

# South East Local Enterprise Partnership: Growing Places Fund

## Introduction and background – Growing Places Fund Round 3

The Growing Places Fund (GPF) was established by the Ministry for Housing, Communities and Local Government (MHCLG) (formerly the Department for Communities and Local Government - DCLG) and the Department for Transport (DfT) in 2011 to unlock economic growth, create jobs, build houses and help ‘kick start’ development at stalled sites. GPF operates as a recyclable loans scheme. In the case of the South East Local Enterprise Partnership (SELEP) a total of £49.2m GPF was made available, of which £54.5m GPF has already been allocated through Rounds 1 and 2. Repayments are now being made on these original loan investments, creating the opportunity for reinvestment of GPF through Round 3. Through GPF Round 3, SELEP seeks to invest up to £20.724m (amount of GPF available over the next two years to 2021/22), in projects which require capital loan investment.

The process for the allocation and award of GPF includes three stages:

- *Stage 1 – Expression of Interest and Federated Area sifting and prioritisation of projects by Strategic Fit*
- *Stage 2 – Project prioritisation by SELEP Investment Panel*
- *Stage 3 – SELEP Accountability Board funding decision*

In Stage 2, schemes prioritised by the Federated Areas (during Stage 1 of the process) will be required to develop and submit a Strategic Outline Business Case which provides the strategic, economic, financial and deliverability evidence in support of the proposal. Applicants are invited to complete all sections of this document which will inform the prioritisation process undertaken by the SELEP Investment Panel.

## Loan agreements

SELEP will allocate the GPF through loan agreements with the lead County Council/Unitary Authorities, who will then enter into agreements with scheme promoters.

Primary Loan Agreements will be entered into between Essex County Council (as Accountable Body for SELEP), the ‘Lender’ and the relevant Upper Tier authority, the ‘Borrower’ (County or Unitary Authorities).

The Primary Loan Agreement will include:

<ul style="list-style-type: none"> <li>• A capped facility for capital expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• A definition of the works (infrastructure)</li> </ul>
<ul style="list-style-type: none"> <li>• Drawdown conditions based on certification of works</li> </ul>	<ul style="list-style-type: none"> <li>• A loan term</li> </ul>
<ul style="list-style-type: none"> <li>• Drawdown profile</li> </ul>	<ul style="list-style-type: none"> <li>• Repayment profile</li> </ul>
<ul style="list-style-type: none"> <li>• Interest rate – Interest will be charged at a fixed rate of 2% below the Public Works Loan Board rate or zero (whichever is higher) at the point of the loan agreement being entered in</li> </ul>	<ul style="list-style-type: none"> <li>• Missed repayment fine – A late repayment fine will be incurred if the project fails to make loan repayments as per the schedule agreed within the Loan Agreement. The fine will be equivalent to the charging of interest at market rate from the point of default on the loan repayment</li> </ul>
<ul style="list-style-type: none"> <li>• Clawback conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring requirements</li> </ul>

Where appropriate Primary Loan Agreements will be conditional upon a subsidiary agreement being entered into between the Borrower and a third party.

## **The Primary Loan Agreement will provide a contractual obligation for the Borrower to repay the loan according to the repayment profile.**

## Growing Places Fund Business Case Template

Please enter your answers in the white space beneath the question (and/or complete the table). All questions **must** be answered.

### 1. Scheme Summary

Scheme Promoter: **Kent County Council**

Project Sponsor: **Simon Jones– Director Highways, Transportation and Waste**

Project Name: **Herne Relief Road – Bullockstone Road Improvement Scheme**

Federated Board: **Kent and Medway Economic Partnership**

*[Kent and Medway Economic Partnership, Opportunity South Essex, Success Essex, Team East Sussex]*

Lead County Council/Unitary Authority: **Kent County Council**

*[East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend on Sea Borough Council, Thurrock Council]*

Development Location: **Bullockstone Road, Herne Bay, Kent, CT6 7NN**

*[Specify location, including postal address and postcode]*



### Project Description:

*[Please provide a brief description of the overall proposed scheme, referring to any other SELEP funding which has been previously allocated to the project; **maximum 1 page**]*

The Herne Relief Road – Bullockstone Road Improvement Scheme is located within Herne Bay which forms part of the City of Canterbury's local government district. Bullockstone Road provides access from the south towards to the town centre of Herne Bay and the towns railway station and provides a route which avoids the busy Canterbury Road / A299 junction. Appendix A provides more visual detail of the location of the proposed scheme.

The proposed Herne Relief Road is formed of two sections; the Bullockstone Road Improvement Scheme (BRIS) and a spine road through the proposed Lower Herne Village at Strode Farm. Kent County Council's (KCC) Major Capital Programme Team is delivering BRIS and the Lower Herne Village developer will construct the spine road element.

Bullockstone Road is currently a constrained weight restricted narrow single carriageway unclassified route which does not provide a safe and suitable route for all users. Despite this, Bullockstone Road is regularly used as a "rat run" between the Greenhill area of Herne Bay and the A291 to Canterbury. Furthermore, the constrained nature of the route as a result of abutting hedges / vegetation and properties do not allow for the provision of walking and cycling.

The A291 which travels through the centre of the village of Herne is a key corridor in the area as it provides access between the A299 and the A28 and thus further afield. The strategic importance of the A291 results in this route and the village of Herne being subject to large volumes of traffic. Consequentially, the already highly constrained village of Herne suffers from severe congestion which is documented within the 2017 Canterbury Local Plan.

The Herne Relief Road improvements include (Appendix A provides graphics to show the proposed layout of the Herne Relief Road):

- the widening of Bullockstone Road to 7m
- the provision of pedestrian and cycling facilities between A291 Canterbury Road and Lower Herne Village
- improvements to drainage
- construction of new roundabout junctions at Lower Herne Village and A291 Canterbury Road

The scheme aims to:

- Reduce congestion and traffic volumes in Herne
- Provide infrastructure that supports the construction of around 2,500 new homes
- Provide walking and cycling routes and easier access to bus routes and schools

There is strong local support from residents for the scheme, which will provide new opportunities for walking and cycling for local trips instead of using the car. Discussions are also underway to investigate the potential for a bus route along Bullockstone Road into Lower Herne village.

**Project Development Stages:**

*[Please specify the current stage of development confirming the roles of developer, and other partners involved in delivering the scheme e.g. bank, contractor. Please specify the project development stage(s) to be funded through GPF as per the table below. Add additional rows as necessary]*

Project development stages			GPF funding required (yes or no)
Stage	Partners	Status	
Outline Design	Project Centre Ltd	Almost Complete	No
Planning Application	Project Centre Ltd	Submitted	No
Detailed Design	Project Centre Ltd	Not started	No
Procurement	Not known	Not started	No
Construction	Not known	Not started	Yes
Post Construction	Not known	Not started	Yes



**GPF Required: £3,500,000**

The scheme was originally costed on the basis of construction in 2020 and the developer contributions agreed on that basis.

