

Local Growth Fund
Pipeline Development:
Stage 2 SOBC Technical
Assessment Report

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Introduction

The development of a new South East Local Enterprise Partnership (SELEP) pipeline of high quality and deliverable projects which will have a tangible impact on our economy is a sizable challenge. In recognition of this challenge, the Independent Technical Evaluator’s (ITE) role is to provide independent expert advice to help the Investment Panel to make informed and objective decisions.

An approach was agreed by the SELEP Strategic Board for developing this pipeline. The approach follows a three-stage process

- Stage 1 – Sifting Expressions of Interest
- Stage 2 – Scheme Prioritisation, by the SELEP Investment Panel
- Stage 3 – SELEP Accountability Board final funding decision

Stage 1 – Sifting Expressions of Interest

The first stage in the process identified proposals through an open call for projects publicised by SELEP, Local Authorities and Federated Boards.

The opportunity was publicised on the SELEP website, social media and through media releases with any bids received by SELEP directly being shared with the relevant Federated Area. Likewise, the funding opportunity was also publicised by Local Authorities and Federated Boards.

Federated Areas, with support from Steer, undertook Stage 1 which was an initial sift of schemes seeking programme entry against the eligibility criteria shown in Table 1. Each Federated Area recommended a list of schemes to be assessed and prioritised as part of Stage 2 – Scheme Prioritisation.

Table 1: Stage 1 Eligibility Criteria

Criteria	Evidence Sought	Scoring Guide
Align with SELEP’s objectives to support economic growth	Evidence provided that the scheme contributes to SELEP’s economic growth objectives.	Pass/fail
Requires capital investment	Local Growth Fund (LGF) can only be used for capital investment and cannot be used as revenue.	Pass/fail
Demonstrate an ability to deliver the project following the legal requirements for investment of public funds	This includes consideration for the requirement to follow public procurement regulations to the extent which is applicable and demonstrate that the investment does not constitute State Aid.	Pass/fail
Must be able to spend the LGF by 31st March 2021	The LGF will predominately be available in 2020/21. However, there may be the potential to accelerate the LGF spend in 2018/19 and 2019/20. Evidence is to be provided to demonstrate that LGF will be spent by 31st March 2021.	Pass/fail

Stage 2 – Scheme Prioritisation

For projects which were identified as meeting the eligibility criteria, listed in Table 1 above, and which were endorsed by the relevant Federated Board, scheme promoters were asked to prepare Strategic Outline Business Cases (SOBCs) that would be prioritised by SELEP Investment Panel. Assessment of the SOBC's was completed for all projects promoted by the Federated Boards, to help inform decision making by Investment Panel. This assessment was completed based on the assessment approach, set out in Table 2 below. Following the evaluation of each submission, an initial prioritised list was developed.

Approach to Scheme Prioritisation

The number of schemes sifted by Federated Areas and submitted by scheme promoters far exceeded expectation and their combined value was approximately three times the maximum potential funding envisaged to be available over the next two years. As such, a proportionate approach was taken – rather than reviewing all of a scheme's Business Case against all criteria, if a 'showstopper' was identified the business case review was halted. Many of the projects 1.1 which were sifted out made a strong case for investment and presented strong project proposals but the assessment identified potential issues, such as deliverability constraints which may impact on the ability to spend the LGF within the tight timescales available. Further detail on these showstopper risks is set out in Table 3.

In short, a business case assessment was halted if any substantive issue or risk was identified which rendered the scheme unsuitable for LGF3b funding based on the information presented in the Business Case and the assessment criteria agreed by the SELEP Strategic Board. 1.2

Schemes were assessed in three batches:

Task 1 – Strategic Case and Case for Public Sector Investment

Firstly, the Strategic Cases of all bids were assessed. This included a consideration of the scheme's:

- alignment with the strategic aspirations of the LEP;
- rationale for public sector funding;
- outcomes; and
- option assessment.

Bids were initially assessed for whether they presented a 'showstopper' at this stage. Meetings were held with Federated Areas to discuss which schemes Steer's assessment suggested should be sifted out on the basis of need for intervention.

Key reasons for sifting out projects at this stage were a lack of evidence that the scheme would have a direct impact on jobs, insufficient evidence of problems being caused by the lack of intervention, and lack of evidence that other sources of funding had been exhausted.

Task 2 – Value for Money

Schemes which did not present a clear barrier to being allocated funding, through Task 1, progressed to being assessed for indicative value for money. This assessment included consideration of:

- the monetised costs and benefits and any economic appraisal that has been undertaken;
- the type of benefits that are expected and their alignment with what had been set out in the Strategic Case; and
- the timing of benefit realisation.

At this stage, meetings were again held with officers from each of the Federated Areas to discuss schemes which Steer's assessment suggested should be sifted out on the basis of their value for money.

Task 3

- 1.3 Where showstoppers were not identified through Tasks 1 and 2, the bids progressed to being assessed for deliverability. This included consideration of:
- certainty of other funding sources;
 - certainty of LGF spend before March 31st 2021;
 - readiness to move to delivery and benefit realisation stage; and
 - the provision of a commitment from the Section 151 officer.
- 1.4 Bids which did not present a 'showstopper' at this stage were prioritised on the basis of their performance against the assessment criteria. Schemes which presented showstoppers were banded into schemes which did not present sufficient need for intervention, schemes that did not represent high value for money and schemes which did not fulfil the deliverability requirements.

Table 2: Stage 2 Assessment Criteria

Assessment Criteria	Evidence Sought	Scoring Guide
Support from relevant Federated Board	The Project must be supported by the relevant Federated Board. This should be evidenced through Federated Board meeting minutes.	Pass/fail
Support from the relevant Upper Tier Authority	Each funding bid must secure sign off from the S151 officer of the relevant Upper Tier Authority.	Pass/fail
Strategic fit	Evidence of a strategic fit with SELEP objectives to deliver economic growth, and evidence that benefits will be delivered within the SELEP area.	Red/Amber/Green
Option generation and sifting (including evidence of public support)	Evidence that a broad option generation and sifting has been undertaken with evidence of stakeholder involvement and/or wider public consultation/support	Red/Amber/Green
Rationale for funding request	Clear articulation of the rationale for requesting LGF funding including evidence that funding through the LGF is the most suitable available alternative.	Red/Amber Green
Deliverability	Evidence regarding the projects deliverability and its readiness to move to delivery and benefit realisation stage (including consideration of project design stage, planning consents, land acquisitions, relevant powers).	Red/Amber /Green
Value for money	Evidence of the value for money potential and project benefits relative to the amount of LGF sought.	Red/Amber/Green
Additional funding sources	Evidence of secured/committed additional funding from outside sources preferably from private contributions rather than public.	Red/Amber/Green
Programme and risk management	Clear delivery schedule including evidence there is a comprehensive risk register and risk management plan in place.	Red/Amber/Green

Multi-criteria assessment framework

Prioritisation of schemes was determined by performance against six criteria:

- Match / leverage
- Scale of impact
- Need for intervention
- Value for Money
- Deliverability
- Benefits Realisation

Match / leverage

The use of this criterion ensures that recognition is given to schemes which have been able to attract high levels of additional private sector or local funding, or where the allocation of Local Growth Funding will unlock such additional funding. Our assessment of schemes against this criterion considered the percentage of the overall project cost which was not planned to be funded by Local Growth Fund monies. Consideration was also given to the certainty that the match or leverage was dependent upon the Local Growth Fund monies being allocated.

Scale of impact

The use of this criterion ensures that the schemes which meet the key objectives of the Local Growth Fund – driving economic growth through the delivery of jobs, homes and learners – perform strongly. Our assessment of schemes against this criterion considered the absolute level of scheme impact and the certainty around the assumptions which underpinned the estimation of the scheme impacts. In our assessment of this criterion we did not consider the

relative cost of the scheme impact (e.g. cost per job). This was considered as part of the Value for Money criterion.

For this reason, this criterion favours larger schemes where higher levels of funding, both public and private, can contribute to a more transformational economic impact.

Need for intervention

This criterion draws attention to the objective of the Local Growth Fund and of all public sector funding, that it should be used to solve a market failure and not just as an additional funding source. Local Growth Fund monies are allocated when all alternative sources of funding have been exhausted. Our assessment of schemes against this criterion considered whether the business case clearly articulated the market failure which was underpinning the need for public sector funding intervention and assessed the extent to which alternative funding sources had been explored.

Value for Money

This criterion addresses the requirement that any scheme seeking Local Growth Fund monies, as set out in the South East Local Enterprise Partnership Assurance Framework, must represent High Value for Money with a Benefit Cost Ratio of at least 2:1 or must comply with one of two exemptions:

Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

Exemption 1 will only apply if the following conditions are satisfied:

- The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- where there is an overwhelming strategic case (with minimal risk in the other cases); and
- there are qualitative benefits which, if monetised, would most likely increase the Benefit Cost Ratio above 2:1.

Exemption 2: This may be applied where a project does not demonstrate a High Value for Money (a Benefit Cost Ratio of over 2:1), but has a Benefit Cost Ratio of over 1:1, and only if the following conditions are satisfied:

- there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP; and
- there is demonstrable additionality which will be achieved through investment to address a clear market failure; and
- there are no project risks identified as high risk and high probability after mitigation measures have been considered; and
- there are assurances provided from the organisations identified below that the project business case, including value for money, has been considered and approved for funding through their own assurance processes.
 - A Government Department;
 - Highways England;
 - Network Rail;
 - Environment Agency; or
 - Skills Funding Agency.

Our assessment of schemes against this criterion considered the value for money of the scheme with regard to the requirements of the Assurance Framework, as set out above. Also considered as part of our

assessment was the robustness and reasonableness of the economic appraisal methodology and the level of certainty it provided that the scheme represents high value for money (e.g the business case may state that the scheme has a Benefit Cost Ratio of 2:1 or more, but if it does not clearly set out and justify the assumptions which underpin that benefit cost ratio then this reduces the certainty that the scheme represents high value for money.)

Deliverability

This criterion reflects the need for all Local Growth Fund allocations to be spent by March 2021. Schemes seeking a contribution from the Local Growth Fund do not necessarily have to have been fully delivered by March 2021, but all the Local Growth Fund contribution must have been spent. Our assessment of schemes against this criterion gave consideration to the level of programmed spend of Local Growth Fund monies in 2021, as well as any complexity or risk associated with the schemes in that year. This criterion favours smaller, or less complex, schemes which can be fully delivered in 2020, or which do not have high levels of spend in 2021.

Benefits Realisation

This criterion reflects the priorities of SELEP to facilitate schemes which deliver positive economic outcomes within the Local Growth Fund period. Our assessment of schemes against this criterion considered whether benefits realisation from a Local Growth Fund contribution to a scheme would commence within the Local Growth Fund period. This criterion favours schemes which will be fully delivered within the Local Growth Fund period rather than circumstances in which the Local Growth Fund contribution only delivers part of the scheme and full delivery completes and benefits realisation commences after the end of the Local Growth Fund period.

Scheme types

The approach to scheme assessment and prioritisation was developed to ensure alignment with the assessment criteria agreed by the SELEP Strategic Board. As is set out above, some of the assessment criteria favour larger schemes and others smaller schemes.

Across the scheme types that have been assessed there is a variety of different scales, impacts and accepted approaches to Value for Money appraisal. For instance, the typical transport scheme is far larger in scale than the typical workspace scheme. As a result, criteria which are identified above as benefitting smaller schemes will typically benefit workspace schemes over transport schemes.

Below is a summary of characteristics of a typical scheme of each type and how these characteristics have an impact on the way that they have been assessed and prioritised.

