2.233	2.000	2.000			7.000
LGFSE58	LGF00057	London Southend Airport Business Park Phase 1 and 2 (incl	Southend	0.000	2.366	5.283	11.386	4.055	0.000		23.090
Thurrock											
LGFSE30	LGF00030	TGSE LSTF - Thurrock	Thurrock	0.569	0.162	0.100	0.169				1.000
LGFSE54	LGF00046	Thurrock Cycle Network	Thurrock	0.000	0.096	2.500	2.404				5.000
LGFSE55	LGF00047	London Gateway/Stanford le Hope	Thurrock	0.000	0.663	2.000	4.837				7.500
LGFSE56	LGF00052	A13 Widening - development	Thurrock	0.000	2.708	0.000	2.292				5.000
LGFSE57	LGF00056	Purfleet Centre	Thurrock	0.000	0.695	4.305					5.000
	LGF00104	Grays South	Thurrock	0.000	0.000	0.000		3.000	7.840		10.840
Centrally Managed											
	LGF00001	Capital Skills Projects	SELEP wide	9.923	11.980	0.096					22.000
	LGF00071	M20 Junction 10a	Kent	0.000	0.000	8.300	11.400				19.700
Sub Total				**55.562**	**69.730**	**97.153**	**113.582**	**81.174**	**42.829**	**0.000**	**460.030**
Provisional LGF Funding allocation (excluding retained schemes)				69.450	82.270	92.088	91.739	54.915	77.873		468.335
LGF Carried Forward					13.888	26.428	21.363	-0.480	-26.739		
LGF Option 4 and 5 mitigation 2015/16*				13.888							
LGF Option 4 and 5 mitigation 2016/17*					26.428						
Forecast LGF slippage 2017/18						21.363					
Forecast LGF slippage 2018/19							-0.480				
Forecast LGF slippage 2019/20								-26.739			
Retained											
LGFSE37	LGF00079	A127 Fairglen Junction Improvements	Essex (retained)	0.000	0.000	0.000		4.750	10.250		15.000
LGFSE38	LGF00080	A127 Capacity Enhancements Road Safety and Network Res	Essex (retained)	0.513	3.487	0.000	0.000	0.000			4.000
LGFSE39	LGF00081	A127 Kent Elms Corner	Southend (retair	0.500	2.389	1.411					4.300
LGFSE40	LGF00082	A127 The Bell	Southend (retair	0.000	0.000	0.860	3.440				4.300
LGFSE41	LGF00083	A127 Essential Bridge and Highway Maintenance - Southen	Southend (retair	0.400	0.289	0.311	1.000	3.000	3.000		8.000
	LGF00084	A13 Widening	Thurrock (retain	0.000	0.000	12.629	30.933	20.613	1.197	0.685	66.057
Total				**56.975**	**75.895**	**112.364**	**148.955**	**109.537**	**57.276**	**0.685**	**561.687**

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
East Sussex									
LGF00002	Newhaven Flood Defences	East Sussex	1.500	Approval for spend of full LGF allocation	Construction is now well under way and LGF spend in 2017/18 is secure. There are techinical details relating to later phases of the project which are still to be decided, specifically relating to rail and trunk road protection. Although designs are still being decided the 1:200 year defence level is still the target.	L	Being implemented	L	On track
LGF00023	Hailsham/Polegate/Eastbourne Movement and Access Transport scheme	East Sussex	2.100	Approval for the spend of the full LGF allocation	The Business Case has been approved and a full design has been agreed. The profile of spend has been augmentented as delivery of the project will slip to cover the 2017/18 and 2018/19 years	L	To be implemented 17/18	L	To be implemented 17/18
LGF00024	Eastbourne and South Wealden Walking and Cycling LSTF package	East Sussex	8.600	Accountability Board approval for £2m of the £8.6m allocation. Approval to be sought from future Accountability Board meeting for the remaining LGF allocation.	The programme has now been agreed for the 2017/18 year and there is strong confidence in the spend ability for this scheme including slippage from previous years. Potential for acceleration of spend in this financial year up to the approved value.	L	Technical delivery issues from previous years have been overcome.	L	Project on course for delivery following delays in previous years.
LGF00036	Queensway Gateway Road	East Sussex	6.000	Approval for spend of full LGF allocation	Land remediation has come to and end and construction of the embankment and is due for completion. Designs for the A21 connection are still being considered. Spend for this financial is considered secure but additional funding my be sought for the completion of the road dependant on the outcomes of value engineering excercises.	H	Higher than expected tender returns for phase 2 of the construction and project delays	L	LGF spend in this financial year is secure but project overspend is likely
LGF00066	Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	East Sussex	1.400	Approval for spend of full LGF allocation	The LGF portion of the project is now complete and the site is already home to a single occupancy unit of 3000sqm. Development of the phase 2 starter units has now begun with land clearance taking place and piling plans being drawn up.	L	Project Complete	L	Project Complete
LGF00067	Sovereign Harbour (aka Site Infrastructure Investment)	East Sussex	1.700	Approval for spend of full LGF allocation	This project is now complete with all three sites fully access enabled with substial improvements to the utility provision. There have been a number of enquiries about development on the sites with Heads of terms agreed for 1 company and planning permission in progress.	L	Project Complete	L	Project Complete
LGF00085	North Bexhill Access Road and Bexhill Enterprise Park	East Sussex	16.600	Approval for spend of full LGF allocation	CPO complete without objection.Phase 1a is now substatively complete. There has been a new planning application submitted to change the bridge to a culvert. Land clearance is now complete for phase 2 with achaeology and site investigation being undertaken. Groudworks will begin in earnest for phase 2 in early August.	M	Amended planning application is required and increase in the total cost of the Project	M	Delayed LGF spend in 2016/17 resulting in substantial project spend in 2017/18.
LGF00042	Hastings and Bexhill Movement and Access Package	East Sussex	12.000	Approval to be sought from a future Board meeting	Business Case to be brought to an Accountability Board meeting in 2017/18, Elements for the first phase of delivery are currently in the design phase, on which most of this years allocation will be spent	L		L	
LGF00043	Hastings and Bexhill LSTF walking and cycling package (combined with above scheme)	East Sussex	0.000		Merged with LGF00042 and removed from the programme	L		L	
LGF00044	Eastbourne town centre LSTF access & improvement package	East Sussex	6.000	Approval for spend of full LGF allocation	Further delays incurred with this scheme due to the consultation and tender processes. Forecasting significant slippage in 2017/18 with approximate spend of £0.9m. Options for mitigation being considered. Increase in total cost of Phase 1 expected.	M	Delay to scheme and increase in total project cost.	M	Delayed LGF spend in 2016/17 and 2017/18.

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Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00073	A22/A27 junction improvement package	East Sussex	4.000	Approval to be sought from future Board meeting	No LGF spend until 2019/20. The proposed intervention is under consideration and the intervention will depend, to some extent, on Highways Englands scheme for the A27.	L	Project currently at feasibility stage	L	No LGF spend until future years of the programme.
LGF00068	Coastal Communities Housing Intervention Hastings	East Sussex	0.667	Approval for spend of full LGF allocation	New preferred site has been identified. Local governance processes being undertaken to approve the project and for an offer to be made.	L	Change request approved by the Board	L	
LGF00097	East Sussex Strategic Growth Project	East Sussex	8.200	Approval for spend of full LGF allocation	Work on the extension to the access road is underway and will be near completion by the end of August. Tenders for the site groundworks have been sought and planning applications have been submitted for the final building design.	L		L	
LGF00099	Devonshire Park	East Sussex	5.000	Approval for spend of full LGF allocation	Demonlition of the exisiting structures and clearance of the land has now taken place and piling has begun. Slight delays due to deeper than expected claybase and a redesign of the piling system to suit.	L		L	
Essex									
LGF00004	Colchester Broadband Infrastructure	Essex	0.200	Approval for spend of full LGF allocation	Completed in 15/16.	L	Complete	L	Complete
LGF00025	Colchester LSTF	Essex	2.400	Approval for spend of full LGF allocation	Completed	L	Delayed project completion to 2017/18	L	LGF fully spent
LGF00026	Colchester Integrated Transport Package	Essex	5.000	Approval for spend of full LGF allocation	Mainly design for future packages	L	Being implemented	L	
LGF00027	Colchester Town Centre	Essex	4.600	Approval for spend of full LGF allocation	Lexden Rd remaining	L	Delay to programme due to revise design for Lexton Bus Lane.	M	Slippage of LGF spend to 2017/18
LGF00028	TGSE LSTF - Essex	Essex	3.000	Approval for spend of full LGF allocation	Completed.	L	Completed	L	Completed
LGF00031	A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	Essex	10.000	Approval for spend of full LGF allocation	4 packages to complete by December.	L		M	Slippage of LGF spend to 2017/18
LGF00032	A414 Maldon to Chelmsford RBS	Essex	2.000	Approval for spend of full LGF allocation	Completed Dec 16.	L	Complete	L	Complete
LGF00033	Chelmsford Station / Station Square / Mill Yard	Essex	3.000	Approval for spend of full LGF allocation	Contractor mobilising.	M	Complex project and project delays experienced	M	Slippage of LGF spend to 2017/18
LGF00034	Basildon Integrated Transport Package	Essex	9.000	Approval for Phase 1 and 2. Approval required for remaining allocation.	Design work for tranche 2 progressing.	L		L	
LGF00037	Colchester Park and Ride and Bus Priority measures	Essex	5.800	Approval for spend of full LGF allocation	Completed.	L	Complete	L	Complete
LGF00079	A127 Fairglen Junction Improvements	Essex (retained)	15.000	Approval to be sought from future Board meeting	In PCF Stage 1	L	Risk of delivery extending beyond Growth Deal period and DfT / HE processes and planning (tbc) present programme risks.	M	

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00080	A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	Essex (retained)	4.000	Approval for spend of full LGF allocation	Mixture of site works and design activity.	L	Being implemented	L	LGF fully spent
LGF00048	A131 Chelmsford to Braintree	Essex	3.660	Approval for spend of full LGF allocation	In detailed design.	L		L	
LGF00049	A414 Harlow to Chelmsford	Essex	3.660	Approval to be sought from Board meeting on 17th November 2017.	Yet to develop full programme.	L		L	No LGF spend forecast until 18/19
LGF00050	A133 Colchester to Clacton	Essex	2.740	Approval to be sought from Board meeting on the 17th November 2017	Yet to develop full programme.	L		L	No LGF spend forecast until 18/19
LGF00051	A131 Braintree to Sudbury	Essex	1.800	Approval to be sought from future Board meeting	Yet to develop full programme.	L		L	No LGF spend forecast until 19/20
LGF00063	Chelmsford City Growth Area Scheme	Essex	10.000	Approval to be sought from future Board meeting	Completing design and options apprasial.	L		L	No LGF spend forecast until 17/18. Consultation > possible delay risk
LGF00064	Chelmsford Flood Alleviation Scheme	Essex	0.800	Approval to be sought from future Board meeting	Stalled due to legal issues.	L		M	No spend until 2018/19.
LGF00070	Beaulieu Park Railway Station	Essex	12.000	Approval to be sought from future Board meeting	Completed GRIP Stage 2.	H	Complex. Delay could also mean implementation post-LGF programme period.	H	Complex rail project and total project cost is currently uncertain
LGF00068	Coastal Communities Housing Intervention (Jaywick)	Essex	0.309	Appproval for spend of full LGF allocation	Awaiting detailed programme.	L		L	
LGF00095	Gilden Way Upgrading, Harlow	Essex	5.000	Approval to be sought from a future meeting	In design stages.	L		L	
LGF00098	Technical and Professional Skills Centre at Stansted Airport	Essex	3.500	Appproval for spend of full LGF allocation	Contractor Procurement	L		L	
LGF00100	Innovation Centre - University of Essex Knowledge Gateway	Essex	2.000	Appproval for spend of full LGF allocation	Developing business case	L		L	
LGF00101	STEM Innovation Centre - Colchester Institute	Essex	5.000	Appproval for spend of full LGF allocation	Decision to be taken on which campus will be developed.	M	Project delays and change request submitted	H	Substantial reprofiling from 2017/18 to 2018/19
LGF00102	A127/A130 Fairglen Interchange new link road	Essex	6.235	Approval to be sought from DfT	Initial design stages.	L		L	
LGF00103	M11 Junction 8 Improvements	Essex	2.734	Approval to be sought from Board meeting on the 17th November	Currently trying to plug funding gap.	L		L	
	Mercury Rising Theatre Project	Essex	1.000	Approval to be sought from Board meeting on the 17th November	To be considered for inclusion in LGF programme	L		L	

