

LGF Pipeline
Development: Stage 2
SOBC Technical
Assessment Report

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steer

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 regarding the value for money of schemes seeking an allocation from the Local Growth Fund (LGF).

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 2a – Initial scheme prioritisation and Investment Panel
- Stage 2b – Revised scheme prioritisation and 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	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 2a – Initial 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 (SOBC's) 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 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.

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.

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 – Deliverability

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.

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.

Stage 2b – Revised Scheme Prioritisation

The initial assessment of schemes that were prioritised and schemes that were sifted out was shared with scheme promoters, Federated Areas and the SELEP Investment Panel. The SELEP Investment Panel requested that further information was provided to inform their decision making.

To meet this request, meetings were held with the scheme promoters of all of the schemes, including both those which had been prioritised and those which had been sifted out. Written clarification was also sought from scheme promoters to address the comments made on each business case and to provide any additional information which might further support bids for funding.

Informed by clarification of areas of uncertainty within bids and additional, supporting information, all the schemes were reassessed in full, including those which had been initially sifted out. On the basis of this reassessment, the schemes were reprioritised.

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 which map to the assessment criteria set out in Table 2.

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

The first two assessment criteria: *Support from relevant Federated Board* and *Support from the relevant Upper Tier Authority* were Stage 1 sifting criteria so would not provide differentiation between schemes. Similarly, all schemes submitted for assessment at Stage 2 performed well against the *Strategic Fit* criterion. For this reason performance of schemes against the first three Stage 2 assessment criteria has not been presented.

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 LGF 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 LGF monies. Consideration was also given to the certainty that the match or leverage was dependent upon the LGF monies being allocated.

The RAG assessment included in this technical document applies the following thresholds:

- 80% and over - Green

- 20 – 79% - Amber/Green
- Under 20% - Amber

This criterion maps to the *Additional funding sources* assessment criterion.

Scale of impact

The use of this criterion ensures that the schemes which meet the key objectives of the LGF – 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.

This criterion maps to the *Rationale for funding request* assessment criterion.

Need for intervention

This criterion draws attention to the objective of the LGF and of all public sector funding, that it should be used to solve a market failure and not just as an additional funding source. LGF 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.

This criterion maps to the *Rationale for funding request* and the *Option generation and sifting* assessment criteria.

Value for Money

This criterion addresses the requirement that any scheme seeking LGF monies, as set out in the South East Local Enterprise Partnership Assurance Framework, must represent High Value for Money with a Benefit Cost Ratio (BCR) 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 BCR of over 2:1); but

- has a BCR 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 BCR above 2:1.

Exemption 2: This may be applied where a project does not demonstrate a High Value for Money (a BCR of over 2:1), but has a BCR 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 BCR of 2:1 or more, but if it does not clearly set out and justify the assumptions which underpin the BCR, then this reduces the certainty that the scheme represents high value for money.)

This criterion maps to the *Value for money* assessment criterion.

Deliverability

This criterion reflects the need for all LGF allocations to be spent by March 2021. Schemes seeking a contribution from the LGF do not necessarily have to have been fully delivered by March 2021, but all the LGF contribution must have been spent. Our assessment of schemes against this criterion gave consideration to the level of programmed spend of LGF 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.

This criterion maps to the *Deliverability* and the *Programme and risk management* assessment criteria.

Benefits Realisation

This criterion reflects the priorities of SELEP to facilitate schemes which deliver positive economic outcomes within the LGF period. Our assessment of schemes against this criterion considered whether benefits realisation from the LGF contribution to a scheme would commence within the LGF period to March 2021. This criterion favours schemes which will be fully delivered within this period rather than circumstances in which the LGF contribution only delivers part of the scheme and full delivery completes and benefits realisation commences after the end of the LGF period.

This criterion maps to the *Deliverability* assessment criterion.

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 support/ enterprise parks

- Business support/ 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 support/ 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 support/ enterprise park schemes and this can lead to there being uncertainty around the value for money of Business support/ 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

Stage 2a – Initial scheme prioritisation

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 LGF 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 be realised within or soon after the LGF period has come to an end.

Stage 2b – Revised scheme prioritisation

Clarification of areas of uncertainty within bids and additional, supporting information was sought through meetings with and written submissions from each of the scheme promoters. All the schemes were reassessed in full, including those which had been initially sifted out. On the basis of this reassessment, the schemes were reprioritised.

For all schemes which were initially prioritised and have now been reassessed, the detail of the initial assessment has been provided with the reassessment provided below it. For all schemes which were initially sifted out, the reasons for this have been provided as well as the details of the reassessment. This format enables comparison and allows understanding of how clarification and new information have been reflected in the reassessment.