Transport

- Transport schemes are typically larger in terms of overall funding requirement and also timescales for delivery which means that they perform less well against the deliverability and benefits realisation criteria.
- Their role is often to unlock development constrained by transport barriers and therefore, generally, they do not have direct impacts on jobs (other than during construction), homes or learner numbers so they tend to perform less well against the scheme impacts criterion. There are exceptions to this (e.g. Transport Led development).
- There is clear and well-established methodology for undertaking economic appraisal of transport schemes therefore, as long as this has been undertaken correctly, the certainty around value for money of transport schemes should be clear.

Skills

- Skills schemes are typically smaller in terms of overall funding requirement and also timescales for delivery which means that they perform better against the deliverability and benefits realisation criteria.
- They typically have a direct impact on jobs and learner numbers, but these impacts are often small or difficult to calculate robustly.
- There is clear and well-established methodology for undertaking economic appraisal of skills schemes therefore, as long as this has been undertaken correctly, the certainty around value for money of a skills scheme should be clear.

Public realm

- Public realm schemes are often seeking funding to unlock developer investment in an area, therefore these schemes tend to perform well against the match / leverage criterion.
- Public realm schemes are typically smaller in terms of overall funding requirement and also timescales for delivery which means that they perform well against the deliverability and benefits realisation criteria.
- They do not have direct impacts on jobs, homes or learner numbers, and the causal link between these schemes and economic impacts can be difficult to establish so they tend to perform less well against the scheme impacts criterion.
- These schemes are sometimes used to support the visitor economy by making an area or town centre more attractive to tourists and day visitors.
- There is not a well-established methodology for undertaking economic appraisal of public realm schemes and this can lead to there being uncertainty around the value for money of these

schemes, and also difficulty in comparing their value for money on a consistent basis.

Business/enterprise parks

- Business/enterprise park schemes are often seeking funding to leverage additional private sector funding sources therefore these schemes tend to perform well against the match / leverage criterion.
- Business/enterprise park schemes are typically large in terms of overall funding requirement and also timescales for delivery which means that they perform less well against the deliverability and benefits realisation criteria.
- They sometimes involve mixed use development providing capacity for both jobs and homes.
- They often have large, direct impacts on jobs so they tend to perform very well against the scheme impacts criterion.
- There is not a well-established methodology for undertaking economic appraisal of business/enterprise park schemes and this can lead to there being uncertainty around the value for money of business/enterprise park schemes, and also difficulty in comparing their value for money on a consistent basis.

Workspaces

- Workspace schemes are typically small in terms of overall funding requirement and also timescales for delivery which means that they perform very well against the deliverability and benefits realisation criteria.
- They have a direct impact on jobs so they tend to perform well against the scheme impacts criterion.
- There is not a well-established methodology for undertaking economic appraisal of workspace schemes and this can lead to

there being uncertainty around the value for money of these schemes, and also difficulty in comparing their value for money on a consistent basis.

2 Outcome of ITE assessment

Prioritised schemes

Projects which did not present any “showstoppers” in terms of need for intervention, value for money and deliverability were considered on the basis of performance of the scheme against the assessment criteria.

It is key to note that all of the schemes have been assessed as having a strong strategic alignment with the objectives of the LEP and have positive economic impacts which will ensure that they contribute substantially to local economic growth in the South East. Additionally, all schemes which have moved to the final stage of the technical prioritisation process have demonstrated a market failure which makes a clear case that LGF investment is needed.

The following section provides additional detail about the assessment of each scheme and suggested areas where the case could have been improved.

Given the limited size of SELEP’s remaining Local Growth Fund monies, prioritisation of these schemes has been necessary. The highest ranked schemes have been prioritised because a high level of match funding has been committed, significant economic impacts will be delivered by the scheme, the business case articulates a clear need for intervention, the scheme represents high value for money, high certainty of LGF spend within the required timescales and benefits of the scheme will realised within or soon after the LGF period has come to an end.

Schemes sifted out

All schemes submitted for assessment at Stage 2 – Scheme Prioritisation were well aligned with strategic priorities of the LEP.

Therefore whilst it is not proposed that the projects are developed further for LGF3b, there may be merit in exploring alternative funding sources and future funding opportunities.

Similarly, schemes that were sifted out on the basis of their deliverability are not considered to be undeliverable schemes. This assessment is reflective of the fact that the deliverability for schemes seeking Local Growth Funding at this stage is considerably constrained by the need to spend the allocation by March 2021.

A13 East Facing Slips - Grays

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2022/23

LGF 3b Ask	Match funding	Project Cost	% match
£750,000	£47,750,000	£48,500,000	98%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Amber	Green	Amber/Green	Amber	Amber

Project summary

- Delivery of a new slip road to allow traffic on the A13 Westbound to exit directly onto the A126.
- The scheme will indirectly support the construction of 3,000 homes, support the creation of 1,400 jobs and reduce traffic delays at M25 Junction 30.

Key strengths

- Very high match funding.
- Supports new jobs and houses by removing a transport bottleneck.
- Strategically important project for the area.

Reasons for Amber or Amber/Green scores

Scale of impact (Amber)

The capital scheme, which could result from the design and development work for which funding is sought, would help to unlock additional commercial and housing development. However, this funding contribution can only help to develop and make the case for the wider scheme, therefore there would not be any direct impact on jobs or homes. There is uncertainty around its indirect impacts as the scale for the wider scheme benefits has not yet been assessed.

Value for money (Amber/Green)

The economic appraisal methodology has been carried out at a high level so raises some uncertainty around the value for money of the scheme, with initial modelling indicating a BCR range of 1.5 to 4.

Deliverability (Amber)

The Local Growth Fund monies are being used for design and development of the scheme therefore there remains a moderate risk that the scheme itself will not be delivered.

Benefits Realisation (Amber)

Since the Local Growth Fund monies are being used for design and development, there will be limited benefits realisation by March 2021.



Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub – Dover

Primary Theme: *Business/enterprise park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£2,000,000	£2,200,000	£4,200,000	52%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Green	Green	Amber	Green	Green

Project summary

- The construction of an innovation hub for preventative health care, including meeting spaces, café and reception located on the site of a former colliery.
- 150 direct jobs will be generated in preventative healthcare.

Key strengths

- Direct impact on jobs in a key industry.
- Utilises a vacant brownfield site.

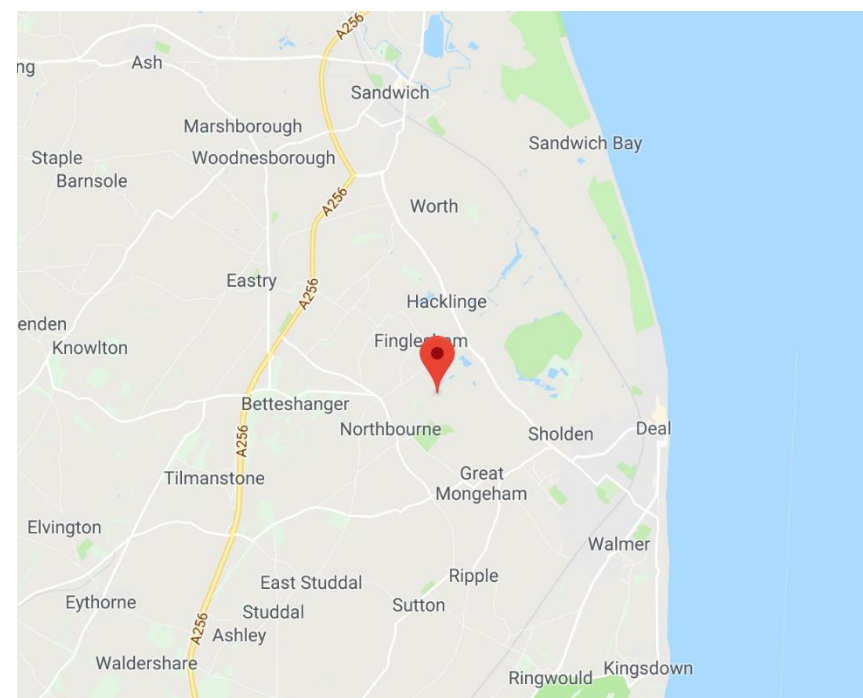
Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of local funding commitment. It is noted that attempts have been made to obtain private sector funds but these have been unsuccessful.

Value for money (Amber)

A benefit cost ratio of below 2:1 has been presented based on using a land value uplift method. As the project LGF ask is under the £2m threshold VfM exemption 1 applies, however, at this stage there remains uncertainty that the scheme would represent high value for money.



Bexhill Creative Workspace

Primary Theme: *Workspaces*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£960,000	£800,000	£1,760,000	45%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber/ Green	Green	Green	Green	Amber/ Green

Project summary

- Create 6 light industrial units to attract creative industries to the town. Scheme is supported by a growing rental market for small light industry units in Bexhill.
- The project will deliver 36 net additional jobs.

Key strengths

- Direct impact on jobs.
- Supports start-up businesses.
- Low level of LGF required.
- High Benefit Cost Ratio of 6:1.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of local funding commitment.

Scale of impact (Amber/Green)

The expected economic impact of the scheme in terms of jobs is relatively low and other schemes forecast a lower cost per job.

Benefits Realisation (Amber/Green)

Planning permission has not yet been obtained and there is therefore a risk that the full benefits of the funding will not be realised by March 2021.



Bexhill Enterprise Park North

Primary Theme: *Business/enterprise park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2022/23

LGF 3b Ask	Match funding	Project Cost	% match
£1,940,000	£18,760,000	£20,700,000	91%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Green	Amber/ Green	Green	Green	Amber

Project summary

- Site enabling infrastructure to provide access to the Bexhill Enterprise Park from North Bexhill Access Road.

The scheme will help unlock the development of 19,200 sqm of commercial floorspace, which in turn has the potential to support 493 Jobs (91 Net additional FTE jobs, as a result of LGF investment).

Key strengths

- High level of match funding.
- Unlocks development by removing a transport bottleneck, which in turn supports jobs growth.

Reasons for Amber or Amber/Green scores

Need for intervention (Amber/Green)

The business case does not provide sufficient justification as to why the site developers cannot make an increased contribution to the delivery of the project to remove the need for public sector investment.

Benefits Realisation (Amber)

A wider project timeline, which extends to 2022/23 and therefore beyond the Local Growth Fund horizon, means that there will be limited benefits realisation by March 2021.



Braintree Integrated Transport Package (ITP)

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£4,305,000	£15,000	£4,320,000	0.35%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber	Amber/Green	Green	Green	Amber/Green	Green

Project summary

- A series of road and cycling improvements throughout Braintree to improve traffic flow and journey times and encourage increased cycling. These improvements aim to support housing growth of 862 homes per annum.
- The project aims to deliver local reductions in congestion, noise and road accidents, and improvements in air quality and health outcomes through increased physical activity.
- The scheme has an enabling impact on unlocking sustainable economic growth, and potentially a garden community to the west of Braintree, and a second garden community on the eastern boundary with Colchester.

Key strengths

- Supports sustainable transport options with associated benefits in terms of health, air quality, and congestion reduction.
- Also supports sustainable housing development.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber)

The level of match funding is very low relative to the LGF funding ask.

Scale of impact (Amber/Green)

As it is a transport scheme, Braintree ITP will not have a direct impact on jobs, homes and learner numbers. However, it will have an enabling impact on the delivery of planned garden communities in the area.

Deliverability (Amber/Green)

The level of LGF spend profiled in 2020/21 (£3.82m) presents a risk to the deliverability of the scheme.



Colchester Institute

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£200,000	£130,000	£330,000	39%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber/ Green	Green	Amber/ Green	Green	Green

2.1

2.2

Project summary

- Development of a standalone Groundworks and Scaffolding Training Centre at Colchester Campus providing a training facility for Essex businesses.
- The project will deliver 132 new training led jobs within the first three years, by allowing candidates to obtain legislative qualifications to unlock barriers to career progression and business growth.