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Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
Kent									
LGF00003	Kent and Medway Growth Hub	Kent	6.000	Approval for spend of full LGF allocation	Phase 5 recently opened on 25th August and closed to applicants on 11th September, with the submissions currently being reviewed.	L		M	Large underspend in 2016/17 and spend risk in 2017/18.
LGF00006	Tonbridge Town Centre Regeneration	Kent	2.631	Approval for spend of full LGF allocation	Main works complete (June 2016) - Main Works completed on High Street (Phase 1), River Walk improvements and Hadlow Road/Cannon lane junction improvements (Phase 2) but some supplementary High Street footway improvements are planned with £50K 3rd party funding.	L	Project complete	L	
LGF00007	Sittingbourne Town Centre Regeneration	Kent	2.500	Approval for spend of full LGF allocation	The first phase of works begun in August and are progressing with a completion date planned for the start of December 2017. The remaining phases are scheduled for completion by September 2018. Once complete, the works will release the multi-storey car park and leisure areas, progressing the Spirit of Sittingbourne regeneration project.	L		L	LGF allocation spent in full in 2016/17 and is underwritten by Swale BC.
LGF00008	M20 Junction 4 Eastern Overbridge	Kent	2.200	Approval for spend of full LGF allocation	Main works complete (Feb 2017) - but some supplementary works are planned. Castleway Right turn closure in June 17 Resurfacing and replacement of waterproofing on the Western overbridge in September 17.	L	Main works complete (Feb 2017)	L	
LGF00009	Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	Kent	1.800	Approval for Phase 1 and Phase of works.	Construction – Phase 1 works (Yew Tree Rd junction) completed Phase 2 works - The detailed design for this scheme is progressing and the business case and funding was approved by SELEP AB on 22nd September 2017.	L	Business case approved in Sept 17	M	Amended spend profile for 2017/18 to reflect updated project programme submitted in business case.
LGF00010	Kent Thameside LSTF	Kent	4.500	Approval for spend of full LGF allocation	Barrack Row Bus Hub -Cost estimates for detail design and construction have been requested and consultation is being progressed in preparation. Princes Rd cycle route - Members to be re-consulted and construction is now programmed for March 18. Burnham Rd Toucan - Construction dates are currently programmed for Feb 18. Gravesend Station to Cyclopark cycle route - Detail design to be delivered at the end of 2017 with construction later in the financial year.	L	Being implemented	M	Reprofiling of allocation into 2018/19, as Land purchase was not achieved before end of March 2017 and there is risk it will not be completed by March 2018 due to NR timescales.
LGF00011	Maidstone Gyratory Bypass	Kent	4.600	Approval for spend of full LGF allocation	Main works complete (Dec 2016)	L	Main works complete (Dec 2016)	L	
LGF00012	Kent Strategic Congestion Management programme	Kent	4.800	Annual approval. Approval in place for 2015/16, 2016/17 and 2017/18 interventions.	2015/16 schemes completed and 2016/17 schemes completed. 2017/18 schemes in progress - A229 Blue Bell Hill CITS Scheme - Professional Contract out to tender, awaiting returns and award; Dartford Network Improvements Princess Road upgrades have begun with Integration of Bluewater Traffic Management suite to the KCC HMC being developed. KCC/HE data sharing and joint emergency Signal control under development; Barton Hill Drive, Sheerness Scheme design being revised to a semi-permanent layout to address the non-compliance with the banned turning movements.	L		L	

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00013	Middle Deal transport improvements	Kent	0.800	Approval for spend of full LGF allocation	The developer is still reviewing the road alignment where a rethink in house/access positions may benefit the use of the road. Work is still progressing on the S38 agreement, the completion of which will dictate the duration of the overall program.	M	Works on site have paused as require further agreements with Southern Water and EA.	M	LGF Allocation spent and evidenced, although amount held by KCC until satisfied that S38 and remaining issues dealt with.
LGF00014	Kent Rights of Way improvement plan	Kent	1.000	Approval for spend of full LGF allocation	2015/16 schemes completed (Loose Greenway) 2016/17 schemes in progress (Finberry to Ashford scheme) - Finberry Landowner agreements now finalised and construction to begin on site shortly; (Powder Mills scheme - Leigh to Tonbridge) - Agreement with Sparrowhawk now complete and works done. Agreement with Dartford & District Angling Preservation Society also concluded, so tender can now be released.	M	Being implemented, but delay to project delivery in 2016/17	M	Reduced spend in 2016/17, which is now included in profile for 2017/18.
LGF00015	Kent Sustainable Interventions Programme	Kent	2.728	Approval for 2015/16, 2016/17 and 2017/18 interventions. Annual Business Case approval.	2015/16 schemes completed. 2016/17 schemes completed (Folkestone Town Centre - Schools to Harbour Cycle links & Thames Greenway Cycle path). Other 2016/17 and 2017/18 schemes in progress	L	Being implemented	L	Reprofiling of allocation into 2017/18, given delays to individual scheme delivery.
LGF00016	West Kent LSTF	Kent	4.900	Approval for spend of full LGF allocation	Tunbridge Wells Public Realm phase 2 - Decision was taken by TWBC to amend the scheme to restrict car movements and focus on buses, taxis, cycling and walking. New design and programme being carried out, which will delay project as a full consultation will be required. Maidstone East station - Tender returns have come back higher than originally expected and NR have confirmed there is a funding shortfall, so MBC and KCC are currently discussing alternate design options. Tonbridge Station - Detail design to be progressed in 17/18, following meeting on site & award of design & build contract. There is the potential for some construction to be carried out in 17/18 to mitigate for part of the likely Tunbridge Wells underspend. Swanley Station - Decision taken by Sevenoaks to progress with £1.5m spend on station and £750k for 'access improvements'. This may include preliminary work for a bridge connecting the station and the park.	M	Changes may be required for Swanley Station and T Wells Schemes	M	Requirement to confirm programme for T Wells Public Realm Phase 2 and associated spend profile.
LGF00017	Folkestone Seafront : onsite infrastructure and engineering works	Kent	0.541	Approval for spend of full LGF allocation	Main works complete (2015/16)	L	Complete	L	Complete
LGF00038	A28 Chart Road	Kent	10.200	Approval for spend of full LGF allocation	Public Inquiry has been confirmed for 21-24 November to be held at ABC office. There are four remaining objections and progress is being made to have these objections removed. Design and site surveys are ongoing. Remaining discussions regarding voluntary land acquisitions are still ongoing. Further utility quotations have been received and Jacksons are making progress with the outstanding ones. Completion of ECI Period is programmed for the end of October and subject to land acquisition and Public Inquiry the Stage 2 construction contract should be awarded in December 2017.	L	Being implemented	L	

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00039	Maidstone Integrated Transport	Kent	8.900	Approval for Phase 1 of works only.	Progress being made on either outline or detailed design across all schemes. Business Case to be considered by the Board in February 2018 for phase 2 of the project.	M	Amendment to project scope and project programme is required.	H	Slippage of LGF spend from 2016/17 to 2017/18/, with substantial LGF allocation in 2017/18.
LGF00040	A28 Sturry Link Road	Kent	5.900	Approval for spend of full LGF allocation	The Public Consultation for this scheme is now complete (26th July to 6th September 2017). Detail Design Progressing. Assessment of consultation responses to be carried out. Prepare EIA, Planning Documentation and works information for procurement package.	M	Complex project with local funding from 3 developers.	M	Slippage of LGF spend from 2016/17 to 2017/18.
LGF00053	Rathmore Road	Kent	4.200	Approval for spend of full LGF allocation	Site Work Progressing towards planned scheme completion in October 2017, with opening ceremony currently being arranged.	L	Being implemented	L	LGF fully spent (match funding remains)
LGF00054	A28 Sturry Rd Integrated Transport Package	Kent	0.300	Approval for spend of full LGF allocation	Prepared scheme consultation information and EqIA, The Consultation started on 11th September for 6 weeks. (https://consultations.kent.gov.uk/consult.ti/Sturryroadbuslane/consultationHome?). On target to construct in early 2018 pending the results of the consultation and the Joint Transport Board meeting in November 2017. Lane Rental Fund bid has been submitted in September to bridge the funding shortfall identified following the most recent costing.	M	Scheme delayed to 2017/18	M	LGF spend delayed to 2017/18.
LGF00055	Maidstone Sustainable Access to Employment	Kent	2.000	Approval for spend of full LGF allocation	Main works complete (May 2017)	L	Main works complete (May 2017)	L	
LGF00059	Ashford Spurs	Kent	8.774	Approval for spend of full LGF allocation	GRIP 4 (outline design) completed May 2017; GRIP 5 (detailed design) completed in August 2017. GRIP 6 (delivery) has started, and is on time and within budget. Route clearance and vehicle gauging tests to be completed (due Nov/Dec 2017).	L	Work programme needs to be completed by Feb/March 2018	M	Most recent cost estimate has predicted a possible overall underspend once delivered. Contigency to be held in Q4 of 17/18.
LGF00041	Thanet Parkway	Kent	10.000	Approval to be sought from future Board meeting.	KCC have published the consultation report and Network Rail gave Approval in Principle (AiP) of the signalling scheme in August to give GRIP 3 AiP. Alternative funding options are still under consideration following the unsuccessful New Station Fund (NSF) 2 bid.	H	Current funding gap leading to delayed project delivery.	H	LGF allocation in 2017/18, but project funding gap is impacting project delivery.
LGF00058	Dover Western Dock Revival	Kent	5.000	Approval for spend of full LGF allocation.	Project complete, but monitoring delivery of the marina works. Dover Harbour Board have supplied evidence of spend to date & have raised invoices to drawdown LGF allocation from KCC, which have now been paid following the sealing of the funding agreement by both parties.	L		L	
LGF00060	Westenhanger Lorry Park (removed from Programme)	Kent	0.000		N/A	n/a	Removed from programme. Approval given to reallocate funds to Ashford Spurs	n/a	Removed from programme. Approval given to reallocate funds to Ashford Spurs
LGF00062	Folkestone Seafront (non-transport)	Kent	5.000	Approval for spend of full LGF allocation	Dredging works completed at the end of May 2017 & the remaining Earthworks to shape the beach & complete timber board walk are also complete. The Harbour Arm and Viaduct opened as part of the Folkestone Triennial event which started on 31st August 2017.	L		L	
LGF00072	A226 London Road/B255 St Clements Way	Kent	4.200	Approval for spend of full LGF allocation	Tender documents issued on 16 June, with tender return date in August 2017. Six tenders returned and tender assessment completed. Award of Contract programmed for end of October 2017 with works currently programmed to start onsite in January 2018	L		L	

