

Growing Places Fund Update Appendix 1 - Summary Position GPF Round 1 Projects

Name of Project	Upper Tier	Description	Current Status	Deliverability and Risk					
				Delivery Risk	GPF Spend Risk	Repayment Risk	Delivery of Project outcomes	Other Risks	Overall Project Risk
Growing Places Fund Round One									
Priory Quarter Phase 3	East Sussex	The Priory Quarter (Havelock House) project is now complete and has delivered 2247sqm of high quality office space. This is currently 16% let with over 20 enquiries received since opening. However a single occupier has now been found for the remainder of the building and terms have been agreed. Once fully let the building is still forecast to host the 440 jobs in the business case.	The Priory Quarter (Havelock House) project is now complete and has delivered 2247sqm of high quality office space. This is currently 16% let with over 20 enquiries received since opening. However a single occupier has now been found for the remainder of the building and terms have been agreed. Once fully let the building is still forecast to host the 440 jobs in the business case.	Project Complete	Project Complete	Tenancy agreement for full occupation of the building has now been agreed. Occupancy is expected to begin in April 2018. This should allow for sufficient refinancing to ensure repayments are made. There is a 1 year rent free period as part of the deal and therefore risk of insufficient income to meet full 18/19 repayment.	Tenancy agreement for full occupation of the building has now been agreed.	N/A	
North Queensway	East Sussex	Construction of a new junction and preliminary site infrastructure to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000 sqm (gross) of high quality industrial and office premises	GPF invested, project complete and repayments are being made	Project Complete	Project Complete	Further delays anticipated in repayment of these funds due to slow take up in land sales. 1 new business to begin development in March 2018 which it is anticipated will catalyse interest in the other plots.	1 of the identified tenants now requires a larger facility than can be provided on this site. Although good news for the local economy and job creation this plot will now require further marketing.	Planning applications that are brought forward for this site could be impacted by the blanket development objection in place by Wealden District Council due to environmental concerns regarding the Ashdown Forest.	
Rochester Riverside	Medway	The project will deliver key infrastructure investment including the construction of the next phase on the principle access road, public space and site gateways.	Project is progressing well. Countryside were chosen as the developer in March 2016 and the Development Agreement was given in March 2017. Permission to grant planning was given at Committee in October 2017. There was a groundbreaking event on the 22nd February 2018. The first phase of the development transferred to Countryside and Hyde on the 30th April 2018.	This project is already on site and the planning and S106 will be completed by the end of the month. The first phase transfer completed on the 30th April 2018	The GPF Funding has already been spent	Medway Council is happy with the current repayment programme and has completed the first repayment.	The original Business Case was to bring forward one phase of the development. Through the procurement process it was decided to bring forward all phases of the site, so it is the whole of Rochester Riverside that is now planned to be delivered. As we have advised the contractor is on site and they will be delivering 1400 homes, 1200sqm of commercial space, a new school, hotel and various new open spaces. The scheme is now actually delivering more than what was originally intended and therefore there are no delivery risks.	No	Overall the project is on track to deliver outputs and outcomes.
Chatham Waterfront	Medway	The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for Chatham Waterfront Development.	Work complete on the River Walk, Sun Pier Pontoon and the Big Screen. Land acquisition for Chatham Waterfront Development Site is progressing well with all interests now acquired, excluding one small unclaimed strip of land which is subject to the CPO process. This can be progressed with an extremely low likelihood of challenge once a developer is in place. An outline planning application has been submitted for the site, approval of which would demonstrate viability for future development. De-risking works will be completed on the site with the aim of being in detailed planning by Summer 2018, with a possible start on site in October 2018.	The disposal of this site has been agreed and is due to take place in Spring 2018.	The GPF Funding has been spent, or has been allocated to a project to be spent.	Medway Council are comfortable with the current repayment agreement.	Chatham Waterfront has already reduced the number of homes to be delivered, we are working with the developer to see if we can get these increased through the detailed planning process.	No	Overall the project is on track to deliver outputs and outcomes.