NOTE: This document has been updated to show only the final assessment of each project. Projects which were prioritised for funding at the first Investment Panel meeting and those which have been subsequently withdrawn by scheme promoters have been removed from this document.

Subsequent to this document being produced Federated Boards have considered all projects within their area and have identified those which they consider to be the most strategically important. The Federated Board priorities are marked in this document.

A13 East Facing Slips, Grays

Primary Theme: *Transport*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2020/21	2024/25

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/Green	Amber/Green	Amber/Green

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/Green scores

Scale of impact (Amber/Green)

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.

Given the funding is sought for scheme development, it is recommended that, were funding to be allocated it would be on the basis of the full scheme being delivered, and if not, funding returned.

Need for intervention (Amber/Green)

Information from the scheme promoter has indicated that alternative funding sources may be available in the form of Council borrowing, although this may reduce the ability of Thurrock Council to fund other aspects of scheme development.

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. If the scheme progresses to OBC stage, it is recommended that a test for dependency of development in line Unit A2.2 of WebTAG is undertaken.

Deliverability (Amber/Green)

The LGF 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/Green)

Although the LGF monies are being used for design and development, benefits realisation is likely to occur shortly after the end of the LGF period.

Flexibility of delivery

No information provided specifically regarding a later funding allocation, however the spend profile indicates that if LGF spend were prioritised there would be contingency in the programme.

Balkerne Gate, 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
£1,436,000	£17,500	£1,453,500	1%

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

Project summary

- Improving public realm around the Mercury Theatre, including developing new accessible, high quality public space.

Key strengths

- Significantly improvement to Colchester town centre public realm in a strategically important 'gateway' location.

Reasons for Red/Amber and Amber scores

Match/Leverage (Amber)

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

Scale of Impact (Amber)

The scheme has limited impact on jobs and therefore the scheme is not well aligned with the objectives of the LGF.

Need for intervention (Red/Amber)

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.

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.

In addition, there is a missed opportunity to try and develop more creative options which could attract private sector interest.

Value for money (Amber)

The project offers Insufficient economic impact to deliver a strong BCR.

Flexibility of delivery

No additional information provided specifically regarding a later funding allocation, however the spend profile indicates that if LGF spend were prioritised there would be contingency in the programme.



Basildon Innovation Warehouse – OPPORTUNITY SOUTH ESSEX PRIORITY

Primary Theme: Workspaces

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

LGF 3b Ask	Match funding	Project Cost	% match
£870,000	£750,000	£1,620,000	46%

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

Project summary

- Conversion of Green Centre in Wat Tyler Country Park into a hub to support entrepreneurs and innovators.

Key strengths

- Supports STEM skills and business start-ups.
- Contributes to productivity enhancement, supports enterprise and will create new direct and indirect jobs

Reasons for 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.

Need for intervention (Amber/Green)

There are not enough high-tech, supported workspaces in the Thames Gateway area and none in Basildon. Thus the borough is at risk of falling behind other parts of the UK that are actively investing to support business growth through provision of affordable workspaces and associated business advice.

Addresses market failure for more specialist support for STEM start-ups. Local companies aren't in a position to cover cost of this. Local market tests show high risk to private sector to refurb the building

Flexibility of delivery

Information provided has indicated that were the spend LGF spend prioritised there would be contingency in the programme



Map data @2019 Google

Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub, Dover

Primary Theme: *Business support / 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	Green	Amber	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 supported in preventative healthcare.

Key strengths

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

Reasons for Amber and 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.

Deliverability (Amber)

Information provided which indicated a level of uncertainty around the ability of partners to successfully deliver the scheme.

Flexibility of delivery

Information provided indicates that, based on a risk assessment, programme entry beyond September 2019 would render the scheme unviable.



Bexhill Creative Workspace – TEAM EAST SUSSEX PRIORITY

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	Green

Project summary

- Create six 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 support 36 net additional jobs.

Key strengths

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

Reasons for 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.

Flexibility of delivery

Information provided indicates that programme entry beyond April 2019 would render the scheme unviable as the scheme promoter cannot continue to take the liability on the land asset. **Update – East Sussex County Council has confirmed that it is still feasible to progress the delivery of the project, if project is prioritised in June 2019.**



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
£4,302,000	£18,000	£4,320,000	0.42%

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

Match / leverage (Amber)

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

Information provided indicates that housing development at the northern end of Springwood Drive (Panfield Lane) will provide long term S106 money. This will not be available before this scheme is complete.

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.

Flexibility of delivery

Information provided has indicated that, were the LGF spend prioritised, there would be contingency in the programme.



Colchester Grow-on Space, North Colchester

Primary Theme: *Workspace*

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

LGF 3b Ask	Match funding	Project Cost	% match
£990,700	£20,500	£1,011,200	2%

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

Project summary

- 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).