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00068	Coastal Communities Housing Intervention (Thanet)	Kent	0.667	Approval for spend of full LGF allocation	1. Ethelbert Crescent – this project has planning consent & Thanet DC are currently preparing tender documents for issue. Construction is currently programmed for starting at the end of 2017 with completion early in 2018/19. 2. Warwick Road – Thanet DC have reviewed the proposals for this project & following some pre-planning community consultation will issue the tender documents in early 2018 with a physical start on site in summer 2018 anticipated.	L		M	Ethelbert Crescent works should begin in Autumn 2017 but Warwick Road unlikely to begin until summer 2018 so some risk to LGF spend unless front loaded.
LGF00086	Dartford Town Centre Transformation	Kent	4.300	Approval to be sought from future Board meeting.	Meetings held with various consultants to progress the designs and business case appraisal work. Dartford BC leading on the scheme and have issued design commissions to Project Centre and Balfour Beatty to enable the preparation of the business case for review by ITE.	M	Project to be delivered by Dartford BC	H	Spend risk in 17/18 if business case not approved this financial year
LGF00088	Fort Halsted	Kent	1.530	Approval to be sought from future Board meeting.	Sevenoaks DC to meet with new owners and their advisors of the site in November 2017 to discuss timescales and programme delivery. Programme of delivery to be identified by SDC to be incorporated into the business case. KCC to issue draft funding agreement to SDC for comments.	H	Project to be delivered by Sevenoaks DC	H	Spend risk in 17/18 if business case not approved this financial year
LGF00092	A2500 Lower Road	Kent	1.265	Approval for spend of full LGF allocation	The detailed design for this scheme is progressing and the business case was approved by SELEP Accountability Board on 22nd September 2017.	L		L	
LGF00093	Kent and Medway Engineering and Design Growth and Enterprise Hub	Kent	6.120	Approval for spend of full LGF allocation	The LGF funding agreement is currently with CCCU to review and the HEFCE Funding is now agreed. The business case was approved by SELEP Accountability Board on 22nd September 2017 and detailed work has been ongoing to refine the project plan and governance arrangements. A first member of EDGE Hub-speciifc staff has been appointed (Director of Engineering Curriculum) appointed. Strategic Industry Advisory Group meeting and dinner organised for 12 October.	L	Project to be delivered by CCCU	M	Funding agreement needs to be finalised to allow release of LGF Drawdown
LGF00096	A2 off-slip at Wincheap, Canterbury	Kent	4.400	Approval to be sought from future Board meeting.	Highways England has raised queries on the transport modelling & departures from standard in the design which are being addressed as part of the Growth and Highways Fund bid alongside CCC. Highways England has not confirmed the timescales for approval of the GHF bid.	L		M	LEP Business case to be submitted before 23rd November to allow drawdown of LGF element in 17/18
LGF00094	Leigh Flood Storage Area and East Peckham - unlocking growth	Kent	4.636	Approval to be sought from future Board meeting.	KCC is currently drafting the funding agreement with the EA and reviewing the Outline Business case.	M	East Peckham element of overall package of works requires further funding	M	LEP Business case to be submitted before 23rd November to allow drawdown of LGF element in 17/18
	Sandwich Rail Infrastructure Project	Kent	1.026	Project to be considered for funding at Board meeting on the 17th November 2017.	Project to be considered for inclusion in LGF programme.	M	Confirmation of funding contributions is required.	L	
Medway									
LGF00018	A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	Medway	11.100	Business Case review required.	Following the review of estimated costs, which identified a significant budget shortfall based on the original proposal, a number of alternative options which can be delivered to budget have been considered. These options are being modelled to determine the level of improvement in journey times offered. Once a preferred option has been selected work will begin on the revised Outline Business Case, with the intention of submitting it in November for consideration at February 2018 Accountability Board.	M	Substantial project delay in light of change of scope. Updated Business Case to be brought forward.	H	Uncertainty regarding spend on the project until the revised designs have been considered and approved. Also Business Case review required prior to any further funding release.

SELEP Programme Monitoring

Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00019	Strood Town Centre Journey Time and Accessibility Enhancements	Medway	9.000	Approval for spend of full LGF allocation	Work has continued on the detailed design for the town centre works. Work is expected to start on site in January 2018.	L	In progress	H	Substantial slippage of LGF spend from 2017/18 to 2018/19
LGF00020	Chatham Town Centre Place-making and Public Realm Package	Medway	4.000	Approval for spend of full LGF allocation	Work is progressing well onsite, with completion expected by mid 2018. Network Rail has been granted planning permission for the proposed train station forecourt improvement works.	L	In progress	M	Project completion has been delayed to the end of Q1 2018/19, putting anticipated spend for 2017/18 at risk.
LGF00021	Medway Cycling Action Plan	Medway	2.500	Approval for spend of full LGF allocation	Work has continued to construct new cycle routes as per the Cycling Action Plan document. The project is progressing according to programme, with LGF completion expected by the end of 2017/18.	L	In progress	L	
LGF00022	Medway City Estate Connectivity Improvement Measures	Medway	2.000	Approval for spend of full LGF allocation	Phase 1 of the project is complete. The new traffic signals (at the entrance to the westbound tunnel bore) are now operational and testing has identified the most effective signal timing to offer the most benefit to users of Medway City Estate whilst causing minimal disruption on the remainder of the road network. Options for the use of the funding assigned to the phase 2 works will be considered once the impact of the phase 1 works has been assessed.	L	Phase 1 implementation predominantly complete.	L	
LGF00061	Rochester Airport - phase 1	Medway	4.400	Approval for spend of full LGF allocation	Rochester Airport Ltd have now submitted their planning application and the EIA required for the paved runway and the control tower/hub. It is anticipated that the planning application will be determined by Medway Council in late January 2018. Rochester Airport Ltd have started preparing procurement documents for the work covered by the first planning application, with the intention that work will begin on site in early 2018.	M	Issues with the planning application have caused delays to project delivery.	H	Substantial LGF slippage from 2016/17 to 2017/18 and 2017/18 to 2018/19
LGF00089	Rochester Airport - phase 2	Medway	3.700	Approval to be sought from future meeting	Business case approval required.	M	Risk of delay to project delivery, as per phase 1	M	Risk of LGF slippage.
LGF00091	Strood Civic Centre - flood mitigation	Medway	3.500	Approval to be sought from future meeting	Business case approval required.	L		M	Slippage of LGF spend
Southend									
LGF00005	Southend Growth Hub	Southend	6.720	Approved in Part	Two phases to the project. First phase on track and due to spend the full LGF allocation this financial year. The second phase of the project will require a Change Request and slippage of LGF spend.	L	Phase 1 complete. BC for Phase 2 to be brought forward.	L	Phase 1 complete.
LGF00029	TGSE LSTF - Southend	Southend	1.000	Approval for spend of full LGF allocation to project	On track. Project due to complete by March 2017.	L	Being implemented	L	LGF spend in full
LGF00081	A127 Kent Elms Corner	Southend (retained)	4.300	Approval for spend of full LGF allocation to project	Some delay to scheme due to gas works which has had a knock-on effect to other utility diversions. 85% of highways works complete with East bound works complete. Utility divesions still on going. BT Openreach have incurred delays and clarification is being sought on completion date of their works. New westbound lane will be constructed once all utility works are complete. it is now expected this will be June 2018. Footbridge is programmed to be installed March 18. LGF contribution will be spent 17/18.	L	Being implemented	M	£1m LGF reprofiled from 2016/17 to 2017/18
LGF00082	A127 The Bell	Southend (retained)	4.300	Approval to be sought from future Board meeting	Junction Improvement Options being considered including minimum impact on utilites and impact on airquality. Some Options include for a replacement footbridge	M	Options being considered and will be subject to public consultation	M	programmed for substantial completion at End March 2019

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Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
LGF00083	A127 Essential Bridge and Highway Maintenance - Southend	Southend (retained)	8.000	Approval in Part	Business Case was approved at the last Accountability Board meeting. Spend in 2016/17 to support A127 Kent Elms Corner.	L		L	Scheme programmed for completion in 2020/21.
LGF00045	Southend Central Area Action Plan (SCAAP) - Transport Package	Southend	7.000	Approval for Phase 1 and 2	Improvements to Carnarvon Road / Victoria Avenue junction, Great Eastern Avenue / Victoria Avenue junction, East Street/ Victoria Avenue junction and part of the decluttering along Victoria Avenue completed March 2017. £150,000 carried over to complete improvements to public realm and cycling facilities along Victoria Avenue service road in 2017/18. Buisness case for Phase 2 submitted 2017 and include improvements to layout and public realm along London Road between London Road/ Queensway roundabout and London Road/Collegeway roundabout , Phase 2 also includes streetscape works on the College Way / Queens Road / Elmer Avenue route between London Road and The Forum / South Essex College	L		L	
LGF00057	London Southend Airport Business Park	Southend	23.090	Approval for Phase 1. Approval for Phase 2 Development funding and full business case to be submitted in 2018/19.	s.106 now agreed and Phase 1 works fully committed and on site - progressing to programme. Phase 2 Business Case passed Gate 2 assessment. Pre-approval of £815k of planned spend at Sept '17 Acc board.	L	Management risk	M	Substantial LGF slippage has been agreed by the Board
Thurrock									
LGF00030	TGSE LSTF - Thurrock	Thurrock	1.000	Approval for spend of full LGF allocation	Phase 1 complete, amendments required from S3 safety audit	L	Being implemented	M	Ongoing
LGF00046	Thurrock Cycle Network	Thurrock	5.000	Approval for spend of full LGF allocation	Construction of Tranche 1a schemes started on 31 May. Currently procuring designs for Tranches 1b and 2. Cycle schemes to be constructed by the new highways Term Maintenance contractor, Henderson & Taylor.	L		M	LGF slippage 2016/17 to 2017/18
LGF00047	London Gateway/Stanford le Hope	Thurrock	7.500	Approval for spend of full LGF allocation	Preparing a collaboration agreement and Asset protection agreement. Morgan Sindall's target price submission exceeds the available budget. Looking at ways of reducing the target price. If agreement cannot be reached, we will have to consider re-tendering Stage 2.	L		M	LGF slippage from 2016/17 to 2017/18 and 2017/18 to 2018/19
LGF00052	A13 Widening - development	Thurrock	5.000	Approval to spend £5m on project development work	DfT announced funding for the scheme on 12 April 2017. Land procured using poweers embodied in the London Gateway Port Harbour Empowerment Order	M		H	Substantial re-profiling of LGF spend
LGF00056	Purfleet Centre	Thurrock	5.000	Approval for spend of full LGF allocation	Land acquisition continues. The Council is aiming to purchase via negotiation wherever possible so timescales are hard to define. A CPO will be pursued if required. Detailed design is nearing completion and submission of planning application is expected in December	L		H	Substantial re-profiling of LGF required between 2016/17 and 2017/18. Negotiations and land acquisition continues into 2017/18.
LGF00104	Grays South	Thurrock	10.840	Approval to be sought at future Board meeting	Two interlinked elements - (i) Underpass [design and build Network Rail] and (ii) Public Realm Works (i) NR GRIP Stage 2 (Feasibility) complete. GRIP Stage 3 (Option Selection) underway. Currently editing a suite of NR documents re-affirming Project requirements. Potential conflict on funding for GRIP stage 3 and a joined up approach on a LX closure date. (ii) ITT docs procuring external consultants for public realm aspects is being finalised and due to be issued w/c 23rd October 2017. Land acquisition process has begun with Monatgue Evans.	L	Timeframe largely determined by Network Rail processes	L	
LGF00084	A13 Widening	Thurrock (retained)	66.057	Approval for spend of full LGF allocation	Awarded two separate contracts for detailed design and construction. Entered into a licence with DP World to access the land for construction. Issued licences to occupiers of adjacent land to enable them to continue using it for operations and events until needed by the contractor.	M		H	Substantial re-profiling of LGF spend

