

ACCOUNTABILITY BOARD

10:00	Friday, 16 February 2024	MidKent College, Maidstone Campus, Oakwood Park, Tonbridge Road, Maidstone Kent ME16 8AQ
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The meeting will be open to the public either in person, online or by telephone. Details about this are on the next page.

Quorum: 6 (to include 4 voting members)

Membership

Simon Cook	Chair
Cllr Kevin Bentley	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Lauren Edwards	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Andrew Jefferies	Thurrock Council
Cllr Tony Cox	Southend-on-Sea City Council
Vacant	Further Education/ Skills representative
Abbie Kemp/Thomas Wolfenden	Higher Education representative

For information about the meeting please ask for:

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Essex County Council and Committees Information

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972.

Members of the public will be able to view and listen to any items on the agenda unless the Committee has resolved to exclude the press and public from the meeting as a result of the likely disclosure of exempt information as defined by Schedule 12A to the Local Government Act 1972.

How to take part in/watch the meeting:

Board members: should be attending in person at Midkent College Oakwood Park, Tonbridge Road Maidstone ME16 8AQ. Members that have arranged in advance to attend virtually as a non-voting participant will have received a personal email with their login details for the meeting. Contact Keri Lawrence -Governance Officer SELEP if you have not received your login.

Officers and members of the public:

Online:

You will need the Zoom app which is available from your app store or from www.zoom.us. The details you need to join the meeting will be published as a Meeting Document, on the Meeting Details page of the Council's website (scroll to the bottom of the page) at least two days prior to the meeting date. The document will be called "Public Access Details".

By phone:

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In person:

Midkent College Oakwood Park, Tonbridge Road Maidstone ME16 8AQ .You will be asked to sign in and to not speak during the meeting without the express permission of the Chair. Late arrivals will not be guaranteed entry to the meeting.

Accessing Documents

If you have a need for documents in, large print, Braille, on disk or in alternative languages and easy read please contact the Democratic Services Officer before the meeting takes place. For further information about how you can access this meeting, contact the Democratic Services Officer.

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Please note that an audio recording may be made of the meeting – at the start of the meeting the Chair will confirm if all or part of the meeting is being recorded.

1	Welcome and Apologies for Absence	
2	Minutes of the previous meeting	6 - 19
	To approve the minutes of the meeting held on 12th January 2024.	
3	Declarations of Interest	
	To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct	
4	Questions from the public	
	In accordance with the Policy adopted by the SELEP, a period of up to 15 minutes will be allowed at the start of every Ordinary meeting of the Accountability Board to enable members of the public to make representations. No question shall be longer than three minutes, and all speakers must have registered their question by email or by post with the SELEP Secretariat (hello@southeastlep.com) by no later than 10.30am on the Monday morning before the meeting. Please note that only one speaker may speak on behalf of an organisation, no person may ask more than one question and there will be no opportunity to ask a supplementary question. On arrival, and before the start of the meeting, registered speakers must identify themselves to the Governance Officer for an in-person meeting, or the host of the meeting if it is being held virtually. A copy of the Policy for Public Questions is made available on the SELEP website.	
5	SELEP Operations Update - APPENDIX A IS TO FOLLOW	20 - 36
6	Growing Places Fund Programme Update -REPORT TO FOLLOW	
7	Getting Building Fund Programme Update -REPORT TO FOLLOW	

- 8 **Local Growth Fund Programme Update - REPORT TO FOLLOW**
- 9 **Stanford le Hope -London Gateway and Grays South LGF project update** 37 - 66
- 10 **LGF High Risk Project Update -REPORT TO FOLLOW**
- 11 **A13 Widening LGF Project Update -REPORT TO FOLLOW**
- 12 **Monitoring and Evaluation Update -REPORT TO FOLLOW**
- 13 **Legal and Finance Update -REPORT TO FOLLOW**
- 14 **Date of Next Meeting**
- To note that no further meetings are scheduled.
- 15 **Urgent Business**
- To consider any matter which in the opinion of the Chair should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

Exempt Items

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

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

16 Urgent Exempt Business

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

Minutes of the meeting of the SELEP Accountability Board, held at Mid Kent College, Oakwood Park, Tonbridge Road, Maidstone ME16 8AQ on Friday, 12 January 2024

Present:

Simon Cook	Chair
Cllr Lee Scott	Essex County Council
Cllr Roger Gough	Kent County Council (from item 6)
Cllr Keith Glazier	East Sussex County Council
Cllr Lauren Edwards	Medway Council
Cllr John Lamb	Southend-on-Sea City Council (from item 7)
Cllr Andrew Jefferies	Thurrock Council
Abbie Kempe	Higher Education Representative

Also Present:

Chris Broome	Sea Change Sussex
Bernard Brown	Member of the public
Paul Chapman	Essex County Council
Alex Colbran	East Sussex County Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Sunny Ee	Medway Council
Stephanie Ennis	Essex County Council
Amy Ferraro	SELEP
Jill Fisher	East Sussex County Council
Jessica Jagpal	Medway Council
Tariq Khwaja	TK Associates
Keri Lawrence	SELEP
George McCullough	Thurrock Council
Gary MacDonnell	Essex County Council
Steve Mannix	Mercury Theatre
Stephanie Mitchener	Essex County Council
Michael Neumann	Essex County Council (as delegated S151 Officer for the Accountable Body)
Rebecca Newby	East Sussex County Council

Lorna Norris	Essex County Council
Huw Oxburgh	Member of the public
Vivien Prigg	Essex County Council
Alan Richards	Southend-on-Sea City Council
Tim Rignall	Southend-on-Sea City Council
Helen Russell	SELEP
Steve Samson	Kent County Council
Jo Simmons	SELEP
Lisa Siggins	Essex County Council
Tristian Smith	Essex County Council
Gemma Webb	Southend-on-Sea City Council
Gregory Wilkinson	DLUHC
Andrew Willet	Southend-on-Sea City Council

1 Welcome and Apologies for Absence

- Cllr Tony Cox substituted by Cllr John Lamb
- Cllr Kevin Bentley substituted by Cllr Lee Scott

2 Minutes of the previous meeting

The minutes of the meeting held on Friday 22 September 2023 were agreed as an accurate record.

3 Declarations of Interest

None

4 Questions from the public

Helen Russell Chief Executive Officer SELEP advised the Board that four public questions had been received. She read the questions and the responses to questions 1 and 3. Responses to questions 2 and 4 were presented by Cllr Keith Glazier from East Sussex County Council.

Question 1 – Mr Alan Seymour

It says on the Good Governance/Meetings & Minutes/Agendas & Papers Pages of the SELEP website that the Agenda and Papers are published on the SELEP website 5 clear working days before the meeting. For the Agenda 12 January 2024 no papers were published for Agenda Items 7 to 13 in this timescale. One of these items, that on the Queensway Gateway Road, was due to be reported on at the postponed November 2023 Accountability Board Meeting. At the December Strategic Board it was said a paper on the Repayment Schedule of the loan on Sovereign Harbour/Pacific House would be published for the 12

January 2024 meeting. Neither have been published within the required time frame of 5 clear days before the Accountability Board meeting.

Why, has the Accountability Board failed to publish the papers in the correct time frame for this meeting, thereby negating the public's ability to review the papers and ask appropriate Public Questions based on the published papers?

Response:

We work extremely hard to meet all required deadlines, but we are facing resource challenges across SELEP, the Accountable Body and some partner authorities. It is a lengthy process, for all the right reasons, to get papers finalised and from a SELEP perspective, given that we are working towards closure, we are operating on a reduced capacity so despite every effort, this is having some impact.

In light of the late publication of the agenda pack, the deadline for submitting Public Questions was extended to ensure that the opportunity to submit questions was not lost.

Question 2 – Bernard Brown

Pacific House was developed using a loan from SELEP with additional loans from East Sussex County Council and Eastbourne Borough Council. The Development was undertaken in 2015. Of the £4.6m loaned through SELEP £3.575m is outstanding and has been subject to previous repayment rescheduling. In 2023 Sea Change Sussex defaulted on the repayment and through an administrative error ESCC technically defaulted. This was addressed by a retrospective rescheduling. It was stated the building would be sold during the course of 2023. It has been marketed at £5m and there has been no sale. Sea Change Sussex and ESCC have said this is due to adverse market conditions in the Investment Commercial Property Market yet in the same period Sea Change Sussex upwardly revalued its Investment Commercial Property at £16.82 per sqft. This would have generated £806,460 over the last two years yet Sea Change Sussex have made no further part-repayments on the loan making no attempt to honour their loan obligations. It is legitimate to ask why no payments have been made. The reasons maybe the Company is using the money for other projects contrary to the terms of the loan under SELEP Governance rules or the Company does not have the financial resources to meet its loan obligations. Papers were not published in this matter in the timescale required for the Accountability Board Meeting.

In the absence of information are loan repayments wilfully being withheld or is Sea Change Sussex unable to meet its financial obligations? What has happened to the £800+K taken in rents on this project.

Response:

As a point of clarification, a revised repayment schedule for the Sovereign Harbour project was due to be considered by the Accountability Board at their

meeting on 10 March 2023 – prior to the repayment becoming due. However, this Board meeting was subsequently postponed to 13 April 2023 and therefore it wasn't possible for the decision on the revised schedule to be taken prior to the repayment becoming due.

The information required to respond to this question is held by East Sussex County Council and, as such, they provided the following response:

The extension of the repayment period of the loan into 2023/24 was to enable Sea Change Sussex to undertake the necessary marketing required to secure a sale of the building and consequently repay the outstanding Growing Places Fund loan in full. As such there were no other part repayments agreed upon or expected from Sea Change Sussex throughout the year and there is no mechanism in the loan agreement to request this outside the agreed repayment schedule.

Question 3 – Mr Neville Jones

The following are fully verifiable extracts from reports submitted to the Accountability Board on the Queensway Gateway Project by East Sussex County Council since October 2020: “ A contractor has been appointed with work due to commence on site on 23/11/21...it is anticipated the works on the temporary connection will take 4 weeks” ...”The expected programme for delivery of the signalised connection is 6 weeks with an additional 2 weeks contingency...It is currently estimated that the signalised connection will be constructed and complete by late November 2021 with the full route open to traffic at this point” ... “This report sets out further delays to the signalised connection with this now not being expected until early 2022” At the 16/6/23 meeting the report said “..it has not been possible to provide a full update on this project.”

Despite the best efforts of the SELEP Capital Programme Manager to present an accurate picture to the Board, there is absolutely no doubt reports on this project submitted by East Sussex County Council since 2020 have proven to be incomplete and inaccurate and by default misleading. The reports from East Sussex County Council on this and other projects have not only been used as a basis of decision making by the Board, they have been the basis for answering Questions from the Public resulting in inaccurate and misleading answers being provided.

Despite the efforts of SELEP Officers, since 2019 ESCC have provided inadequate, inaccurate and misleading reports. As SELEP comes to a close will this Board honourably apologise to the Public for responses provided, which being based on these reports, were inaccurate.

Response:

It is the Upper Tier Local Authorities responsibility to provide information to the Board. Where inaccuracies are raised, these are discussed with the relevant Upper Tier Local Authority.

The responsibility of the Upper Tier Local Authorities includes providing the most up-to-date position in respect of their projects. As these are live projects, we understand there may be some changes to the updates over time and these changes are subsequently reported to the Board at future meetings.

Question 4 – Sea Change Sussex

It is reported at points 4.13 and 4.14 of Item 8 - Growing Places Fund – Sovereign Harbour proposed revised repayment schedule that decisions have not been made in respect to repayment by ESCC as they need a valuation which Sea Change Sussex have not provided the required 'detailed lease schedule' to allow the production of, it was also reported in April 2023 and within the item 8 paper at point 4.11 that ESCC have been in receipt of this valuation since February 2023. Having provided the requested detailed lease schedule and copies of our lease templates to ESCC in November 2022, we would ask do ESCC have the valuation as reported, and why it is being reported that a detailed tenancy schedule has not been provided by Sea Change Sussex?