Key strengths

- Scheme has been informed by work undertaken on the supply and demand of grow on space within the County which asserted that supply was in critical shortage.

Reasons for Amber and Amber/Green scores

Match/Leverage (Amber)

Match funding of 2% indicates that the businesses should be funding a greater proportion of the scheme.

Scale of impact (Amber)

The economic impacts of the scheme are quite limited.

The benefits of the scheme are 25 new FTEs, benefits during the construction phase, new business rates and operating profit generated from the grow-on units

Need for intervention (Amber/Green)

The rationale for public sector investment is based on the failure of the market to deliver this type of development due to lack of viability to deliver them (i.e. build and other development costs are too high relative to rent levels in smaller offices targeted at SMEs meaning the market is not bringing this type of development forward).

Value for money (Amber/Green)

The cost benefit analysis has overstated the benefit of the project for a number of reasons:

- 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 value for money 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; and
- operating profit from the grow on units have been incorrectly included in the BCR calculation.

These issues raise concerns over the value for money of the scheme. However, information has been provided concerning the economic appraisal assumptions which gives more certainty as to the value for money of the scheme.

Flexibility of delivery

Information provided has indicated that were the LGF spend prioritised there would be contingency in the programme.

Colchester Grow-on Space - Queen Street – ESSEX BUSINESS BOARD PRIORITY

Primary Theme: *Workspace*

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

LGF 3b Ask	Match funding	Project Cost	% match
£3,777,000	£1,181,000	£4,958,000	24%

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

- To transform a dilapidated town centre Bus Depot into high quality grow-on space specifically for the Creative & Digital Sector. Located within the St Botolph's Quarter regeneration area, and adjacent to the new successful 37 Queen Street creative business centre, it would increase capacity and opportunities across 3,500 local businesses in the sector (whom represent the highest growth rate and number of start-ups in the region).

Key strengths

- Scheme has been informed by work undertaken on the supply and demand of grow on space within the County which asserted that supply was in critical shortage.

Reasons for 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)

Total 1,087 sqm / 11,700 sq. ft. of grow-on space for businesses

173 Direct new and accommodated Net FTE jobs (15 years) created with 20 new businesses (15 years) created, tangible impact on neighbouring start-up business space through improving churn

Need for intervention (Amber/Green)

The rationale for public sector investment is based on the failure of the market to deliver this type of development due to lack of viability to deliver them (i.e. build and other development costs are too high relative to rent levels in smaller offices targeted at SMEs meaning the market is not bringing this type of development forward).

Value for money (Amber/Green)

A BCR of 2.77 based on the total project cost, presenting high value for money.

The building created through this scheme will be owned by CBC and have an asset life well beyond the life of the economic appraisal period; securing the outputs of this project on a long-term and sustainable basis

Flexibility of delivery

Information has been provided concerning the scheme's planned programme. Funding is required by September 2019.

Columbus Avenue, Thanet, Kent

Primary Theme: *Transport*

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

LGF 3b Ask	Match funding	Project Cost	% match
£7,901,800	£100,000	£8,001,800	1%

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

Project summary

- 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.

Key strengths

- Key element within the Thanet Transport Strategy.
- Includes pedestrian and cycling facilities.
- A strong case is made for the need for the link road to unlock the full potential of housing developments at Birchington and Westgate-on-Sea, the former Manston Airport development site, and Manston Business Park.

Reasons for Amber and Amber/Green scores

Match/leverage (Amber)

The 1% match funding offered for this scheme is very low given the considerable LGF ask of £7.9m, although it is noted that narrative has provided further justification for the very low match.

Value for money (Amber/Green)

The BCR derived purely from journey time savings is very high (5.1), though the results of a sensitivity test indicate a high degree of uncertainty: using the "full traffic model" generates a BCR of 1.3.

Flexibility of delivery

Information provided by the scheme promoter indicates that programme entry cannot be delayed beyond April 2019 for the scheme to be fully delivered.



Cycling and Congestion Improvements, Thurrock

Primary Theme: *Transport*

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

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	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 BCR of 5.3:1.

Reasons for Amber and 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/Green)

The Strategic Case provides a strong rationale for the scheme in terms of supporting local, regional and national policy objectives. Information provided has identified the market failure which frames the need for intervention. The sustainable transport scheme needs to be delivered faster than provision of developer contributions allows.

Flexibility of delivery

Information provided by the scheme promoter indicates that programme entry cannot be delayed beyond September 2019 for the scheme to be fully delivered.



Eastbourne Fisherman’s Quayside & Infrastructure Development Project, East Sussex – TEAM EAST SUSSEX PRIORITY

Primary Theme: *Business support/ enterprise park*

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	Amber/ Green	Green	Green	Amber/ Green	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, support 4 net additional 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/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)

While the scale of impact is significant, the scheme will not support or safeguard as many jobs as some other schemes within the pipeline.