Bexhill Business Mall	East Sussex	The delivery of 2,490 sqm managed workspace facility.	The Bexhill Business Mall (Glover's House) project is now complete and has delivered 2345sqm of high quality office space. The building is 100% let to a single occupier and has currently provided space for 125 jobs.	Project Complete	Project Complete	Building 100% let with secure income to repay loan.	Building 100% let and currently housing 129 jobs, which is less than originally anticipated, however this does provide space for the occupant to grow over time.		
Parkside Office Village	Essex	Initial phase of business space targeting SMEs as part of a 42 acre business and R&D park on the University of Essex campus in Colchester	Both Phase 1 and 1a are both open and fully let. As well as 135 employees there are also 14 student intern placements within those businesses. The funding has now been repaid in full.						
Chelmsford Urban Expansion	Essex	The early phase development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The funding will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1350, improving cash flow and the simultaneous commencement of two major housing schemes	GPF invested, project complete and GPF has been repaid in full.						

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Grays Magistrates Court	Thurrock	The project to convert the Magistrates Court to business space was part of a wider Grays South regeneration project which aimed to revitalise Grays town centre	GPF invested, project complete and repayments are being made. The refurbished building is now in use and having a positive impact in the town centre.					The only significant risk to the project now is a significant economic down turn which impacted on occupancy. Currently however demand across the borough is strong and targets are being achieved	
Sovereign Harbour	East Sussex	The Pacific House project has delivered 2345sqm of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Sovereign Harbour Innovation Park in the A22/A27 growth corridor.	The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2345sqm of high quality office space. This is currently 77% let with over 171 enquiries received since opening.	Project Complete	Project Complete	Strong occupancy rates should facilitate repayment at the scheduled intervals.	180 jobs from 77% occupancy is still short of the anticipated 299 jobs		
Workspace Kent	Kent	The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.	There are 4 projects within this programme, of which 3 have been new builds and repayments are being received. The 4th projects has just been approved locally and refit will commence in April 2018.	There is a risk to defrayment of funds as we await applications from potential customers.	Awaiting applications for remaining funds	There is a slight delay on repayment from one of our loan applicants. Loan agreement being renegotiated in line with income received from business.	Some job numbers are delayed due to new project build not completed on time, approximately 1 year delay.		
Harlow West Essex	Essex/Harlow	To provide new and improved access to the two sites designated within the Harlow Enterprise Zone	Delivery package 1 is well into deliver with the majority of risks closed out. Procurement for the send package is about to start with a view to getting on site early next financial year.	N/A	N/A	N/A	N/A	N/A	N/A
Discovery Park	Kent	The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.	Project approved by Accountability Board and project delivery underway	Initial planning permission received and work is commencing on the application outcome for final planning permission.	Funds defrayed to Kent Invicta Law by 31st March 2018 in anticipation for imminent completion. All subject to final legal requirements being met.	The business case will provide a reprofile of repayment yet to be finalised as part of the legal documentation. Current profile for repayment will be Q1 2021/22.	The project outputs and outcomes will be updated and brought forward on completion of the legal documentation. Delay in finalising the legal due diligence process KCC still awaiting documentation from borrower - rescheduled to end of June 2018.	Meeting all requirements as specified in the final legal documentation and final planning permission.	
Live Margate Revenue admin cost drawn down	Kent	Live Margate is a programme of intervention in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area.	"Phase 1" has been completed. "Phase 2" is underway. An offer to purchase a building has been made, with due diligence processes underway and the exchange of contracts due shortly. This former school site contains several derelict homes that require refurbishment and alteration before being placed on the market for purchase by the public. This will enable the repayment in accordance with the loan agreement. As well as this strand of the Live Margate programme, other poorly managed multiple occupancy dwellings and other poor quality building stock properties are being evaluated for purchase and development that accord with the loan agreement criteria.	An offer has been accepted on a former school site with several empty derelict houses. A programme of works will occur, which should bring the non-habitable houses back into use through the Live Margate scheme. In the hands of solicitors and due to exchange this summer. Other potential investment opportunities are also being examined, that accord with the loan agreement objectives and criteria.	Spend delays would be primarily caused by delays in the acquisitions completing due to nature of the property market, profile of private landowners in the area and the council needing to ensure best consideration is achieved.	Subject to exchanging successfully, the repayment profile should be met.	Subject to exchanging successfully, the repayment profile should be met.	As with any development project, there is a planning risk, although this is very small for the site, as the houses are already constructed and the majority of changes will relate to altering the internal layouts to maximise the houses' attractiveness to the public property market.	