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Appendix 3 - Project Delivery and Risk Assessment

						Overall Risk Assessment			
SELEP Number	Project Name	Promoter	LGF allocation (£m)	Accountability Board Decision (Business Case approval status)	Project Update	Project Risk	Comment	LGF Spend Risk	Comment
Centrally Managed Projects									
LGF00001	Skills	Pan LEP	22.000	Final project approved on 26.05.2017	All LGF has now been spent on projects awarded funding by the Board. Project benefits now being monitored.	L		L	
LGF00071	M20 Junction 10a	Kent	19.700	Approval in part, subject to Highways England Value for Money assurance	Awaiting decision on the Development Consent Order. Legal agreement nearly in place to enable the transfer of LGF to support development phase of the project.	M	Value for money risk. Approval for construction phase of project required by Highways England	L	

Appendix 4 – Analysis of LGF spend forecast relative to LGF available

This Appendix sets out the scenario testing which has been completed by the SELEP Secretariat in partnership with the SELEP Accountable Body (Essex County Council) to consider the forecast Local Growth Fund (LGF) spend in future years of the LGF programme relative to the provisional allocation of LGF identified in the Grant Offer Letter from the Cities and Local Growth Unit (CLG). This analysis considers the current position and three potential scenarios, which may arise as a result of the potential slippage to LGF spend between financial years and/or changes to the forecast LGF spend thought the spend of local partner contributions to LGF projects in advance of LGF.

Current Forecast Position

Table 1 sets out the difference between the current LGF spend forecast (as shown in Appendix 2) and the LGF available. This shows that whilst in 2018/19 there is only a minor over-profiling of £0.480m, in 2019/20 the forecast LGF spend exceeds the amount of LGF available by £26.739m.

Table 1 – Current difference between the LGF spend forecast and LGF availability

£m	15/16	16/17	17/18	18/19	19/20	20/21	Total
Actual spend or current forecast	55.562	69.730	97.153	113.582	81.174	42.829	**460.030**
LGF Allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	**468.335**
LGF Allocation b/fwd from earlier years		13.888	26.428	21.363	-0.480	-26.739	
Total grant funding in year	**69.450**	**96.158**	**118.516**	**113.102**	**54.435**	**51.134**	**468.335**
Over/(under) allocation	13.888	26.428	21.363	-0.480	-26.739	8.305	8.305

Scenario A

Scenario A sets out the difference between the forecast LGF spend and the LGF available, based on an assumption that:

- An additional 5% slippage of LGF spend will occur between 2017/18 and 2018/19, in addition to the £21.262m identified to date; and
- A 15% slippage of LGF spend is identified from 2018/19 to 2019/20.

Under Scenario A there would be an under-profiling of the forecast LGF spend in 2018/19 by £4.378m. However in 2019/20 there would continue to be an over-profiling of LGF forecast spend by £21.881m.

During the first two years to the programme, greater than 15% slippage has been identified between financial years and therefore the proposed 15% slippage applied in Scenarios A is conservative.

Table 2 - Current difference between the LGF spend forecast and LGF availability, based on scenario A.

£m	15/16	16/17	17/18	18/19	19/20	20/21	Total
Actual spend or current forecast	55.562	69.730	97.153	113.582	81.174	42.829	**460.030**
Revised profile - with updated b/fwd	55.562	69.730	97.153	118.440	98.940	57.670	
Additional slippage	0.000	0.000	4.858	17.766	14.841	0.000	
Revised spend for year	**55.562**	**69.730**	**92.295**	**100.674**	**84.099**	**57.670**	
LGF Allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	**468.335**
LGF Allocation b/fwd from earlier years		13.888	26.428	26.221	4.378	-21.881	
Total grant funding in year	**69.450**	**96.158**	**118.516**	**117.960**	**59.293**	**55.992**	**468.335**
Over/(under) allocation	13.888	26.428	26.221	4.378	-21.881	13.163	8.305

Scenario B

Scenario B sets out the different between the forecast LGF spend and the LGF available, based on potential changes to the LGF spend forecast which have been identified by local partners through options to spend local funding contributions in advance of LGF.

The changes to the spend forecast in 2018/19 and 201/19 considered as part of this analysis have not been included in Appendix 2, but have been identified as potential options to be considered when the 2018/19 LGF budget is agreed by the Board.

Under Scenario B there would be an under-profiling of the forecast LGF spend by £1.520m in 2018/19. In 2019/20, the difference between the LGF available and the LGF spend forecast decreases relative to the current position, but there continues to be an over-profiling of forecast LGF spend by £10.989m.

Table 3 - Difference between the LGF spend forecast and LGF availability, based on scenario B.

£m	15/16	16/17	17/18	18/19	19/20	20/21	Total
Actual spend or revised forecast spend	55.562	69.730	97.153	111.582	67.424	58.579	**460.030**
LGF Allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	**468.335**
LGF Allocation b/fwd from earlier years		13.888	26.428	21.363	1.520	-10.989	
Total grant funding in year	**69.450**	**96.158**	**118.516**	**113.102**	**56.435**	**66.884**	**468.335**
Over/(under) allocation	13.888	26.428	21.363	1.520	-10.989	8.305	8.305

Scenario C

Scenario C sets out the difference between the forecast LGF spend and the LGF available, based on:

- An additional 5% slippage of LGF spend will be identified between 2017/18 and 2018/19, in addition to the £21.262m identified to date;
- A 15% slippage of LGF spend is identified from 2018/19 to 2019/20; and

- Based on potential changes to the LGF spend forecast which have been identified by local partners, through spend of local funding contributions in advance of LGF.

Under Scenario C there would be an under-profiling of the forecast LGF spend in 2018/19 of £6.378m. In 2019/20, the difference between the LGF available and the LGF spend forecast decreases but there continues to be an over-profiling of forecast LGF spend by £6.131m.

Table 4 - Difference between the LGF spend forecast and LGF availability, based on scenario C

£m	15/16	16/17	17/18	18/19	19/20	20/21	Total
Actual spend or revised forecast spend	55.562	69.730	97.153	111.582	67.424	58.579	**460.030**
Revised profile	55.562	69.730	97.153	116.440	84.890	71.312	
Additional slippage	0.000	0.000	4.858	17.466	12.733	0.000	
Revised spend for year	**55.562**	**69.730**	**92.295**	**98.974**	**72.156**	**71.312**	
LGF Allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	**468.335**
LGF Allocation b/fwd from earlier years		13.888	26.428	26.221	6.378	-6.131	
Total grant funding in year	**69.450**	**96.158**	**118.516**	**117.960**	**61.293**	**71.742**	**468.335**
Over/(under) allocation	13.888	26.428	26.221	6.378	-6.131	13.163	8.305

Summary

The outcome of the analysis shows that based on the three scenarios considered, the following conclusions have been drawn:

- The difference between the amount of LGF available and the planned LGF spend in 2018/19 does not present a substantial programme risk and can be managed through the slippage of LGF spend which has been reported to date and based on the assumption that a further 5% slippage of LGF will occur from 2017/18 to 2018/19.
- The difference between the amount of LGF available and the LGF spend forecast in 2019/20 presents a greater programme risk due to the potential over-profiling ranging from £6.131m to £26.739m, depending on the scenario considered.
- To reduce the difference between the LGF available and the LGF spend forecast in 2018/19, where feasible, scheme promoters will be required to spend local funding contributions towards LGF projects in advance of LGF.
- When setting the 2018/19 budget in Q4 2017/18, local areas will be asked to adjust the LGF spend profile to plan for the spend of local funding contributions in advance of LGF where it is feasible to do so.

Report to Accountability Board	Forward Plan reference number:
Date of Accountability Board Meeting: **Date of report:**	**17th November 2017** **6th November 2017**
Title of report:	**2017/18 Revenue Budget Update**
Report by:	**Suzanne Bennett**
Enquiries to:	**suzanne.bennett@essex.gov.uk**

1. Purpose of report

1.1 The purpose of this report is to update the Accountability Board (the Board) of the current year revenue budget forecast outturn position as at the end of October 2017.

2. Recommendations

2.1 Board is asked to:

2.1.1 **Note** the current forecast outturn position.

3. Background

3.1 Following the agreement to increase the budget with a withdrawal of £132,000 from reserves at the last Accountability Board meeting, the forecast for spending is currently in line with that revised budget.

3.2 However, there are a few uncertainties that may affect the forecast in the near future. Firstly, costs for the Strategic Economic Plan may take a different form. Following a recent decision to exit a consultancy contract, discussions are ongoing with partners as to how this work can be resourced. Once these discussions are complete the impact on the spending plans and forecast can be assessed. Any changes would be expected to be made within the agreed envelope of funding for the SEP and currently we are not expecting costs to increase.

3.3 Delays to the LGF Programme spend are having an impact on the external interest receipt, along with the recent announcement by the Bank of England that base rates will be increasing. The significant delay to the A13 Widening Scheme has had the largest effect (further detail is available at Agenda Item 11). However, there is still uncertainty as to whether the Department for Transport (DfT) will request for the unspent balance of £15.9m to be returned.

3.4 Currently a receipt of £200,000 for external interest is included in the forecast, an increase of £45,000 against original budgets, however this was calculated before the recent increase in base rate. If the funds are to be repaid to Government, it is forecast that the receipt would still increase to £375,000 due to the rate increase. If the funds aren't required to be repaid the receipt would increase further to £445,000.

Table 1 – 2017/18 Revenue Budget

	Forecast Outturn - £000	Current Budget - £000	Variance - £000's	Variance - %
Staff salaries and associated costs	560	552	8	1.4%
Staff - non salaries	32	32	-	0.0%
Recharges (incld Accountable Body)	74	74	-	0.0%
Total staffing	**666**	**658**	**8**	**1.2%**
Meetings and administration	47	45	2	4.4%
Communications	40	40	-	0.0%
Chairman's Allowance	20	20	-	0.0%
Consultancy and Sector support	2,063	2,029	34	1.7%
Total other expenditure	**2,170**	**2,134**	**36**	**1.7%**
Total expenditure	**2,836**	**2,792**	**44**	**1.6%**
Grant income	(2,184)	(2,184)	-	0.0%
Other OLA contributions	(200)	(200)	-	0.0%
External interest earned	(200)	(155)	(45)	29.0%
Total income	**(2,584)**	**(2,539)**	**(45)**	**1.8%**
Net expenditure	**252**	**253**	**(1)**	**-0.4%**
Contributions to/(from) reserves	(253)	(253)	-	0.0%
Net over/(under)spend	**(1)**	**-**	**(1)**	**100%**

3.5 A proposed budget for 2018/19 will also be presented at December Accountability Board meeting.

Other Specific Grants

3.6 Currently it is forecast that all revenue grants will be spent in line with budgets set. Information on specific grants can be found at Appendix 1.

3.7 SELEP has been successful in a number of different grant applications since the last report:

- £23,000 additional Commercial Support Grant funding for North Kent Enterprise Zone;
- £80,000 as a joint commission with Coast to Capital LEP, to support the production of an Energy Strategy; and
- £5,000 in funding from the SFA to support training of Growth Hub colleagues on apprenticeships

3.8 Whilst we have had confirmation that SELEP has been successful in these bids, final grant offers have not been received and so these amounts have yet to be included in Appendix 1.