Deliverability (Amber/Green)

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

Flexibility of delivery

Information provided by the scheme promoter indicates that the scheme could still deliver were programme entry delayed until February 2020.

Exceat Bridge Replacement, East Sussex – TEAM EAST SUSSEX PRIORITY

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	Green	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/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. It is acknowledged that ESCC is committed to looking for other funding sources.

Scale of impact (Amber/Green)

There is uncertainty over the scale of impact in terms of jobs and homes numbers since the scheme has no direct impacts. Whilst the scheme has no direct impact on jobs information has been provided concerning how the scheme will support additional jobs in Newhaven, tourism visits, and additional housing in coastal towns.

Benefits Realisation (Amber/Green)

The wider project delivery timescales are beyond the LGF 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.

Flexibility of delivery

Construction is programmed to start May 2020. There is some flexibility in ESCC's capital funding.



Flood Control Across the South East (FloCASE)

Primary Theme: *Business support/enterprise Park*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,493,000	£1,002,000	£2,495,000	40%

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

Project summary

- A pan-SELEP project which will assist businesses to invest in their own flood protection.

Key strengths

- Expected benefits include: an estimated £15 million present value of damages avoided, and 700 jobs safeguarded.

Reasons for Amber and 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 no evidence that funding has been sought from the businesses that will benefit from the project.

Scale of impact (Amber)

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.

Need for intervention (Amber)

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.

Value for money (Amber/Green)

There has not been a clear articulation of the options for consideration and the justification for selection of the preferred option.

Flexibility of delivery

Information provided by the scheme promoter indicates that the scheme could still deliver within the LGF period were programme entry delayed until September 2019.

Gillingham, Britton Farm redevelopment

Primary Theme: *Business support / Enterprise Park*

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 and 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)

A BCR 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, Exemption 1 applies.

Flexibility of delivery

Information provided by the scheme promoter indicates that the scheme could still deliver were programme entry delayed until September 2019.



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 and 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 LGF 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.

Flexibility of delivery

No information provided specifically regarding a later funding allocation, however the spend profile indicates that if LGF spend were prioritised there would be contingency in the programme.



High House Works, Thurrock

Primary Theme: *Business support/ 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	Green	Amber / Green	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 support 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 and 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.

Value for money (Amber/Green)

Information provided indicates that the scheme has a BCR of 2.11:1 using a ten-year appraisal period as recommended by MHCLG's appraisal guidance. However, information has not been provided setting out and justifying the assumptions underpinning this economic appraisal. For this reason, there is uncertainty around the value for money of the scheme.

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.

Flexibility of delivery

Information provided by the scheme promoter indicates that programme entry cannot be delayed beyond April 2019 for the scheme to be fully delivered.

Innovating, Creative & Enterprising Lab (iceLab), Canterbury

Primary Theme: *Business support/ enterprise park*

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

LGF 3b Ask	Match funding	Project Cost	% match
£5,440,000	£2,689,000	£8,129,000	33%

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

Project summary

- Capital project to support businesses to embrace future technologies.

Key strengths

- Supports investment in R&D by businesses in the area.
- The icelab overcomes a market failure - that there hasn't been increased investment in R&D by businesses in the area. This is important as there are objectives from the Ind Strat to grow the GDP in the R&D sector. The icelab supports SMEs in how they value investment to develop their business.

Reasons for Amber and Amber/Green scores

Match/leverage (Amber/Green)

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

Scale of impact (Amber)

Between 2021 and 2025 the project will help secure 165 direct jobs, 412 indirect jobs, and create 5 new jobs and 12 new indirect jobs.

Need for intervention (Amber/Green)

Icelab needs LGF investment as funding is not available through the higher education budgets. The university have taken many recent loans but cannot justify more loans against a non-academic investment. The icelab addresses productivity levels in the region that fall behind the wider SE/London. The benefits of icelab are for public and private sectors. The scheme aligns to the SELEPs commitment to boosting productivity through closer collaboration with universities. A private partner joint venture and private sector investment routes have not been successful.

Flexibility of delivery

New information provided indicates a degree of flexibility.



Kent and Medway Medical School, Canterbury – KENT AND MEDWAY ECONOMIC PARTNERSHIP PRIORITY

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/ Green	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 support 200 student learners 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/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 LGF monies not allocated.

Value for money (Amber/Green)

The methodology is robust and the assumptions which underpin the economic appraisal have been clearly identified and justified. The analysis indicates that the scheme has an initial BCR of 1.82:1, and an adjusted BCR of 2.01:1. With an adjusted BCR this close to 2:1 the value for money of the scheme is sensitive to downside and upside risks and for this reason there remains some uncertainty that this scheme would achieve high value for money.

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.