Harlow EZ Revenue	n/a		n/a						
Growing Places Fund Round Two									
Fitted Rigging House	Medway	The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit spaces initially providing a base for three organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School.	Building works are underway and main contractor has been appointed (following an OJEU process). Roofing works are now completed and works are underway to create the central core alongside partitioning works to separate tenant spaces. Project is on track for completion as expected with no increases in budget.	Asbestos contamination from roof lining discovered. Mitigated by the involvement of main contractor with specialist team to deal with roof lining to ensure minimal slip in project timing and cost.	Project is progressing according to programme, therefore spend of GPF funding will be in accordance with the Business Case.	Low risk - any shortfall in income received from tenants to be offset by charitable reserves.		No.	Project is progressing well.
							Low risk - outcomes dependent upon space being occupied by tenants. Contracts are being drawn up at the moment with strong commitment shown by 2 anchor tenants with Heads of Terms already agreed.		

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Centre for Advanced Engineering	Essex	Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on the industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.							
Colchester Northern Gateway	Essex	February 2018, Full planning application submitted including 111 documents and a detailed environmental impact assessment. The project is due to be heard at the June/July Planning committee. In July/August it is anticipated planning consent. In June 2018 a tender for works using a framework agreement will be undertaken. With a view to commencing work on site in December 2018.	February 2018, Full planning application submitted including 111 documents and a detailed environmental impact assessment. The project is due to be heard at the June/July Planning committee. In July/August it is anticipated planning consent. In June 2018 a tender for works using a framework agreement will be undertaken. With a view to commencing work on site in December 2018.						
Charleston Centenary	East Sussex	The Charleston Trust requires GPF investment to create a café-restaurant in the Threshing Barn on the farmhouse's estate. This work is part of a wider £7.6m multi-year scheme, the Centenary Project, which aims to transform the operations of the Charleston farmhouse museum.		Work included as part of a wider works contract		Strong business plan in place with clear revenue increases.		Charleston are facing further financial pressures following increases in costs to earlier phases of the project and are looking for funding from various sources to plug these gaps.	
Eastbourne Fishery	East Sussex	The proposed project will allow the creation of a processing, ice and storage facility to enable the fleet to become compliant with landing obligation and Common Fisheries Policy (CFP), via cold storage capacity. The project has secured a European Maritime Fisheries Fund (EMFF) grant, but GPF is required to forward fund the grant, to enable land purchase to progress whilst the land is available. If the project does not go ahead, the land which the fishermen want to purchase may no longer be for sale and Eastbourne will cease to have a fishing fleet in Sovereign Harbour, meaning a loss of the majority of the 72 fishing jobs and over £2,000,000 revenue per year as well as the resulting impacts on the local economy.		Resolving issues regarding land ownership following the collapse of Carrillion who were the sole owners of Sovereign Harbour Ltd. This has now been sold to Premier Marina's Ltd who are in discussions with the Fishermen regarding a long leasehold.	Assuming land issues are resolved the money will be spent.	EMFF money has been secured to ensure repayment of the loan			Based on the land ownership issue above.
No Use Empty	Kent	The NUE C project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.	Project approved by Accountability Board and project delivery underway	KCC's solicitors are in the process of sealing the document. Delays in draft agreement could impact the ability of NUE C project to achieve the original outputs in the original timescale, as draw down was not possible on the intended draw down date of 1st April 2018.	Delays in agreeing the legal agreement has resulted in draw down being deferred.	Delays in agreeing the legal agreement could increase the repayment risk	See delivery risk		See delivery risk