4. Financial Implications

4.1 The report is authored by the Accountable Body and the recommendations made are considered appropriate.

5. Legal Implications

5.1 None at present.

6. Staffing and other resource implications

6.1 None at present.

7. Equality and Diversity implications

7.1 None at present.

8. List of Appendices

8.1 Details of specific revenue grants for the financial year.

9. List of Background Papers

(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 Lorna Norris On behalf of Margaret Lee	07/11/2017

Appendix 1

South East LEP – Revenue Grants

Name of Grant	Core Funding £'000	GPF Revenue £'000	EZ Commercial Funding £'000	Growth Hubs £'000	TDE Funding £'000	Co-ordinator Funding £'000	Total £'000
Brought forward (April 2017)	-	(2,725)	(27)	-	(26)	-	**(2,778)**
Additional receipts expected in year	(500)	-	-	(656)	-	(236)	**(1,392)**
Draw downs planned in year	500	739	27	656	26	236	**2,184**
Balance to carry forward (March 2018)	**-**	**(1,986)**	**-**	**-**	**-**	**-**	**(1,986)**

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting:	**17th November 2017**
Date of report:	**2nd November 2017**
Title of report: Assurance Framework Implementation Update, including next steps on implementing requirements of the Mary Ney Review of LEP Governance and Transparency.	
Report by:	Adam Bryan, Managing Director Amy Beckett, Programme Manager
Enquiries to:	amy.beckett@essex.gov.uk

1. Purpose of report

1.1 The purpose of this paper is to make the Accountability Board (the Board) aware of:

1.1.1 The progress which has been made by the SELEP team and the federal areas in implementing the changes necessitated by the refreshed Assurance Framework. *The Board is reminded that it is accountable for assuring that all requirements are implemented; it is a condition of the funding that the Assurance Framework is being implemented*.

1.1.2 The implications of the Review of Local Enterprise Partnership Governance and Transparency by Mary Ney (Non-Executive Director, DCLG) which was released to LEPs on 26th October 2017.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Note** the progress to date in implementing the SELEP Assurance Framework.

2.1.2 **Note** the secretariat team's intentions around implementing the Mary Ney recommendations.

3. Assurance Framework Implementation Update

3.1 It is a requirement of Government that SELEP agrees and implements an Assurance Framework that meets the revised standards set out in the LEP National Assurance Framework.

3.2 The purpose of the Assurance Framework is to ensure that SELEP has the necessary systems and processes in place to manage delegated funding from central Government budgets effectively. The expectation is that the practices and standards which are necessary to provide Government and local partners and the public with assurance that decisions over funding are proper, transparent, and deliver value for money, are fully implemented.

3.3 Whilst a majority of the requirements of the Assurance Framework are fully embedded in the activities of the SELEP team, Strategic Board, Accountability Board, Federated Areas and local partners, an Assurance Framework Implementation Plan has been developed to ensure that any gaps can be addressed. This is a regular item for the Accountability Board.

3.4 Appendix 1 provides a summary version of work required to implement the Assurance Framework for SELEP and charts progress to date.

3.5 The summary provided in Appendix 1 sets out the substantial progress which has been made by the SELEP team and local partners in ensuring that the requirements of the Assurance Framework are being fully implemented. Federated Boards have been working to agree their updated Terms of Reference, to meet the requirement of the SELEP Assurance Framework.

3.6 In addition, SELEP has been working with the Federal areas to ensure minutes of Federated board meetings are uploaded to the South East LEP website. Actions have been taken at recent Senior Officer Group Meetings to request that both the forward plan and Accountability Board agenda packs are available on Upper Tier Authority websites. This is being followed up where it is not yet been actioned.

3.7 The outstanding gaps to fully meeting the requirements of the Assurance Framework relate to the publication of information on the SELEP website and local partners websites for SELEP Board, Federated Board and working group meetings. To date, resource constraints and the capability of the SELEP website have hindered delivery of these actions. To help mitigate this issue specific resource has been allocated within the SELEP team to make the necessary updates and ensure that SELEP is able to act as a leading example of transparency and accountability in its decision making. The website is currently undergoing significant content updates behind the scenes and is subject to a technical rebuild which is timed to launch alongside the refreshed Strategic Economic Plan. All existing content will be transposed onto the improved site.

3.8 Further gaps identified within the Assurance Framework Implementation Plan include the additional Social Enterprise Board member. The Social Enterprise working group initially met in September 2017 and work is progressing well. The working group will work with the secretariat to identify a Social Enterprise board member to be appointed through the processes identified by the Assurance Framework; this is low risk and is expected to be completed prior to February 2018.

3.9 SELEP's Communication Strategy is at moderate risk of slippage within our timeline. This is due to unforeseen circumstances recruiting to the post. It is expected this will be available in the New Year and will coincide with the launch of the website, SEP and the associated outward communications and branding.

3.10 As an ongoing action to ensure Federated Areas are fully engaged in the Assurance Framework implementation, SELEP's expectations will be discussed at the next SELEP Senior Officer Group meeting to ensure all outstanding actions are addressed through joint working with local partners. Appendix 1 provides further detail of the action which has been taken to date and the task required to be completed to meet each of the Assurance Framework requirements.

3.11 Any additional requirements set out in the expected revised National Assurance Framework (due after the completion of the LEP Review in 2018) will be taken into consideration and reflected in SELEP's governance arrangements and Assurance Framework as part of the normal annual review cycle.

4. Review of Local Enterprise Partnership Governance and Transparency

4.1 DCLG released the *Review of Local Enterprise Partnership Governance and Transparency* on 26th October. Amongst others, the review had been undertaken in consultation with 8 LEP Directors, including SELEP's.

4.2 DCLG have advised that they have accepted all Mary Ney's recommendations, that they will form part of the next revised National Assurance Framework for LEPs, and that LEPs should work to implement changes without delay. This excerpt from Simon Ridley's (DG, Decentralisation and Growth, DCLG) letter to LEP chairs is particularly apposite:

I am writing to you to advise that the department has accepted all of the recommendations of the review. All of the recommendations of Mary's review will be included in a revised National LEP Assurance Framework. As you know, DCLG and BEIS Ministers are currently undertaking a wider review into strengthening the role of LEPs, which is likely to require further changes to the Framework. Therefore we will not be amending the National LEP Assurance Framework until the broader review into strengthening LEPs has been completed. After this point, we will publish a consolidated revision to the National LEP Assurance Framework.

To ensure the necessary improvements are made before then, we will write to all LEPs in November 2017 to set out: the new requirements on LEP governance and transparency; and the steps we are taking to ensure that they are consistently and fully implemented. We will also be inviting all LEP Chief Executives to discuss the recommendations, further details will follow.

4.3 The SELEP Chairman has requested that, where possible, all of Mary Ney's recommendations are implemented prior to the SELEP Annual Conversation on 7th December. Therefore, the Secretariat team will be working closely with the Accountable Body to update the Assurance Framework in line with the Mary Ney review for agreement at the December Strategic Board meeting. All incremental changes which are possible in the short term will be explored

4.4 The table below extracts the recommendations from the Mary Ney report and provides some analysis as to SELEP's current position in implementing those changes. The words **emboldened** in the right hand column highlight where the SELEP team has some work to do in the short term.

Summary of Recommendations made by the Mary Ney Review	Assessment of the SELEP position
Board Member Remuneration	
LEP board members are generally not remunerated albeit the role and expectations of time commitment have increased as the workload of LEPs has developed. A number of private sector participants in this review referred to the ethos of making a public service contribution. It is important that this ethos is supported and that proposals to achieve good governance are proportionate.	No SELEP board members are remunerated, however, the Strategic Board Chair does receive an allowance of £20,000 per annum plus expenses (in line with the agreed approach). **We will state levels of remuneration and non-remuneration against board members names on the website.**
Culture and Accountability	
It is recommended that the National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. the Chair and CEO), on the status of governance and transparency within their organisation and which can be explored in greater detail during the Annual Conversation process with government. This statement to be published on the website.	This is a new requirement, but formalises the existing information prepared and presented at the annual conversation. **We will produce this alongside other materials for the Annual Conversation starting in 2017**
It is recommended that the current National Assurance Framework requirement for LEPs to have a code of conduct, which all board members and staff sign up to, should explicitly require the Nolan Principles of public life to be adopted as the basis for this code.	The SELEP terms of reference covers this for board members but not staff, however, as employees of ECC SELEP staff members must abide by the ECC Staff Code of Conduct.
The National Assurance Framework should be explicit that the code of conduct for board members should address: • the way in which the board conducts business; • the role of the board member;	**The code of conduct to be updated and published separately on the SELEP website (currently only incorporated with the Assurance Framework)**

• dealing with conflicts of interest; • declarations of interest and transactions, gifts and hospitality; • policy on fees and expenses.	
Structure and Decision Making	
It is recommended that the National Assurance Framework draws explicit attention to the importance of LEP decision-making structures accommodating these separate components of good governance and that they form an essential part of assurance and ensuring probity: • A clear strategic vision and priorities set by the Board which has been subject to wide consultation against which all decisions must be judged; • Open advertising of funding opportunities; • A sub-committee or panel with the task of assessing bids/decisions • Independent due diligence and assessment of the business case and value for money; • Specific arrangements for decisions to be signed off by a panel comprising board members from the local authority, in some cases including a power of veto; • Section 151 officer line of sight on all decisions and ability to provide financial advice; • Use of scrutiny arrangements to monitor decision-making and the achievements of the LEP.	• **Would be beneficial to make the link to delivery of the SEP more explicit in reports to the board;** • **Review of advertising arrangements required;** • Investment Panel being established; • Expectation that this requirement will be met by the ITE; • The Accountability Board are responsible for this; • Already a requirement of the SELEP Assurance Framework; • Existing call-in arrangements may require strengthening.
Local assurance frameworks should set out that ALL decisions must be subject to the normal business case, evaluation and scrutiny arrangements; there must be a written report with the opportunity for the Section 151 officer to provide comments, that the conflicts of interest policy will apply to decision makers regardless of whether there is a formal meeting, and that decisions should be recorded and published in the normal way, regardless of how they are taken. It is recommended that the National Assurance Framework includes requirements in relation to this.	This recommendation reinforces the existing expectations in the SELEP Assurance Framework
Conflicts of Interest	
It is recommended that the National Assurance	