Response:

The information required to respond to this question is held by East Sussex County Council and, as such, they provided the following response:

East Sussex County Council have requested up to date lease information from Sea Change Sussex as the valuation undertaken in early 2023, and the information supplied in November 2022 by Sea Change Sussex, is considered to be out of date following the agreed repayment plan approved by the Board in April 2023. The property market has changed in the past year and we cannot assume that all lease information remains the same. We have asked for but not been provided with a recent tenancy schedule, copies of all current leases, nor service charge information. This is information that commonly has a bearing on the accuracy of a valuation.

5 Operations Update

The Accountability Board (the Board) received a report from Keri Lawrence, SELEP Governance Officer, which was presented by Helen Russell, the purpose of which was for the Board to be updated on the operational activities carried out by the Secretariat to support both this Board and the Strategic Board. The report included an update on the SELEP transition arrangements, risk management, compliance with the Assurance Framework and performance against governance KPIs.

Cllr Edwards asked Cllr Scott to clarify why Essex County Council had decided that it was not possible for existing SELEP Secretariat employees to be seconded to the new roles being created within the Upper Tier Local Authorities. Helen Russell indicated that the decision had been taken as secondments present ongoing liabilities to Essex County Council, which the Council felt that

they could not undertake. Cllr Scott committed to providing further clarity in writing following the meeting.

Cllr Edwards also asked whether there had been any update from Government in relation to future Growth Hub funding and indicated that delays in receiving confirmation of future funding are increasing the risk of a break in service from April 2024. Helen Russell indicated that no further update had been received.

Abbie Kempe asked whether a communications and engagement plan around the closure of SELEP was being established for key stakeholders and other interested parties to engage with. Abbie noted that it is important for all parties to have clear points of contact moving forward. Helen Russell confirmed that a communications and engagement plan is currently being developed.

Resolved:

1. **To Note** the update on decisions taken by the Strategic Board for the transition of the LEP and the integration of its activities into Local Authorities at Section 4 of the report.
2. **To Note** the Risk Register at Section 6 and Appendix B of the report.
3. **To Note** the update on Assurance Framework compliance monitoring at Section 7 and Appendix C of the report.
4. **To Note** the update on Governance KPIs at Appendix D of the report.

6 SELEP Finance Update

The Board received a report from Lorna Norris, Senior Finance Business Partner, the purpose of which was for the Board to consider the update to the 2023/24 revenue outturn forecast and the impact for the funding position to support SELEP integration costs into 2024/25. Additionally, the report recommended an approach for the distribution of the anticipated residual SELEP funds to the six upper tier SELEP Partner Authorities, to support delivery of LEP functions from April 2024.

Cllr Edwards indicated that she did not support the proposal that the residual SELEP revenue reserves should be disaggregated on a per capita basis. Instead she proposed that a more holistic approach should be adopted, with a focus on achieving parity across all Local Authorities and all SELEP funding sources.

Cllrs Scott and Glazier gave their support to the recommendations as set out in the report.

Resolved:

1. **To Note** the update on the forecast revenue outturn and reserves for 2023/24.
2. **To Agree** the approach for allocating any residual balances in the Operational Reserve to the SELEP Upper Tier Local Authority partners as set out in section 3.9.3 of the report.
3. **To Agree** the approach for allocating the Redundancy Reserve as set out in section 3.9.7 of the report.
4. **To Agree** that any uncommitted earmarked reserves at the end of 2023/24 will be appropriated to the Operational Reserve to be allocated as agreed in section 2.1.2 of the report (second resolution detailed above).

7 Growing Places Fund Programme Update

The Board received a report from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

The report also set out details of the Change Request submitted in relation to the Barnhorn Green Commercial and Health Development project and provided an update on the risks associated with the agreed repayment schedule for the Centre for Advanced Engineering project.

Cllr Glazier indicated that he agreed with the recommendation set out in the report with regard to the Barnhorn Green project and acknowledged that the project was not currently in the position required to remain within the GPF programme. Cllr Glazier confirmed that East Sussex County Council will continue to work with Rother District Council to investigate other funding options moving forward.

Cllr Scott and Cllr Lamb also stated their support for the recommendations set out in the report.

Resolved:

1. **To Note** the updated position on the GPF programme.
2. **To Agree** that the Barnhorn Green Commercial and Health Development project should be removed from the GPF programme.
3. **To Note** the update on the Centre for Advanced Engineering project and the risk to the agreed repayment schedule.

8 Sovereign Harbour Repayment Schedule Change

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider a request from East Sussex County Council for a revision to

the Growing Places Fund (GPF) repayment schedule for the Sovereign Harbour project.

Helen Dyer clarified that following the decision by the Board to remove the Barnhorn Green project from the GPF programme, there were now only two options for the Board to consider in respect of the Sovereign Harbour project – Options 1 and 3 (as set out in the report).

Cllr Glazier identified Option 1 (approval of the proposed revised repayment schedule) as East Sussex County Council's preferred option. Cllr Glazier indicated that had the challenges associated with disposal of the building been foreseen, a longer extension to the repayment schedule would have been requested previously but confirmed that East Sussex County Council remain committed to repaying the GPF loan. He also noted that, following the removal of the Barnhorn Green project, the level of parity achieved if Option 1 is agreed has improved.

Cllr Scott and Cllr Jefferies both indicated that they were unwilling to approve the requested extension to the repayment schedule. Cllr Lamb confirmed that he was also not prepared to agree the extension to the repayment schedule as SELEP is in the process of being dissolved and therefore all SELEP activities need to be wound up.

Cllr Edwards confirmed that Medway Council were in a similar position and were concerned about the impact on the level of parity achieved if the revised repayment schedule was approved.

Cllr Glazier indicated that he was unhappy with the reference to retention of revenue funds due to be disaggregated to East Sussex County Council under Option 3 (refusal of the proposed revised repayment schedule) if full repayment is not made in accordance with the current repayment schedule. He also indicated that it was unrealistic to expect East Sussex County Council to repay £3.575m by 31 March 2024.

Michael Neumann indicated that, given the upcoming closure of SELEP, finances were being considered holistically and therefore revenue funding was being factored into the decisions being taken by the Board.

Cllr Edwards indicated that it appeared that the local authorities who had repaid their GPF loans were being penalised through this process if steps were not taken to achieve a better level of parity.

Cllr Scott and Cllr Gough suggested that further work be undertaken outside the meeting to explore other options with a view to achieving a better level of parity. Noting the need for a decision to be taken at the next Board meeting.

Following the discussion, Helen Dyer summarised the position and highlighted that any approach adopted to achieve a better level of parity will require agreements/work which extend beyond 31 March 2024 and is likely to involve

additional work by the Accountable Body therefore potentially reducing the level of revenue funding available for disaggregation between local authority partners.

Simon Cook urged the Board and officers to work proactively to ensure all the necessary information is provided in a timely manner to ensure that a decision can be taken at the February Board meeting.

The Board subsequently agreed on the recommendation below.

Resolved:

1. **To Agree** not to agree any of the options set out in the Board report and for officers to undertake further option development work with a view to achieving the best level of parity possible for the disaggregation of the SELEP GPF funds, in the context of the remaining Sovereign Harbour repayment.

9 Better Queensway GBF Project Update

The Board received a report from Glyn Hawksworth, Director of Regeneration & Housing, Southend-on-Sea City Council and Helen Dyer, which was presented by Alan Richards and Tim Rignall, Southend-on-Sea City Council, the purpose of which was for the Board to receive an update on the Better Queensway Getting Building Fund (GBF) project (the Project), which had been identified as High risk.

Alan Richards gave the Board brief background information on the project including the progress to date.

He confirmed that the £4.2m GBF funding allocation has been spent in full supporting delivery of required enabling works and completion of early acquisitions but that the funding had not yet been transferred to the LLP.

The Board were also reminded of the various difficulties in the delivery of the project, including the challenges around Swan Housing and the subsequent withdrawal of Sanctuary Housing Association.

Since the Autumn the focus of the Better Queensway team has been on preparing the documentation for the exit of Sanctuary Housing Association from the LLP. The formal exit agreement was completed on 28 November 2023 meaning that Southend-on-Sea City Council are now the sole owners of the LLP.

Alan Richards stressed that there is cross party support for the project at Southend-on-Sea City Council and there is full commitment to completion of the project. The Board were reminded that HIF funding has been secured and were advised that additional capacity funding has been allocated from Homes England in the short term.

Southend-on-Sea City Council are now working hard to reconfigure the early stages of the project, to ensure delivery is carried out in deliverable chunks.

Helen Dyer provided an update on risks from a SELEP perspective.

Cllr Lamb spoke in support of the project confirming that the Council remain fully committed to the project and have support from Homes England. Cllr Lamb indicated that if Southend-on-Sea City Council are unable to secure an appropriate delivery partner, that the Council will deliver the project themselves. Cllr Lamb urged the Board to agree Option 1 as set out in the report.

Resolved:

1. **To Note** the update on delivery of the Project.
2. **To Agree** that, given the importance of the Project to the local area, it should be retained within the GBF programme. Noting that further work is required to confirm the delivery route for all phases of the Project and acknowledging the intention to agree with the Department for Levelling Up, Housing and Communities that ongoing oversight of the Project will sit with them following the closure of SELEP.

10 GBF Funding Decisions

The Board received a report from Leslie Rickerby, SELEP Capital Programme Officer, which was presented by Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the award of Getting Building Fund (GBF) funding to the following projects:

1. Tech Hub Flexible Workspace, Gravesend
2. Mercury Rising 2, Colchester.
3. Innovation Hub: Diversification of Chatham Town Centre.
4. Maidstone Business Suite Phase 2.
5. The Victoria Centre, Southend.

Resolved:

1. **To Agree** the award of £370,000 GBF to Kent County Council for the Tech Hub Flexible Workspace, Gravesend project which has been assessed as offering High value for money with a High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme, and agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.
2. **To Agree** the award of £500,000 GBF to Essex County Council for the Mercury Rising 2 project which has been assessed as offering High value for

money with a High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme, and agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.

3. **To Agree** the award of £300,000 GBF to Medway Council for the Innovation Hub: Diversification of Chatham Town Centre project which has been assessed as offering High value for money with a Medium/High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme and, agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.
4. **To Agree** the award of £300,000 GBF to Kent County Council for the Maidstone Business Suite Phase 2 project which has been assessed as offering High value for money with a Medium/High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme and, agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.
5. **To Agree** the award of £579,232 GBF to Southend-on-Sea City Council for The Victoria Centre project which has been assessed as offering High value for money with a Medium/High certainty of achieving this, subject to receipt of Government approval of project inclusion within the GBF programme and, agree that the GBF funding can be retained against the project for a maximum period of 12 months to 31 January 2025.

11 Local Growth Fund Programme Update

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider the overall position of the Local Growth Fund (LGF) capital programme, as part of SELEP's Growth Deal with Government.

Resolved:

1. **To Agree** the updated total planned LGF spend on project delivery in 2023/24 of £10.949m excluding DfT retained schemes and increasing to £11.079m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.
2. **To Agree** the reported LGF spend on project delivery in Q1 and Q2 2023/24 of £0.156m excluding DfT retained schemes and increasing to £0.287m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.
3. **To Agree** the updated completion dates for the following project which has experienced a delay of more than 6 months:
 - 3.1. Colchester Grow On Space – project completion delayed from June 2024 to May 2025.

4. **To Agree** that there is compelling justification for the £1.821m LGF spent to be retained against the A289 Four Elms roundabout to Medway Tunnel project and note the steps that Medway Council are taking to bring forward delivery of the project following the removal of the Housing Infrastructure Fund funding.
5. **To Agree** that there is compelling justification for the £630,488 LGF considered in this report to be retained by East Sussex County Council in respect of the Hastings and Bexhill Movement and Access Package project providing that:
 - 5.1. £325,703 is retained subject to East Sussex County Council continuing to Capitalise the spend with the intention to secure the funding required to enable delivery of the works or until the works are delivered. In the event of subsequent non-delivery and if the Board has been disbanded, East Sussex County Council are to agree with the Department for Levelling Up, Housing and Communities with respect to continued retention of the LGF; and
 - 5.2. £176,461 is applied retrospectively as an LGF Capital Swap with East Sussex County Council using alternative Capital Funding within the programme to demonstrate full LGF spend against the project; and
 - 5.3. £24,967 is retained against the project to support delivery of the revised Business Case.
6. **To Note** the deliverability and risk assessment, as set out in Appendix D of the report.
7. **To Note** the list of outstanding post scheme completion Monitoring and Evaluation reports, as set out in Appendix G of the report.