**Herne Bay Golf Club** – Funding is available now via a signed s106 agreement. £750,000 of £3,111,200 claimed to fund the scheme development work. Funding must be claimed by September 2021 and spent within 5 years of the claim.

**Lower Herne Village** - £2,331,000 can be claimed at occupation of the 250th house, expected to be during the 2025/26 financial year. There is a signed s106 agreement in place.

Herne Bay Golf Club has progressed in the timeframe envisaged. [REDACTED]

To mitigate for the potential loss of the Golf Club funding, it is intended to build the southern roundabout starting in 2021 as phase 1 of the project.

KCC is not able to fully forward fund the construction due to ongoing financial pressures and the impact further prudential borrowing will have on loan rates.

Without the GPF loan, the delays in receiving the remaining funding will put significant financial pressure on the budget due to inflation and the additional costs that arise as a result of phasing the construction approach including demobilisation and remobilisation costs. There is significant risk that there will need to be an element of descoping to remain within budget, although given that an exercise has already been carried out throughout the design stage, this is likely to mean that the full scheme cannot be delivered.

## 2. Strategic Fit

### Policy and Strategic Context:

*[Please specify how the overall scheme aligns with the policy and strategic context, including local policies, strategies and investment plans, the SELEP Economic Strategy Statement priorities and the SELEP Skills Strategy 2018-2023; **maximum 1 page**]*

The Herne Relief Road was identified in the 2014 draft Canterbury Local Plan and subsequently was included as policy T13 in the adopted 2017 Canterbury Local Plan to support sites 3 (Hillborough), 4 (Herne Bay Golf Club) and 5 (Lower Herne Village at Strode Farm) detailed in policy SP3. The three development sites are proposing around 2,500 new homes and 51,000m<sup>3</sup> of commercial retail and community space.

In March 2014, SELEP submitted their Strategic Economic Plan (SEP). Within the six-year period covered by the SEP (2015/16 to 2020/21) SELEP outline the case for investment into infrastructure, enterprise and employment that is required for the South East region's economy to continue its successful upward trajectory. It also highlights how traffic congestion is a challenge for future growth within Kent. The Herne Relief Road directly supports this policy document in the following ways:

- Provide transport infrastructure to support the construction of around 2,500 new homes
- Improve bus access to Lower Herne Village and Herne Bay Golf Club development sites
- Provide opportunities for walking and cycling that do not currently exist
- Support and improve the quality of life and quality of place by providing an alternative route for traffic to the existing route through the constrained village of Herne

The village of Herne is located within an Air Quality Management Area (AQMA). In Kent a total of 17,400 tonnes of nitrogen oxides (NOX) was emitted in 2015 (the last year for which data is available), 54% of which was from road transport. This represents 3.05% of the total UK road NOX emissions, for a county with 2.77% of the UK population (The Kent Environment Strategy (KES)). KES therefore highlights the importance of reducing congestion and ensuring sustainable access and connectivity for businesses and communities.

In addition to the policies outlined above, the Herne Relief Road also aligns with:

- Kent County Councils Local Transport Plan 4: Delivering Growth Without Gridlock 2016 – 2031 where the scheme has been highlighted as a transport priority
- Cycling and Walking Investment Strategy (Department for Transport, 2017) which strives to make walking and cycling a normal part of everyday life, and the natural choices for shorter journeys such as going to school, college or work and travelling to public transport interchanges
- Kent's Active Travel Strategy, which aims to make active travel an attractive and realistic choice for short journeys in Kent

In addition to the congestion relief and resultant benefits, the Herne Relief Road will bring employment and skills development opportunities for the area, not just through the construction contract for Bullockstone Road but as a result of the developments that the project facilitates. In the short term this will be achieved through the construction of the sites and in the longer term through the employment space that will be provided.

#### Need for Intervention:

*[Please articulate the underlying issues driving the need for intervention, with reference to the specific market failure that the GPF will address. The request should consider whether the problem reflects a market failure or evidence that the market demand for the proposed project has weakened; **maximum 0.5 pages**]*

Bullockstone Road is currently a constrained, weight restricted, narrow single carriageway unclassified route which does not provide a safe and suitable route for all users. The A291 which passes through the centre of the village of Herne is a key corridor in the area, providing access between the A299 and the A28 and thus further afield. The strategic importance of the A291 results in this route and Herne being subject to large volumes of traffic. There is significant political and local pressure to ease this large volume of traffic utilising the A291 through the centre of Herne. In the recent scheme design consultation, 60% of respondents noted that they supported the Relief Road. The consultation feedback also indicated a strong local view that the scheme should be delivered before houses are built.

The main concern in relation to the traffic through the village is the significant proportion of larger vehicles using this constrained route (buses, LGVs and HGVs make up 17.3% of the Annual Average Daily Traffic based on DfT data from 2018 count point 78219). Larger vehicles are particularly challenging given that the historic centre of the village is very narrow (around 5m wide in places) with buildings frequently damaged due to their proximity to the carriageway and vehicle crashes occurring due to the unsuitable layout of the road. In addition, the frequency and volume of larger vehicles through the village pose significant walking and cycling access and safety issues for those wishing to travel to and from the village. Residents have noted that they do not feel safe walking alongside the road or crossing the road.

The village is an AQMA which is on the verge of breaching the UK's air quality objective for annual mean Nitrogen Dioxide limits ( $40\mu\text{g}/\text{m}^3$ ). The 2018 recorded annual mean was  $39.9\mu\text{g}/\text{m}^3$ . It is expected that the 2019 results will exceed this due to the increased levels of traffic travelling through Herne. The AQMA mitigation plan relies heavily on the Herne Relief Road being constructed.

#### Impact of Non-Intervention (Do nothing):

*[Describe the expected outcome of non-intervention. Promoters should clearly articulate the impacts of not receiving GPF funding and how this is reflected against the SELEP objectives to support the creation of jobs, homes, skills and strategic connectivity, as well as the environment, economy and society, if applicable. This section should also highlight whether the project is expected to still go ahead without GPF and whether it is likely to have a reduced impact or a slower impact due to non-intervention; **maximum 0.5 pages**]*

Numerous development sites as outlined in the 2017 Canterbury Local Plan will impact (by significantly increasing) the traffic through Herne. The three largest sites which have the biggest impact will bring 2,500 homes to the area. The result of this increase in housing and residents will be an exacerbation of:

- Congestion through the village of Herne
- Damage to local buildings within Herne
- Accidents through both constrained corridors
- Annual mean Nitrogen Dioxide limits within Herne
- Severance for active mode users

These future issues outlined will have further implications by not helping deliver multiple policy objectives and employment and skills development in the surrounding area of Herne will continue to be compounded by poor accessibility.