Key strengths

- Develops skills in a key industry.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of local funding commitment.

Scale of impact (Amber/Green)

The economic impact of the scheme in terms of learners is high, but there are some concerns over the calculation of the economic benefits given that DCLG appraisal guidance has not been used. A qualitative Value for Money case has been made instead.

Value for money (Amber/Green)

The economic appraisal methodology has been carried out at a high level so there is some uncertainty around the value for money of the scheme.

There is some uncertainty around the calculation of these scheme outputs given that a full Value for Money assessment has not been undertaken. This is consistent with the scale of the funding requirement which is less than £2m.



Cycling and Congestion Improvements – Thurrock

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Option Selection	2020/21	2021/22

LGF 3b Ask	Match funding	Project Cost	% match
£2,530,000	£2,000,000	£4,530,000	44%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber	Amber	Green	Green	Green

Project summary

- The proposed project comprises cycle infrastructure schemes which focus on removing physical barriers to walking and cycling. Component schemes include: installation of crossing points across busy roads; and construction of missing links to retail, education, and leisure or railway stations.
- The project will deliver journey time, safety and air quality impacts.

Key strengths

- Supports sustainable transport options with associated benefits in terms of health, air quality, and congestion reduction.
- High Benefit Cost Ratio of 5.3:1.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

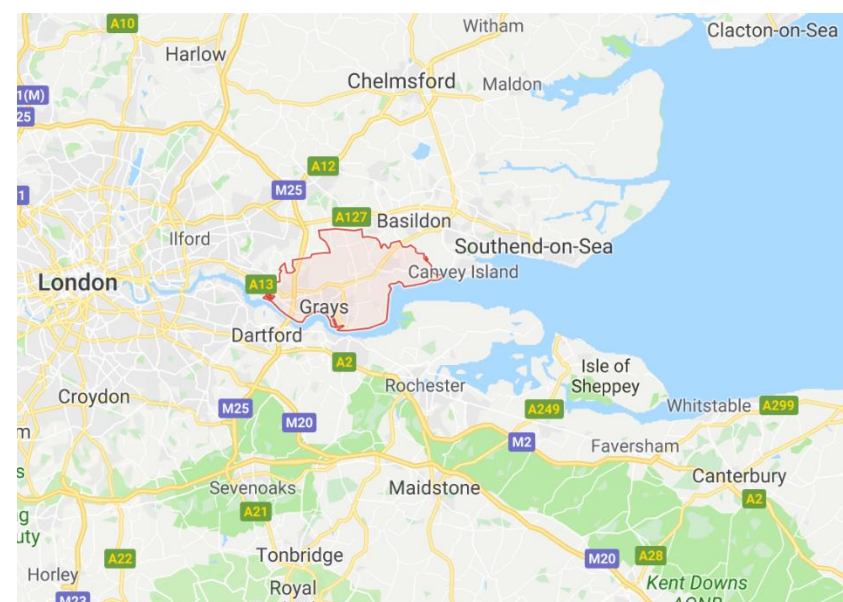
A strong funding match has been committed though there are other schemes which have higher level of funding commitment.

Scale of impact (Amber)

The scheme does not directly support economic growth in terms of jobs and houses. However, the scheme does aim to improve connectivity to jobs and homes, and has wider social and environmental benefits.

Need for intervention (Amber)

The Strategic Case provides a strong rationale for the scheme in terms of supporting local, regional and national policy objectives. However, there is a lack of evidence provided concerning the current problems the scheme will address.



Digital Technologies Campus – Basildon

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£2,150,000	£13,650,000	£15,800,000	86%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Amber /Green	Green	Green	Amber /Green	Green

Project summary

- Development of a new Digital Technologies Campus in the heart of Basildon. This scheme has been developed in response to evidence showing acute skills shortages in technological occupations.
- The project will result in 22.5 direct jobs (made up of additional teaching and support staff), and an additional 243 learners per annum.

Key strengths

- High level of match funding.
- Direct impact on jobs.
- New learners in a key skill area.

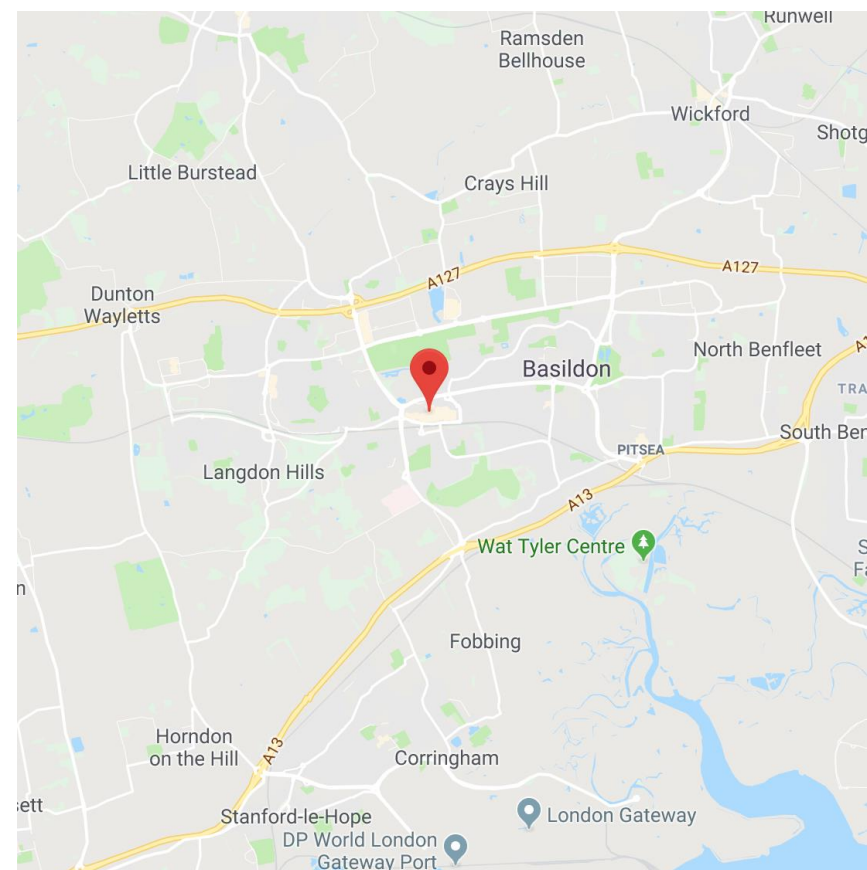
Reasons for Amber or Amber/Green scores

Scale of impact (Amber/Green)

Relative to its cost, the expected impact of the scheme in terms of additional learners is moderate.

Deliverability (Amber/Green)

The level of LGF spend profiled in 2020/21 (£1.0m) presents a small risk to the deliverability of the scheme, though it is noted that there is scope to bring forward the LGF spend.



Eastbourne Fisherman's Quayside & Infrastructure Development Project, East Sussex

Primary Theme: *Workspace*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£1,080,000	£380,000	£1,460,000	26%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Green	Green	Amber/Green	Amber/Green	Amber/Green

Project summary

- A three phase project to provide processing infrastructure, administrative offices and a visitor centre. The LGF funding will enable phases two and/or three to be completed, with each phase being capable of being implemented independently, although most of the benefits are captured by phase three which includes the heritage and visitor centre.
- The project aims to maximise local economic benefits from fishing activity with a final aspiration to be a vibrant, multi-purpose destination combining a sustainable fishing industry for the local area with a heritage visitor destination.

- The project as a whole (i.e. all three phases) will safeguard 72 fishing jobs, deliver 4 net jobs within the visitor centre, and attract 3,200 additional visitors to the SELEP region.

Key strengths

- Safeguards jobs in an important local industry.
- Supports the visitor economy.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed but there are other schemes which have higher level of local funding commitment.

Value for money (Amber/Green)

A Benefit Cost Ratio has been calculated using the Land Use Change and External Impact methodology. In addition to this, Tourism Uplift and Residual Asset Value are also considered. However, operational costs do not appear to have been factored in raising some doubts over the calculations. There is also some potential for double counting the benefits from phase one of the scheme, which has been supported by SELEP through a Growing Places Fund loan.

Deliverability (Amber/Green)

While an initial risk register and mitigations has been provided, further consideration of the scheme risks would increase certainty of deliverability.

Benefits Realisation (Amber/Green)

A significant element of the LGF funding is scheduled to be spent in 2020/21 (£0.36m) so there is a risk that the benefits of the funding will not be realised by March 2021.

Exceat Bridge Replacement – East Sussex

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2021/22

LGF 3b Ask	Match funding	Project Cost	% match
£2,110,579	£2,633,000	£4,743,579	56%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber /Green	Amber	Green	Green	Amber /Green	Amber /Green

Project summary

- A scheme to replace a bridge which is coming to the end of its serviceable life.
- The scheme will improve connectivity within East Sussex by removing a major bottleneck. It will not have a direct impact on housing development but will support growth in Eastbourne, Seaford and Newhaven.

Key strengths

- Supports economic growth by removing a transport bottleneck.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

Match funding from the National Productivity Investment Fund and the East Sussex County Council Capital programme have been committed, but there are other schemes which have higher level of funding commitment.

Scale of impact (Amber)

There is uncertainty over the scale of impact in terms of jobs and homes numbers since the scheme has no direct impacts.

Deliverability (Amber/Green)

Additional quantification of the scheme risks using a Quantified Risk Assessment would increase certainty of scheme.

Benefits Realisation (Amber/Green)

The wider project delivery timescales are beyond the Local Growth Fund horizon and although LGF funds can be spent prior to March 2021 the full benefits of the funding will not be realised by this date.



Flightpath Phase 2 – Epping

Primary Theme: *Business/enterprise park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£1,600,000	£1,243,000	£2,843,000	44%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber	Amber	Green	Green	Green

Project summary

- Building of the second phase of a commercial mixed-use development at Thornwood Camp, a former training base for North Weald airbase.
- The scheme is designed to support 144 new jobs.

Key strengths

- Supports new jobs.
- Makes use of a brownfield site with planning permission already in place.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment.

Scale of impact (Amber)

The estimation of the scale of impact on jobs is based on research which identified a lack of suitable commercial space constraining development. However, given the other factors which may also constrain growth there is a high level of uncertainty around the number of jobs delivered by the scheme.

Need for intervention (Amber)

Local Growth Funding is primarily needed for speeding up rather than enabling the development of the site so these jobs are not entirely dependent on receiving funding.



Gillingham – Britton Farm redevelopment

Primary Theme: *Public realm*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£1,890,000	£3,610,000	£5,500,000	66%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber/ Green	Green	Amber	Green	Green

Project summary

- Re-development of town centre mall into a mixed-use site including office and business space, residential units and public realm improvements.
- The project will support 450 sqm of office space and 40 residential units.
- These impacts are all indirect.

Key strengths

- Supports the re-vitalisation of a town centre currently in decline.
- Forms a key part of a masterplan for Gillingham Town Centre.
- Releases land for commercial and residential use.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

Although a strong funding match has been committed there are other schemes which have higher level of funding commitment.

Scale of impact (Amber/Green)

The expected economic impacts of the scheme are all indirect and a result of an improved public realm. There is therefore some uncertainty over the scale of the impacts.

Value for money (Amber/Green)

A Benefit Cost Ratio of 1.6:1 has been calculated, though there are a number of additional non-monetised benefits which are likely to improve the scheme's Value for Money including: safeguarding jobs, supporting high street viability, and enabling additional houses. As the project LGF ask is under the £2m threshold VfM exemption 1 applies.