12 **Queensway Gateway Road LGF Project Update**

The Board received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure and Helen Dyer, which was presented by Rebecca Newby, East Sussex County Council, the purpose of which was for the Board to receive a further progress update on the delivery of the Queensway Gateway Road Local Growth Fund (LGF) project (the Project).

Rebecca informed the Board that she was pleased to advise that significant progress had been made since the last Board meeting with discussions underway between East Sussex County Council and Sea Change Sussex to ensure delivery of the final part of the project. She advised that Appendix A of the report clearly detailed the Outline Delivery Plan, with a more detailed action plan expected to be finalised within the coming weeks. She gave details of progress of technical approvals of the designs, with six minor alterations being required, which were currently awaited from Sea Change Sussex.

With regards to final construction costs, estimates have been submitted by Sea Change Sussex to East Sussex County Council and these costs are currently undergoing a review. Whilst full details of additional costs cannot yet be confirmed, it is expected that the project will be delivered within the amount estimated in the original 2015 Business Case (£15m).

The Board were advised that both parties (East Sussex County Council and Sea Change Sussex) remain fully committed to the project and are working hard to finalise the outstanding issues. It was stressed that whilst risks are recognised, East Sussex County Council will manage these as part of the LEP transition process.

Helen Dyer provided an update on risks from a SELEP perspective as set out in Section 9 of the report.

Resolved:

1. **To Note** the latest update position on the delivery of the Project.
2. **To Note** that East Sussex County Council is working with its delivery partner to ascertain the extent to which further resource is required to complete the Project.
3. **To Note** the updated delivery plan, indicative delivery programme, and approach to finalising the total project cost and funding package.
4. **To Agree** that, given the importance of the Project to the local area, it should be retained within the LGF programme. Noting that further work is required to confirm the total project cost, full funding package and construction programme and acknowledging the intention to agree with the Department for Levelling Up, Housing and Communities that they will have ongoing oversight of the Project following the closure of SELEP.

13 Grays South LGF Project Update

The Board received a report from Mark Bradbury, Interim Director of Place, Thurrock Council and Howard Davies, which was presented by George McCullough, Thurrock Council, the purpose of which was for the Board to receive an update on the delivery of the Grays South Local Growth Fund (LGF) project (the Project).

The Board were given an overview of the background of the project and the problems that have been encountered. They were advised of a Cabinet decision by Thurrock Council in October 2023 not to proceed with the project as originally envisaged, however, the project is critically important as it addresses existing safety risks.

The new approach to delivering the project will be developed for presentation at the February Board meeting. As part of the February Board update, Thurrock Council intend to ask the Board to agree to temporarily transfer the unspent LGF

funding awarded to the Grays South project to the Stanford Le Hope/London Gateway project to enable that project to come forward at this time. Equivalent funding will be returned to the Grays South project in the future to allow project delivery.

Howard Davies provided an update on risks from a SELEP perspective.

Cllr Lamb spoke in support of the project and expressed his disappointment at the situation and the challenges which have been encountered.

Resolved:

1. **To Note** the outcome of the reviews undertaken of the Grays South Regeneration Scheme (which includes the Project).
2. **To Note** that a Project Change Request will be brought to the February 2024 Board meeting.

14 Date of Next Meeting

The Board noted that the next meeting will be held on Friday 16 February, venue to be confirmed.

The Chair offered his thanks to all the officers involved in preparing reports and encouraged Members to give their backing in ensuring that they are submitted in time for the February meeting.

15 Urgent Business

None.

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Keri Lawrence – Governance Officer	
Meeting Date: 16 February 2024	For: Information
Enquiries to: amy.ferraro@southeastlep.com	
SELEP Partner Authority affected: Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to be updated on the operational activities carried out by the Secretariat to support both this Board and the Strategic Board. The report includes an update on the SELEP transition arrangements, risk management, compliance with the Assurance Framework and performance against governance KPIs.

2. Recommendations

- 2.1. The Board is asked to:
- 2.1.1. **Note** the update on the transition of the LEP and the integration of its activities into Local Authorities at Section 4;
 - 2.1.2. **Note** the Risk Register at Section 6 and Appendix A;
 - 2.1.3. **Note** the update on Assurance Framework compliance monitoring at Section 7 and Appendix B;
 - 2.1.4. **Note** the update on Governance KPIs at Appendix C.

3. General Operations Update

- 3.1. SELEP continues to deliver against its 2023/24 Delivery Plan, including the Growth Hub service, various activity on skills, maximising the benefits of our major projects, production of comprehensive economic data and supporting our partnerships to deliver. Increasingly business as usual activities are becoming more focused on their transition, SELEP is in a transitional period and therefore the work of the SELEP Secretariat is focused on ensuring the effective integration of SELEP functions into Upper Tier Local Authorities (UTLAs) by March 2024, as outlined in Section 4.
- 3.2. As part of the legacy and lessons learnt activities, SELEP held a very successful interactive event on the 7th of February - 'What makes successful public private partnerships' - with over 60 attendees.

- 3.3. The final event - Future of Local Growth - will be held following the Strategic Board meeting on 22nd March, in London, and will bring together stakeholders to present and debate the future growth agenda across the South East.
- 3.4. Regarding the Deep Dive into East Sussex projects where the delivery partner is Sea Change Sussex, we are still waiting for an update from the Assurance Team from the Cities and Local Growth Unit, with respect to the outcome of the review.

4. SELEP Transition Update

- 4.1. The SELEP Strategic Board approved the final SELEP Integration Plan on the 8 December 2023.
- 4.2. As highlighted in the January Operations Update to this Board, the Final Integration Plan outlines key dependencies for a successful integration. These are:
 - 4.2.1. Confirmation from Government of the geographical coverage of new Accountable Body arrangements for ongoing management of the existing capital programme.
 - 4.2.2. Clarification from Government in relation to the accountable body arrangements for the new functional economic area and the applicable Assurance Framework.
 - 4.2.3. All required Local Authority formal decision making concluded by March 2024, ahead of the March SELEP Strategic Board meeting.
 - 4.2.4. Completion of the Transition Agreement that will transfer LEP responsibilities and accountabilities to the respective upper tier local authority partners – see agenda item 13 for further information.
- 4.3. Overall the risks and dependencies are mostly associated with timescales and capacity, however there are some clarifications needed from Government that could, albeit unlikely, require a change of approach, particularly in relation to the management of the current capital programme, Accountable Body status, and ongoing monitoring and evaluation requirements. Associated risks are outlined further in section 6 below.
- 4.4. The SELEP Senior Officers Group¹ continues to meet monthly to review the SELEP Integration Plan and track progress against its decisions, milestones, and deliverables.
- 4.5. The staff consultation, run by ECC People Services, commenced on the 15th of January, and will conclude on the 28th of February. There were nine roles

¹ Consisting of Senior Officers of the 6 UTLAs, the SELEP Secretariat and the Accountable Body.

identified and submitted from across the UTLAs and whilst these roles do not fully align to the roles within the existing secretariat and the take up of them is subject to the outcomes of this consultation, and within that choice of individuals, it is expected that some members of the existing SELEP team will redeploy into appropriate posts. Changes during the consultation has reduced the number of available posts to seven.

- 4.6. At the December 2023 Strategic Board, Directors endorsed that the uncommitted residual revenue LEP funding should be utilised to resource the continued delivery of LEP functions within UTLAs from April 2024 onwards. At the January meeting of this Board, the decision was taken that this allocation of the residual revenue funding should be made on a per capita² basis.
- 4.7. Please see the SELEP Finance Update paper with reference to the updated position on the allocation of SELEP unallocated residual funds that could be applied to support the funding of these posts and as such the potential for continued employment of members of the LEP secretariat who are able and wish to secure these positions.
- 4.8. This is in alignment with the guiding principle of the Strategic Board's decision in July that it is the intention by all parties to retain the expertise, knowledge, networks, and experience of the SELEP team.

5. Update on Government Guidance

- 5.1. As outlined in the January 2024 Operations Update to this Board, SELEP and the UTLAs sought clarifications from Government on the 16th of August, regarding several points contained in their technical guidance, issued on the 4 August, to further inform the development of the Integration Plan and on the 3rd of November, SELEP received some responses to these clarifications.
- 5.2. The clarification provided regarding Accountable Body arrangements for the legacy SELEP activity, namely the existing capital programme, provides a positive indication that DLUHC will release Essex County Council from its obligations as accountable body for SELEP and that the six UTLAs will take on this role for their own geographies from April 2024.
- 5.3. A letter was issued to DLUHC formally setting out this request with proposals for how it could be achieved. We await a response, however given the timescales, preparation work has commenced on this basis by way of a Transition Agreement that would exist between all UTLAs, inc. ECC as Accountable Body and potentially DLUHC.
- 5.4. This agreement will cover all aspects of LEP function and funding that will transfer over to UTLAs, including but not limited to, the agreements for Local Growth Fund (LGF), Getting Building Fund (GBF) and Growing Places Fund

² Based on 2021 census population figures per area.

(GPF) and residual funding disaggregation for the reserves and GPF. A draft of this agreement is planned to be shared with all UTLAs and with DLUHC and we will collectively work at pace to finalise this (see Agenda item 13).

- 5.5. The release of the Assurance Framework that will apply to UTLAs post April 2024 is still anticipated from DLUHC; this will inform governance expectations for any new arrangements introduced by UTLAs to support the delivery of LEP functions.
- 5.6. Following announcement of funding to deliver LEP functions in 2024/25 on 19th December 2023, as yet, DLUHC has not launched the application process for UTLAs to apply for that funding.

6. Risk Register

- 6.1. Integration: Overall, the most critical risks to timely integration are:
 - 6.1.1. Capacity with the SELEP Secretariat, Accountable Body and within UTLAs to action tasks at the required pace. (Risk 9)
 - 6.1.2. Lack of formal and/or timely response from Government regarding future accountable body arrangements for the existing capital programme and, as importantly, how they need to be implemented. (Risk 48)
 - 6.1.3. Breaks in continuity because of late confirmation of UTLA funding allocations, particularly in relation to Growth Hubs. (Risk 22)
- 6.2. Capital Programme:
 - 6.2.1. The risk of non-achievement of Outcomes/Outputs of the Capital Programme (Risk 19) continues to be classified as high risk, particularly in light of integration and the absence of the LEP post April 2024.
 - 6.2.2. Risk 46, rated as medium, is a reputational risk related to the number of requests for information about projects and questions raised about the delivery of outputs and outcomes of some projects. SELEP and the Accountable Body will take steps to share best practice developed over the lifetime of SELEP with local partners to help support their ongoing management of the Capital Programme and the future presentation of project information to the public.

7. Assurance Framework Monitoring

- 7.1. The National Local Growth Assurance Framework will remain in force and will continue to apply up to integration of services into the UTLAs from April 2024. In line with government guidance, it may be necessary for some decisions to be taken outside of the Assurance Framework, where this is required to support the close of SELEP. SELEP continues to regularly manage its

compliance with the National Assurance Framework and ensure that it is governed, and decisions are made, in line with the framework's requirements.

- 7.2. LEPs are expected to continue to maintain a Local Assurance Framework and have this publicly accessible. It is the role of the Board to oversee the implementation of the requirements of the SELEP Local Assurance Framework.
- 7.3. An Internal Audit for 2023/24 is being undertaken by Essex County Council (as the Accountable Body) from January 2024 to assess the robustness of governance over decision making, project delivery and financial / risk management processes, in order to provide assurance to the S151 Officer and SELEP that appropriate controls are in place. The audit outcome of 2022/23 recognised that SELEP continues to have adequate controls in place to help manage emerging risks. However, it is important that these are proactively monitored throughout the transition period.
- 7.4. DLUHC wrote to LEP Chief Executives on 18 May 2023 setting out its position on LEP assurance and associated requirements for 2023/24. As per that letter, a light-touch Annual Performance Review (APR) assurance cycle will take place in 2023/24 where LEPs are still operational. The approach will continue the tiered structure implemented in the 2022/23 assurance cycle. Assurance activities will consider any residual LGF and GBF spend, via freedoms and flexibilities, brought forward into 2023/24 by LEPs.
- 7.5. We have received notification of the final APR process, which is expected to conclude by the 29th of February. This requires the LEP and the Accountable Body to action and submit the following:
 - 7.5.1. Officer Assurance Statement
 - 7.5.2. Governance Assurance Statement
 - 7.5.3. Compliance Letter
- 7.6. As reported in January, DLUHC held an assurance conversation with the SELEP Secretariat and the Accountable Body on the 11 December 2023 as part of a light touch Mid-Year Review. No new issues were raised at the meeting and SELEP was thanked for its proactive response to LEP integration.