Framework sets out specific requirements on the principles which each LEP must incorporate into its conflicts of interest policy and how it is implemented which includes: • All board members taking personal responsibility for declaring their interests and avoiding perceptions of bias. This should be evidenced by producing and signing of their register of interests and publication on the website. • Use of a bespoke proforma for collection and publication of the information which ensures all categories of interest are systematically considered. • Categories of interest to include employment, directorships, significant shareholdings, land and property, related party transactions, membership of organisations, gifts and hospitality, sponsorships. Interests of household members to also be considered. • Action in response to any declared interests applies to any involvement with the work of the LEP and is to be recorded.	• **DoIs are sought from board members and generally provided, but are subject to review to ensure the requirements below are met.** • **Some SELEP members have chosen to apply their local authority declarations which will require consideration re any additional declarations now required** • **Actions not currently explicitly recorded**
It is recommended that the National Assurance Framework requires LEPs to include in their local statements how scenarios of potential conflicts of interest of local councillors, private sector and other board members will be managed whilst ensuring input from their areas of expertise in developing strategies and decision-making, without impacting on good governance. There is also a need to consider the position of public sector members on LEP Boards in the context of the changing role of local authorities and their increased involvement in commercial enterprises and alternative delivery mechanisms.	**The SELEP conflicts of interest policy will need strengthening to reflect this expectation.** **SELEP will need to consider re the practical application of such conflicts of interest e.g. where LEP funding allocations may enhance the value of LA land investments.**
Complaints	
It is recommended that the National Assurance Framework requires the publication of a whistleblowing policy and arrangements for confidential reporting of allegations of untoward	**This will need to be developed and published for SELEP.**

concerns by third parties/ the public.	
S151 Officer Responsibilities	
It is recommended that further clarity is provided in the National Assurance Framework on the role of Section 151 officers and it is suggested that this be developed in consultation with CIPFA. This will need to consider the mechanisms the Section 151 officer uses to fulfil their role, their requirements in terms of access to decision-making bodies, ability to provide written and verbal financial advice, role of their transactional services, operation of normal checks and balances in approving expenditure, management of risk of fraud and corruption, monitoring of programme spend against resources, treasury management and borrowing, role of internal audit and external auditors and provision of an audit opinion for the LEP, visibility of reporting arrangements to both the accountable body and the LEP, production of accounts, inter-relationship with the LEP's own accounts, if relevant. The clarification of the role of the Section 151 officer could also consider the scope for the LEP CEO and the Section 151 officer to provide a formal joint Annual Governance statement which is reported to the LEP Board. It is also recommended that the National Assurance Framework sets a requirement for the Section 151 to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.	The Accountable Body will consider this and advise SELEP of any associated changes required to be incorporated into the Assurance Framework.
It is recommended that government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period.	This is a key issue for SELEP to continue to lobby government for implementation
Transparency	
It is recommended that the National Assurance Framework provides additional guidance on expectations on publication of agendas, meeting papers and decisions.	SELEP will need to consider any arrangements required above those already met by their Assurance Framework.
In order to achieve greater transparency of financial data and granularity on the detail of decisions and performance of funded programmes, co-operation and agreement between the LEP and the Section 151 officer on how best to provide financial data is needed. It is recommended that more explicit guidance would be helpful and that this should be developed as part of the work on the role of the Section 151	SELEP will need to review and update its existing financial reporting arrangements to reflect additional recommendations made.

officer referred to above.	
It is recommended that LEPs report on Scrutiny arrangements in their annual assurance statement during the Annual Conversation process.	**The Accountable Body will need to review this recommendation and advise SELEP accordingly.**
Government Oversight and Enforcement	
It is recommended that the annual conversations have strengthened focus and designated time to examine the performance of LEPs in relation to governance and transparency and to discuss the assurance statements and the report of the Section 151 officer.	**The new AC guidance is welcomed and will be taken into account when preparing for the Annual Conversation**
It is recommended that a risk based approach should be used to identify LEPs where a deep dive on governance and transparency would be of assistance. It is further recommended that this deep dive is undertaken by someone with no direct involvement with the specific LEP.	To be noted.
It is recommended that government sets out in the National Assurance Framework its approach to considering delay or withholding of funding for non-compliance so that LEPs have a clear and early understanding of the matters they need to address and the timescale to be met. In considering delay or withdrawal of funding from a LEP, government should consider the impact on the programme and the arrangements for projects to continue where appropriate under alternative mechanisms.	SELEP need to keep this recommendation under review as it is taken forward by Government in order that it can respond to any additional requirements arising.
Best Practice	
It is recommended that government continue to support the work of the LEP Network and discusses with them how best to take this forward.	SELEP need to keep this recommendation under review to understand the potential implications for the LEP Network and directly or indirectly to SELEP.

5. Accountable Body comments

5.1 It is a requirement of Government that the SELEP agrees and implements an assurance framework that meets the revised standards set out in the LEP National Assurance Framework.

5.2 The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.

5.3 The SELEP Secretariat have been advised by the Accountable to identify and prioritise the key actions required to ensure that the Assurance Framework is

fully implemented and embedded into the day to day operation of the SELEP.

5.4 In particular, key areas to be addressed include:

5.4.1 Ensuring transparency and accountability in decision making through making all relevant information available on the SELEP website and, where appropriate, partner websites in a timely and accessible manner.

5.4.2 Demonstrating clear processes are in place for accessing funding and prioritisation of investment and making these available on the SELEP website.

5.4.3 Ensuring that the delivery of the Growth Deal can be actively monitored and evaluated by the Strategic Board and other key stakeholders, including the public through the provision of regular updates to the Board and on the SELEP website.

5.4.4 Timely provision of all board reports to the Accountable Body for review in advance of publishing.

5.5 It is noted from the implementation plan included in Appendix 1 that plans are in place to address the outstanding actions by the end of 2017.

5.6 The SELEP Secretariat also has a role in supporting the Accountable Body to meet its responsibilities that have been identified and agreed within the Assurance Framework. In particular, these responsibilities include ensuring appropriate governance, transparency and value for money with regard to the use of funding allocated to SELEP and ensuring implementation of the Assurance Framework by SELEP.

5.7 The Accountable Body welcomes the recommendations arising from the Mary Ney review, in particular those in relation to providing additional clarity with regard to providing greater detail on the expectations of the role of Section 151 officers in the National Assurance Framework.

5.8 It is the intention of the Accountable Body to support SELEP in implementing the recommendations arising from the review as part of the annual assurance framework refresh and to engage actively, where possible, with Government and others with regard to the development of the respective guidance documents that have been identified as required.

5.9 In the letter from Simon Ridley's (DG, Decentralisation and Growth, DCLG) letter to LEP chairs re the Mary Ney review, it was acknowledged that all recommendations are accepted. The review highlighted the concerns raised by all LEPs re the lack of certainty with regard to future year funding for multi-year schemes, which is a risk to all schemes receiving Local Growth Funding; it is therefore recommended that SELEP continue to lobby re this issue and to ensure that the recommendation for Government, copied below, is fully implemented as this will help to mitigate this risk.

"It is recommended that government sets out in the National Assurance Framework its approach to considering delay or withholding of funding for non-compliance so that LEPs have a clear and early understanding of the

matters they need to address and the timescale to be met. In considering delay or withdrawal of funding from a LEP, government should consider the impact on the programme and the arrangements for projects to continue where appropriate under alternative mechanisms."

6. Financial Implications (Accountable Body Comments)

6.1 Government has advised in its Grant Offer Letter (Appendix 2) that the use of all Local Growth Funding will need to fulfil the following requirements:

6.1.1 It will be used to support the Growth Deal agreed between the Government and the LEP and will be used to secure the outcomes set out in the Growth Deal. Within that we expect you and your accountable body to use the freedom and flexibilities that you have to manage your capital budgets between programmes.

6.1.2 It will be deployed solely in accordance with decisions made through the local assurance framework agreed between the LEP and the accountable body. This must be compliant with the standards outlined in the national LEP assurance framework.

6.1.3 That you will track progress against agreed core metrics and outcomes, in line with the national monitoring and evaluation framework.

6.1.4 You will continue to improve governance through the strengthened Assurance Framework to ensure high levels of transparency and accountability.

6.2 The implementation plan set out in Appendix 1 is intended to demonstrate that the requirements of the SELEP Assurance Framework are being fully implemented as certified by the S151 Officer of the Accountable Body to the DCLG. The 2017/18 LGF grant payment has been made on this basis and it is therefore essential that the plan is delivered in full by 28th February 2018 when the S151 Officer is expected to update the certification of implementation.

7. Legal Implications (Accountable Body Comments)

7.1 The outstanding items on the Assurance Framework must be seen as a priority in order for the S.151 Officer to provide sign off that she is satisfied that the SELEP are operating within the remit of the national Assurance Framework.

7.2 Going forward, the additional requirements will be reviewed and where necessary SELEP's Assurance Framework will be updated. Training will be available to all members of the SELEP Board in order to understand the new

requirements particularly under the Conflict and Declarations of Interest aspects of the Review, and these will take place in early 2018.

8. Staffing and other resource implications

8.1 None at present.

9. Equality and Diversity implications

9.1 None at present.

10. List of Appendices

10.1 Appendix 1 – SELEP Assurance Framework Implementation Plan progress update

11. List of Background Papers

11.1 SELEP Assurance Framework

(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 Lorna Norris (On behalf of Margaret Lee)	 09/11/2017

Appendix 1 SELEP Assurance Framework Implementation Plan progress update

Assurance Framework Ref.	Requirement	Responsibility	Priority	Timescales for Completion	Status/ Action Required
5.7.11	SELEP will identify a named individual with overall responsibility for ensuring value for money for all projects and programmes.	SELEP	Medium	Complete The SELEP Accountability board is responsible for ensuring value for money for all projects and programmes.	In advance of each Accountability Board the Chair is provided with a briefing which sets out the Chair's responsibilities to ensure decisions taken by the SELEP Accountability Board present high value for money. This includes the scrutiny of decisions coming forward at the Board meeting, with a particular focus on those decisions to award funding
5.7.11	SELEP will identify a named individual (which may be a different person) responsible for scrutiny of and recommendations relating to each business case	SELEP	Medium	Complete SELEP Accountability Board Chair is responsible for the scrutiny of recommendations relation to each	As above

				business case,	
5.11.4	A copy of the Change Request Template is available on the SELEP website	SELEP	Medium	Complete	A copy of the Template is available on the 'How we Award Funding' section of the SELEP website. In addition, a report was presented to SELEP Accountability Board on the 26th May which set out the Change Request process. Local partners are implementing the practice of bringing forward a Change Request using the SELEP template. These Change Requests are also shared with Central Government, for their record.
5.2.7	All Strategic Outline Business Cases will use the Business Case Template	Federated Area	High	Complete	On the 16th August the new SELEP Business Case was issued to all partners. Local partners are implementing the practice of using the SELEP Business Case template for the development of Business

					Cases. The new template is being used to develop Strategic Outline Business Cases for GPF submissions.
3.7.3	Declaration of interest to be noted from outset of each meeting	Board Members	High	Complete This is an ongoing requirement which is met at the quarterly strategic board meetings.	At the start of each Strategic board, Accountability Board and Federated Board meeting Board members are required to state any Declarations of Interest in relation to decisions to be taken at that meeting. Declarations are included in the meeting minutes and held as part of the record of the meeting. Furthermore, in light of recommendations from the Mary Ney report, SELEP secretariat will be updating the declaration of interest form and guidance notes, requesting updated forms from all board members. The aim of the SELEP chair is all updated declarations are received by the annual conversation, 7th December 2017.

2.7	The standard business case template includes space for promoters to explain how work is within Equality Act 2010.	SELEP	Medium	Complete	A copy of the new SELEP Business Case template is available on the SELEP website in the 'How we Award Funding' section. The Business Case seeks confirmation that an Equality Impact Assessment will be completed as part of the project and how the findings of this assessment will be considered as part of the projects development. In addition, the S151 officer letter which is required from the lead County Council / Unitary Authority provides confirmation that the project will be delivered in accordance with the Equality Act 2010.
3.9	A section is to be included in the standard business case template for promoters to set out how they will maximise social value.	SELEP	Medium	Complete	As above, the new SELEP Business Case template asks scheme promoters to provide details on how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the

					economic, social and environmental well-being of the local area and particularly local businesses);
5.2.2	Each Federal Board shall ensure that they apply the prioritisation process as approved by Strategic Board	SELEP / Federated Areas	High	Complete Each Federated Area has followed the prioritisation process agreed by Strategic Board for the prioritisation of GPF Projects, during July and August 2017	On the 9th June 2017, the Strategic Board agreed the approach to the prioritisation of projects for Growing Places Fund (GPF). This approach has now been followed by each of the Federated Areas, with each Board having met to discuss and each Federated Board has agree their priority projects to be put forward for GPF, in accordance with the prioritisation process. This sets a clear expectation of the process for future rounds of allocating funding.
5.2.9	The business case template to include confirmation of approval by the Federal Board.	SELEP	High	Complete	Each Business Case put forward for funding allocation is required to demonstrate endorsement of the project by the Federated Board.