Without the support of the GPF the scheme will have to be constructed in multiple phases as the funding becomes available for the development sites. Given the narrow nature of Bullockstone Road, it will not be possible to carry out the improvement work without closing the road, causing high levels of disruption and increasing traffic through the centre of Herne as vehicles divert to the nearest alternative route. The construction of the scheme road in phases will result in multiple road closures thereby adversely affecting Herne over a prolonged period of time.

In this scenario in excess of 1000 homes will have been built prior to the completion of the works resulting in delay of the Herne Relief Road delivery. Any delay in completion is likely to lead to the current planning condition not being met, have significant cost implications and issues in Herne will continue to deteriorate.



### Funding Options:

*[Please demonstrate the need for GPF by providing evidence that all reasonable private sector funding options have been exhausted and no other public funding streams are available for or fit the type of scheme that is being proposed. If the project was previously submitted for consideration under Local Growth Fund round 3b, please indicate why GPF loan funding is now considered suitable for this project; **maximum 1 page**]*

The scheme is currently funded to the value of £7,961,200 from S106 agreements for Herne Bay Golf Club and Lower Herne Village. [REDACTED]

The funding was originally all due to come forward to allow for construction in 2020. Due to delays in the planning process for both Lower Herne Village and Hillborough, the funding is now following a far more protracted programme.

[REDACTED]

[REDACTED]

[REDACTED]

KCC is not able to forward fund the scheme in the short term and there are currently no other sources of funding available to bring forward the contributions.

GPF funding is the most suitable source of funding because the risk to the schemes' delivery is a cash flow issue rather than a funding shortfall. The scheme has sufficient funding either identified through committed or earmarked s106 contributions but is restricted by the availability of these contributions over differing timescales.

There is significant risk, that by waiting for the developers of Lower Herne Village and Hillborough to provide funding for the scheme, that insufficient funds will be received in the timescale required. This would result in the Golf Club contribution being lost and thus the scheme would not be able to be constructed. The GPF loan will bridge the gap between the Golf Club contribution and the further identified developer contributions. This will enable the smoother delivery of the scheme rather than the envisaged piecemeal phased delivery programme which would result in significant disruption to the local community over several years.

The spine road element of the Herne Relief Road must be constructed by occupation of the 410th house. Due to the cashflow constraints, there is a risk that the Bullockstone Road improvements

may not be constructed to meet the current planning condition of the improvements being in place before the spine road is opened.

The GPF funding mitigates the short term impacts of the development sites construction on the local area by unlocking and facilitating the delivery of the infrastructure prior to large volumes of housing becoming available and would give KCC the certainty required to award a construction contract for the works.

### 3. Infrastructure requirements

#### Infrastructure Requirements:

*[Please outline the infrastructure requirements for which GPF funding is sought, and provide evidence and supporting information in the form of location, layout and site plans; **maximum 3 pages included as an Appendix to this document**]*

To support the traffic generated by the construction of around 2,500 homes, an alternative route to the exiting A291 has been identified to more appropriately accommodate the levels of traffic that is expected. The spine road element of the Herne Relief Road (between A299 and Bullockstone Road) will be constructed by the Lower Herne Village developer and will connect to the Bullockstone Road Improvement Scheme.

The improvements to Bullockstone Road include:

- Widening the carriageway to 7m
- Improving the alignment of Bullockstone Road, in particular taking out a blind bend
- Providing a 2m wide footway / cycleway for the full length of the scheme
- Allowing for future bus provision and improving access to existing bus services
- Constructing roundabouts at the A291 Canterbury Road junction and the access into Lower Herne Village
- Providing a positive drainage system to alleviate existing surface water flooding that is experienced by Bullockstone Road residents.
- Improving visibility for residents accessing/egressing their properties

Information provided in Appendix A:

Site Location Plan

General Arrangement

## 4. Cost and funding

### Funding breakdown:

*[Please specify the total project funding requirement and provide a breakdown by funding source, as per the table below (add additional rows as necessary). Please specify the capital funding sought through the GPF. Please note that it is recommended that projects should seek GPF of between £250,000 and £3,500,000. Projects outside this threshold may be considered by exception where there is an overwhelming strategic case and a high level of support from the respective Federated Board.]*

*To ensure a proportionate approach to the scale of funding available, no Federated Area should nominate projects to SELEP for progression to Stage 2 which, in total, exceed the amount of funding available (£20.724m)*

*Also provide comment on the status and risk of all funding contributions to the project, e.g. received, committed, identified but not secured, unsecured. Costs associated with monitoring and evaluation represent revenue spend, and therefore a suitable local funding source must be identified to cover these costs]*

Funding source	Funding security	Funding profile						Total £000
		20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	
Capital Funding sources								
S106 – Herne Bay Golf Club	Committed/ Part received	750	2,361					3,111
S106 – Lower Herne Village	Committed						■	■
S106 - Hillborough	Identified but not secured						■	■
SELEP – GPF loan	Identified but not secured		3,500				-3,500	0
Revenue Funding sources								
none								
<b>Total funding requirement</b>		<b>750</b>	<b>5,861</b>				<b>2365</b>	<b>8,976</b>

The Herne Bay Golf Club and Lower Herne Village s106 contributions are committed to the scheme, with the Golf Club monies currently funding the design work. The Hillborough contribution whilst identified, has yet to receive planning permission. The usual risks associated with the application not being approved are still present and cannot be fully mitigated.

The Golf Club contribution is only available to be claimed until September 2021 and must be spent within five years of being claimed. There is the risk that the other contributions do not come forward in sufficient time, resulting in this contribution being lost and the full scheme not being delivered. To mitigate this risk, KCC are proposing to construct the southern roundabout at Bullockstone Road's junction with the A291 Canterbury Road first using the Golf Club contribution and loan funding.

The Lower Herne Village contribution is available on occupation of the 250<sup>th</sup> home. Based on our latest discussions with the developer, this may not be until early 2026.

### GPF flexibility

*[Please comment on the level of flexibility to reduce the total amount of GPF sought and/or flexibility to amend the GPF spend profile; **maximum 0.5 pages**]*

There is possibility of some flexibility with the timing of the funding, but no flexibility in the amount.