Grangewaters – Thurrock

Primary Theme: *Workspace*

Development Stage	LGF Spend Completion	Project Completion
Option Selection	2020/21	2022/23

LGF 3b Ask	Match funding	Project Cost	% match
£1,495,000	£1,459,000	£2,954,000	49%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Amber	Green	Green	Amber/Green	Amber

Project summary

- Construction of a major indoor training and development centre, 10 micro business units and installation of an improved access road.
- The training room will provide space capable of hosting between 100 and 150 students.
- The microbusiness units are a response to the demand from small start-up companies.
- The project will support 16 jobs.

Key strengths

- Supports new jobs, skills development, and start-up businesses.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment. The scheme promoter has successfully secured funding previously but has been unable to do so for this project.

Scale of impact (Amber)

The economic impact in terms of jobs created is low relative to the LGF funding request.

Deliverability (Amber/Green)

Final design and construction details need to be finalised and this may have an impact on timing and final costs, although a contingency has been included. There is an inconsistency as to the timescales of project delivery and the timing of the LGF contribution to the project.

Benefits Realisation (Amber)

The wider project delivery timescales are beyond the Local Growth Fund horizon and although LGF funds can be spent prior to March 2021 the full benefits of the funding will not be realised by this date.



High House Works -Thurrock

Primary Theme: *Business/enterprise park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2022/23

LGF 3b Ask	Match funding	Project Cost	% match
£4,800,000	£1,500,000	£6,300,000	24%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber /Green	Amber/ Green	Amber /Green	Amber	Amber	Amber

Project summary

- A 30,000 ft² purpose-built facility of creative makers' workspace with a broad range of unit sizes to support creative micro businesses and SME's.
- The scheme is estimated to generate 78 net jobs and £2.4m GVA per annum. These are net additional jobs and have gone through an assessment of additionality. Falling vacancy rates and demand for office space suggests this is a reasonable estimate of the number of jobs that could be supported.

Key strengths

- New direct jobs.
- Supports start-up businesses.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

Some match funding has been secured but it has not been clearly demonstrated why it would not be possible for a private sector developer to take the project forward reducing the need for public sector investment.

Scale of impact (Amber/Green)

The economic impact in terms of additional jobs is low given the funding ask, therefore cost per job is high.

Need for intervention (Amber/Green)

The business case does not provide clear justification as to why a private sector developer cannot fill the funding gap.

Value for money (Amber)

The use of a 20 year appraisal period and lack of sensitivity analysis raises uncertainty around the value for money of the scheme. There is a high cost per additional job (£30.8k) which also raises some concerns and is an indication that the value for money of the scheme is not high.

Deliverability (Amber)

The level of LGF spend profiled in 2020/21 (£4.1m) presents a moderate risk to the deliverability of the scheme, with building works programmed for May 2020 to June 2021 and overall expenditure continuing into 2022/23.

Benefits Realisation (Amber)

The project timeline indicates that 47 jobs will be accommodated by 2026 meaning that there will be very limited benefits realisation by March 2021

Kent and Medway Medical School – Canterbury, Kent

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Design stage	2019/20	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£8,000,000	£13,792,594	£21,792,594	63%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Green	Amber/Green	Amber	Amber/Green	Green

Project summary

- Capital funding sought to deliver the Kent & Medway Medical School (KMMS) - a centre to house medical education and research activity across two sites at Canterbury Christ Church University and the University of Kent.
- The project will deliver 200 students per annum. The local impact of this is uncertain as leakage of students has not been considered, a significant number of students could leave the area to find employment elsewhere once they have completed their studies.

Key strengths

- Creates new learners in a key industry.
- Fast pace of benefit realisation with KMMS due to open to students in September 2020.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed but there are other schemes which have higher level of funding commitment relative to LGF funding request which is very high.

Need for intervention (Amber/Green)

There is an identified need to be addressed in terms of a shortage of local healthcare professionals. The justification for LGF funding is that this would free up university funds for other schemes, and provides a lower cost of finance than a loan.

Overall, the Strategic Case does not provide a compelling justification as to why alternative funding sources cannot be used to fund the school or reduce the LGF request. The business case states that the two universities have funding reserves upon which they could call as an alternative were Local Growth Fund monies not allocated.

Value for money (Amber)

The Business Case states an initial Benefit Cost Ratio of 1.82:1, increasing to an Adjusted Benefit Cost Ratio of 2.01:1.

The robustness of economic appraisal methodology that has been applied and the assumptions underpinning it raise uncertainty around the value for money of the scheme.

Specifically, by considering items such as student tariffs, research incomes and leakage the BCR could fall below 2:1.

Deliverability (Amber/Green)

The level of LGF spend profiled prior to the end of the LGF horizon presents a moderate risk to the deliverability of the scheme.

M2 J5 Improvements – Sittingbourne

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2021/22	2021/22

LGF 3b Ask	Match funding	Project Cost	% match
£1,600,000	£89,100,000	£90,700,000	98%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Green	Amber/Green	Amber/Green	Amber/Green	Amber

Project summary

- M2 J5 is the main access point for people travelling to Sittingbourne, Port of Sheerness and the Isle of Sheppey. It provides a strategic link between the M20 and M2 corridors.
- Improvements to the M2/A249 junction are therefore a Kent County Council strategic priority in order to deliver their strategic priority of "growth without gridlock".

Key strengths

- Very high match funding.
- Supports a strategic road corridor.

Reasons for Amber or Amber/Green scores

Need for intervention (Amber/Green)

It is acknowledged that improvements to M2 Junction 5 are a strategic priority in the region. However, there is a need for a more compelling justification for allocation of Local Growth Fund monies to fill the funding gap. For instance, the business case has not made it clear the extent to which developer contributions have been sought to partly fund the scheme. Additionally, there is uncertainty around the extent to which £1.6m will fully enable the scheme and unlock its economic impacts.

Value for money (Amber/Green)

The Business Case sets out a Benefit Cost Ratio of 3.46:1, demonstrating high value for money. However, the lack of sensitivity testing within the Value for Money assessment raises some uncertainty around the value for money of the scheme.

Deliverability (Amber/Green)

The expenditure forecast, and funding profile of the wider scheme is not yet confirmed by Highways England.

Benefits Realisation (Amber)

Although Highways England has indicated that LGF funds would be spent by March 2021, given that the wider project timeline extends beyond the Local Growth Fund horizon means that there will be limited benefits realisation by March 2021.



Maidstone East - Expansion of Station redevelopment

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£641,000	£448,000	£1,089,000	41%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber	Green	Green	Amber/ Green	Green

Project summary

- A range of measures which will make the station more attractive to access by foot, cycle, which complements NSIP funded station improvements and other "Step Ahead of the Rest" funded schemes.
- The project will deliver local reductions in congestion, noise and road accidents, and improvements in air quality and health outcomes through increased physical activity.
- The scheme indirectly supports wider impacts including helping to unlock development areas close to the station.

Key strengths

- Supports sustainable transport options with associated benefits in terms of health, air quality, and congestion reduction.

- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment. There is some funding from Southeastern which is not yet confirmed.

Scale of impact (Amber)

Although the scheme has been assessed as representing high Value for Money, it has no direct economic impact on jobs and homes since its aim is to encourage use of sustainable modes in place of private car and thereby support a reduction in congestion and improved air quality.

Deliverability (Amber/Green)

The presence of multiple stakeholders including Network Rail and Southeastern presents a deliverability risk given the timescales and previous delays which have been incurred across the LGF programme for rail projects.



Mid Kent College Training services Scaffolding Training Centre - Chatham

Primary Theme: Skills

Development Stage	LGF Spend Completion	Project Completion
Option Selection	2018/19	2018/19

LGF 3b Ask	Match funding	Project Cost	% match
£269,148	£403,724	£672,872	60%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber	Amber/ Green	Amber	Green	Green

Project summary

- A new centre to provide training and apprenticeships for scaffolding and construction.
- The centre will result in the delivery of new training and apprentices. Given that other centres are at full capacity, and the closure of CITB training centre, it is likely that there will be demand for these courses / apprenticeships. Around 400 students could be accommodated in the facility.

Key strengths

- Provides skills in an important industry sector.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment.

Scale of impact (Amber)

The scale of the impact in terms of job numbers is uncertain. The business case has not robustly identified the number of learners that will be upskilled by the facility.

Need for intervention (Amber/Green)

The Strategic Case states that the funding gap cannot be filled by private sector funding, as the low financial returns make it unattractive yet no evidence of this has been provided.

Value for money (Amber)

The economic appraisal methodology has been carried out at a high level based on the earning potential of trained apprentices. This is appropriate given the scale of the funding requirement, though this means there is some uncertainty around the value for money of the scheme. In particular, although the value for money rating is high, the assessment has not considered additionality.



New Artist Studios - Southend-on-Sea

Primary Theme: *Workspace*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2018/19	2018/19

LGF 3b Ask	Match funding	Project Cost	% match
680,000	£575,000	£1,255,000	46%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Amber	Amber	Amber/Green	Green	Green

Project summary

- Conversion of a former gallery into rentable space for artists and for community projects.
- The project will deliver 16 jobs, though there is a lack of certainty regarding this estimate.

Key strengths

- Direct impact on jobs.
- Utilises a vacant site in a prime location.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment.

Scale of impact (Amber)

The economic impacts in terms of jobs numbers are quite low relative to the LGF ask.

Need for intervention (Amber)

Whilst it is stated that there is a lack of artists' studios in South Essex, there is insufficient evidence to demonstrate that there is a market failure and that public sector investment is required.

Value for money (Amber/Green)

Using the Transparent Economic Assessment Model (TEAM) a Very High Value for Money has been calculated (Benefit Cost Ratio of 5.78:1), although there are some doubts concerning the robustness of the input assumptions for the number of additional jobs created.



Newhaven Town Centre Scheme

Primary Theme: *Public realm*

Development Stage	LGF Spend Completion	Project Completion
Option Selection	2020/21	2023/24

LGF 3b Ask	Match funding	Project Cost	% match
£843,000	£60,600,000	£61,443,000	99%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Green	Amber/Green	Amber	Green	Amber

Project summary

- The scheme will provide new community, tourism, leisure, residential, and retail facilities in an accessible central location.
- The project will indirectly create 182 jobs and safeguard a further 75, plus 108 affordable homes will be enabled with the potential for a further 70 on an adjacent site.

Key strengths

- Supports the regeneration of a town centre, indirectly supporting new affordable houses and new jobs.
- Supports the visitor economy.
- Very high match funding.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Need for intervention (Amber/Green)

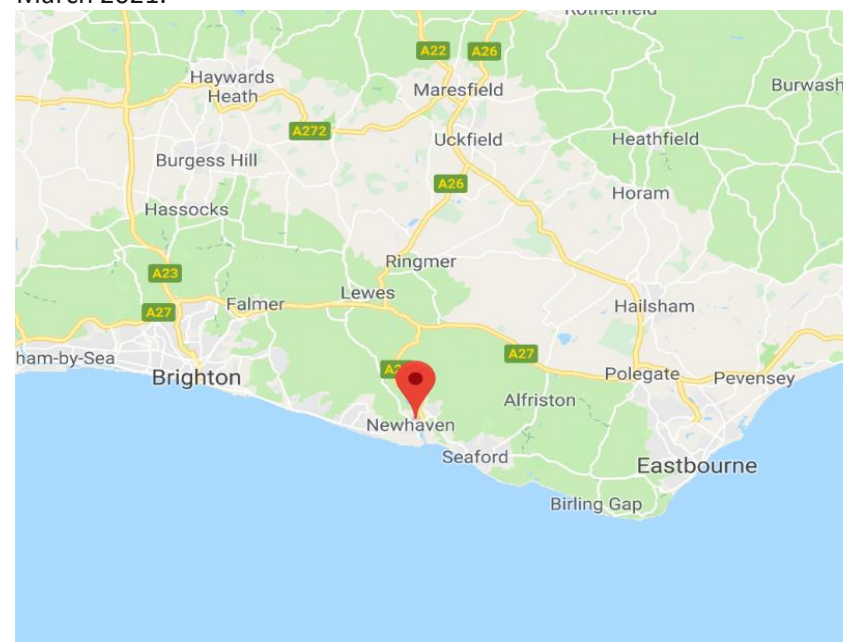
There are some concerns regarding whether such a small LGF contribution 1% of the overall project cost can unlock such a substantial scheme.