4.1.1	A process for implementing the prioritisation methodology will be agreed by the Strategic Board	SELEP	Very High	Part Complete Process has been agreed for GPF.	On the 9th June 2017, the Strategic Board agreed the approach to the prioritisation of projects for Growing Places Fund (GPF). This approach has now been followed by each of the Federated Areas Process will be agreed with Strategic Board, based on the requirements for awarding funding set out in the SELEP Assurance Framework for other streams of funding.
2.4.4	Federated Boards will publish their meeting details and minutes on either their own or SELEP's website	Federated Board / SELEP	**High**	Part complete All Federated Board meeting papers to be made available on the SELEP website by November 2017.	All meeting dates for Federated Boards are available on the SELEP website. Further work is now required to ensure that all meeting papers are available on the website.
4.1.1	Accountability Board reports where funding is sought or changes are to be agreed will include a reporting table to confirm requirements	SELEP	Medium	Complete - Ongoing	A table is included in each report to SELEP Accountability Board for the award of funding which sets out the SELEP team's assessment of the projects eligibility for funding against

	are met.				the requirements of the Assurance Framework.
4.1.1	The phasing of investments will be reflected in report templates for funding requests to Accountability Board.	SELEP	Medium	Complete - Ongoing	A table is included in each report to SELEP Accountability Board for the award of funding which sets out the profile over which the funding is sought and the phasing of match funding contributions to the project.
5.6.14	The Gate 2 Outline Business Case for the project will be published on the SELEP website at least one month in advance of the Accountability Board meeting.	SELEP / Federated Areas	High	Complete - Ongoing	Business Cases are uploaded alongside the meeting date and meeting Forward Plan at least one month in advance of the funding decision being taken.
5.6.14	Projects completing a Gate 4 and 5 review, the full business case will be published at least one month in advance of the Accountability Board meeting	SELEP / Federated Areas	High	Complete - Ongoing	Business Cases are uploaded alongside the meeting date and meeting Forward Plan at least one month in advance of the funding decision being taken.
5.7.7	Value for money section to be reflected in the standard reporting	SELEP	High	Complete - Ongoing	A section is included in each report to SELEP Accountability Board for the

	template for Accountability Report funding approvals and changes.				award of funding, which sets out details of the projects value for money assessment and the ITE's recommendation on the projects Value for Money.
3.2.3	A link to Accountability Board papers to be available for all upper tier authorities	SELEP	High	To be completed by November 2017	A copy of the SELEP Accountability Board Agenda Pack is circulated once it has been published by Essex County Council, as SELEP Accountable Body. Action is now required to ensure that this Agenda Pack and forward plan is being published locally. This will be brought to the attention of officers through SELEP's next Senior Officer Group and Programme Consideration Meeting.
5.2	Any pan-LEP priority projects will be reviewed by the Strategic Board	SELEP	Medium	Part Complete	A process was detailed within the GPF prioritisation process (agreed at the last Strategic Board meeting on the 9th June 2017) for both the GPF revenue and GPF capital funding for the consideration of pan – LEP

					projects. Process will be agreed with Strategic Board, based on the requirements for awarding funding set out in the SELEP Assurance Framework.
5.7.12	The business case template to be amended to include confirmation of assurances from the Section 151 officer of the promoting authority that Value for Money is true and accurate.	SELEP	High	Complete	The Business Case template contains an Appendix which sets out a S151 officer letter to be submitted alongside the Business Case to provide assurance that the information contained within the Business Case is true and accurate.
2.1.2	Federated Boards to determine and evidence own recruitment process for membership.	Federated Board	Medium	Part complete, To be fully completed by December 2017	The process has been agreed with the Kent and Medway Economic Partnership (KMEP) and Team East Sussex (TES) Terms of Reference for the recruitment of new board members. A process is also due to be agreed at the next meeting of Opportunity South Essex (OSE) and Greater Essex

					Business Board. (GEBB).
2.5.1	Each group requested to ensure that the terms of reference has been updated to reflect the requirements of the Assurance Framework.	Federated Board / Working Groups	Medium	Part complete To be fully completed by December 2017	Updated Term of Reference have been agreed by KMEP, TES and OSE, and have been drafted for GEBB to reflect the revised SELEP Terms of Reference and Assurance Framework requirements. These Terms of Reference are being reviewed to ensure compliance with the SELEP Assurance Framework. Terms of reference for GEBB are due to be agreed at the next Board meeting.
2.2.3	Appoint an additional strategic board member from the Social Enterprise group that is to be established.	SELEP	Medium	To be completed by February 2018.	A Social Enterprise group has been established, with an inception meeting being held in September 2017. A Terms of Reference is being developed for the group, to comply with the SELEP Assurance Framework and Terms of Reference. The role of the group will include identifying a Board member to attend the

					SELEP Strategic Group to represent Social Enterprise.
2.4.1	SELEP secretariat to work with Federated Boards to set out their plans to implement and monitor the Assurance Framework.	SELEP	High	Ongoing, review dates are to be planned with each area lead. To be completed by December 2017	A meeting will be organised with each Federated Board lead officer to discuss the implementation of the Assurance Framework by each Federated Board. Any risks or issues identified through this meeting will be brought to the attention of the Accountability board in the next Assurance Framework implementation update report.
2.4.1	Working Groups will publish their Terms of Reference, calendar of dates and papers produced on SELEP's website	Working Groups / SELEP	Medium	Ongoing To be completed by December 2017.	A member of the SELEP team will be attending each of the Working Groups to help identify any gaps in the publication of information on the website.
3.2.1	A section to be added to the website to address issues of governance, for example: the policy for public questions; conflicts of interest; communications and complaints to the LEP	SELEP	High	Ongoing To be completed by October 2017	A majority of the policies are now available on the SELEP website, including the Policy for Public Questions. Where this information is outstanding, it Is currently with the SELEP secretariat for approval before being

					uploaded to the SELEP website.
3.2.4	All key decisions are published on the Forward Plan and available on the SELEP and upper tier authorities websites	SELEP	High	Ongoing To be completed by October 2017	All key decisions taken by the Accountability Board are included within the Forward Plan. Action is now required to ensure that the Forward Plan is also published by County Council and Unitary Authorities. This will be brought to the attention of officers in County Council's and Unitary Authorities at the next SELEP Senior Officer Group and Programme Consideration Meeting.
3.2.5	Draft minutes of all meetings are publicly available on SELEP website no more than 10 days after the meeting	SELEP	Medium	Ongoing To be completed by September 2017	Draft meeting minutes are made available on the SELEP website from the each Accountability Board meeting within 10 days of the meeting being held. It has been agreed with SELEP chair that minutes will be published following approval from the Strategic Board. Within 10 days of the

					meeting being held, summary of actions will be published.
3.3.1	Communications Strategy to be refreshed and taken to Strategic Board for approval and implementation	SELEP	Medium	To be completed by December 2017	An interim role (to cover maternity leave) has been appointed to in order to lead work on the SELEP website and develop a SELEP Communication Strategy, in partnership with Federated Areas.
3.7.1	All members of Strategic or Accountability Board are required to complete a Declaration of Interest form	SELEP / Board Members	High	Ongoing	Whilst a majority of Board members have made available their Declaration of Interest Form (which have been published on the SELEP website), the Strategic Board meeting on the 22nd September will be used to remind Board members of this requirement. Several reminder emails have been sent out regarding all outstanding declarations of interests. Within the coming weeks the refreshed Declaration of Interest form will be sent to all board members.

3.7.2	Declaration of Interest forms to be published on website	SELEP	High	Ongoing	As above.
5,2,3	A single LEP project list will be published on the SELEP website as part of the Infrastructure and Investment Plan	SELEP	Very High	Planned	A single list of priorities will be identified as part of the GPF bidding process. This list will be published on the SELEP website once it has been agreed at the Investment Panel meeting on the 17th November 2017. In addition, the LGF Round 3 single list of priorities (and available on the SELEP website), sets out a list of SELEP priority projects for investment, in advance of the new Strategic Economic Plan and Infrastructure and Investment Plan being agreed by the Strategic Board.
3.7.2	All declarations of interest reviewed annually	SELEP	High	Planned	The declarations of interest will be reviewed November 2017 to ensure that they are in line with the Mary Ney recommendations and before SELEP's annual conversation.

1.10	Refresh of Assurance Framework to be a standing item to the last Strategic Board meeting of each calendar year.	SELEP	Low	Planned	Dec 2017
2.1.3	A best practice review undertaken annually as part of the review of the Assurance Framework.	SELEP	Low	Planned	Dec 2017

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting: 17th November 2017 **Date of report:** 8th November 2017	
Title of report:	Growing Places Fund update
Report by	Rhiannon Mort, SELEP Capital Programme Manager Amy Beckett, Programme Manager, SELEP
Enquiries to	Rhiannon.mort@essex.gov.uk

1. Purpose of report

1.1 To update the SELEP Accountability Board (the Board) on the latest position of the Growing Places Fund (GPF) Capital Programme. This report is for information only.

2. Recommendations

2.1. The Board is asked to:

2.1.1 **Note** the updated position on the GPF programme

3. SELEP Growing Places Fund investments

3.1 In total, £49.210m GPF was made available to SELEP, of which £48.705m GPF has been allocated to date. These allocations include loan investments in 13 capital infrastructure projects, as detailed in Appendix 1. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and the remaining proportion has been ring-fenced to support the activities of SELEP's Sector Groups; as agreed by the Strategic Board in June 2017.

3.2 The loan repayment schedule for each GPF project is agreed within the credits in place between Essex County Council, as Accountable Body, and the lead County/ Unitary Authority for each project. A copy of the expected repayment schedule is set out in Appendix 2.

3.3 Repayments are now being made on these initial GPF investments, with £4.656m, having been repaid to date, and a further £3.753m due by the end of 2017/18. Following agreement from the SELEP Strategic Board on the 9th June 2017, a process is now underway to establish priorities for the reinvestment of GPF.

3.4 Projects prioritised by the Strategic Board, or a sub-committee of the Strategic Board, for GPF will be considered at future Board meetings for final award of funding.

4. Growing Places Fund Project Delivery to Date

4.1 The detail of GPF project delivery to date is shown in Appendix 1.

4.2 Eight GPF projects have now been completed, with the benefits of this infrastructure investment starting to be realised. To date, it is reported that 915 jobs have been delivered through investment in commercial space and new business premises, as set out in Appendix 3 and summarised in Table 1 below. To date 9 houses have been recorded as complete. However, it is expected that the project benefits extend beyond the direct job creation and housing benefits captured through the current reporting.

Table 1 Monitoring of GPF project outputs

	Outputs defined in Business Case		Outputs delivered to date	
Name of Project	**Jobs**	**Houses**	**Jobs**	**Houses**
Priory Quarter Phase 3	440	74	74	0
North Queensway	865	0	0	0
Rochester Riverside	402	450	0	0
Chatham Waterfront	211	115	0	0
Bexhill Business Mall	299	0	125	0
Parkside Office Village	169	0	120	0
Chelmsford Urban Expansion	2,105	0	365	0
Grays Magistrates Court	200	0	69	0
Sovereign Harbour	299	0	75	0
Workspace Kent	198	0	87	0
Harlow West Essex	4,000	1,200	0	0
Discovery Park	130	250	0	0
Live Margate	0	66		9
Totals	**9,318**	**2,155**	**915**	**9**

4.3 As the Bexhill Business Mall and Grays Magistrates Court projects have been fully completed and the business space let, the monitoring and evaluation data reported to SELEP indicates that the delivery of jobs and houses for these projects falls short of the forecast outcomes identified in the business case. However these projects have had a positive impact in supporting private sector business activity through the provision of new employment space.