8. Key Performance Indicators

- 8.1. A number of KPIs are being tracked to ensure there is compliance with the governance requirements in the SELEP Assurance Framework. These can be found at Appendix C.
- 8.2. All KPIs are delivering in line with targets except for those related to Federated Board publication of minutes and papers as Success Essex has not met for some time. The Secretariat will continue to communicate with

officers to improve and maintain compliance to try and ensure that this stays on track as integration progresses over the coming weeks. The Assurance Framework for 2024/25, which has not yet been published, could state that the publication of minutes and papers for Board meetings is expected and if not, partners may wish to so anyway as best practice.

9. Accountable Body Comments

- 9.1. It remains a requirement for SELEP to have an Assurance Framework in place that complies with the requirements of the National Local Growth Assurance Framework and there remains an expectation for the s151 Officer of the Accountable Body to continue to provide assurances of compliance. The only exceptions to this would be expected to be in respect of decisions required to enable the transition of LEP functions to the UTLAs, in line with the Government guidance for the transition of LEPs issued in August 2023.
- 9.2. A key role of the Accountable Body through LEP transition will be to ensure consideration and transference, as appropriate, of any residual accountabilities in respect of funding being held and managed by Essex County Council on behalf of the SELEP. This is proposed to be managed through a transition agreement between the six UTLAs and DLUHC (see Agenda item 13).
- 9.3. It is anticipated that a number of close down activities will need to continue to be managed post closure of SELEP which will need to be funded through the funding set aside in Future Commitments Reserve (see Agenda item 13).
- 9.4. Through the life of SELEP, the purpose of the Assurance Framework has been to ensure that the necessary systems and processes are in place to manage delegated funding from Central Government budgets effectively.
- 9.5. The S151 Officer of the Accountable Body is required to provide the following confirmation to Government on an annual basis:
 - 9.5.1. That all the necessary checks have been undertaken to ensure that SELEP has in place the processes to ensure the proper administration of their financial affairs and that they are being properly administered; and
 - 9.5.2. That SELEP's Local Assurance Framework is compliant with the minimum standards as outlined in the *National Local Growth Assurance Framework (2021)*.
- 9.6. This confirmation was provided by the S151 Officer on the 28 February 2023; Government have advised that a similar confirmation statement is expected to be required through the Annual Performance Review process for 2023/24.
- 9.7. The S151 Officer of the Accountable Body is required to ensure that oversight of the proper administration of financial affairs within SELEP continues throughout the year.

- 9.8. In addition, the S151 Officer is required to provide an assurance statement to Government as part of the Annual Performance Review; this must include information about the main concerns and recommendations about the arrangements which need to be implemented for SELEP to be properly administered.
- 9.9. The outcome of the Annual Performance Review 2022/23 identified that challenges were being experienced with regards to Delivery and risks across the LGF and GBF capital programmes (as is regularly reported to this Board through the wider agenda items). Due to GBF slippage from 2021/22 and 2022/23, quarterly reporting of spend to Government will continue to be a requirement in 2023/24. Monitoring of all GBF projects will be required on-going and any reporting requirements complied with by Partners in line with the agreed arrangements.
- 9.10. A number of LGF projects are continuing to be identified as high risk, with significant delays to delivery highlighted. Following the closure of SELEP, on-going monitoring requirements will no longer have oversight by the Board and be subject to local management arrangements.
- 9.11. Government are expected to continue to request reporting on the LGF and GBF programmes following closure of the LEP for at least 12 months; as such, compliance with any such requests by DLUHC will form part of the proposed transition agreement with the UTLAs (see agenda item 13).

10. Financial Implications (Accountable Body comments)

- 10.1. Government have allocated Core funding to SELEP for 2023/24 at a reduced allocation of £250,000. Government have also confirmed that this will be the final year in which LEPs will be allocated core funding due to the expectation that their functions will transfer to Local Authorities from 2024/25 – Government have indicated that there may be some funding (up to £240,000 per Functional Economic Area) to support the Local Authorities in 2024/25, although this remains subject to an application process that has yet to be advised by DLUHC. On-going funding, beyond 2024/25 also remains subject to confirmation through future spending reviews.
- 10.2. The finance update in agenda item 6 provides an updated forecast of the revenue spend for 2023/24. The current level of reserves continue to be monitored, but are considered sufficient to support the SELEP budget for 2023/24, with some reserves remaining to meet known commitments into future years.
- 10.3. The recent announcement by Government in their Budget statement that no further Core Funding will be available post 2023/24 to existing LEPs, means that options with respect to the future position of the Essex County Council employees that support the SELEP Secretariat, the existing funding agreements and other contractual arrangements in respect of SELEP being managed by the Accountable Body, are to be sought to be managed through

SELEP Operations Update

a Transition Agreement to be implemented across the six UTLAs and potentially also with DLUHC.

11. Legal Implications (Accountable Body comments)

11.1. There are no significant legal implications arising out of this update report.

12. List of Appendices

12.1. Appendix A - Extract from Risk Register -TO FOLLOW

12.2. Appendix B – Assurance Framework Compliance Monitoring

12.3. Appendix C – Governance and Transparency KPIs

13. List of Background Papers

13.1. [Strategic Board 8 December 2023 – Final Integration Plan](#)

13.2. [Accountability Board 12 January 2024 -Operations Update](#)

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Michael Neumann (On behalf of Nicole Wood, S151 Officer, Essex County Council)	08/02/2024



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING

Updated February 2024



ONGOING ACTIONS

INCORPORATION

Requirement	Status
Maintain the records at Companies House and fulfil all legal requirements	COMPLETE/ONGOING (supported by the Accountable Body)

BOARD COMPOSITION

Requirement	Status
To improve the gender balance and representation of those with protected characteristics on the Board.	ONGOING

DECLARING INTERESTS

Requirement	Status
To publish all Registers of Interest on the SELEP website for all Strategic Board, Accountability Board and Federated Board members, with signatures redacted.	ONGOING, continually updated annually and Board members change
Declarations of interest must be noted at the outset of each meeting.	COMPLETE/ONGOING
All members of the Strategic Board, Accountability Board and Federated Boards are required to complete a Register of Interests form.	COMPLETE/ONGOING
All senior members of staff or staff involved in advising on decisions must also have a valid register of interests, reviewed the same as for board members.	COMPLETE/ONGOING

CAPITAL PROJECTS

Requirement	Status
To use the SELEP Business Case Template for all strategic outline business cases.	COMPLETE/ONGOING
To inform the Accountability Board where there are concerns around a project, including presenting the Board with legal options around recovering funding	COMPLETE/ONGOING
Implementing the monitoring and evaluation of projects including reporting on delivery of outputs and outcomes against the delivery of the Recovery and Renewal Strategy	ONGOING

POLICIES AND PROCEDURES

Requirement	Status
For each Federated Board to apply the prioritisation process as approved by the Strategic Board.	COMPLETE/ONGOING
To have a delivery plan in place for the year.	COMPLETE/ONGOING
To create and maintain a log of SELEP engagement activities.	OUTSTANDING
To hold Annual General Meetings open to the public to attend	COMPLETE
To collaborate across boundaries, with other LEPs and the LEP network, and be open to peer review	COMPLETE/ONGOING
Review of Assurance Framework to be a standing item on the last Strategic Board meeting of each calendar year.	COMPLETE/ONGOING
To ensure that all policies are refreshed annually according to the requirements in the Assurance Framework.	Since the SELEP is transitioning, policies have been reviewed based on business need.

ACCOUNTABLE BODY

Requirement	Status
The Secretariat to extend invitations to the Section 151 Officer or representative for all board meetings.	COMPLETE/ONGOING
The Secretariat should ensure that Business Case Templates include a section for assurance from the Section 151 Officer of the promoting authority that the value for money statement is true and accurate.	COMPLETE/ONGOING
For the Section 151 officer or their representative to review and comment on all board papers in advance of publication	COMPLETE/ONGOING

PUBLISHING INFORMATION

Requirement	Status
To publish Strategic and Accountability Board papers to agreed timescales	COMPLETE/ONGOING
To publish the Local Assurance Framework on the website	COMPLETE
To create, maintain and publish a register of all board member expenses and hospitality costs.	COMPLETE/ONGOING
To publish the Gate 2 outline business case at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish the Gate 4 and 5 full business cases for relevant projects at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish information around the process for applying for funding on the SELEP website, as agreed by the Strategic Board.	COMPLETE/ONGOING
To publish on the SELEP website a rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funding designated by year.	COMPLETE/ONGOING
To publish on the SELEP website the Terms of Reference, calendar of dates and papers of the Working Groups.	COMPLETE/ONGOING
To use Government and SELEP branding on all marketing.	COMPLETE/ONGOING
To publish all key decisions of the Strategic and Accountability Boards on the Forward Plan, SELEP website and upper tier authority websites.	COMPLETE/ONGOING

Appendix C - Governance Key Performance Indicators

Forward Plan of Decisions

Is the Forward Plan of Decisions, including any associated business cases, published at least 28 days in advance of the Accountability Board meeting?

Meeting date	Met (Y/N)?
27/05/22	Y
15/07/22	Y
23/09/22	Y
25/11/22	Y
27/01/23	Y
13/04/23	Y
16/06/23	Y
22/09/23	Y
17/11/23	Y
12/01/24	Y
16/02/24	Y

Publication of Papers

Are all papers published 5 clear working days in advance of the meeting?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	23/09/22	Y	25/11/22	Y	27/01/23	Y	13/04/23	Y	16/06/23	Y	22/09/23	Y	12/01/24	N
Strategic Board	24/06/22	Y	21/10/22	Y	09/12/22	Y	10/02/23	Y	07/07/23	Y	13/10/23	Y	08/12/23	Y
SE	06/06/22	Y												
KMEP	22/11/22	Y	21/03/23	Y	20/06/23	Y	19/07/23	Y	06/09/23	Y	03/10/23	Y	05/12/23	Y
OSE														
TES	05/12/22	Y	06/02/23	Y	15/05/2023	Y	03/07/23	Y	09/10/23	Y	04/12/23	Y		

Draft Minutes

Are all draft minutes published within 10 clear working days following the meeting?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	27/05/22	Y	15/07/22	Y	23/09/22	Y	25/11/22	Y	13/04/23	Y	16/06/23	Y	22/09/23	Y	12/01/24	Y
Strategic Board			24/06/22	Y	21/10/22	Y	09/12/22	Y	10/02/23	Y	07/07/23	N	13/10/23	Y	08/12/23	Y
SE			06/06/22	Y												
KMEP	22/11/22	Y	21/03/23	Y	20/06/23	Y	19/07/23	Y	06/09/23	Y	03/10/23	Y	05/12/23	Y		
OSE																
TES	03/05/22	Y	20/06/22	Y	17/10/22	Y	05/12/22	Y	15/05/23	Y	03/07/23	Y	09/10/23		04/12/23	Y

Final Minutes

Are final minutes published within 10 clear working days following approval?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	27/05/22	Y	15/07/22	Y	23/09/22	Y	13/04/23	Y	16/06/23	Y	22/09/23	Y	12/01/24	Y		
Strategic Board	18/03/22	Y	24/06/22	Y	21/10/22	Y	10/02/23	Y	07/07/23	Y	13/10/23	Y	08/12/23	Y		
SE					06/06/22	Y										
KMEP	20/09/22	N	22/11/22	Y	21/03/23	N	19/07/23	Y	06/09/23	Y	03/10/23	Y	05/12/23	Y		
OSE	09/03/22	N														
TES	20/06/22	Y	17/10/22	Y	15/05/23	Y	03/07/23	Y	09/10/23	Y	04/12/23	Y	29/01/24	Y		

Registers of Interest- Board Members

Are registers of interests in place for all board members?