Value for money (Amber)

A benefit cost ratio of below 2:1 has been presented, though with additional economic analysis to take into account the wider benefits, we would expect the Value for Money to improve.

Benefits Realisation (Amber)

A wider project timeline which extends far beyond the Local Growth Fund horizon means that there will be limited benefits realisation by March 2021.



NIAB – East Malling, Kent

Primary Theme: *Workspace*

Development Stage	LGF Spend Completion	Project Completion
Feasibility Design and Option Selection	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£1,840,000	£3,293,000	£5,133,000	64%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Green	Green	Amber	Green	Green

Project summary

- Provision of infrastructure (utilities, drainage, groundworks) required to build 896m² of new state-of-the-art glasshouses and the construction of a low-carbon energy centre at NIAB (horticultural and land-based science research centre). This will support a range of innovative research projects. This forms Phase 1 of Masterplan for an Advanced Technology Horticultural Zone.
- It will directly create 14 knowledge based jobs and contribute to 150 new jobs in the horticultural sector.
- The scheme will also release land suitable for the development of 410 homes.

Key strengths

- Direct impact on jobs.
- Releases land for new housing.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of local funding commitment.

Value for money (Amber)

The economic appraisal methodology has been carried out at a high level since the LGF funding request is less than £2m.

The scheme has a relatively small direct impact, and while it opens up opportunities for additional jobs and housing growth, the case for the realisation of these potential benefits requires additional qualitative and quantitative evidence. The lack of this qualitative and quantitative evidence raises uncertainty around the value for money of the scheme.



Purdeys Way, Junction Improvements – Rochford

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£2,110,000	£15,000	£2,125,000	1%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber	Amber	Amber/Green	Green	Amber/Green	Green

2.4

Project summary

- Modification of the access junction for Purdeys Industrial Estate to remove the mini-roundabout and replace with a larger signalised junction with widened approaches and improved footways.
- The scheme will improve access to Purdeys Industrial Estate and London Southend Airport.

Key strengths

- Supports economic growth (specifically new jobs) by improving connectivity and reducing transport barriers.
- Demonstrates Very High Value for Money with a Benefit Cost Ratio of 5.92:1.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber)

The level of match funding is low relative to the LGF funding ask.

Scale of impact (Amber)

Whilst the project is linked to the growth of London Southend Airport, the business case has not identified the scale of impact on jobs, homes and learner numbers associated specifically with the delivery of this project. .

Need for intervention (Amber/Green)

The business case does not demonstrate why private sector funding from tenants benefitting from the scheme cannot fund the delivery of the scheme.

Deliverability (Amber/Green)

The level of LGF spend profiled in 2020/21 (£1.71m) of 80% of total scheme costs presents a risk to the spend of LGF within the required timescales.



Romney Marsh Employment Hub - Folkestone & Hythe

Primary Theme: *Business/enterprise park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility/Planning	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£2,570,737	£4,310,237	£6,880,974	63%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Green	Amber/Green	Amber	Amber/Green	Green

Project summary

- Delivery of a business/skills/innovation employment hub and associated infrastructure to kick-start the delivery of the development masterplan in New Romney.
- The masterplan will deliver 700 jobs, although only 200 of these are direct jobs related to the business hub. It also has the potential to unlock 400 homes.
- There is not a high degree of certainty over these jobs, given that limited demand assessment has been carried out to demonstrate the labour requirements of business owners / entrepreneurs.

Key strengths

- Supports new jobs and releases land for new homes.

- Supports the delivery of a wider masterplan.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment.

Need for intervention (Amber/Green)

The Business Case provides evidence of the existence of a viability gap. However, it has not been made clear why a private sector developer would not develop the site reducing the need for LGF funding.

Value for money (Amber)

The Business Case states an adjusted BCR of 3.92:1. However, the robustness of the economic appraisal methodology that has been applied and the assumptions underpinning it raise uncertainty around the value for money of the scheme. In particular, private sector contributions and rental incomes have been incorrectly accounted for within the cost-benefit analysis.

Deliverability (Amber/Green)

As over 50% of expenditure will happen in 2020/2021 (£1.3m) there is risk to LGF spend within the required timescales.



Rye Harbour Discovery Centre

Primary Theme: *Public realm*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£200,000	£2,900,000	£3,100,000	94%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Amber	Amber	Amber/Green	Amber/Green	Green

Project summary

- Creation of a landmark new visitor attraction for the South East and provision of access to a key nature tourism site.
- The project will deliver 8 jobs. There are high levels of certainty around this output.
- The project will support the regional tourist economy as part of the wider South East Nature Tourism Partnership. However, the economic outputs of this are less certain.

Key strengths

- Generates additional jobs.
- Supports the visitor economy.
- High match funding.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Scale of impact (Amber)

The direct economic impact in terms of additional jobs is low, and the economic impacts from tourism are uncertain.

Need for intervention (Amber)

Sussex Wildlife Trust has a good track record in fundraising and the business case does not make it clear why other sources of funding cannot fill this funding gap.

Value for money (Amber/Green)

The economic appraisal methodology has been carried out at a high level so raises some uncertainty around the value for money of the scheme.

Deliverability (Amber/Green)

Sussex Wildlife Trust as an organisation does not have significant experience in managing capital build projects and this raises a minor delivery risk.



Sevenoaks Business Hub

Primary Theme: *Workspace*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£240,400	£25,000	£265,400	9%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber	Amber/Green	Green	Green	Green	Green

Project summary

- A project to bring a disused Red Cross building back into use as a Business Hub.
- The project will support 16 start-up businesses and 15 net jobs over 10 years.

Key strengths

- Direct impact on jobs.
- Utilises a vacant town centre site.
- Supports start-up businesses.
- Low level of LGF required.
- Very High Value for Money with a Benefit Cost Ratio of 10.6:1

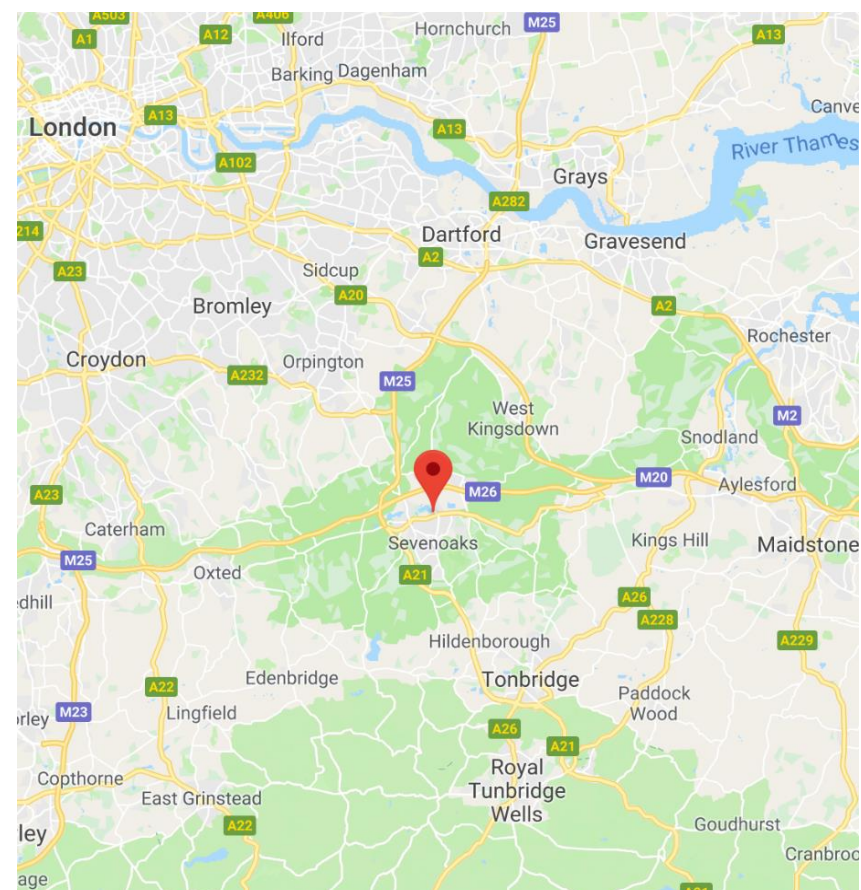
Reasons for Amber or Amber/Green scores

Match / leverage (Amber)

The level of match funding is low relative to the LGF funding ask.

Scale of impact (Amber/Green)

The expected economic impacts of the scheme in terms of net jobs is moderate, though it is acknowledged that the scale of the scheme is relatively small and the LGF ask is relatively low.



Sidney Little Road Business Incubator Hub – Hastings

Primary Theme: *Business/Enterprise Park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2021/22

LGF 3b Ask	Match funding	Project Cost	% match
£500,000	£2,273,686	£2,773,686	82%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Green	Green	Green	Amber/ Green	Amber/ Green

Project summary

- Development of 28 incubator units on redundant land located in an industrial estate in Hastings Borough.
- 74 jobs created with initial support given to 28 start-up businesses, which is likely to increase in number given the total lettable space of 887 sqm.

Key strengths

- High level of match funding.
- Low level of LGF funding required.
- Direct impact on jobs (with a low cost per new job - £6.8k).
- Supports start-up businesses.
- Leverages previous SELEP investment in the Bexhill/Hastings link road.

Reasons for Amber or Amber/Green scores

Deliverability (Amber/Green)

Additional consideration of the scheme risks would increase certainty of deliverability. In particular, a quantified risk assessment has not been undertaken at SOBC stage. Additionally, the council is taking the risk on revenue shortfall in the first five years so the funding gap may increase if borrowing levels or interest rates increase.

Benefits Realisation (Amber/Green)

Although the Local Growth Fund monies are programmed to be spent in 2019/20, the wider project delivery timescales are beyond the Local Growth Fund horizon, therefore the full benefits of the funding will not be realised by March 2021.



Skills for Rural Businesses Post-Brexit – Plumpton College, Lewes, East Sussex

Primary Theme: Skills

Development Stage	LGF Spend Completion	Project Completion
SOBC	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£2,918,000	£4,119,020	£7,037,020	59%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Amber/Green	Amber/Green	Amber/Green	Green	Green

Project summary

- Building capacity in technical training, skills supply and business support interventions at Plumpton College to drive productivity increases in agrifood and associated businesses during Brexit transition and post Brexit.
- The project will deliver new jobs, 13 safeguarded jobs, 204 additional apprenticeships, and 2,500 + business support activities.

Key strengths

- Additional skills and business support in a key industry.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, though there is no private sector contribution and there are other schemes which have higher level of funding commitment.

Scale of impact (Amber/Green)

The economic impact of the scheme is high, but the number of jobs supported directly is small (13), with most of the benefits accruing from additional apprenticeships and business support activities. There are some concerns over how the scale of impact from the business support activities has been estimated – it is stated that these comprise "2500+ p.a. arising from events, mentoring, peer exchange, masterclasses, demonstrations, student/employer meets etc...". However, there could be more evidence provided to support this estimate, more detail on the nature of the interventions and an explanation of how they will add value.