Flexibility of delivery

The scheme promoter has indicated that the scheme could still deliver were programme entry delayed until February 2020.

M2 J5 Improvements, Sittingbourne – KENT AND MEDWAY ECONOMIC PARTNERSHIP PRIORITY

Primary Theme: *Transport*

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

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/Green scores

Value for money (Amber/Green)

The Business Case sets out a BCR 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. It is acknowledged that Highways England are still finalising their business case (due for completion March 2019).

Deliverability (Amber/Green)

The expenditure forecast, and funding profile of the wider scheme is not yet confirmed by Highways England. Highways England Business Case and expenditure forecast are due for completion in March 2019.

Benefits Realisation (Amber/Green)

Information provided indicates that the funding commitments of the scheme will enable the delivery of 2,271 dwellings to be brought forward between 2019 and 2022.

Flexibility of delivery

The funding profile is due to be confirmed by Highways Agency in March 2019.



Map data @2019 Google

Maidstone East Urban Civic Quarter

Primary Theme: *Urban realm*

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

LGF 3b Ask	Match funding	Project Cost	% match
£6,800,000	£61,200,000	£68,000,000	90%

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

Project summary

- The scheme is the development of approximately 4.2 hectares of publicly owned land.

The project seeks to transform a major gateway location into the County Town through the creation of a new urban quarter which will include up to 413 new homes, over 6313 sqm offices and 998 sqm retail space, associated car parking provision together with a new multi-storey car park for commuters.

Key strengths

- The combined sites present a major opportunity to create a comprehensive, high quality, mixed use development.
- It will generate a strong sense of arrival to Maidstone.

- It will make a major contribution to the wider regeneration of the town centre.

Reasons for Amber and Amber/Green scores

Deliverability (Amber/Green)

The majority of the LGF funding (£6m) is profiled for spend in 2020/21, which represents a deliverability risk.

There are also risks regarding the involvement of a variety of different key stakeholders and land owners, although there are plans in place to address these risks.

Benefits realisation (Amber)

Limit benefit realisation within Growth Deal period.

Flexibility of delivery

Funding is required by September 2019 to facilitate delivery within the LGF period.



Malden Enterprise Centre

Primary Theme: *Business support/ enterprise park*

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

LGF 3b Ask	Match funding	Project Cost	% match
£3,850,000	£3,856,117	£7,706,117	50%

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

Project summary

- To develop a new Business Enterprise Centre in Maldon District, forming part of the Maldon Garden Suburb Development Masterplan.

Key strengths

- Site already has outline planning permission.
- Scheme based on a partnership between Malden DC, Essex CC and Magnox Ltd.
- Scheme designed to assist start-up businesses.

Reasons for Amber and 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/Green)

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.

Value for money (Amber)

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, with 184 new jobs (gross) created. While there is some uncertainty given the appraisal method, it is stated that the project offers good value for money.

Insufficient consideration has been given to the economic impact of the scheme.

Flexibility of delivery

There is high level of flexibility in scheme delivery since the project can begin prior to fund availability.



Mid Kent College Training services Scaffolding Training Centre, Chatham

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Option Selection	2019/20	2019/20

LGF 3b Ask	Match funding	Project Cost	% match
£269,148	£518,727	£787,875	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

- 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 and 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/Green)

Information provided indicates that the scheme will enable the upskilling of 2,100 trainees per year as well as the safeguarding of 20 jobs at the facility.

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.

Flexibility of delivery

Clarification provided by the scheme promoter indicates that programme entry cannot be delayed beyond April 2019 for the scheme to be fully delivered.



New Construction Centre, Chelmsford – ESSEX BUSINESS BOARD PRIORITY

Primary Theme: *Skills*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,295,000	£505,000	£1,800,000	28%

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

- 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.

Key strengths

- A skilled construction labour force will benefit housing delivery.

Reasons for Amber/Green scores

Match/leverage (Amber/Green)

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

Scale of impact (Amber/Green)

100 learners and 50 apprentices will be trained per year, 3FTE and 2 support staff will be required.

Need for intervention (Amber/Green)

The case for LGF funding is based on the lack of private sector funding opportunities due to the unattractive rate of return. Information provided has shown that there is a need for intervention. Other funding sources would not be suitable for filling the funding gap.

There are currently 2192 vacancies in the sector and current facilities are at maximum capacity. Therefore, intervention is needed to increase the supply of labour as well as ensuring the workers have the right skill levels.

Value for money (Amber/Green)

SFA Capital Investment Appraisal has been completed. The NPV/ capital cost ratio is 4.93

Flexibility of delivery

There is some flexibility with regards to LGF3b funds. The funding profile suggests that if LGF funding received in or before February 2020 the scheme would still be deliverable before the end of 2020.