Ideally the GPF loan would be available from spring/summer 2021 to enable KCC to procure a contractor to construct the full scheme, starting in spring/summer 2021. If necessary, it may be possible for this to be pushed back, but there is significant local pressure for the scheme to be constructed as soon as possible and it is not likely to be viewed favourably for the construction to be delayed too long.

It is currently proposed to start construction on site in spring 2021 following from the detailed design and revised planning permission being received. The spring start allows the construction team to make the best use of the better summer weather for carrying out earthworks tasks.

There is potential for flexibility in the funding provision as part of the funding could be brought forward to fund early utility diversion before the main construction work commences. There is also potential that the start of construction could be delayed to suit the GPF programme.

### Cost breakdown:

*[For the stages of development where GPF funding is sought please provide a breakdown of the associated costs, including any overheads, contingency, quantified risk allowances etc., as per the table below. Add a row for each cost]*

The GPF is sought to part fund the construction (including utility diversions).

Cost type	Expenditure profile						Total
	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	
Construction		2,141.81	1,326.37	2,331.61			5,799.79
Utilities		711.12	285.23	423.14			1,419.49
Post construction cost				80.40	120.00	87.60	288.00
Risk and Contingency		686.33	174.79	10.77	16.56	12.42	900,87
Inflation		142.65	120.87	304.28			567.79
Total cost		3,681.91	1,907.26	3,150.20	136.56	100.02	8,975.95

*\* Costs associated with monitoring and evaluation represent revenue spend and must therefore be funded locally.*

Cost estimate based on 2020 prices. Inflation assumed at a rate of 2.5% per annum.

The quantum of risk and contingency has been developed at 12% of the construction cost of the scheme which was considered appropriate given the level of design and detailing that has been carried out.



## 5. Deliverability

### Planning, Approvals and Specialist Studies:

*[Please provide evidence regarding the planning status of the project by stage, if applicable, and whether any other approvals or specialist studies such as an Environmental Impact Assessment are required. Schemes should be ready for delivery. Please include references to planning decisions and reports if available and describe the timescales associated with securing any additional approvals required; maximum 0.5 pages]*

The scheme is considered to have a low risk in terms of deliverability. It is a straightforward road widening scheme and other than a few utility diversions there are no significant other risks to delivery.

The Herne Relief Road scheme has obtained planning permission (CA/16/01764), however an update to this planning permission is planned for early 2020 following recent design changes as a result of a public consultation exercise.

The scheme has been through thorough design which has included detailed environmental work such as an ecological mitigation strategy. Specialist geotechnical investigations have also been undertaken to allow early design work on earthworks and the carriageway to be carried out.

Early engagement has been held with utility providers to understand the required works and implications of the desired diversions and also with drainage specialists to comprehend the outfalls relating to the scheme site. These initial discussions will continue and will become more pertinent during the detailed design stage of the scheme.

It is expected that the detailed design will commence in March 2020. Procurement of the construction work is planned for autumn 2020 aiming for a spring 2021 start on site.

#### Procurement:

*[Please comment on the proposed procurement route and how opportunities to maximise social value through supporting SME's and local supply chains has been considered; **maximum 0.5 pages**]*

The Major Capital Programme Team has a successful track record in the development and delivery of complex and varied major infrastructure projects on both time and budget, and that deliver the scheme objectives. The team are a 'knowledgeable client' in the development and delivery of schemes. Recent examples of completed schemes include Maidstone Bridges Gyratory, M20 Junction 4 bridge widening and East Kent Access Phase 2.

KCC works closely with the construction industry (via the Civil Engineering Contractors Association) and individual contractors. Contractors are proactive in resolving issues in partnership with KCC to the mutual benefit of all parties and the projects.

This project will be procured through full OJEU competitive tender (or equivalent post Brexit UK Find a Tender Service), which is required for schemes with an estimated value over £4,733,252. KCC regularly use this method for the Major Capital programme schemes.

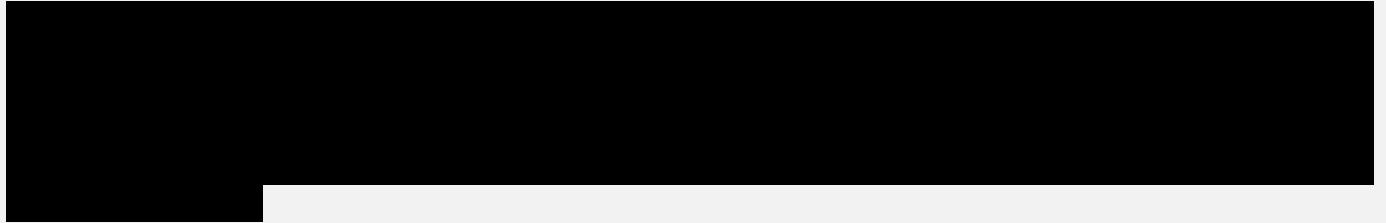
KCC will choose to opt for an 'open' tender, where anyone may submit a tender, or a 'restricted' tender, where a pre-qualification is used to whittle down the open market to a pre-determined number of tenderers. This process takes approximately one month and the first part is a 47 day minimum period for KCC to public a contract notice on the OJEU website.

The minimum tender period is 6 weeks but could be longer if considered necessary. Once the tenders are received they must be assessed and a preferred supplier identified. There is a mandatory 10 day 'standstill' period, during which unsuccessful tenderers may challenge the intention to award to the preferred contractor.

Through the tender process KCC have the opportunity to maximise social value. KCC will include social value as a requirement during procurement via a quality element in the tender where the contractor can bring their own ideas and innovations to providing social value. This includes requirements such as making use of the local supply chain and providing apprenticeships to develop the local labour force.

**Property Ownership and Legal Requirements:**

*[Please provide evidence of land/property ownership, including the steps being taken and the timescales if land/property is required, and specify any legal requirements that might delay the programme of implementation/development; **maximum 0.5 pages**]*



It is not considered that there are any requirements that might delay the programme; all land will be secured prior to starting construction.

**Equality:**

*[Please state whether an Equality Impact Assessment has been completed for the overall project and state the main outcomes of this assessment. Please include the Equality Impact Assessment as an Appendix to this document. If an Equality Impact Assessment has not yet been completed, then please state the expected timescale for completion and how the outcomes of this assessment will be considered during the project's development; **maximum 0.5 pages**]*

An Equality Impact Assessment has been completed and was most recently updated in April 2019. A copy is attached in Appendix B.

The assessment established that there would be some low level impacts during construction, but in the long term, the scheme would provide more positive impacts through the provision of the better pedestrian connectivity.