Need for intervention (Amber/Green)

The business case does not provide sufficient justification as to why alternative funding sources cannot be used to contribute towards filling the funding gap.

Value for money (Amber/Green)

The Business Case states a Very High Value for Money with a Benefit Cost Ratio of 6.52:1. However, the assumptions underpinning the economic appraisal raise some uncertainty around the value for money of the scheme. Specifically, additional evidence is required to justify how business support interventions have been valued. Their quantified benefit is estimated to be £2.374m p.a. (or £950 per intervention), but there is a lack of evidence regarding how this has been determined, and a lack of benchmarking information to provide confidence in the estimate.

St Nicholas Square – Colchester

Primary Theme: *Public realm*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£1,052,500	£17,500	£1,070,000	2%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber	Amber	Green	Green	Green	Green

Project summary

- A public realm improvement scheme to improve a currently very poor public space and harness planned/potential regeneration around the square.
- The project will indirectly support the delivery of 24 new housing units, and 12 net jobs. It will also support retail units located adjacent to the square.

Key strengths

- Supports the regeneration of a town centre as part of a wider investment programme within a Business Improvement District.
- Supports new housing.
- Low level of LGF required.

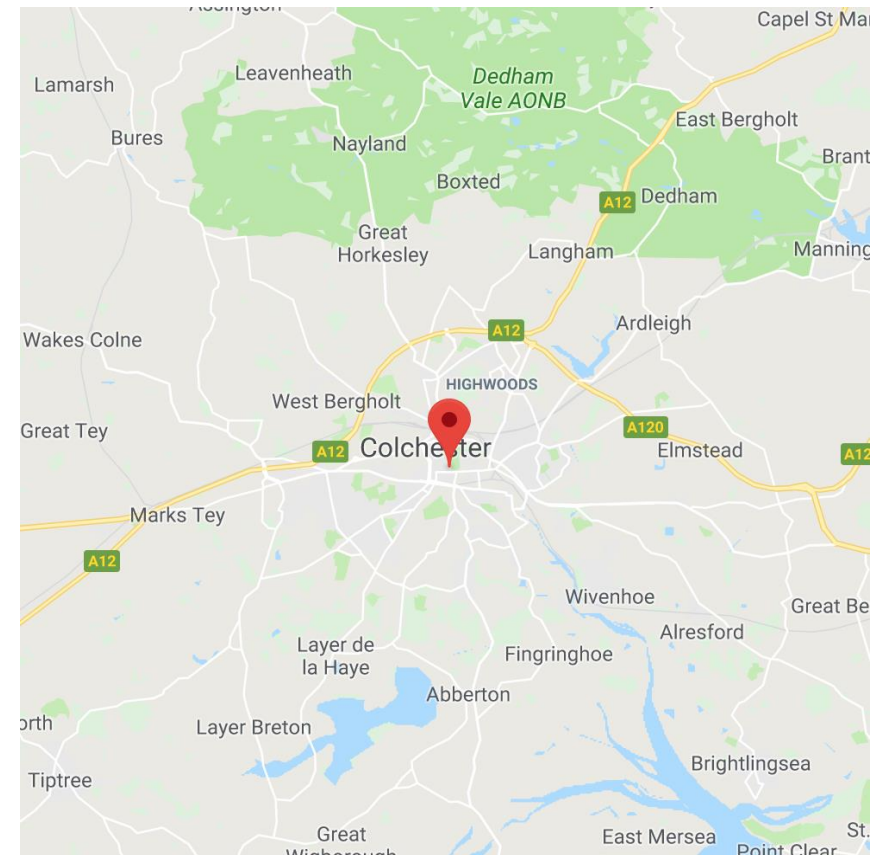
Reasons for Amber or Amber/Green scores

Match / leverage (Amber)

The level of match funding is low relative to the LGF funding ask.

Scale of impact (Amber)

The direct economic impacts in terms of jobs and houses are quite low, though there are additional indirect benefits in terms of supporting the rejuvenation of Colchester town centre and encouraging visitors to the town.



Thameside Fire Training Ground (North Kent College)

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	Unclear	2021/22

LGF 3b Ask	Match funding	Project Cost	% match
£400,000	£100,000	£500,000	20%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Amber	Green	Amber/Green	Green	Amber/Green

Project summary

- Redevelopment of a fire training ground for skills training, to provide a purpose-built training facility suitable for both marine and shore based firefighting training.
- The project will support the delivery of 1,500 employees trained and 106 maritime apprentices. The expected outputs have been calculated by assessing past performance and trends and the economic appraisal has been undertaken at a high level.

Key strengths

- Supports skills training in an important industry.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

Some funding match has been committed, but there are other schemes which have higher level of funding commitment.

There timescale for LGF spend relative to other funding contributions is unclear.

Scale of impact (Amber)

The scheme has no direct impact on jobs or homes numbers, but does provide skills training with the potential to reduce youth unemployment. This is not quantified so there is uncertainty around the scale of the economic impact.

Value for money (Amber/Green)

The economic appraisal methodology has been carried out at a high level and this raises some uncertainty around the value for money of the scheme.

Benefits Realisation (Amber/Green)

The wider project delivery timescales are beyond the Local Growth Fund horizon therefore the full benefits of the funding will not be realised by March 2021.



The Coachworks – Ashford

Primary Theme: *Workspace*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£910,800	£1,000,000	£1,910,800	52%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber	Amber/ Green	Green	Amber/ Green	Green

Project summary

- The refurbishment of a number of buildings within Ashford's Commercial Quarter to create a campus where people can work, make, perform, exhibit, eat and drink.
- The scheme will indirectly support 147 jobs, however, there is uncertainty around how these outputs have been calculated.

Key strengths

- Forms part of a wider strategy to support the town centre.
- Utilises a derelict building in a prime location.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed but there are other schemes which have higher levels of funding commitment and there is no private sector contribution.

Scale of impact (Amber)

The economic impact of the scheme on jobs numbers is indirect and there is uncertainty around the displacement and deadweight assumptions which have been employed. Identification of what would happen in the absence of Local Growth Funding would increase the robustness underpinning the economic impacts of the scheme.

Need for intervention (Amber/Green)

The Strategic Case identifies that the LGF funding is primarily to speed up the scheme deployment, the case has not been made that without the funding the scheme would not happen at all.

Deliverability (Amber/Green)

There is some uncertainty over the availability of match funding given that Council approval is still required.



Tilbury Riverside - Thurrock

Primary Theme: *Business/enterprise park*

Development Stage	LGF Spend Completion	Project Completion
Detailed Design	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£2,360,000	£3,000,000	£5,360,000	56%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber/ Green	Green	Green	Green	Amber/ Green

Project summary

- Building of a new extension to the Riverside Business Centre to provide good quality workspace targeted at start-up, small and medium businesses.
- The project will deliver high quality business support services, 20 workshop extensions, and 48 net jobs.

Key strengths

- Direct impact on jobs.
- Provides support for start-up businesses.
- Project demonstrated High Value for Money with a Benefit Cost Ratio of 5.54:1.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there are other schemes which have higher level of funding commitment. Private sector funding has been considered but is deterred by current poor market conditions.

Scale of impact (Amber/Green)

The short economic impacts in terms of direct additional jobs is low relative to the level of spend, though there is in addition some economic benefit from business support services and additional jobs growth in the medium term.

Benefits Realisation (Amber/Green)

Given that there is £1.16m of LGF funded spending programmed for 2020/21 there is some risk that the full benefits of the funding will not be realised by March 2021.



Tindal Square – Chelmsford

Primary Theme: *Public realm*

Development Stage	LGF Spend Completion	Project Completion
SOBC	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£500,000	£2,000,000	£2,500,000	80%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Green	Amber	Green	Amber	Green	Green

Project summary

- A scheme to remove traffic from Tindal Square, Chelmsford and to create a high quality public space.
- The scheme will indirectly support 1,000 retail jobs and 100 new jobs in Shire Hall, and will indirectly support proposed city centre housing developments and the wider regeneration of the town centre.
- There is uncertainty around the methodology for calculating the economic impacts.

Key strengths

- Supports the regeneration of a town centre, indirectly supporting new jobs and houses.
- High match funding.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Scale of impact (Amber)

The primary benefit of the scheme is to support the development of Shire Hall, and housing developments in the City Centre by improving the public space. Since there are no direct impacts from the scheme there is some uncertainty around the economic impacts in terms of jobs and houses.

Value for money (Amber)

The economic appraisal has been carried out at a high level without a quantitative value for money assessment, or a compelling qualitative narrative. There is therefore some uncertainty around the value for money of the scheme.



USP College Centre of Excellence for Digital Technologies and Immersive Learning – South Essex

Primary Theme: Skills

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2020/21

LGF 3b Ask	Match funding	Project Cost	% match
£900,000	£1,116,000	£2,016,000	55%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/ Green	Amber/ Green	Green	Green	Amber/ Green	Green

Project summary

- Development of a new Centre of Excellence for Digital Technologies and Immersive learning.
- The project will deliver 24 additional learners and 45 additional apprentices per annum.

Key strengths

- Develops skills in a key industry.
- Low level of LGF required.

Reasons for Amber or Amber/Green scores

Match / leverage (Amber/Green)

A strong funding match has been committed, but there is no private sector funding and there are other schemes which have a higher level of local funding commitment.

Scale of impact (Amber/Green)

The expected economic impact of the scheme in terms of learners is relatively low in comparison to other skills schemes seeking funding.

Deliverability (Amber/Green)

Whilst there are no major concerns regarding cost risks, more assurance could be given around how potential cost overruns have been considered and how any cost overruns will be met.

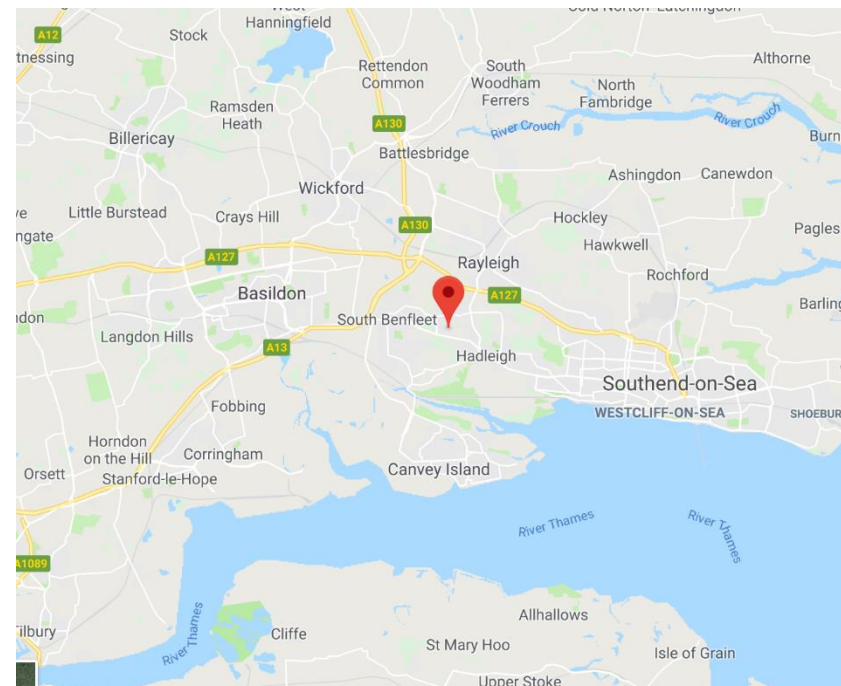


Table 3: Reasons for sifting schemes out

Project LGF sought and total project cost	Description	Primary reason for being sifted out	Additional concerns
<p>A127 The Bell (additional funding ask)</p> <p>£2.144m- LGF ask</p> <p>£7.164m – Total project cost</p>	<p>Improvements to The Bell Junction which serves London Southend Airport, Airport Business Parks and an area of proposed development, including a new footbridge.</p>	<p>Value for Money</p> <p>Whilst the project itself demonstrates very high value for money, the Business Case identifies that the additional economic impacts delivered by this additional funding ask on top of the LGF already allocated to A127 The Bell are limited.</p>	<ul style="list-style-type: none"> • The assumptions underpinning the economic appraisal indicate that the benefits from the wider scheme may be being double counted. • £6.5m to be spent by March 2021 would be difficult to achieve in addition to the £7m for Essential Maintenance scheme given the current stage of progression of the scheme and given that the construction period is September 2020 through to March 2021.
<p>Balkerne Gate, Colchester</p> <p>£1.436m- LGF ask</p> <p>£1.453m- Total project cost</p>	<p>Improving public realm in /around Mercury theatre, including developing new accessible, high quality public space.</p>	<p>Case for Public Sector Intervention</p> <p>The delivery of public realm work in and around the Mercury Theatre has already been supported by SELEP through the allocation of £1m LGF to the Mercury Theatre project.</p> <p>The scope of the Mercury Theatre, approved by SELEP in November 2017, included “creating world class facilities for artists and audience alike improving the audience experience – thereby increasing future capacity and attracting more visitors” but also included ‘public realm linking the Mercury, Arts Centre and historic Colchester’ . It is therefore unclear how the Balkerne Gate project will deliver additional benefits relative to the project benefits committed to through the award of £1m LGF to the Mercury Theatre project.</p>	<ul style="list-style-type: none"> • The scheme has limited impact on jobs and therefore the scheme is not well aligned with the objectives of the Local Growth Fund. • Insufficient economic impact. • There is a missed opportunity to try and develop more creative options which could attract private sector interest.