Board	Comments
Accountability Board	All complete, ongoing updates where appropriate
Strategic Board	All complete, ongoing updates where appropriate
SE	All complete, ongoing updates where appropriate
KMEP	All complete, ongoing updates where appropriate
OSE	All complete, ongoing updates where appropriate
TES	All complete, ongoing updates where appropriate

Registers of Interest - Officers

Are registers of interest in place for all officers?

Category	Percentage completed
SELEP Secretariat	100%
Accountable Body	100%
Federated Board Lead Officers	100%

Declarations of interests in meetings

Are all interests declared and recorded in the meetings as a standing item with a note of any actions taken?

Board	Met (Y/N)?
Accountability Board	Y
Strategic Board	Y
Investment Panel	Y
SE	Y
KMEP	Y
OSE	Y
TES	Y

Business Case Endorsement

Have all new and amended projects/business cases been endorsed by the respective Federated Board in advance of submission to any of the SELEP boards?

Board	Met (Y/N)?	Comments
LGF	Y	Through prioritisation process for LGF3b
GPF	Y	Through prioritisation process
SSF	Y	Applications are considered by Federated Boards in advance of being brought forward for Strategic Board endorsement.

Publication of Business Cases

Are all business cases published 1 month in advance of funding decisions at Accountability Board meetings?

Meeting date	Met (Y/N)?
15/07/22	Y
23/09/22	Y
25/11/22	Y
27/01/23	Y
13/04/23	Y
16/06/23	Y
22/09/23	Y
12/01/23	Y
13/04/23	Y
16/06/23	Y
22/09/23	Y
12/01/24	Y
16/02/24	Y

Date	Percentage of female board members (excluding co-opted)
05/08/19	21%
28/01/20	25%
16/04/20	35%
01/02/21	35%
10/06/21	35%
22/10/21	35%
18/05/22	35%
04/11/22	32% (vacancy)
22/02/23	35% (2 vacancies)
31/01/24	36% (1 vacancy)

Forward plan reference number: FP/AB/720
and FP/AB/721

Report title: Stanford le Hope/London Gateway and Grays South LGF project update	
Report to: Accountability Board	
Report author: Helen Dyer, SELEP Capital Programme Manager	
Meeting date: 16 February 2024	For: Decision
Enquiries to: helen.dyer@southeastlep.com	
SELEP Partner Authority affected: Thurrock Council	

1. Purpose of report

- 1.1. The purpose of the report is to provide the Accountability Board (the Board) with an update on the Stanford le Hope/London Gateway and Grays South Local Growth Fund (LGF) projects which have been identified as High risk.
- 1.2. The Board are asked to consider the updated Business Case for the Stanford le Hope/London Gateway project which, following significant cost increases, seeks to demonstrate ongoing compliance with the SELEP Assurance Framework.
- 1.3. In addition, the Board are asked to consider a Change Request in relation to the Grays South project which is seeking approval for an extension to the delivery programme.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the update on delivery of the Stanford le Hope/London Gateway and Grays South projects.
 - 2.1.2. **Agree** that, following consideration of the updated Business Case, the £7.5m LGF funding allocation can be retained against the Stanford le Hope/London Gateway project, subject to the following also being agreed:
 - 2.1.2.1. **Agree** that the delivery programme for the Grays South project can be extended following the decision by Thurrock Council to explore alternative scheme proposals. Noting that the expected project completion date is now September 2028.
 - 2.1.2.2. **Agree** that Thurrock Council can employ an Option 4 Capital Swap allowing £5.4m of the currently unspent LGF allocation awarded to the Grays South project to be temporarily transferred to the Stanford le Hope/London Gateway project to support project delivery. Noting that Thurrock Council have committed to returning capital funding of

the same value to the Grays South project at a later date to enable project delivery.

3. Summary Position

Stanford le Hope/London Gateway

- 3.1. The Stanford le Hope/London Gateway project seeks to deliver a new railway station at Stanford le Hope which offers increased capacity and a new transport interchange outside the station which will connect bus, rail, cycle, taxi and pedestrian modes of travel.
- 3.2. It is expected that these works will help to unlock the next phase of development at London Gateway/Thames Enterprise Park. In addition, the works will provide improvements to public transport infrastructure and service reliability to new housing developments and to major employment growth in the local area.
- 3.3. A total of £7.5m LGF was awarded to Thurrock Council in February 2017 to support delivery of the project and this allocation has been spent in full.
- 3.4. Previous updates to the Board have highlighted significant cost increases which have arisen since the Business Case was approved, with costs rising from £12.05m in February 2017 to £29.09m in November 2021. The original Business Case demonstrated High value for money with a Benefit Cost Ratio (BCR) of 9.4:1. However, due to the scale of the cost increase identified between February 2017 and November 2021 (£17.04m), there is a requirement for submission of an updated Business Case to demonstrate that the project continues to offer High value for money and that the requirements of the SELEP Assurance Framework continue to be met.
- 3.5. In June 2023, the Board agreed that the updated Business Case for the Stanford le Hope/London Gateway project could be submitted for consideration at this meeting. It was noted that if this deadline was not met that the LGF funding would be removed from the project and would need to be returned to Essex County Council (as Accountable Body for SELEP) within 4 weeks by Thurrock Council for reallocation to alternative projects.
- 3.6. In addition to the increasing costs, the project has faced a number of challenges including the need to redesign the station building proposals, failed procurement processes and delays in progressing the design for the transport interchange. Delivery of the project has been further impacted by a number of staffing changes at Thurrock Council which have resulted in the management of the project being passed between a number of different consultants and officers resulting in a lack of consistency in approach and forward momentum.

Grays South

- 3.7. The Grays South project forms part of the Grays South Regeneration Area (GSRA) scheme which consists of a number of interventions designed to support the economic and social vitality of Grays Town Centre. The LGF funding was specifically sought to support the creation of an underpass to replace the existing level crossing and for the creation of a public square at each end, designed to provide active urban spaces suited to a wide range of events, markets and similar activities.

Stanford le Hope/London Gateway and Grays South LGF project update

- 3.8. A total of £10.84m LGF was awarded to Thurrock Council in February (£3.7m) and November 2019 (£7.1m) to support delivery of the new underpass and associated public realm.
- 3.9. Previous updates to the Board have highlighted significant cost increases which have arisen since the Business Case was approved, with costs rising from £28.7m in November 2019 to £37.9m in February 2022. This cost increase reduced the BCR for the project from 2.4:1 to 2:1 – which is on the limit of what is acceptable under the terms of the SELEP Assurance Framework.
- 3.10. In April 2023, the Board were advised that Thurrock Council had taken the decision to place delivery of the project on hold following the identification of significant concerns around budget, cost, programme and affordability. In addition, it was noted that a full review of the project and the wider GSRA scheme was underway. The outcome of this review was presented at the last Board meeting, with the conclusion being that the project should not be delivered in its current form as it no longer offered value for money for Thurrock Council and no longer supported future growth forecasts.
- 3.11. It should also be noted that in April 2023, the Board agreed to place spend of the remaining LGF funding allocation awarded to the Grays South project on hold due to the deliverability and affordability concerns identified. It was agreed that LGF spend should remain on hold until it could be demonstrated that the project continued to comply with the requirements of the SELEP Assurance Framework.

4. Stanford le Hope/London Gateway

- 4.1. As outlined above, the requirement for a new Business Case for the Stanford le Hope/London Gateway project was identified in November 2021. A revised Business Case was submitted for Board consideration in September 2022; however, it did not provide the required assurances to allay the deliverability and affordability concerns that had previously been reported to the Board. In addition, following a review of the Business Case, the Independent Technical Evaluator (ITE) concluded that they were unable to assure the Value for Money offered by the project or the realisation of benefits.
- 4.2. In line with the decision taken by the Board in June 2023, Thurrock Council have submitted a further revision to the Business Case for consideration by the Board at this meeting. The revised Business Case indicates that the updated forecast project cost is £34.71m, which reflects a further increase of £5.62m compared to the figure provided in November 2021.
- 4.3. It should be noted that the approach to calculating the BCR offered by the project has changed since submission of the original Business Case and therefore the BCR's are not comparable. In the original Business Case, the jobs enabled through the delivery of the project were the focus of the Economic Case and this produced a BCR of 9.4:1. However, in the revised Business Case submission, the project has been assessed as a transport scheme which has resulted in a BCR of 2.09:1. Despite the significant reduction in the BCR due to the increased cost and the different approach adopted, the Business Case demonstrates that the project continues to offer High value for money.
- 4.4. The Business Case has been subject to a review by the ITE and they have concluded that the project offers High value for money with a Medium certainty of achieving this value for

money. Whilst satisfied that the project demonstrates reasonable strategic alignment with SELEP priorities in terms of facilitating business growth and job creation at the nearby DP World/London Gateway major logistics hub, the ITE has identified three outstanding risks which could impact on the project's ability to achieve High value for money. These risks are as follows:

- 4.4.1. The Business Case does not provide assurance that the current scheme design can accommodate the updated passenger demand growth forecasts. In addition, current problems at the site (i.e. the inadequacy of facilities following the demolition of the existing station building) could have been better evidenced.
 - 4.4.2. Planning consent for the transport interchange has not yet been secured. It is expected that the planning application will be determined in March 2024.
 - 4.4.3. Limited detail has been provided with regard to the proposed procurement strategy and the allocation of risk between delivery partners.
- 4.5. The report of the ITE can be found at Appendix A.
- 4.6. Whilst it is acknowledged that Thurrock Council have been unable to mitigate all key delivery risks at this stage, it should be noted that the Business Case is significantly more robust than that submitted in September 2022.
- 4.7. The last full update on the Stanford le Hope/London Gateway project was presented to the Board in September 2023. The primary focus since this Board meeting has been on developing the revised Business Case and therefore limited progress towards project delivery has been reported. However, Thurrock Council have now confirmed their intention to transfer project delivery to Network Rail through an Implementation Agreement, rather than the Council delivering the project directly as originally intended. This approach will be taken as previous failed procurement attempts have demonstrated that the Council does not have sufficient resources to deliver the project directly. Network Rail has access to greater levels of resource and has significant previous experience of delivering similar schemes and therefore this approach would appear to reduce the level of risk associated with project delivery.
- 4.8. In light of the proposed change in approach, Thurrock Council have provided an updated indicative programme for the project (as set out in Table 1). Thurrock Council have also confirmed that the planning application for the transport interchange was submitted in October 2023 following identification of the preferred option as was detailed at the September 2023 Board meeting. It is expected that the planning application will be determined in March 2024.

Table 1: Indicative Delivery Programme for the Stanford le Hope/London Gateway project

Activity	Timescale
Railway Station	
Network Rail GRIP4 Assurance activities	January to March 2024
GRIP5 Contract Award	August 2024
GRIP6 Construction start on site	July 2025
Project completion	June 2026
Transport Interchange	
Determination of Planning Application	March 2024
Handover to proposed delivery partner (Network Rail)	January to March 2024
GRIP5 procurement	April to June 2024
Detailed Design	July to September 2024
GRIP6 Construction start on site	October 2024
Project completion	June 2025

- 4.9. It is noted within the revised Business Case that delivery of the Transport Interchange may be delayed to allow use of the site during the construction of the new railway station. The approach to be taken will be determined by Network Rail (as delivery lead) as the project progresses.
- 4.10. As set out above, Thurrock Council have provided an updated forecast total project cost and funding package as part of the revised Business Case (as set out in Table 2 below). It is apparent that Thurrock Council have taken steps to secure alternative funding sources to complete the required funding package, however, confirmation of the full funding package remains subject to a decision by the Board at this meeting.
- 4.11. In addition, Thurrock Council have put forward two proposed options for securing £14.86m which represents 43% of the funding package. It is intended that this funding will either be secured through capital borrowing by Thurrock Council or through local Retention of Business Rates from the Freeport. It is acknowledged that there may be challenges associated with securing the capital borrowing due to additional requirements placed on Thurrock Council as a consequence of their Section 114 Notice. The proposed borrowing would require consent from both the Department for Levelling Up, Housing and Communities (DLUHC) and the Treasury. The Business Case suggests that the Business Rates from the Freeport would be available to support project delivery through to 2025/26, however, no further detail has been provided to allow an assessment as to the confidence of this forecast.