**Project milestones:**

*[Please complete the table below to show the key project milestones. This should include the expected project completion date]*

Project milestone	Description	Indicative date
Revised planning application	A revised planning application will be submitted following changes to the feasibility design as a result of the consultation process.	February 2020
Procurement	Competitive tender	November 2020
Consultation	Further information to be provided to the public on timeline and construction process	Autumn 2020
Construction start	Project to start on site	Spring 2021
Project completion	Completion of the construction work. There will be ongoing work with Land Compensation Act claims.	Spring 2022

## 6. Expected benefits

### Overall Project Impacts:

*[Please specify the expected impacts of the overall project in terms of 'direct' outcomes (jobs, homes and other outcomes arising from the project) and 'indirect' outcomes.*

*Outcomes should be presented in 'gross' terms and 'net' terms after making adjustments for additionality factors<sup>1</sup> (e.g. deadweight, displacement, leakage, substitution), as per the table below. Particular focus should be given to the assessment of deadweight. For example, deadweight will rarely be 'zero' as GPF allocation typically accelerates delivery or enables higher volumes of development/outcomes, rather than enabling development/outcomes in their entirety. The table should demonstrate the direct impact of the project in terms of creating new jobs and/or homes through enabling specific named developments (which have been identified as part of local development policies, plans or investment strategies). Add additional lines as required]*

The direct outputs of the project are set out in the table below. These represent both gross and net outputs as the additionality is considered to not be applicable to this scheme for the reasons set out below. As previously stated, the key benefit of the Growing Places loan funding for this scheme is in timing which will allow the early delivery of the scheme and accelerate the delivery of outputs and outcomes.

Without the GPF loan, the delays in receiving the remaining funding will put significant financial pressure on the budget due to inflation and the additional costs that arise as a result of phasing the construction approach including demobilisation and remobilisation costs.

Leakage - The estimated level of leakage for this scheme is low with the majority of benefit from the infrastructure and housing confined to residents of Canterbury and Thanet. The exception may be tourist traffic that may use the route to travel to the coastal towns of Whitstable and Herne Bay. It is unlikely that a large proportion of benefit will be realised by those living outside the SELEP area.

Displacement - The level of displacement of this scheme is estimated to be low as it is unlikely that there will be reduced levels of building elsewhere in Canterbury and Thanet as a result. There may be a slight impact on demand in adjoining areas (for example developments to the south around Sturry) if the developments come forward at a faster pace. However all sites are included in Canterbury's local Poland and form part of the agreed 5 year land supply.

---

<sup>1</sup> Additionality is the extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention (see [Homes and Communities Agency, Additionality Guidance, 2014](#))

	<b>Outcomes</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27 onwards</b>	<b>Total</b>
Direct outcomes (gross terms)	Jobs created							
	Homes built							
	Commercial floorspace delivered							
	Additional learners							
Direct outcomes (net terms, after considering additionality)	Jobs created							
	Homes built							
	Commercial floorspace delivered							
	Additional learners							
Indirect outcomes (gross terms)	Jobs created	94	129	122	96	103	1,879	<b>2,423</b>
	Total Homes built	250 in prior years 180	180	322	220	220	1,080	<b>2,452</b>
	Affordable Home Built	80 in prior years 53	53	73	43	42	200	<b>544</b>
	Commercial floorspace delivered		1,508	1,700	1,700	1,700	33,000	<b>39,608m<sup>2</sup></b>
	Retail floorspace delivered		450	450			800	<b>1,700m<sup>2</sup></b>
	Community floorspace delivered	3380	900	300	300	550	4500	<b>9,930m<sup>2</sup></b>
	Education facility delivered						1 x 2 form entry primary school	<b>1 x 2 form entry primary school</b>
	Additional learners							
Indirect outcomes (net terms, after considering additionality)	Jobs created							
	Homes built							
	Commercial floorspace delivered							
	Additional learners							



**Calculation of Project Impacts:**

*[Please provide the basis for the calculation of the project impacts stated above, making reference to specific named developments (which have been identified as part of local development policies, plans or investment strategies) which are enabled by the project.*

*In addition, specify if the realisation of benefits is contingent on further investment not yet secured; **maximum 1 page]***

The figures given per year in the table above are based on current knowledge of the progress and programme of the development and the anticipated build rates.

**Herne Bay Golf Club** – planning granted for 572 homes including 172 affordable homes, 3208m<sup>2</sup> of commercial space, 900 m<sup>2</sup> of retail space and 4280m<sup>2</sup> of community space (health centre and care home). Site also includes a sports hub including pavilions, football, hockey and cricket pitches and tennis courts.

**Lower Herne Village** – Planning granted for up to 800 Homes including 240 affordable homes, 3,400m<sup>2</sup> commercial space, 600m<sup>2</sup> community space

**Hillborough** – Current planning applications for 1080 homes including 162 affordable homes, 33,000m<sup>2</sup> of commercial space, 800m<sup>2</sup> of retail space, 5,050m<sup>2</sup> of community space including a 4,500 m<sup>2</sup> care home and a 2-form entry primary school.

The figures for jobs created are based on each use class allocation.

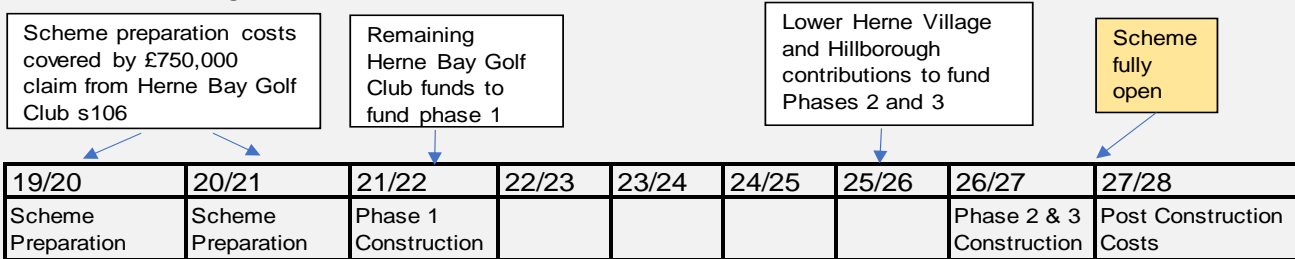
**The Role of GPF in Benefit Realisation:**

*[Provide evidence that without GPF support the project would not proceed, would proceed at a slower rate or would have fewer impacts and benefits than estimated; maximum 0.5 pages]*