Project	Description	Primary reason for being sifted out	Additional concerns
LGF sought and total project cost Basildon Flagship Cycle Route £0.453m- LGF ask £0.953m- Total project cost	2.4 mile cycle route linking Basildon Station to Pipp's Hill retail and industrial area and Laindon.	Alternative funding identified We have been made aware that this scheme is being combined with a wider Basildon Integrated Transport Package and will be considered by the Accountability Board for a funding decision in February 2019.	
Basildon Innovation Warehouse £1.695m – LGF ask £1.7m – Total project cost	Conversion of Green Centre in Wat Tyler Country Park into a hub to support entrepreneurs and innovators.	Value for Money Economic appraisal has been undertaken and identified a Benefit Cost Ratio of significantly below 2:1, with some additional concerns over the robustness of the estimate.	<ul style="list-style-type: none"> • Economic appraisal has not considered the full LGF ask for the scheme. The Benefit Cost Ratio assessment has not included the total capital cost of delivering the Warehouse. • There is a considerable lack of clarity around the assumptions underpinning the value for money.
Calverley Square. Tunbridge Wells £5m- LGF ask £90m – Total project cost	The Calverley Square development involves the redevelopment of land including a new 1,200 seat theatre, new Grade A office accommodation, underground car parking and a new gateway to Calverley Grounds and associated public realm improvements. It is a strategically important scheme given that the ambition is for the theatre to be a regional centre.	Value for Money The initial BCR is 1.14:1 only rising to 2.02:1 once “other quantified impacts” are included, these include expenditure on food and drink and induced employment. There is, however, a lack of evidence concerning the scale of these additional benefits.	<ul style="list-style-type: none"> • While the evaluation has utilised an independent economic impact assessment, confidence in this is reduced by the lack of sensitivity testing and the lack of evidence concerning the assumed level of additionality: 50% of jobs are assumed to be additional but there is no rationale provided for this assumption. • £5m planned to be spent in the final year of LGF presents a deliverability risk, however, it is noted that there is some flexibility in the profiling of the LGF ask

Project LGF sought and total project cost	Description	Primary reason for being sifted out	Additional concerns
<p>Colchester Grow-on Space - North Colchester</p> <p>£4.677m- LGF ask</p> <p>£4.958m- Total project cost</p>	<p>Construction of an extension to the North Colchester Business Centre at the Colchester Business Park to provide non-sector specific grow-on workspace (North Colchester).</p>	<p>Value for Money</p> <p>The cost benefit analysis has overstated the benefit of the project for a number of reasons:</p> <ul style="list-style-type: none"> • business rates have been included in the overall benefit, as this is an economic transfer, in line with Green Book Guidance this should not be included in the VfM assessment; • construction GVA has been included, as construction jobs are temporary it is not best practice to quantify and include construction GVA in the BCR calculation; • operating profit from the grow on units have been incorrectly included in the BCR calculation. <p>These issues raise concerns over the VfM of the scheme.</p>	<ul style="list-style-type: none"> • The economic impacts of the scheme are quite limited. • 6% match indicates that the businesses should be funding a greater proportion of the scheme. • The assumptions which underpin the economic appraisal are not sufficiently justified.

Project	Description	Primary reason for being sifted out	Additional concerns
<p>LGF sought and total project cost</p> <p>Colchester Grow-on Space - Queen Street</p> <p>£0.991m – LGF ask</p> <p>£1.011m- Total project cost</p>	<p>Construction of an extension to the North Colchester Business Centre at the Colchester Business Park to provide non-sector specific grow-on workspace (Queen Street).</p>	<p>Value for Money</p> <p>The cost benefit analysis has overstated the benefit of the project for a number of reasons:</p> <ul style="list-style-type: none"> • business rates have been included in the overall benefit, as this is an economic transfer, in line with Green Book Guidance this should not be included in the VfM assessment; • construction GVA has been included, as construction jobs are temporary it is not best practice to quantify and include construction GVA in the BCR calculation; • operating profit from the grow on units have been incorrectly included in the BCR calculation. <p>These issues raise concerns over the VfM of the scheme.</p>	<ul style="list-style-type: none"> • The economic impacts of the scheme are quite limited. • 2% match indicates that the businesses should be funding a greater proportion of the scheme. • The assumptions which underpin the economic appraisal are not sufficiently justified.
<p>Columbus Avenue Extension, Ramsgate</p> <p>£7.9m – LGF ask</p> <p>£8m- Total project cost</p>	<p>New link road including pedestrian and cycling facilities, which forms part of the Thanet Transport Strategy and the Inner Circuit Route Improvement Scheme, in particular.</p>	<p>Deliverability Risk</p> <p>£7.9m to be spent in 2 years would be difficult to achieve given the current stage of progression of the scheme which still requires planning permission and ecological surveys. Confidence in the ability to spend the LGF funds by March 2021 is reduced by the funding profile which indicates LGF spending will continue beyond 2020/21.</p>	<ul style="list-style-type: none"> • The 1% match funding offered for this scheme is very low given the considerable LGF ask of £8m. • There is no evidence that public engagement or consultation has been undertaken.

Project	Description	Primary reason for being sifted out	Additional concerns
LGF sought and total project cost Flood Control Across the South East (FloCASE) £1.493m- LGF ask £2.495m – Total project cost	<p>A pan-SELEP project which will assist businesses to invest in their own flood protection.</p>	<p>Case for Public Sector Intervention</p> <p>It is stated that without intervention, businesses will not invest in required flood defences due to a lack of capital and / or available advice. This type of problem may be better solved by providing advice and support to raise awareness and motivate the private sector to invest without the need for public sector capital funding.</p>	<ul style="list-style-type: none"> • The economic impacts of the scheme are only indirect. They will improve the resilience of the businesses in the area which in turn has the potential to safeguard jobs. • There is no evidence that funding has been sought from the businesses that will benefit from the project. • There has not been a clear articulation of the options for consideration and the justification for selection of the preferred option.
Healthcare and Technology, Harlow £3.24m – LGF ask £6.02m- Total project cost	<p>The repurposing of accommodation at Harlow College into a centre for delivering healthcare, health science and digital technologies, embedding innovation in different vocational pathways and preparing the college for the introduction/delivery of T Levels.</p>	<p>Value for Money</p> <p>The VfM methodology used is in line with the Education and Skills Funding Agency methodology and the programme offers a Benefit Cost Ratio greater than 2:1. However, the value has been based on all learners (not additional learners) and hence is overstated. Therefore, the scheme does not provide good value for money.</p>	<ul style="list-style-type: none"> • The methodology used for economic appraisal is not robust and does not provide a consistent basis for comparison with other schemes.
Innovating, Creative & Enterprising Lab (iceLab), Canterbury £5.44m – LGF ask £8.129m – Total project cost	<p>Capital project to support businesses to embrace future technologies.</p>	<p>Deliverability Risk</p> <p>High levels of expenditure profiled in 2020/21 raises uncertainty around the deliverability of the scheme. Thus, planning permission is due to be obtained in May 2019 with construction / fit out planned for Q2 2019/20 through to the end of Q1 2021/22.</p>	<ul style="list-style-type: none"> • Uncertainty around the deliverability of the programme with funding planned to be allocated in February 2019.

Project	Description	Primary reason for being sifted out	Additional concerns
<p>LGF sought and total project cost</p> <p>Innovation Park Medway (northern site) – Enabling infrastructure (additional funding ask)</p> <p>£2.3m – LGF ask</p> <p>£32.5m – Total project cost</p>	<p>Infrastructure works to support the park (which is aiming to attract high GVA businesses in technology and science)</p>	<p>Deliverability Risk</p> <p>The scheme is dependent upon the delivery of earlier phases of work which have come up against public opposition and have not yet been implemented; creating a risk to the spend of the current LGF allocation to the project.</p> <p>Phase 1 of the project was awarded £4.4m LGF in June 2016. However, less than £0.369m LGF has been spent to date. A further £3.7m LGF has also already been allocated to Phase 2 of the project.</p> <p>SELEP have previously been made aware of the intention to deliver phase 2 of the project using developer contributions (along with the £3.7m LGF which is currently allocated to Phase 2 of the project). It is therefore unclear why further public sector funding contributions are being sought.</p>	<ul style="list-style-type: none"> • Development partners have yet to be identified. • If considered as a whole scheme, the total spend on Innovation Park Medway will be difficult to achieve in the timescales.
<p>Maidstone East Urban Civic Quarter</p> <p>£8m- LGF ask</p> <p>£68m – Total project cost</p>	<p>The project seeks to transform a major gateway location into the town through the creation of a new urban quarter which will include up to 413 new homes, over 6313 sq.m. of offices and 998 sq.m. of retail space.</p>	<p>Deliverability Risk</p> <p>£8m to be spent by March 2021 given that the funding profile indicates most of the LGF spending (£6m) is in 2020/21 and given the current stage of progression of the scheme which still requires planning permission.</p>	<ul style="list-style-type: none"> • There is insufficient evidence of the consideration of risk. This is particularly pertinent given the involvement of a variety of different key stakeholders and land owners. • A development partner has not yet been identified.