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	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 and 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/Green)

An initial BCR of below 2:1 has been presented. However, further value for money analysis has been undertaken using land value uplift analysis. This has provided greater certainty around the assumptions and the estimated BCR, though the scheme is still sensitive to downside risks.

Benefits Realisation (Amber)

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

Flexibility of delivery

There is some flexibility with regards to LGF3b funds. The funding profile suggests that if LGF funding is received in or before February 2020 the scheme would still be deliverable before the end of 2020.



National Institute of Agricultural Botany (NIAB), East Malling, Kent – KENT AND MEDWAY ECONOMIC PARTNERSHIP PRIORITY

Primary Theme: *Business support / Enterprise Park*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,750,000	£3,383,000	£5,133,000	66%

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 and 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 quantitative evidence. Narrative has been provided regarding the potential benefits, however, uncertainty remains due to the lack of quantification of impacts.

Flexibility of delivery

Information has not been provided, though the programme indicates that there is flexibility since the scheme is planned to be completed by August 2020, providing seven months contingency.



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

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 BCR of 5.92:1.

Reasons for Amber and 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.

2.1

Flexibility of delivery

The programme indicates that funding cannot be delayed beyond September 2019 for the scheme to be fully delivered.



Restoring the Glory of the Winter Garden, Eastbourne

Primary Theme: *Urban realm*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,600,000	£2,300,000	£3,900,000	59%

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

Project summary

- LGF investment will restore and complete the regeneration and refurbishment of the Winter Garden, a key facility in the £54m Devonshire Quarter redevelopment, to its former glory and ensure its longevity and visitor experience benefit future generations.

Key strengths

- It will establish a new higher value market for live music in the area and generate an additional £1m uplift to the local economy.
- The project will generate 50 jobs and significantly help to address seasonality for the hospitality trade, thereby supporting 60 local businesses in the local visitor economy.

Reasons for Amber and Amber/Green scores

Match/leverage (Amber/Green)

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

Scale of impact (Amber)

There is concern regarding the scale of the potential benefits of the scheme based on the information provided in the Business Case.

Need for intervention (Amber/Green)

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 fully articulated as to why this is required. However, information has been provided concerning the need for intervention which demonstrates demand for the venue.

Flexibility of delivery

The programme indicates that funding cannot be delayed beyond September 2019 for the scheme to be fully delivered.

Romney Marsh Employment Hub, Folkestone & Hythe

Primary Theme: *Business support / 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	Green	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.
- Delivery of the masterplan will support 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/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.

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.

Flexibility of delivery

The programme indicates that funding cannot be delayed beyond September 2019 for the scheme to be fully delivered.



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
£150,000	£2,950,000	£3,100,000	95%

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

Scale of impact (Amber)

Whilst the wider potential for positive impact is understood and well-communicated, 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.

Flexibility of delivery

The programme indicates that funding cannot be delayed beyond April 2019 for the scheme to be fully delivered.



Map data @2019 Google

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	£825,000	£1,065,400	77%

Match / leverage	Scale of impact	Need for intervention	Value for Money	Deliverability	Benefits Realisation
Amber/Green	Amber/Green	Amber/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 BCR of 10.6:1

Reasons for 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/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.

Need for intervention (Amber/Green)

Information provided indicates that while there is a strong rationale for funding, the demand for the business hub units is not as significant as has been demonstrated for some of the other workspace schemes seeking funding from LGF3b.

Flexibility of delivery

From the information provided it is assumed that the provision of LGF3b funds is required by February 2020.



Shoebury Heritage Centre, Southend-on-Sea

Primary Theme: *Tourism*

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

LGF 3b Ask	Match funding	Project Cost	% match
£850,000	£0	£850,000	0%

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

Project summary

- 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.

Key strengths

- Aims to encourage visitors and residents to explore the area.

Reasons for Amber and Amber/Green scores

Match/leverage (Amber)

No match funding has been committed to the project.

Scale of impact (Amber)

Whilst supporting creative and tourism sectors in an area with relatively high levels of deprivation in the Thames Gateway, the case is not sufficiently strong that the scale of impact will be suitably significant. Will support 7.5 FTE. Hosting at least two entrepreneurial social enterprises that will complement each other

Need for intervention (Amber)

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.

There is insufficient evidence that the scheme cannot be funded through alternative sources.

Value for money (Amber/Green)

Impact on local visitor economy. Wider societal and cultural impacts resulting from the potential for the Heritage Centre to become a focal point for the local visitor economy and local community.

Benefit cost ratio of 2.38.

Deliverability (Amber/Green)

Cost risk hasn't been assessed.

This is not clear how much revenue would be expected to be generated and how staff costs would be covered to ensure a sustainable operation.

Flexibility of delivery

From the information provided it is assumed that the provision of LGF3b funds is required by February 2020.