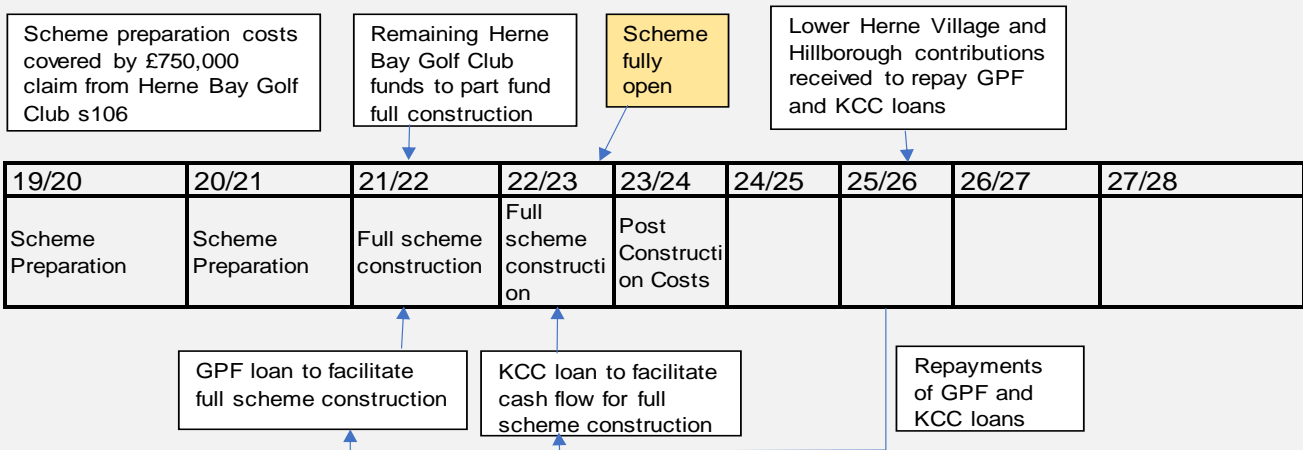
With GPF the project can be completed by 2022/23. The GPF loan brings forward the ability for BRIS to be constructed in a single phase rather than spread over a significant period of time and in multiple phases.

Given the narrow nature of Bullockstone Road, it will not be possible to carry out the improvement work without closing the road, thereby causing high levels of disruption and increasing traffic through the centre of Herne as vehicles divert to the nearest alternative route. The construction of the road scheme in multiple phases will result in numerous road closures adversely affecting Herne over a prolonged period of time. Therefore, the GPF loan allows for traffic to be diverted earlier and housing developments can continue to be delivered with the alternative route in place.

**Without GPF Funding**



**With GPF Funding**



#### Value for Money (VfM) assessment:

*[The VfM category should be presented as a summary of the project benefits in relation to project costs. Where the overall project has already had a VfM assessment undertaken the scheme promoter should include this and provide evidence on the potential for GPF to support or, if applicable, enhance the VfM of the overall project. Where no previous VfM assessment has been undertaken, promoters should follow the relevant appraisal guidance ([DCLG Appraisal Guidance](#) – page 28 or the [DfT Value for Money Framework](#)) and define both the overall VfM and the GPF contribution. This should be proportionate to the size of the overall project and the GPF ask.*

*Consideration should also be given to the Steer note on the calculation of costs for loan-based funds. As this is a capital loan, rather than a grant, the public cost to be included in the VfM calculations should be based on the value of interest foregone. This is explained in the guidance note and a spreadsheet has been provided to help calculate the public cost to be used in the VfM assessment; **maximum 1 page**.*

#### *Please note the following:*

- *for projects requesting funding of £2m or more, a quantified Value for Money assessment is required in accordance with the [SELEP Assurance Framework](#);*
- *the VfM should be based on the overall assessment of both monetised and non-monetised impacts]*

At the time of completing and submitting this document, a traffic model and corresponding TUBA results were not available to carry out the VfM assessment.

To support this current submission a high-level economic assessment has been undertaken using Department for Transport (DfT) appraisal tools, including COBA-LT and the Active Mode Appraisal toolkit, LinSig and Arcady software. The economic assessment is summarised in a supplementary note provided within Appendix H. The benefits covered by this assessment are health, journey quality, congestion, safety and infrastructure. Journey time benefits and accident savings have been estimated for a 60-year period. Active mode benefits have been estimated for a 20-year period. It is considered that a more robust appraisal of the scheme that also includes elements not currently covered such as environmental improvements, would yield further benefits and value for money.

The scheme is effectively fully funded by a combination of private developer contributions, with the GPF loan providing a bridge between construction and the receipt of contributions. For the purposes of a value for money assessment the cost to the public sector budget for this scheme is the interest foregone for the GPF loan requested. Based on the GPF Cost of Capital Worksheet the cost for £3.5m capital drawn down is £0.87m (2020 price base), assuming a risk adjusted discount rate of 5% and PWLB Interest Rate of less than 2%.

The estimated present value of costs (PVC) is £0.58m in 2010 prices. The costs are discounted to 2010, market prices. The present value of benefits (PVB) is £8.18m. The benefit to cost ratio of **14.22** indicated a high value for money.

The Steer note on the calculation of costs for loan-based funds recommends a sensitivity test based on a risk adjusted discount rate higher than 5%. A sensitivity test based on a discount rate of 10% results in a PVC of £1.15m and a BCR of 7.11.

An additional sensitivity test was carried out based on an increase in scheme costs to reflect 15% optimism bias. In this case the cost to the public sector includes the GPF loan cost (assuming 5% discount rate) and also the additional costs arising from optimism bias, in excess of the original scheme cost, which would be public funded. The PVC for this test is £1.47m and the resulting BCR is 5.56.

Price Base	GPF at discount rate 5%	GPF at discount rate 10%	GPF at discount rate 5% plus 15% Optimism Bias
	(£m)		
<b>2020</b>	<b>0.87</b>	<b>1.75</b>	<b>2.22</b>
<b>2010</b>	<b>0.58</b>	<b>1.15</b>	<b>1.47</b>
	<b>2010 (£m)</b>	<b>2010 (£m)</b>	<b>2010 (£m)</b>
User Benefit	GPF (5%)	GPF (10%)	GPF (5%) + 15%OB
Journey Time Saving	4.56	4.56	4.56
Active Mode	3.4	3.4	3.4
Accident Saving	0.21	0.21	0.21
<b>Present Value of Benefits (PVB)</b>	<b>8.18</b>	<b>8.18</b>	<b>8.18</b>
<b>Present Value of Costs (PVC)</b>	<b>0.58</b>	<b>1.15</b>	<b>1.47</b>
<b>Net Present Value (NPV)</b>	<b>7.61</b>	<b>7.03</b>	<b>6.71</b>
<b>Benefit to Cost Ratio (BCR)</b>	<b>14.22</b>	<b>7.11</b>	<b>5.56</b>

## 7. Contribution to the Establishment of a Revolving Fund

### GPF Repayment Mechanism:

*[Please specify how the GPF will be repaid e.g. through developer contributions, and include supporting documentation where appropriate (e.g. draft S106 agreements) as an Appendix to this document; maximum 0.5 pages]*

The GPF will be repaid on receipt of the developer contributions from Lower Herne Village and Hillborough. Further details of the repayment mechanism of the GPF can be found within Appendix C.