Table 2: Funding package for the Stanford le Hope/London Gateway project (£m)

Funding Source	Actual Spend to 2022/23	Forecast – 2023/24	Forecast – 2024/25	Forecast – 2025/26	Total
SELEP – LGF (Stanford le Hope/London Gateway)	7.500	-	-	-	7.500
SELEP – LGF (transfer from Grays South Project)	-	-	3.300	2.100	5.400
C2C/National Stations Improvement Programme	0.740	3.060	-	-	3.800
DP World	-	-	0.550	-	0.550
Section 106 contributions	1.533	0.067	-	-	1.600
Freeport – Business Rates/Capital Borrowing	3.453	0.434	5.773	5.200	14.860
Thames Freeport Seed Fund (Active Travel)	-	-	1.000	-	1.000
Total	13.226	3.561	10.623	7.300	34.710

- 4.12. It is important that ongoing compliance with the LGF Grant Conditions (as specified by Government) can be demonstrated by Thurrock Council. This is particularly important given the time that has passed since the LGF funding allocation was spent (full LGF spend was achieved in 2020/21) and the ongoing development of the scheme proposals.
- 4.13. The LGF Grant Conditions specify that the LGF funding can only be applied to capital expenditure and therefore assurance has been sought from Thurrock Council’s Section 151 Officer that ‘in the event that any historic expenditure becomes abortive revenue spend, there is sufficient other capital expenditure within the project to confirm that the requirement to only apply the LGF funding to capital expenditure can still be met and that appropriate records of any required adjustments will be maintained and provided, if requested to do so, to the Accountable Body.’
- 4.14. In summary, Thurrock Council are being asked to confirm that the funding package for the project affords them the flexibility to ensure that the LGF funding is only applied to capital expenditure, therefore ensuring that the grant conditions continue to be met.
- 4.15. A copy of the revised Business Case for the Stanford le Hope/London Gateway project is available on the SELEP website: [Stanford le Hope/London Gateway revised LGF project Business Case](#)

5. Grays South

- 5.1. Whilst Thurrock Council have concluded that the current scheme proposals as set out in the approved Business Case for the Grays South Project are no longer viable (see section 3.10), they have indicated that there is still a need to address the significant safety concerns posed by the existing railway crossing. To this end, Thurrock Council are developing an alternative ‘Station Quarter’ scheme. This scheme will focus on delivering a new bridge over the railway line as part of a wider mixed-use development containing a new station, homes and commercial space.

- 5.2. Thurrock Council have indicated an intention to enter into a strategic partnership with Network Rail and other partners to facilitate delivery of the revised scheme. Whilst limited details about the proposals have been provided by Thurrock Council, it is understood that this scheme is expected to deliver similar benefits to the original project but will require less third-party land, will be less technically challenging and will allow for a more equitable risk sharing strategy to be implemented.
- 5.3. Thurrock Council have indicated that an advisor has been appointed to lead discussions with Network Rail in respect of the Grays South project with a view to formalising the partnership through a Memorandum of Understanding. Initial discussions have taken place and it is expected that a meeting involving all parties will be held in February 2024 to further progress matters. In addition, Thurrock Council have indicated that feasibility work will be undertaken between March and June 2024, enabling approval to be sought from Thurrock Council Cabinet in July 2024.
- 5.4. The indicative delivery programme is set out in Table 3 below.

Table 3: Indicative Delivery Programme – Grays South

Milestone	Start	Completion
Network Rail Memorandum of Understanding developed and implemented	December 2023	April 2024
Feasibility Stage	March 2024	June 2024
Thurrock Council Cabinet approval	July 2024	July 2024
Full design and planning consent	August 2024	March 2026
Contractor procurement	September 2025	February 2026
Construction	March 2026	September 2028

- 5.5. To date, £5.14m of the LGF funding allocation has been spent supporting development of the project. As referenced above, the Board agreed in April 2023, that spend of the remaining LGF allocation (£5.7m) should be placed on hold until it can be demonstrated that the project continues to comply with the requirements of the SELEP Assurance Framework. Given that it has been confirmed that the works outlined in the approved Business Case will not be delivered, that alternative scheme proposals are being developed and that there is insufficient time for a revised Business Case to be considered by the Board prior to the dissolution of SELEP, it will not be possible for Thurrock Council to demonstrate that the project continues to comply with the requirements of the Assurance Framework and therefore spend of any LGF funding which remains allocated to the Grays South project must remain on hold until the requirements of the SELEP Assurance Framework cease to apply.
- 5.6. At the last Board meeting it was noted that, in light of the proposed change to the Grays South design, it would be necessary for Thurrock Council to demonstrate (to the satisfaction of the Accountable Body) that LGF spend to date can continue to be capitalised and that the spend supports delivery of the revised scheme proposals. It was also noted that if spend to date cannot be applied to the new scheme proposals, this is likely to be considered as abortive revenue spend and therefore not comply with the grant conditions which require the funding to be spent solely on capital expenditure.

- 5.7. A full review of the LGF spend to date on the Grays South project has not been undertaken as planned due to time constraints, however, assurance has been sought from Thurrock Council's Section 151 Officer that 'in the event that any historic expenditure becomes abortive revenue spend, there is sufficient other capital expenditure within the project to confirm that the requirement to only apply the LGF funding to capital expenditure can still be met and that appropriate records of any required adjustments will be maintained and provided, if requested to do so, to the Accountable Body.'
- 5.8. In summary, Thurrock Council are being asked to confirm that the funding package for the project affords them the flexibility to ensure that the LGF funding is only applied to capital expenditure, therefore ensuring that the grant conditions continue to be met.

6. Recommendations presented to the Board

- 6.1. Three recommendations are set out in this report for Board consideration as detailed below:

6.1.1. **Agree** that, following consideration of the updated Business Case, the £7.5m LGF funding allocation can be retained against the Stanford le Hope/London Gateway project, subject to the following also being agreed:

6.1.1.1. **Agree** that the delivery programme for the Grays South project can be extended following the decision by Thurrock Council to explore alternative scheme proposals. Noting that the expected project completion date is now September 2028.

6.1.1.2. **Agree** that Thurrock Council can employ an Option 4 Capital Swap allowing £5.4m of the currently unspent LGF allocation awarded to the Grays South project to be temporarily transferred to the Stanford le Hope/London Gateway project to support project delivery. Noting that Thurrock Council have committed to returning funding of the same value to the Grays South project at a later date to enable project delivery.

- 6.2. The three recommendations are inter-linked and must all be agreed if the Stanford le Hope/London Gateway and Grays South projects are to progress in accordance with plans developed by Thurrock Council.
- 6.3. The over-arching recommendation relates to the revised Business Case for the Stanford le Hope/London Gateway project and considers whether the LGF funding award should remain allocated to the project.
- 6.4. As outlined in this report, a revised Business Case was required to demonstrate that the project continues to meet the requirements of the SELEP Assurance Framework following significant cost increases and to provide assurances to the Board regarding the ability of the project to progress to delivery.
- 6.5. A key requirement of the SELEP Assurance Framework is that projects should offer High value for money with a BCR of at least 2:1. The revised Business Case demonstrates that the project offers a BCR of 2.09:1. A number of sensitivity tests have been undertaken which consider different scenarios, including how behaviour change (or otherwise) and

differing levels of optimism bias impact on the value for money offered by the project. In total seven sensitivity tests have been undertaken, with four of these tests returning a BCR of less than 2:1. This suggests that the BCR is quite susceptible to change and should therefore be revisited as the project progresses. This is particularly important as neither element of the project – the railway station nor the transport interchange – has reached the detailed design stage and procurement has not yet been undertaken to deliver the project and therefore there is a significant risk of further cost increases. It should, however, be noted that a Quantitative Risk Assessment has been undertaken by Thurrock Council, which has resulted in a substantial risk and contingency allowance being included within the budget which should serve to offset any reasonably foreseeable cost increases without adversely impacting on the value for money offered by the project.

- 6.6. It was originally intended that the project would be managed by Thurrock Council, and to that end, two procurement processes have been undertaken to appoint a contractor to deliver the new railway station. Neither of these procurement processes were successful, with a key factor being consideration of how risk should be shared between Thurrock Council and the appointed contractor. The revised Business Case indicates that, moving forward, it is intended that Network Rail will take over direct project delivery with Thurrock Council taking on the role of funder. It is intended that this arrangement will be formalised through an Implementation Agreement, which will also consider the allocation of risk between all involved parties.
- 6.7. Whilst the Implementation Agreement with Network Rail is not yet in place, the intention to adopt this route to delivery provides greater assurance of project delivery. This assurance primarily stems from the fact that Network Rail have substantial experience of delivering similar schemes, including Beaulieu Park Railway Station in Chelmsford which is currently progressing to programme and budget.
- 6.8. Despite the progress which has been made, uncertainties do remain which could impact on the ability of Thurrock Council to deliver the project in accordance with the stated programme. Planning consent for the transport interchange has not yet been secured; the planning application has been submitted and is expected to be determined in March 2024. Thurrock Council have advised that all comments/objections received in relation to the planning application have been resolved and therefore determination of the planning application is considered to be low risk.
- 6.9. Planning consent has been granted for the new railway station; however, the planning permission expires in July 2024. According to the programme set out in the Business Case, the GRIP5 contract award (Detailed Design) is not expected until August 2024 and therefore there would appear to be a significant risk that the planning permission will expire before it is possible for work to commence onsite. Thurrock Council have indicated that they are intending to mitigate this risk by planning and collaborating with all partners to ensure that construction can commence before July 2024, however, it is unclear how this will be achieved. Whilst this does present a risk which will need to be addressed, construction of the railway station is not expected to start onsite until July 2025 which does allow time for a new planning application to be submitted and determined without adversely impacting on the programme. This would also offer Thurrock Council the opportunity to update the planning application to reflect any planned changes to the design.

- 6.10. As detailed above, the current forecast total project cost is £34.71m. It is intended that the project will be funded through a variety of funding sources, including National Stations Improvement Programme (NSIP), Section 106 contributions from DP World and other parties and the Thames Freeport Seed Fund (Active Travel). The funding package detailed in the Business Case also includes £14.86m which will be secured through either Retained Business Rates from the Freeport or capital borrowing by Thurrock Council (or potentially a combination of both sources). Whilst it is currently unclear whether the Business Rates or capital borrowing will be pursued in the first instance, it should be noted that due to Thurrock Council being subject to a Section 114 notice, capital borrowing will require consent from both DLUHC and the Treasury.
- 6.11. Finally, it should be noted that the stated funding package includes £5.4m LGF which is currently allocated to the Grays South project. The temporary transfer of the LGF funding between the projects is subject to Board agreement and will be covered later in this report.
- 6.12. The second recommendation considers a Project Change Request (see Appendix B) which has been submitted by Thurrock Council in relation to the Grays South project. The primary purpose of the Change Request is to seek approval from the Board for a significant extension to the delivery programme, with a revised expected completion date of September 2028.
- 6.13. At the time of Business Case submission, it was expected that the project would be completed in February 2024. However, as the Board are aware, the project has been subject to a number of delays and cost increases in recent years culminating, in a full review of the project being undertaken in 2023. As set out above, this review concluded that the project as detailed in the approved LGF Business Case was no longer the right option to be pursuing and an alternative scheme proposal was put forward for consideration by Thurrock Council. Consequently, Thurrock Council have reverted to the feasibility stage of project development and therefore require more time to develop and deliver the project.
- 6.14. Thurrock Council have indicated that they remain committed to delivering a Grays South scheme which addresses the pedestrian safety issue posed by the railway crossing and which improves the connection between the High Street and the river. However, given the timing of the project review, it will not be possible to provide the Board with any further detail or assurances regarding ongoing delivery of the Grays South project prior to the dissolution of SELEP. It is clear that the project outlined within the approved LGF Business Case will not be delivered, although Thurrock Council have provided a commitment to delivering similar benefits through their revised scheme proposal. It is also not possible to confirm that the new scheme proposal is affordable, that a full funding package can be secured or that the project will offer High value for money.
- 6.15. It is apparent that the project remains important to Thurrock Council and that steps need to be taken to address the safety issues posed by the railway crossing and to improve connectivity between different modes of travel within Grays Town Centre. If the Board agree the Project Change Request, responsibility for assuring Value for Money, deliverability and ongoing compliance with LGF grant conditions as the project progresses will be passed to Thurrock Council from 1 April 2024. There will also be an ongoing obligation for Thurrock Council to provide bi-annual reporting to Government during 2024/25.