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
£902,054	£123,366	£1,025,420	12%

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 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.

Although the scheme does not have a direct impact on jobs, a case, supported by an evidenced example, is made for the fact that public sector investment in public realm can leverage substantial private sector (developer) investment. The point is also made that the Colchester Business Improvement District has identified schemes such as this as being key enablers.

Flexibility of delivery

Information provided indicates that scheme remains deliverable with LGF funding being released in September 2019 or February 2020.



Southend Town Centre – OPPORTUNITY SOUTH ESSEX PRIORITY

Primary Theme: *Urban realm*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,500,000	£500,000	£2,000,000	25%

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

- 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.

Key strengths

- Aims to help attract inward investment in the town centre.

Reasons for Amber/Green scores

Match/leverage (Amber/Green)

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

Scale of impact (Amber/Green)

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.

Benefits realisation (Amber/Green)

The creation of jobs is hinged on the filling of vacant units and information has now been provided on the likelihood of uptake. The likelihood of this jobs being created from one off £2m investment is unclear.

Flexibility of delivery

Information provided indicates that scheme remains deliverable with LGF funding being released in September 2019.



Sturry Link Road

Primary Theme: *Transport*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,500,000	£28,100,000	£29,600,000	95%

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

Project summary

- A new road and bridge which avoids the need to use a level crossing.

Key strengths

- Includes provision for sustainable modes.
- Key improvement required to deliver the Canterbury District Local Plan.

Reasons for Amber and Amber/Green scores

Deliverability (Amber/Green)

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. However, it is noted that actions are being taken to mitigate identified risks, including negotiations with the landowners whilst also progressing with a CPO.

Benefits Realisation (Amber)

The scheme is due for completion November 2021 - after the end of the LGF period - with further works for the extension scheme continuing into 2022.

Flexibility of delivery

Funding is required in September 2019 to ensure construction can begin in January 2020.



Superfast Essex

Primary Theme: *Transport*

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

LGF 3b Ask	Match funding	Project Cost	% match
£4,000,000	£42,000	£4,042,000	1%

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

Project summary

- Complete superfast broadband infrastructure in remaining unconnected rural areas.

Key strengths

- Aims to improve productivity.

Reasons for Amber and Amber/Green scores

Match/leverage (Amber)

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

Scale of impact (Amber)

The delivery of broadband creates benefits that are created through safeguarding employment productivity-time savings or increased participation in the labour force, but number of jobs supported/created hasn't been quantified.

Need for intervention (Amber/Green)

Superfast Essex has undertaken market and public consultation to identify areas of market failure. Deployment costs in the areas for Phase 4 will be high as they are not heavily populated. Due to council budget pressures, local contributions to the final parts of the scheme are not possible.

Value for money (Amber)

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.

In addition, no monetised economic appraisal has been undertaken as is required by the Assurance Framework.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF funding being released in September 2019.



Map data @2019 Google

Thames Enterprise Park, Sustainable Transport

Primary Theme: *Transport*

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

LGF 3b Ask	Match funding	Project Cost	% match
£2,276,000	£2,276,000	£4,552,000	50%

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

Project summary

- 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.

Key strengths

- Encourages use of sustainable and active modes.

Reasons for Red/Amber, Amber and 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.

Scale of impact (Amber)

The regeneration scheme has the potential to generate 4,500 new jobs. However, these are not wholly reliant on the proposed project

Need for intervention (Amber)

There is insufficient evidence that alternative funding sources have been exhausted.

Value for money (Red/Amber)

Economic appraisal has shown that the scheme represents low value for money with a BCR of 1.32:1

Deliverability (Amber)

There is insufficient consideration of procurement, contracting and management strategies. In addition, there is limited evidence of consideration of options.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF funding being released in September 2019.



Thameside Fire Training Ground (North Kent College)

Primary Theme: *Skills*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2020/21

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	Green	Green	Amber/Green	Green	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/Green scores

Match / leverage (Amber/Green)

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

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.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF funding being released in September 2019.



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	Green	Green	Green	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/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.

Flexibility of delivery

From the information provided it is assumed that the provision of LGF3b funds is required by April 2019.



The Reception, Purfleet

Primary Theme: *Workspace*

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

LGF 3b Ask	Match funding	Project Cost	% match
£8,820,000	£2,160,000	£10,980,000	20%

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

Project summary

- Development of a mixed-use facility comprising creative commercial workspace, a central reception, café/events hall and canteen at the High House Production park.

Key strengths

- Aims to create a cluster of creative activity at the High House Production Park by delivering creative commercial workspace and associated facilities at the site, as well as business support services on-site.

Reasons for Amber and Amber/Green scores

Match/leverage (Amber/Green)

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

Scale of impact (Amber/Green)

Given the level of investment, the economic impacts on jobs are quite limited: 73 jobs fewer than what is being delivered by lower levels of funding.