Appendix C contains:

- S106 agreement for Herne Bay Golf Club
- Unilateral Undertaking S106 agreement for Lower Herne Village

### GPF Repayment Schedule:

*[Please outline the proposed timetable for GPF repayment, committing to repaying the loan before 31<sup>st</sup> March 2026. The repayment schedule should match that in the Financial Viability section]*

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total £
GPF Repayment (Capital)						3,500,000	3,500,000

**GPF Repayment Risk:**

*[Provide details of any risks which may impact on the repayment of the GPF funding and how these risks can be mitigated.]*

The key risk is the non-payment of the s106 contributions by the Lower Herne Village and Hillborough developments or the payments are received later than the repayment date.

The risks of these will be mitigated through ongoing discussion and progress review. In the period until the loan is required it is anticipated that an understanding of the development progress will be gained allowing educated decisions to be made on the risk of the funding not coming forward.

The two development sites are detailed in the 2017 Local Plan and there will be pressure from Canterbury City Council to ensure that the sites are developed.



### Financial Viability:

*[Please provide an initial statement highlighting the underlying assumptions and expected viability of the GPF investment; **maximum 0.5 pages**. Following this, please include a cashflow that shows both the Drawdown and Repayment schedules for the GPF funding. All costs and revenues need to be sourced and clearly referenced. If the GPF is expected to unlock further funding that will be used, in part, to repay the GPF loan this should be clearly annotated]*

The income and costs shown for the 2020/21 financial year includes values from previous years.

The scheme requires additional funding in 2021/2022 and 2022/23 to allow construction in a single phase.

The project costs are based on a 2020 cost estimate provide by a cost consultant to provide greater cost certainty.

### Cash flow:

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 onwards
<b>Incoming</b>							
Growing Places Fund drawdown		3,500,000					
S106 Herne Bay Golf Club	750,000	2,361,200					
S106 Lower Herne Village						██████████	
S106 Hillborough						██████████	
<b>Outgoing</b>							
Growing Places Fund repayment						3,500,000	
Design, Procurement and Project Management (inc planning and land)	520,300	578,300	343,600	20,100		6,700	
Utilities		711,100	285,200	423,100			
Construction		2,141,800	1,326,400	2,331,600			
Post Construction costs (inc post monitoring and LCA Part 1 claims)					80,000	120,000	88,000
<b>Net income</b>	<b>229,700</b>	<b>2,430,000</b>	<b>-1,955,200</b>	<b>-2,774,800</b>	<b>-80,000</b>	<b>2,238,300</b>	<b>-88,000</b>
<b>Cumulative total</b>	<b>229,700</b>	<b>2,659,700</b>	<b>704,500</b>	<b>-2,070,300</b>	<b>-2,150,100</b>	<b>88,000</b>	<b>0</b>

## 8. Risks

### Risk Register:

*[Please complete a Risk Register, identifying overall and GPF related project risks, likelihood, impacts and mitigations as per the table in Appendix D. This should include a description of any scheme dependencies, risks and delivery constraints which may impact on the delivery of the project or the benefits achieved through GPF investment in the project. The Risk Register should detail all identified project risks.*

*For the most significant project risks provide supporting commentary which considers the implementation risks associated with the project, such as risks associated with not securing GPF funding and risks to the repayment of the GPF; **maximum 0.5 pages**]*

An outline cost plan has been produced. A risk and contingency allowance has also been included within the cost plan for specific construction risks in addition to the project risks. The cost plan and risk allowance will be regularly reviewed and updated as the scheme design is developed. It should be noted that KCC have already began engaging with independent cost consultants in order to generate greater cost certainty of the project.

Appendix D shows the current risk register for the Herne Relief Road project. Project risk is managed as an on-going process as part of the scheme governance structure. The risk register will be maintained and updated at Monthly Project Meetings with responsibility for the risk register being held by the KCC PM. Any high residual impact risks are then identified on the highlight report for discussion at the Programme Board meeting. Required mitigation measures are discussed and agreed and actioned by the KCC PM as appropriate.

For the Herne Relief Road scheme, the two most significant risk are:

- Non-payment of the S106 contributions by the Lower Herne Village and Hillborough developments or the payments are received later than the repayment date
- Hillborough site not receiving planning permission or permission is significantly delayed.

The scheme is intrinsically linked to the Lower Herne Village development and most notably the Spine road through the development. Within the S106 Agreement for the current Herne Relief Road (Planning Ref. 16/01764), due to be superseded by the new planning application due for submission October/November 2020. There is a condition that the construction of the relief road scheme must either be in place before the spine road is opened or constructed concurrently.

This was inserted to link the scheme to the wider development aspiration of the emerging Local Plan to secure the public benefits of the scheme and to ensure the timely delivery of the highway works and to ensure that the infrastructure is in place before the occupation of large volumes of housing.

## 9. State aid

### State Aid:

*[Please confirm that by supporting this project the GPF will not be contravening State Aid regulations; maximum 0.5 pages]*

The provision by public authorities of 'general' infrastructure, such as the building of roads that are open to the public and which are not to be commercially exploited, has been held by the EU Commission not to constitute State Aid.

In this regard the infrastructure is provided for general use as opposed to a dedicated purpose, benefiting no specific user and not favouring one undertaking in competition with other undertakings, consequently there is no selectivity and the project will not constitute State Aid.

## 10. Monitoring and evaluation

### Monitoring and Evaluation:

*[Please provide evidence of how you will monitor and evaluate the effectiveness of the GPF funding. This should include completion of the Monitoring and Evaluation Plan as shown in Appendix E. If GPF funding is sought to unlock a stage of development a monitoring and evaluation schedule should be in place to understand whether the GPF funding has addressed the need and generated the expected benefits.]*

*The Monitoring and Evaluation Plan should include all outcomes stated in section 6 and should set out how the delivery of these outcomes will be measured. Updates on benefits realisation will be sought quarterly both during project delivery and post project completion.*

*Note: costs associated with monitoring and evaluation represent revenue spend, and cannot therefore be funded through the GPF allocation; maximum 1 page]*

The GPF funding is required to support the BRIS project, enabling an early completion of the project. The key outcomes, which will be monitored by the Monitoring and Evaluation Plan in Appendix E, will be:

- Early completion of the BRIS;
- The enabling of delivery of development (2450 house, retail, commercial and community space) while minimising detrimental impact on the village of Herne;
- A reduction in traffic movements through Herne and
- Improvement in air quality in Herne.