Project	Description	Primary reason for being sifted out	Additional concerns
LGF sought and total project cost Maldon Enterprise Centre £3.85m - LGF ask £7.768m- Total project cost	To develop a new Business Enterprise Centre in Maldon District, forming part of the Maldon Garden Suburb Development Masterplan.	Value for Money <p>A monetised economic appraisal has not been carried out, although an economic appraisal has been undertaken based on the HCA's Employment Density and Additionality Guides. This indicates a cost per additional job of £20,993. While there is some uncertainty given the appraisal method, it is stated that the project offers good value for money.</p>	<ul style="list-style-type: none"> • Insufficient consideration has been given to the economic impact of the scheme. • The potential number of jobs accommodated within the development has been identified, though the number of additional jobs is unclear since there is no consideration of deadweight, leakage or displacement.
New Construction Centre, Chelmsford £1.295m – LGF ask £1.8m- Total project cost	Replacing the existing 'Rubb Huts' at the Princes Road Campus of Chelmsford College with a new purpose-built workshop for construction courses and skills development.	Case for Public Sector Intervention <p>The case for LGF funding is based on the lack of private sector funding opportunities due to the unattractive rate of return. However, there is insufficient evidence to suggest LGF funding is being used as a funder of last resort since the college has a capital fund that it can utilise, albeit by delaying other projects.</p>	<ul style="list-style-type: none"> • There is insufficient evidence that alternative funding sources have been exhausted. • A limited options assessment has been put forward.
Restoring the Glory of the Winter Garden, Eastbourne £1.6m – LGF ask £3.9m – Total project cost	Regeneration of a Grade II listed building in the Devonshire Quarter redevelopment site.	Case for Public Sector Intervention <p>The rationale for public intervention is not well made in the Strategic Case. It is stated that public sector intervention is needed to restore the Winter Gardens to its former glory, yet a clear coherent case has not been articulated as to why this is required. For example, there is no evidence of demand, for music and event space, no narrative on the provision of conference space elsewhere.</p>	<ul style="list-style-type: none"> • There is insufficient evidence of demand for the proposal. • There has not been a compelling case made that alternative options have been considered and the most appropriate option selected.

Project	Description	Primary reason for being sifted out	Additional concerns
LGF sought and total project cost Shoebury Heritage Centre, Southend – on – Sea. £0.85m- LGF ask £0.85m = Total project cost	Completion of the internal works to the proposed Shoebury Heritage Centre providing multi-use space for Social Enterprise employment, community space, heritage, tourism and support to local businesses.	Case for Public Sector Intervention The Strategic Case suggests the project will be a catalyst for supporting tourism as there is a lack of accessible year round infrastructure to support visitors and residents to explore the area, hold social, cultural and civic events and see interpretation on the history, culture and environment. However, there is a lack of evidence on how this has been determined, and a lack of quantification.	<ul style="list-style-type: none"> • There is insufficient evidence that the scheme cannot be funded through alternative sources. • This scheme is not particularly well aligned with the objectives of the Local Growth Fund.
Southend Town Centre £1.5m – LGF ask £2m – Total project cost	Delivery of public realm works, CCTV in the town centre, improvement in pedestrian access to the town centre and tackling the high levels of vacancy rates in the town centre.	Value for Money There is uncertainty that the scheme components that would be delivered by the LGF can have the stated economic impacts. For example, the creation of jobs is hinged on the filling of vacant units but there is no information about how likely these are to be filled and when.	<ul style="list-style-type: none"> • 75 units being brought back into use, 402 jobs and 75% occupancy rate is too much to expect from the investment being proposed. • This is not part of a larger scheme therefore it is unclear as to how this level of impact could be delivered.
Sturry Link Road, Canterbury (additional funding ask) £4.5m- LGF ask £29.6m- Total project cost	A new road and bridge which avoids the need to use a level crossing, and includes provision for sustainable modes.	Deliverability Risk Given that the scheme has £5.9m already allocated, more than £10m would need to be spent in 2 years and this would be difficult to achieve given the current stage of progression of the scheme (including the need for planning permission and a CPO) and given the uncertainty about the timing of the developer contributions to the project.	<ul style="list-style-type: none"> • More funding should be provided by developers given the high level of dependency of development on this scheme.

Project	Description	Primary reason for being sifted out	Additional concerns
LGF sought and total project cost Superfast Essex £4m- LGF ask £4.042m- Total project cost	Complete superfast broadband infrastructure in remaining unconnected areas.	Value for Money The delivery of broadband creates benefits that are created through safeguarding employment, productivity-time savings or increased participation in the labour force. These are left as concepts and no attempts are made to quantify them.	<ul style="list-style-type: none"> • There is limited quantification of the economic impacts of the scheme. • No monetised economic appraisal has been undertaken as is required by the Assurance Framework.
Thames Enterprise Park, Sustainable Transport £2.276m- LGF ask £4.552m- Total project cost	A package of infrastructure schemes and initiatives which focus on encouraging and enabling greater travel choice and providing sustainable options for walking, cycling, public transport use and access to car sharing.	Value for Money Economic appraisal has shown that the scheme represents low value for money with a Benefit Cost Ratio of 1.32:1	<ul style="list-style-type: none"> • There is insufficient evidence that alternative funding sources have been exhausted. • There is limited evidence of consideration of options. • There is insufficient consideration of procurement, contracting and management strategies.

Project	Description	Primary reason for being sifted out	Additional concerns
<p>LGF sought and total project cost</p> <p>Thanet Parkway (additional funding ask)</p> <p>£5m to £8m – LGF ask</p> <p>£27.65m- Total project cost</p>	<p>New station located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line, south of the Manston Airport site and just to the west of the village of Cliffsend.</p>	<p>Deliverability and Funding Risk</p> <p>This is a large scheme designed to enable development but has yet to secure any firm commitment from a developer, as the proposed development has not been forthcoming.</p> <p>£10m LGF is currently allocated to the project but no LGF has been spent to date due to the substantial funding gap.</p> <p>Whilst a further LGF contribution would reduce the funding gap, it would not complete the funding package required to deliver the project.</p>	<ul style="list-style-type: none"> • Uncertainty around the future use of Manston Airport which will have a significant impact on benefits realisation of the scheme. • Lack of evidence concerning a current problem caused by poor rail service provision in the area that would be served by the new station. • The scheme is only at GRIP 4 stage which given experience on Ashford Spurs (much smaller scheme) means that implementation at least a year from commencing. • Spend of £15m in 2 years would be difficult to achieve given the current stage of progression of the scheme. • There is currently uncertainty as to the total cost of the project and, even with the additional LGF ask, how this funding gap would be met.
<p>The Reception, Purfleet</p> <p>£8.82m – LGF ask</p> <p>£10.98m- Total project cost</p>	<p>Development of a mixed use facility comprising creative commercial workspace, a central reception, café/events hall and canteen at the High House Production park.</p>	<p>Deliverability Risk</p> <p>£8.3m planned to be spent in the final year of LGF presents a deliverability risk. More specifically, the scheme still requires planning permission and detailed design work meaning that construction is planned for February 2020 through to completion May 2021.</p>	<ul style="list-style-type: none"> • Given the level of investment the economic impacts on jobs is quite limited: 73 jobs is far below what is being delivered by far lower levels of funding. • Planning permission is not yet in place.

Project	Description	Primary reason for being sifted out	Additional concerns
LGF sought and total project cost University of Essex Parkside Phase 3 £5m – LGF ask £10m- Total project cost	This project is an extension of the Parkside Office Village on the Knowledge Gateway site and involves a new four storey building with a net floor area of 3,775m ² .	Case for Public Sector Intervention LGF funding is needed to speed up the development process and provide for tenants requiring more space - without LGF funding the focus would be largely on smaller start-ups. Thus, the funding will be used primarily to speed up the development rather than enable it.	<ul style="list-style-type: none"> • There is insufficient evidence that alternative funding sources have been exhausted.
Wincheap off-slip, Canterbury £1.9m- LGF ask £17.5m- Total project cost	Construction of a relief road and gyratory through Wincheap retail estate in Canterbury.	Deliverability Risk There is some risk of LGF funding not being spent by March 2021 given that £15.6m expenditure is identified for 2020/21 including £5.4m of LGF funding. This is exacerbated by risks associated with a number of Traffic Regulation Orders and the need to convert a former railway embankment, as set out in the Management Case.	<ul style="list-style-type: none"> • There was a lack of evidence regarding the consideration of options. • A clear case has not been made concerning why additional developer contributions could not be used to fill the funding gap, particularly as £4.4m LGF is already being invested in the project. • There are some concerns over the robustness of the VfM assessment, for example, given the apparent lack of sensitivity testing. • The procurement and contracting strategies are quite complex with different approaches being used for different elements.
Workspace Central Bexhill £1m- LGF ask £2.5m- Total project cost	The project redevelops an unsightly and dilapidated former garage and petrol station into a of 1,800m ² retail and workspace hub.	Case for Public Sector Intervention This scheme is not particularly well aligned with the objectives of the Local Growth Fund, the Growing Places Fund may suit the need of the scheme better.	<ul style="list-style-type: none"> • The direct impact that the scheme will have in terms of jobs, homes and learners is very limited.

3 Next Steps

The results of our initial technical assessment set out in this document have been based upon information set out within the Strategic Outline Business Cases developed by scheme promoters. There has not yet been the opportunity for further engagement to facilitate clarification or additional scheme information to be provided.

Local Engagement 14th January – 1st February 2019

The purpose of this additional technical engagement with scheme promoters is to understand if there is anything which scheme promoters feel has been overlooked through the technical assessment.

Meetings/ Teleconferences

There will be an opportunity for a short (30 mins max) teleconference/face-to-face meeting with the ITE offered to each scheme promoter, if they wish to take up this opportunity. This includes the project promoters for all 60 projects which were submitted to SELEP in 2018, but excludes projects which were not endorsed by Federated Boards. The agenda for this meeting will include:

- Brief summary of the assessment process;
- Steer to provide feedback to scheme promoters;
- Scheme promoter to seek any clarification required on the technical assessment;
- Any substantive changes to the project since the original SOBC submission;
- Scheme promoters will be asked to reaffirm the project position in respect of the expected scale of impact, need for intervention and the pace at which the stated project benefits will materialise;
- Discussion about the project delivery timescales (under scenarios of the LGF only being made available in September 2019 or February 2020 could the LGF still be spent by 31st March 2021?);

- Scheme promoter provided with the opportunity to articulate the three main reasons that the project is required and the opportunity lost if the LGF is not secured.

Written comments – by 1st February

In addition to the teleconference/ face-to-face technical discussion there will also be the opportunity for scheme promoters to feed in any written comments in response to the technical feedback and to re-emphasise any of the points raised through the teleconferences/face-to-face meetings.

As part of the local feedback, we are not asking for Business Cases to be redeveloped or new information to be provided, but instead aims to:

- give scheme promoters the opportunity to respond to the written comments;
- provide information about any substantive project changes which have taken place since the submission of the business cases. This should include details of any changes to match funding contribution or other variables which may impact on the deliverability of the project; and
- capture any additional views from the scheme promoter. In particular, this provides the opportunity to articulate the three main reasons that the project is required and the opportunity lost if the LGF is not secured. It would be helpful for this response to be as succinct as possible so that the responses can be incorporated directly into an updated version of this document – to be presented to the Investment Panel.

Following receipt of the feedback from local areas, the ranked assessment will be updated to reflect any additional clarification which has been provided through the local engagement and this document will be updated accordingly.

SELEP Investment Panel - 8th March 2019

The Investment Panel has been rescheduled for the 8th March 2019, from 10:00 – 12:00 at High House Production Park. A copy of the Terms of Reference for the Panel is available [here](#).

The role of the Investment Panel is to prioritise the projects into a single LGF pipeline, with the outcome of this technical assessment helping to inform the decision making by the Panel. As LGF underspend becomes available, projects included within the LGF3b pipeline will be able to come forward to the Accountability Board for a final funding decision.

The amount of LGF underspend will be informed, in part, by a number of investment decisions by the Accountability Board at its next meeting on the 15th February 2019. Once the Investment Panel has agreed the single pipeline of projects, this will enable a first tranche of LGF3b projects to come forward to the Accountability Board for a funding decision, based on the projects position on the ranked list.

Accountability Board – Final funding decisions

All final funding decisions remain the responsibility of the Accountability Board. Projects which are included on SELEP's single pipeline will be informed when sufficient LGF underspend is available to enable the project to progress.

Once informed, the Business Case will be submitted through the Gate 1 and 2 assessments prior to a final funding decision by the SELEP Accountability Board.

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