Value for money (Amber/Green)

The scheme will generate NIA 1,396sqm of workspace. The scheme is estimated to generate 73 net jobs and £2.5m GVA per annum.

BCR of 2.78 based on DCLG Appraisal Guidance.

Deliverability (Amber)

£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.

Benefits Realisation (Amber)

Given the expected project completion date of May 2021 it is likely that there will be limited benefits realisation within the LGF period.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF funding being released in September 2019.

Tilbury Riverside, Thurrock - OPPORTUNITY SOUTH ESSEX PRIORITY

Primary Theme: *Business support / 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	£2,757,964	£5,117,964	54%

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 BCR of 5.54:1.

Reasons for 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.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF funding being released in September 2019.



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	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 and Amber/Green scores

Scale of impact (Amber/Green)

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.

Narrative has been provided concerning the benefits of similar public realm schemes (e.g. a study of a similar scheme in Maidstone identified that for every £1 invested there was an economic uplift of £3 in the local economy) which has provided some certainty regarding the scale of the impact of this scheme.

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.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF funding being released in September 2019.

University of Essex Parkside Phase 3 – ESSEX BUSINESS BOARD PRIORITY

Primary Theme: *Skills*

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

LGF 3b Ask	Match funding	Project Cost	% match
£5,000,000	£5,000,000	£10,000,000	50%

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

Project summary

- 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 3,775m².

Key strengths

- The development can accommodate 14 businesses and 300 jobs.
- The Parkside Office Village has seen jobs created in a number of key areas including Engineering, Health, Care, Logistics, Digital and Creative and Finance. The Phase 3 development will build on this.

Reasons for Amber and 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.

Value for money (Amber/Green)

Whilst the scheme is shown to have a very high value for money, there is a lack of clarity over the assumptions made concerning deadweight, leakage and displacement (i.e. the number of additional jobs).

Benefits realisation (Amber)

There is concern that the back-ended timing of the delivery of the scheme within the LGF period, in conjunction with project completion beyond the LGF period will mean limited realisation of benefits before the end of March 2021.

Flexibility of delivery

There is some flexibility, though funding is required by September 2019 to enable spend of the LGF component by March 2021.



Map data @2019 Google

Wincheap off-slip, Canterbury

Primary Theme: *Transport*

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

LGF 3b Ask	Match funding	Project Cost	% match
£1,900,000	£15,600,000	£17,500,000	89%

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

Project summary

- Construction of a relief road and gyratory through Wincheap retail estate in Canterbury.

Key strengths

- Designed to support commercial development and new housing.

Reasons for Amber and Amber/Green scores

Need for intervention (Amber)

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.

Deliverability (Amber/Green)

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.

In addition, the procurement and contracting strategies are quite complex with different approaches being used for different elements.

Benefits realisation (Amber/Green)

The project timeline extends beyond the LGF horizon meaning that there will be limited benefits realisation by March 2021.

Flexibility of delivery

Information provided indicates that the scheme remains deliverable with LGF



funding being released in September 2019.

Workspace Central Bexhill

Primary Theme: *Business support / Enterprise Park*

Development Stage	LGF Spend Completion	Project Completion
Feasibility	2019/20	2020/21

LGF 3b Ask	Match funding	Project Cost	% match RAG
£1,000,000	£1,500,000	£2,500,000	60%

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

Project summary

- Redevelopment of an unsightly and dilapidated former garage and petrol station into a retail space for HFS (Hastings & Rother Furniture Services) and workspace hub of 1,834m².
- Provides workspace for 20 small enterprises and supports between 31 and 46.5 new permanent jobs.

Key strengths

- Utilises a brownfield site in a key location.
- Improves the urban realm on a route used by both businesses and tourists.
- Supports a successful social enterprise (HFS).
- Has the potential to support additional jobs and support small/start-up businesses.

Reasons for 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/Green)

The scheme has the potential to support up to 47 permanent jobs and 20 small businesses.

Need for intervention (Amber/Green)

Other funding options have been explored and the business case clearly states that they have proven to not be viable. A commercial loan could only bridge a small residual gap

Deliverability (Amber/Green)

As 50% of expenditure will happen in 2020/2021 (£0.5m) there is risk to LGF spend within the required timescales.

Flexibility of delivery

Information provided indicates that the project would not be deliverable were funding provided after April 2019.



3 Next Steps

SELEP Investment Panel – 28th June 2019

The second Investment Panel meeting has been scheduled for the 28th June 2019, from 12:30 – 14:00 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.

Once the Investment Panel has agreed the single pipeline of projects, this will enable the next 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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The logo for Steer, featuring the word "steer" in a bold, lowercase, sans-serif font.