Stanford le Hope/London Gateway and Grays South LGF project update

- 6.16. The final recommendation considers whether Thurrock Council can employ an Option 4 Capital Swap allowing £5.4m of the currently unspent LGF allocation awarded to the Grays South project to be temporarily transferred to the Stanford le Hope/London Gateway project to support project delivery.
- 6.17. As outlined above, the total forecast project cost of the Stanford le Hope/London Gateway project has further increased to £34.71m. Thurrock Council have taken steps to secure the additional funding needed in order to complete the funding package, however, there remains a £5.4m funding gap.
- 6.18. To date, Thurrock Council have spent £5.14m of the £10.84m LGF allocation awarded to the Grays South project, leaving £5.7m unspent.
- 6.19. The SELEP Assurance Framework outlines a range of options which have been approved by the Board to enable slippage in spend of the LGF to be managed, and these options are also embedded within the LGF Service Level Agreements which are in place between SELEP Ltd, Essex County Council (as Accountable Body for SELEP) and each Upper Tier Local Authority. Whilst these measures are typically used to manage slippage of funding between financial years, they can also be used to enable accelerated LGF spend on projects within a financial year.
- 6.20. Option 4 allows Upper Tier Local Authorities to re-profile spend between the LGF projects to which the funding was awarded and their wider Capital Programme. In this instance, Thurrock Council are seeking to temporarily transfer funding between two of their LGF projects – Grays South and Stanford le Hope/London Gateway.
- 6.21. Application of Option 4 must be accompanied by a commitment from the Upper Tier Local Authority to return funding of the same value to the impacted project at a future date to allow project delivery.
- 6.22. Thurrock Council are proposing the temporary transfer of the LGF funding from the Grays South project to the Stanford le Hope/London Gateway project as this will bridge the identified funding gap and will allow the project to progress without further delay. As set out in this report, the Grays South project is at a much earlier stage of development and is not currently in a position to commence delivery onsite.
- 6.23. As has been previously reported to the Board, the letter detailing the outcome of SELEP's 2022/23 Annual Performance Review with Government expressed concern regarding the ongoing High risk LGF projects and the apparent lack of progress towards delivery. Allowing the temporary transfer of LGF funding to the Stanford le Hope/London Gateway project will not only allow a High risk LGF project to progress but will also accelerate spend of the LGF funding in line with Government expectations.
- 6.24. Thurrock Council have committed to seeking alternative sources of funding to allow the return of £5.4m capital funding to the Grays South project at a later date to support project delivery. It is envisaged that this funding will be sought from the capital funding streams available to Network Rail and its partners to deliver homes in and around transport hubs. Whilst this assurance has been provided, it is important to remember that the Grays South project is at an early stage of development with a significant amount of work still to be

undertaken to demonstrate that the proposed scheme is viable. This does present a potential risk to the future return of funding to the Grays South project.

- 6.25. If the temporary transfer of funding to the Stanford le Hope/London Gateway project is not approved by the Board, a funding gap will remain which will impact on the ability of the project to progress to delivery. It is noted that there are limited other options available to Thurrock Council at the current time due to their financial position and the additional restrictions which are in place due to the issuing of the Section 114 notice. Consequently, Thurrock Council have been unable to detail an alternative funding plan should the Board choose not to agree the Option 4 transfer of funding between projects at this meeting. Should this situation arise, the Board will be asked to consider whether the Stanford le Hope/London Gateway project should remain within the LGF programme.
- 6.26. The temporary transfer of £5.4m to the Stanford le Hope/London Gateway project would leave £0.3m unspent LGF allocated to the Grays South project. Thurrock Council have indicated that they intend to use this funding to support the feasibility stage of the project. It should, however, be noted that the Board have agreed that LGF spend on the Grays South project should be placed on hold until ongoing compliance with the SELEP Assurance Framework can be confirmed. Given the current status of the project, it will not be possible for Thurrock Council to demonstrate that the Grays South project meets the requirements of the Assurance Framework prior to the dissolution of SELEP and therefore LGF spend should remain on hold until the requirement to comply with the SELEP Assurance Framework has been removed.
- 6.27. The required assurances from Thurrock Council's Section 151 Officer have not yet been received, however, further efforts will be made to secure these assurances prior to the Board meeting.

7. Financial Implications (Accountable Body comments)

- 7.1. Essex County Council, as the Accountable Body, is responsible for ensuring that the funding awarded by Government is utilised in accordance with the conditions set for use of the Grant. LGF is a capital grant awarded by Government and is subject to the following condition:

The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.

- 7.2. This condition requires that the grant is used to fund Capital expenditure; no end date for use of the grant is included within the conditions, however, it was the expectation of Government that it was used to fund the LGF projects and that it would be defrayed in full by the end of March 2020.
- 7.3. All LGF in respect of the two Projects considered in this report has been transferred to Thurrock Council, as the Project Lead Authority; the funding has been transferred, under the terms of a Service Level Agreement (SLA) which makes clear that funding can only be used in line with the agreed terms. It is also clear that ensuring sufficient funding is secured to support delivery of the Projects is the responsibility of Thurrock Council.

- 7.4. The report recommends the proposal to agree the updated business case for the Stanford le Hope/ London Gateway Project; although it has been assessed by the ITE as providing medium assurance of being High Value for Money, a number of risks to delivery remain. Similarly, a number of key risks have been identified in respect of the Project Change Request to extend the delivery time for the Grays South Project. However, Thurrock Council has demonstrated a commitment to delivering both projects and solutions continue to be investigated by the Council to ensure delivery.
- 7.5. A priority solution for the Stanford le Hope/ London Gateway Project is to address the outstanding funding gap with a temporary funding transfer, referenced as an Option 4 Capital funding swap, from the Grays South project, of £5.4m.
- 7.6. The proposal to apply an 'Option 4 Capital Swap' of LGF from the Grays South Project to the Stanford le Hope/ London Gateway Project are in line with the requirements of the SELEP Assurance Framework and Service Level Agreement with Thurrock Council; the primary conditions of this transfer will be that the LGF is applied in line with the Grant Conditions, i.e. that it must be used to support Capital expenditure on the Stanford Le Hope/ London Gateway Project; and that there is a commitment from Thurrock Council to identify alternative funding to reinvest the equivalent amount of Capital expenditure back into the Grays South Project when it is brought forward for delivery.
- 7.7. This approach supports the expectation of Government for SELEP to use its freedoms and flexibilities to apply spend of LGF at the earliest opportunity; additionally it will support delivery of the revised Stanford Le Hope/ London Gateway Project and assist in realising the value of the investment already applied to that Project to date. There are, as identified in the report, a number of risks and uncertainties with delivery of both Projects that should be considered. Following the closure of SELEP, oversight of delivery and management of these risks will be the responsibility to Thurrock Council; a Transition Agreement is being established between each of the Upper Tier Local Authority Partners in SELEP that will incorporate the requirements of the existing Service Level Agreement in place, including compliance with the conditions of the grant. Also, it is anticipated that oversight of existing high risk projects will be monitored by DLUHC through their reporting processes to be established with Partners following closure of SELEP.
- 7.8. There remains a risk that the spend incurred to date on either Project could no longer meet the conditions of the grant should any spend be identified as abortive and be required to be reclassified as revenue. Assurances have been sought from the Section 151 Officer of Thurrock council that for either Project, there will be sufficient alternative Capital expenditure that the LGF can reapplied against to ensure the condition remains met. This is required to be confirmed and should continue to be monitored through the on-going LGF reporting requirements, to DLUHC.
- 7.9. Given the potential risks associated with successful completion of both of these Projects, should the Board be minded to agree the recommendations, with the forthcoming closure of SELEP, on-going monitoring by DLUHC is advised to ensure funding requirements and delivery expectations continue to be assured.

8.1. Reporting requirements and grant funding conditions for the LGF expenditure are still ongoing despite the cessation of Local Enterprise Partnerships. A legal agreement amongst the Upper Tier Local Authorities will be prepared. The agreement will require that all LGF funds are used in accordance with the grant terms and conditions. The agreement will also require the Upper Tier Local Authorities to comply with any and all reporting requirements as notified to them by DLUHC.

9. Equality and Diversity Implications

9.1. Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

9.1.1. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act

9.1.2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

9.1.3. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

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

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

10. List of Appendices

10.1. Appendix A – Report of the Independent Technical Evaluator

10.2. Appendix B – Grays South Project Change Request

11. List of Background Papers

11.1. [Stanford le Hope/London Gateway revised LGF project Business Case](#)

(Any request for background papers listed here should be made to the person named at the top of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Michael Neumann (on behalf of Nicole Wood, S151 Officer, Essex County Council)	08/02/2024

Independent Technical Evaluator – Business Case Assessment – Q4 2023/24

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1 Independent Technical Evaluation of Local Growth Fund Schemes

Overview

- 1.1 Steer was reappointed as the South East Local Enterprise Partnership’s Independent Technical Evaluator in April 2023. It is a requirement of Central Government that every Local Enterprise Partnership subjects its business cases and investment decisions to independent scrutiny.
- 1.2 Recommendations will be made for funding approval by the Accountability Board in line with the South East Local Enterprise Partnership’s own governance.

Method

- 1.3 The review provides commentary on the business cases submitted by scheme promoters, and feedback on the strength of business case, the value for money likely to be delivered by the scheme (as set out in the business case) and the certainty of securing that value for money.
- 1.4 Our role as Independent Technical Evaluator is not to purely assess adherence to guidance, nor to make ‘go’ / ‘no go’ decisions on funding, but to provide evidence to the South East Local Enterprise Partnership Board to make such decisions based on expert, independent and transparent advice. Approval will, in part, depend on the appetite of the Board to approve funding for schemes where value for money is not assessed as being high (i.e. where a benefit to cost ratio is below two to one and / or where information and / or analysis is incomplete).
- 1.5 The assessments are based on adherence of scheme business cases to Her Majesty’s Treasury’s *Green Book: Central Government Guidance on Appraisal and Evaluation*¹, and related departmental guidance such as the Department for Transport’s TAG (Transport Analysis Guidance, formerly WebTAG) or the DLUHC Appraisal Guide. All of these provide proportionate methodologies for scheme appraisal (i.e. business case development).
- 1.6 Pro forma have been developed based on the criteria of *The Green Book*, a checklist for appraisal assessment from Her Majesty’s Treasury, DfT’s TAG, DLUHC’s Appraisal Guide, and other departmental guidance.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

- 1.7 Individual criteria are assessed and given a ‘RAG’ (Red – Amber – Green) rating, with a summary rating for each dimension. The common understanding of the ratings is as follows:
- **Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
 - **Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment but should be amended in future submissions (e.g. at Final Approval stage).
 - **Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before gateway can be passed.
- 1.8 The five dimensions of a government business case are:
- **Strategic Dimension:** demonstration of strategic fit to national, Local Enterprise Partnership and local policy, predicated upon a robust and evidence-based case for change, with a clear definition of outcomes and objectives.
 - **Economic Dimension:** demonstration that the scheme optimises public value to the UK economy as a whole, through a consideration of options, subject to cost-benefit analysis quantifying in monetary terms as many of the costs and benefits as possible of short-listed options against a counterfactual, and a preferred option subject to sensitivity testing and consideration of risk analysis, including optimism bias.
 - **Commercial Dimension:** demonstration of how the preferred option will result in a viable procurement and well-structured deal, including contractual terms and risk transfer.
 - **Financial Dimension:** demonstration of how the preferred option will be fundable and affordable in both capital and revenue terms, and how the deal will impact on the balance sheet, income and expenditure account, and pricing of the public sector organisation. Any requirement for external funding, including from a local authority, must be supported by clear evidence of support for the scheme together with any funding gaps.
 - **Management Dimension:** demonstration that the preferred option is capable of being delivered successfully in accordance with recognised best practice and contains strong project and programme management methodologies – this includes the need for a Monitoring and Evaluation Plan and Benefits Realisation Plan.
- 1.9 In addition to a rating across each of the five dimensions, comments are provided against Central Government guidance on assurance – **reasonableness** of the analysis, risk of error (or **robustness** of the analysis), and **uncertainty**. Proportionality is applied across all three areas.
- 1.10 Assessments are conducted by a team of transport and economic planning professionals, and feedback and support are given to scheme promoters throughout the process via workshops, meetings, telephone calls and emails.