KCC are committed to monitoring, evaluating and reporting the scheme post-opening. Data surveys undertaken before the scheme will be repeated. In addition, pre-opening data for accidents is available and can also be repeated post-opening.

It is important for a congestion relief scheme to compare traffic flows so that the changes in delay are put into context.

The acceptability will be judged on the predictions supporting the economic case and on delivering the scheme objectives.

## 11. Declaration (To be completed by applicant)

Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?	<del>Yes</del> /No
Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors?	<del>Yes</del> /No
Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?	<del>Yes</del> /No

*If the answer is “yes” to any of these questions, please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.*

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer, and other public sector bodies who may be involved in considering the Business Case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The supporting appendices to the Business Case will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix G.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix G) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete.

I confirm that the risk analysis included in this Business Case identifies all known project risks and I agree to follow public procurement regulations to the extent applicable during the delivery of the project. I declare that the GPF investment does not contravene State Aid regulations.

All spend of Growing Places Fund funding will be compliant with the Loan Agreement.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the loan amount.

<i>Signature of applicant</i>	
<i>Print full name</i>	<i>Lee Burchill</i>
<i>Designation</i>	<i>Major Capital Programme Manager</i>

*The lead County Council/Unitary Authority should also provide a signed S151 Officer Letter to support the submission – see example letter in Appendix F*

# Appendices

Appendix A	Location, layout and site plans
Appendix B	Equality Impact Assessment
Appendix C	GPF repayment mechanism – supporting documentation
Appendix D	Risk register
Appendix E	Monitoring and Evaluation Plan
Appendix F	Example letter of support from S151 officer of relevant Upper Tier Authority
Appendix G	Categories for Exemption – redactions to main Business Case
Appendix H	Supplementary Appraisal Summary Note
Appendix I	Appraisal Spreadsheet
Appendix J	Interest Forgone Calculation

Add or remove appendices as appropriate



## Appendix D – Risk register

Description of Risk	Impact of risk	Risk Owner	Risk Manager	Likelihood *	Impact **	Risk Rating ***	Risk Mitigation	Residual Risk Rating
Hillborough site not receiving planning permission or permission is significantly delayed	Scope of project will need to be reduced or further funding sources sought.	KCC	KCC	2	5	10	Early knowledge of permission status given in construction timetable. Close liaison with CCC on progress of application.	5
Scheme costs exceed budget	Descoping or value engineering will need to be pursued	KCC	Designer	3	4	12	Designer to review design for cost savings	6
Unexpected site conditions	Additional funding may be required or value engineering will be required	KCC	Designer	2	3	6	Extensive investigations during outline design to determine conditions on site	3
Development site at Lower Herne Village does not progress	Scope of project will need to be reduced or further funding sources sought.	KCC	KCC	2	4	8	Permission given and discussions ongoing with house builders	3
KCC unable to borrow internally	Construction will not be able to be completed in full until developer funding is received	KCC	KCC	2	4	8	Discussions to start early to ensure loan can be included in the future budget	2

\* Likelihood of occurrence scale: Very Low (1) more than 1 chance in 1000; Low (2) more than 1 chance in 100; Medium (3) more than 1 chance in 50; High (4) more than 1 chance in 25; Very High (5) more than 1 chance in 10.

\*\* Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay.

\*\*\* Risk rating = Likelihood x Impact

## Appendix E – Monitoring and Evaluation Plan

Outcome/benefit to be measured	Expected outcome	Monitoring approach	Benefit realisation timetable
<i>e.g. Delivery of new industrial workspace</i>	<i>e.g. 1,000 sqm of new industrial workspace</i>	<i>e.g. Delivery of workspace to be monitored through tracking planning applications for the site and through engagement with relevant businesses</i>	<i>e.g. Workspace to be delivered by December 2021</i>
Early completion of BRIS	Scheme in place by 2022/23	Project monitoring	Project to be completed by 2023
Delivery of developments	Scheme will support the delivery of up to 2452 new homes together with commercial, retail and community space.	Completion of developments to be monitored via close liaison with Canterbury City Council.	Annual monitoring of housing completions
Air Quality through Herne AQMA	Reduced levels of Nitrogen Oxide in centre of Herne	CCC will continue to monitor the levels.	1 year post Herne Relief Road opening
Traffic volumes	Traffic in Herne reduced	Traffic counts to be undertaken on Bullockstone Road and Canterbury Road	1 year post Herne Relief Road opening

*The Monitoring and Evaluation Plan should include all outcomes stated in section 6 and should set out how the delivery of these outcomes will be measured. Updates on benefits realisation will be sought quarterly both during project delivery and post project completion.*

## Appendix F – Example S151 Officer Letter to support Business Case submission – Growing Places Fund

Dear Colleague,

In submitting this project Business Case, I confirm on behalf of *[Insert name of County or Unitary Authority]* that:

- The information presented in this Business Case is accurate and complete.
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where insufficient funding has been identified to deliver the project, this risk has been identified within the Business Case.
- The identified project expenditure represents capital spend. GPF cannot be used to cover revenue costs.
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.
- The delivery body has considered the public sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the project’s development and delivery stages.
- The delivery body has access to the skills, expertise and resource to support the delivery of the project.
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting.
- The project will be delivered under the conditions of the Loan Agreement which will be agreed with the SELEP Accountable Body, including the repayment of the Growing Places Fund loan in accordance with an approved repayment schedule.
- The requested GPF investment does not contravene State Aid regulations.
- The appropriate checks have been undertaken and it has been confirmed that this funding application is from a creditable source which has the means to repay the loan.

I note that the Business Case will be made available on the SELEP website one month in advance of the funding decision being taken, subject to the removal of those parts of the Business Case which are commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Yours Sincerely,

SRO (Director Level) .....

S151 Officer .....

## Appendix G – Categories of exempt information

There is a clear public interest in publishing information and being open and transparent. But sometimes there is information which we can't publish because it would cause significant harm to the scheme promoter - for example by damaging a commercial deal or harming their position in a court case. Equally sometimes publishing information can harm someone who receives a service from the scheme promoter or one of their partners.

The law recognises this and allows for information to be placed in a confidential appendix if:

- a) it falls within any of paragraphs 1 to 7 below; and
  - b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
1. Information relating to any individual;
  2. Information which is likely to reveal the identity of an individual;
  3. Information relating to the financial or business affairs of any particular person (including the authority holding that information);
  4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority;
  5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;
  6. Information which reveals that the authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order of direction under any enactment;
  7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.