4.4 For other GPF projects, the reporting to SELEP Secretariat indicated that projects are still expecting to achieve the expected project benefits, as set out in the original project business case. The Board will continue to receive quarterly update reports to ensure oversight of the delivery of GPF projects and the expected project benefits.

4.5 Repayments are now being made from initial GPF investments; totalling £4.656m to date. There are eight projects which have made repayments to date, including Chelmsford Urban Expansion project which has now repaid the £1m GPF loan in full.

4.6 The SELEP Secretariat has not been made aware of any risks to the repayment of GPF, further to those changes which have been agreed by the Board to date. If any delays to the repayment of GPF are identified, for existing GPF investments, this will have an adverse impact and reduce the amount of GPF available for re-investment through the next round of GPF allocations.

5. Financial Implications (Accountable Body Comments)

5.1 The Accountable Body will continue working with the SELEP secretariat to provide support and advice with regard to monitoring repayments on-going and the plans for reinvesting the funds.

5.2 It should also be noted that delayed repayments on investments made on an interest-free basis will further erode the true value of the fund over time; this presents a risk to the on-going sustainability of the fund as a recyclable loan scheme.

6. Legal Implications (Accountable Body Comments)

6.1 None at present

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

7.1 None

8. Equality and Diversity implications (Accountable Body Comments)

8.1 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.

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

8.3 In the course of the delivery of the Projects and their ongoing commitment to equality and diversity, the promoting local authorities 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.

Role	**Date**
Accountable Body sign off Lorna Norris **On behalf of Margaret Lee**	 10/11/17

9. List of Appendices

9.1 Appendix 1 – Growing Places Fund Project Summary

9.2 Appendix 2 – Growing Places Fund Repayment Schedule

9.3 Appendix 3 – Benefit Realisation

10. List of Background Papers

10.1 None

(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)

Growing Places Fund Update Apppendix 1 - Summary Position

Name of Project	Upper Tier	Description	Award of Funding	Current Status	Total Allocation (£000s)	Current Status				
						Legal agreements in place	Investment Made	Project Complete	Repayments being made	GPF repaid in full
Priory Quarter Phase 3	East Sussex	Provision of 2,323 sqm of high quality office premises at Priory Quarter in Hastings town centre to meet the needs of expressed private sector employer interest wishing to expand their operation in the town.	Round 1	GPF invested, project complete and repayments are being made	7,000					
North Queensway	East Sussex	Construction of a new junction and preliminary site infrastructure to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000 sqm (gross) of high quality industrial and office premises	Round 1	GPF invested, project complete and repayments are being made	1,500					
Rochester Riverside	Medway	The project will deliver key infrastructure investment including the construction of the next phase on the principle access road, public space and site gateways.	Round 1	GPF invested and project is currently being delivered. Developers for the site have been identified andplanning persission has been granted.	4,410					
Chatham Waterfront	Medway	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for Chatham Waterfront Development.	Round 2	GPF invested and project being delivered. Outline planning application has been submitted for the development.	2,999					
Bexhill Business Mall	East Sussex	The delivery of 2,490 sqm managed workspace facility.	Round 3	GPF invested, project complete and repayments are being made	6,000					
Parkside Office Village	Essex	Initial phase of business space targeting SMEs as part of a 42 acre business and R&D park on the University of Essex campus in Colchester	Round 1	GPF invested, project complete and repayments are being made	3,250					

Growing Places Fund Update Apppendix 1 - Summary Position

Name of Project	Upper Tier	Description	Award of Funding	Current Status	Total Allocation (£000s)	Current Status				
						Legal agreements in place	Investment Made	Project Complete	Repayments being made	GPF repaid in full
Chelmsford Urban Expansion	Essex	The early phase development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The funding will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1350, improving cash flow and the simultaneous commencement of two major housing schemes	Round 1	GPF invested, project complete and GPF has been repaid in full.	1,000					
Grays Magistrates Court	Thurrock	Conversion of the Magistrates Court into office accommodation	Round 3	GPF invested, project complete and repayments are being made	1,400					
Sovereign Harbour	East Sussex			GPF invested, project complete and repayments expected to start.	4,600					
Workspace Kent	Kent	Contribution to a challenge fund co-financed by Kent County Council and GPF, to which private developers and organisations in the public and third sectors can apply for loan funding matched with other sources of investment to bring forward business premises that would otherwise not be developed in the current economic circumstances.	Round 2	GPF invested, project complete and repayments expected to start.	1,500					
Harlow West Essex	Essex/Harlow	To provide new and improved access to the two sites designated within the Harlow Enterprise Zone	Round 1	Delivery package 1 is well into deliver with the majority of risks closed out. Procurement for the send package is about to start with a view to getting on site early next financial year.	3,500					

Growing Places Fund Update Apppendix 1 - Summary Position

Name of Project	Upper Tier	Description	Award of Funding	Current Status	Total Allocation (£000s)	Current Status				
						Legal agreements in place	Investment Made	Project Complete	Repayments being made	GPF repaid in full
Discovery Park	Kent			The legal agreements are being finalised between Kent County Coucil and Discovery Park (South) Ltd. The owners are also awaiting final clearance from the Enviromental Agency, this is expected within six to eight weeks.	5,300					
Live Margate	Kent	A self sustaining cycle of investment and re-investment that will regenerate the housing market in Margate through the development of existing homes dominated by poor quality, multi occupied, poorly managed private homes and replacing it with a quality balanced mixed tenure offer	Round 1	Phase 1 is near completiong, whih consisted of 5 properties which were all formers HMOs. Planning for Phase 2 has been initiatiaed with a focus on 6 properties.	5,000					
Revenue admin cost drawn down	n/a			n/a	2					
Harlow EZ Revenue Grant	n/a			n/a	1,244					
Totals					**48,705**	**10**	**10**	**8**	**5**	**1**

South East LEP
Growing Places Fund Repayment Schedule

£000's

Name of Project	Upper Tier	Total Allocation	Total Invested to Date	Total Repaid to Date	2017/18 total	2018/19 total	2019/20 total	2020/21 total	2021/22 total	2020/21 total	Total
Revenue admin cost drawn down	n/a	2	2						-		-
Harlow EZ Revenue Grant	n/a	1,244	717		-	-	-	-	-	-	-
Priory Quarter Phase 3	East Sussex	7,000	7,000	65	65	735	735	5,400	-	-	7,000
North Queensway	East Sussex	1,500	1,500	1,000	500	-	-	-	-	-	1,500
Rochester Riverside	Medway	4,410	4,410	-	110	130	1,650	2,520	-	-	4,410
Chatham Waterfront	Medway	2,999	2,999	-	-	-	1,000	1,000	999	-	2,999
Bexhill Business Mall	East Sussex	6,000	6,000	225	300	500	4,975	-	-	-	6,000
Parkside Office Village	Essex	3,250	3,250	1,620	1,630	-	-	-	-	-	3,250
Chelmsford Urban Expansion	Essex	1,000	1,000	1,000	-	-	-	-	-	-	1,000
Grays Magistrates Court	Thurrock	1,400	1,400	500	300	300	300	-	-	-	1,400
Sovereign Harbour	East Sussex	4,600	4,600	25	200	300	475	400	3,200	-	4,600
Workspace Kent	Kent	1,500	1,437	221	148	448	508	112	-	-	1,437
Harlow West Essex	Essex/Harlow	3,500	-	-	500	500	500	-	-	2,000	3,500
Discovery Park	Kent	5,300	-	-	-	450	800	1,400	1,650	1,000	5,300
Live Margate	Kent	5,000	-	-	-	1,000	1,000	1,000	1,000	1,000	5,000
Totals		**48,705**	**34,315**	**4,656**	**3,753**	**4,363**	**11,943**	**11,832**	**6,849**	**4,000**	**47,396**

Growing Places Fund Appendix 3 - Benefit Realisation

Name of Project	Current Status	Outputs defined in Business Case		Outputs delivered to date		
		Jobs	Houses	Jobs	Houses	Other
Priory Quarter Phase 3	GPF invested, project complete and repayments are being made	440	0	74		The Priory Quarter (Havelock House) project is now complete and has delivered 2247sqm of high quality office space. This is currently 16% let with over 20 enquiries recieved since opening. Once fully let the building is still forecast to create the 440 jobs in the business case.
North Queensway	GPF invested, project complete and repayments are being made	865	0	0	0	
Rochester Riverside	GPF invested and project is currently being delivered. Developers for the site have been identified andplanning persission has been granted.	402	450	0	0	
Chatham Waterfront	GPF invested and project being delivered. Outline planning application has been submitted for the development.	211	115	0	0	River Walk - Improvements to approximately 600m of pedestrian footpath have been made. Chatham Big Screen - Installation of a large digital screen for local and national news, events, entertainment and culture, adjacent to Chatham Waterfront Development Site. Sun Pier pontoon, phase 1 - Improvement works to Sun Pier
Bexhill Business Mall	GPF invested, project complete and repayments are being made	299	0	125	0	The Bexhill Business Mall (Glover's House) project is now complete and has delivered 2345sqm of high quality office space. The building is 100% let to a single occupier and has currently provided space for 125 jobs.
Parkside Office Village	GPF invested, project complete and repayments are being made	169		120		Parkside Office Village Phase 1 1100 sq ft of lettable space (completed June 2014). University are 100% let or under offer. Parkside Office Village Phase 1a 3,743 sq ft of lettable space (completed September 2016). 100% let.
Chelmsford Urban Expansion	GPF invested, project complete and GPF has been repaid in full.	2,105		365		

Growing Places Fund Appendix 3 - Benefit Realisation

Name of Project	Current Status	Outputs defined in Business Case		Outputs delivered to date		
		Jobs	Houses	Jobs	Houses	Other
Grays Magistrates Court	GPF invested, project complete and repayments are being made	200		69		1879 sq. m. of refurbished office accommodation and business space has been delivered. Refurbishment work was completed in December 2015. Since that date take up of office units has been in line with the targets that were set at the outset and in September 2016 the number of people employed on site was 38 with 5 virtual tenants.
Sovereign Harbour	GPF invested, project complete and repayments expected to start.	299		75		The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2345sqm of high quality office space. This is currently 37% let with over 126 enquiries recieved since opening.
Workspace Kent	GPF invested, project complete and repayments expected to start.	198		87	0	Maidstone Studios Hub and The Folkestone Business Hub CIC have been delivered. The Capital Enterprise Centres hub has secured planning permission and GFP due to be defrayed.
Harlow West Essex	Delivery package 1 is well into deliver with the majority of risks closed out. Procurement for the send package is about to start with a view to getting on site early next financial year.	4,000	1,200	0	0	
Discovery Park	The legal agreements are being finalised between Kent County Coucil and Discovery Park (South) Ltd. The owners are also awaiting final clearance from the Enviromental Agency, this is expected within six to eight weeks.	130	250	0	0	
Live Margate	Phase 1 is near completiong, whih consisted of 5 properties which were all formers HMOs. Planning for Phase 2 has been initiatiaed with a focus on 6 properties.	0	66	0	9	
Totals		**9,318**	**2,081**	**915**	**9**	