Local Growth Fund

High value for money, Medium certainty

- 1.11 The following schemes are estimated to represent **High value for money** with a **Medium certainty** of achieving this level of value for money.
- Stanford-le-Hope Station & Transport Interchange Development*
- 1.12 The scheme proposes developing a transport interchange connecting bus, rail, cycle, taxi and pedestrians at Stanford-le-Hope railway station to support passenger growth. This interchange will also provide secure cycle parking spaces / e-bike spaces and charging points. A new station building will be constructed (after the old one was demolished in 2019) to ensure there are adequate facilities at the station and platforms will be widened to accommodate forecast growth in passenger demand. Accessibility standards will be improved by ensuring level access to all platforms as well as the new station building and through the provision of real time information screens.
- 1.13 The following key outputs and outcomes have been identified:
- New station building with new toilets, level access standards and real time information screens
 - Widened train platforms
 - Bus turnaround solution and waiting facilities
 - Car drop off spaces with a landing island and a small taxi rank (two ‘positions’ with a shelter)
 - Secure cycle parking spaces / e-bike spaces and charging points
 - Public footpath connected to the transport interchange from nearby residential developments
- 1.14 The scheme shows reasonable strategic alignment with SELEP/LGF priorities in terms of facilitating business growth and job creation at the nearby DP World/London Gateway major logistics hub. It also aligns with delivering clean growth as it aims to reduce reliance on single occupancy car trips to get to and from the site or move around the wider area. However, there are several outstanding risks which preclude the scheme from being rated as higher than ‘Medium’ certainty of delivering ‘High’ Value for Money.
- 1.15 In the Strategic Case, the scheme promoter has included information from a survey done in 2023 which found that passenger demand is already exceeding pre-Covid-19 pandemic levels. More information should be given about this survey and how representative it is, as well as what it means for passenger demand growth forecasts. There should be assurance that current scheme design can cope with higher than expected passenger demand growth. Other current problems at the site, such as the inadequacy of facilities after the old station building was demolished, could have been better evidenced e.g. by carrying out/using data from existing passenger satisfaction surveys.
- 1.16 Planning approval for phase 2 of the scheme (the transport interchange elements) has been delayed to March 2024 so it outstanding as of the time of writing. This has to be flagged as an uncertainty and potential risk. Objections were received to the planning application in January 2024 which have now been resolved.
- 1.17 The proposed procurement strategy could have been described in more detail. An implementation agreement has been signed with Network Rail, who will therefore be responsible for “design, management and coordinating both phases”, but it is unclear exactly how they will go about procuring the works or what contractual terms they will seek to agree

(especially in terms of allocating risks between Network Rail/delivery partners and the contractor(s)).

Table 1.1: Gate 1 & 2 Assessment of Local Growth Fund Business Case(s) for Q4 2023/24

Scheme	SELEP / LGF Allocation	Strategic Dimension Rating	Economic Dimension Rating	Commercial Dimension Rating	Financial Dimension Rating	Management Dimension Rating	Assurance of Value for Money	
							Reasonableness of Analysis	Robustness of Analysis
Stanford-le-Hope Station & Transport Interchange Development	Existing: £7,500,000 Additional sought: £5,400,000	Amber / Green	Amber / Green	Amber	Green	Amber / Green	Relatively minor issues have been identified in terms of business case compliance, e.g. the scheme objectives could have been more comprehensive in their coverage of all the key outputs and outcomes, some additional lessons learnt from Network Rail’s previous procurement/project experience would have provided additional assurance of their availability and suitability of resources and the Benefits Realisation Plan should be distinct from the Monitoring and Evaluation Plan and illustrate the approach to monitoring all the benefits monetised in the Economic case (e.g. journey quality benefits).	Risk allowance and optimism bias should not be included together in scheme costs in the Economic Case, sensitivity testing shows that the BCR may be moderately sensitive to uncertainties. The information presented in the Economic Case should be quality checked to ensure consistency with the Economic Appraisal Technical Annex appended to the business case.

Control Information

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Scheme assessors

Distribution

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Steer: Project team

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V1.0 Draft for Internal Review
V2.0 Draft for Client

Date

17 January 2024
19 January 2024

Project Change Request

Section A – Details

Project Name	Grays South (the Project)
Lead Officer	George McCullough – Interim Head of Regeneration
Lead Authority	Thurrock Council
Date Submitted	5 February 2024

Section B – Justification

Description of Change	<p>Primary Change:</p> <ul style="list-style-type: none"> Extension of The Project’s delivery programme and diversion from the timescales set out within the original business case. <p>Other planned actions:</p> <ul style="list-style-type: none"> Retention of the funding already invested into the Project to enable the delivery of an alternate scheme, in addition to retention of £200,000 of the remaining unspent LGF funding allocated to the Project to fund the feasibility stage of the alternate approach. Reallocation of £5.4m of unspent SELEP funding from the Project Grays South to the Stanford Le Hope/London Gateway Project.
Reason for Making Change	<p>Following a number of reviews into the project. Thurrock Council’s cabinet has made the decision that the project in its current form does not represent value for money for the Council. The Council is pursuing an alternate proposal to deliver the project outcomes via a different route. This is a partnership with Network Rail to deliver a new Station Quarter and over line bridge crossing rather than underpass. This solution offers less risk in engineering terms and will reduce cost to resolve the crossing.</p>
Alternative Options Considered	<p>Do nothing – Not considered as the existing crossing is not fit for purpose and represents significant risk to pedestrians.</p> <p>Underpass option – discounted due to the cost, engineering challenge and value for money</p>
Stakeholders Consulted	<p>SELEP Network Rail Homes England C2C</p>

Section C - Impact

Impact on total project cost (include updated spend profile)	<p>The total project cost is to be assessed upon completion of the alternate scheme feasibility stage during Q4 2023-2024.</p>
Impact on LGF allocation	<p>£5.4m of funding to be temporarily reallocated from the Project to the Stanford Le Hope/London Gateway project. This is a project already in receipt of LGF funding and the additional allocation will bridge the viability gap and enable this vital project to be delivered. This project will begin in 2024 allowing the funding to be spent within funding timescales.</p> <p>Thurrock Council commits to seeking alternate sources of funding to return capital of the same value back into the Project. It is envisaged that this funding will be sought from the capital funding streams available to</p>

	Network Rail and its partners to deliver homes in and around transport hubs																								
Impact on project delivery timescales (include updated delivery programme)	<p>The project timescales have been revised from the prior programme due to the alteration in approach. The Council has appointed an advisor to lead discussions with Network Rail to formalise the partnership moving forward via an MOU. Initial discussions have taken place and an all-party meeting will take place in February 2024.</p> <p>The current estimate is as follows</p> <table border="1"> <thead> <tr> <th>Milestone</th> <th>Start</th> <th>Completion</th> </tr> </thead> <tbody> <tr> <td>SELEP approval</td> <td>December 2023</td> <td>February 2023</td> </tr> <tr> <td>Network Rail MOU</td> <td>December 2023</td> <td>April 2024</td> </tr> <tr> <td>Feasibility stage</td> <td>March 2024</td> <td>June 2024</td> </tr> <tr> <td>Thurrock Council Cabinet approval</td> <td>July 2024</td> <td>July 2024</td> </tr> <tr> <td>Full design and planning</td> <td>August 2024</td> <td>March 2026</td> </tr> <tr> <td>Contractor procurement</td> <td>September 2025</td> <td>February 2026</td> </tr> <tr> <td>Construction</td> <td>March 2026</td> <td>September 2028</td> </tr> </tbody> </table>	Milestone	Start	Completion	SELEP approval	December 2023	February 2023	Network Rail MOU	December 2023	April 2024	Feasibility stage	March 2024	June 2024	Thurrock Council Cabinet approval	July 2024	July 2024	Full design and planning	August 2024	March 2026	Contractor procurement	September 2025	February 2026	Construction	March 2026	September 2028
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Construction	March 2026	September 2028																							
Impact on project outputs/outcomes	The Council is committed to delivering the original project outputs and outcomes through the alternate scheme																								
Impact on Value for Money offered by the project	The VFM will be updated upon conclusion of the feasibility stage.																								
Impact on SELEP objectives	None expected																								

Section D – To be completed by Senior Responsible Officer

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 project change request.

I understand that a copy of this document will be made available on the South East Local Enterprise Partnership website one month in advance of consideration of the change by SELEP Accountability Board. Redactions to the document will only be acceptable where they fall within a category for exemption.

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. Any expenditure defrayed in advance of project change approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions and in accordance with the signed Local Growth Fund Service Level Agreement.

Signature:

Print full name:

Position within organisation:

Section E – To be completed by Section 151 Officer

In submitting this Project Change Request, I confirm on behalf of [Insert name of County or Unitary Authority] that:

- The information presented in this document is accurate and correct as at the time of writing.
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case or as set out in this document if amended. Where sufficient funding has not been identified to deliver the project, this risk has been brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.
- All known risks to project delivery are outlined within this document or remain as detailed in the Business Case.
- 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 includes the development of an Equality Impact Assessment at the outset of the project which will remain as a live document through the projects development and delivery stages.
- The delivery body has access to the skills, expertise and resource to support the delivery of the project as set out in the Business Case and as amended above.
- Adequate revenue budget remains allocated to support the post scheme completion monitoring and benefit realisation reporting.
- The project will be delivered under the conditions of the signed Local Growth Fund Service Level Agreement or other grant agreement with SELEP Ltd. and the SELEP Accountable Body.

I note that this document will be made available on the SELEP website one month in advance of consideration of the project change by the Accountability Board, subject to the removal of any information which is commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Signature:

Print full name:

Section F - To be completed by SELEP

Section F - To be completed by SELEP			
SELEP Project Number			
Change Request Number			
Has a review of the Business Case been completed?			
Change agreed with SELEP:	Choose an item.	Date	Click here to enter a date.
Comment			

SELEP LGF Change Request Template

Is Accountability Board approval required?		Choose an item.	
Approved by Accountability Board	Choose an item.	Date	Click here to enter a date.
Comment			

Guidance

1. When is a change request required?

The types of scheme change to be reported include, but are not limited to:

Financial	<ul style="list-style-type: none"> - Change to total LGF spend - Change to total cost of a project - Reallocation of LGF
Scope	<ul style="list-style-type: none"> - Change to project from original scope as agreed in Outline Business Case submitted to Government for the provisional allocation of Local Growth Fund - Change to project scope from Business Case approved by Accountability Board - Change to intended scheme benefits
Outcomes	<ul style="list-style-type: none"> - Change to the expected outcomes agreed in the project Business Case or as reported to Government through reporting submissions

Where LGF funding is being reallocated from one LGF project to another, then two change requests will be required. The first will reduce the LGF allocation to a project and the second will increase the LGF allocation to a project.

If you are unclear whether a change request is required or not please speak to the SELEP Capital Programme Manager.

2. Accountability Board approvals

Where a project change includes one or more of the changes listed below, then SELEP Accountability Board approval will be required automatically.

- (a) *Cancellation of a project which has received a provisional funding allocation;*
- (b) *Inclusion of a new project within the LGF programme which has been identified within the LGF Project Pipeline;*
- (c) *Acceleration of a project previously programmed to start in later years;*
- (d) *Delays to project start or end dates of more than six months;*
- (e) *All changes to project capital grant allocations above the 10% threshold;*
- (f) *Any re-profiling of capital grant between financial years;*
- (g) *Any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;*
- (h) *Any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the value for money assessment. In such circumstances, it is expected that the business case should be re-evaluated by the ITE; and*
- (i) *Any further changes as may be defined by Government.*

For other project changes where the SELEP Secretariat or Accountable Body advises that the completion of a change request is required, it will be at the discretion of the SELEP Secretariat to

SELEP LGF Change Request Template

decide whether the change requires Accountability Board approval. SELEP Accountability Board will be made aware of all change requests as part of the LGF update.