

**West of England Local Enterprise Partnership
Board meeting – 24 January 2020**

Local Growth Fund Progress Update

Purpose of the report

1. To report on progress with the delivery of the Local Growth Fund programme and the current position regarding spend within the required timeframe.

Recommendation

To seek views on the LGF programme, the forecast spend position and risks.

Background

2. There remains a requirement from Government that all LGF funds are spent by March 2021. The Quarter 1 19/20 dashboard submitted to the Cities and Local Growth Unit was reported to the LEP Board meeting in October, together with a review of the LGF programme and schemes which it is considered present a risk of full LGF spend by March 2021. At the Board meeting members requested that a further report be brought to this meeting including further narrative for the identified schemes.
3. As there was no LEP Board meeting at that time, the Quarter 2 19/20 dashboard was submitted in November with sign off by the LEP Board Chair and Chief Executive in line with the approach agreed for urgency by the LEP Board in January 2019. The submitted dashboard is shown in Appendix 3.

Current Dashboard

4. As would be expected given the end date, the LGF programme is now in a mature state and only 5 schemes remain to be fully approved, as illustrated in Appendix 1 which shows the current planned spend profile of all schemes yet to complete. Recent steps have derisked LGF spend by March 2021 in particular:
 - Movement of £14.974m for the Quantum Technologies Innovation Centre out of the LGF and into the UK Shared Prosperity Fund (or equivalent) underwritten by the WECA Investment Fund.
 - Swapping £4.6m of LGF funding for the implementation of MetroWest Phase 1 with EDF funding for Cribbs Patchway MetroBus Extension.
 - Maintaining healthy overprogramming, currently standing at £12.1m, recognising that there will be some slippage from within the current approved programme.
5. With these actions in place it is considered the LGF is well placed to deliver full grant spend by the end of the LGF period. Even if a time extension was offered by Government

not having to rely on this would send a positive message to Government about our ability to manage devolved funding.

6. That is not to say that the programme does not require ongoing attention to ensure delivery and spend are achieved. To provide an overview, Table 1 shows the schemes within the programme that appear to represent a risk of full spend by March 2021. The risk rating is different from that shown in the dashboard in Appendix 3 as this shows the rating derived from changes since the last reported position. Further narrative on the current position and spend risk for each of these schemes is provided in Appendix 2.
7. It should be noted that this overprogramming will translate into an actual funding requirement in 2020/21 if all schemes deliver as currently planned, or in 2021/22 otherwise, and in reality these projects will represent a commitment against successor funding. We are at a point where we are issuing offer letters to contract projects beyond the total LGF funds held or expected.

Table 1: Scheme in LGF Programme Assessed as Presenting Red or Amber/Red Risk of Full LGF Spend

Scheme	Promoter	Status	Current Forecast		Spend Confidence RAG	Financial Impact LMH
			Completion Date	LGF Spend in 20/21 (% of Total LGF)		
SGC Sustainable Transport Package	SGC	Approved	Mar 21	£1.16m (41%)	AR	L
A4018 Corridor Improvements	BCC	Programme Entry	Jul 21	£3.103m (90%)	R	H
Bath Quays Bridge	B&NES	Approved	Dec 20	£249k (13%)	AR	L
Composite Bridge Construction	SGC	Approved	Mar 21	£4.14m (82%)	AR	M
Umbrella	SGC	Approved	Mar 21	£2.6m (71%)	R	M
Advanced Construction Skills Training Centre	CoB College	Approved	May 21	£4.1m (68%)	AR	H
STEAM Centre, WISE Campus	SGS College	Approved	Mar 21	£4.501m (70%)	AR	H
Digital & Creative Innovation Centre*	Bath College	Programme Entry	TBC	£9.07m (TBC)	R	H

Note: the table presents the latest reported position in September, or January where information is available. Where recent changes have occurred these may require approval at the Joint Committee in January.

* The Digital and Creative Innovation Centre currently sits outside the programme (and the £12.1 overprogramming) with the position of this scheme to be reviewed once planning consent has been secured and design progressed.

8. For context the total forecast LGF spend in 20/21 for the first seven schemes above is some £20m and the overall total across the entire programme for that year is £44m. Of this some £32m needs to be delivered to ensure full spend.

9. Whilst it appears that we remain well placed to deliver full grant spend, there are still inherent risks that specific projects will not be sufficiently progressed by the 31 March 2021 deadline. It is therefore suggested that the LEP Board continues to receive periodic updates on the position. Officers will continue to keep progress against the overall LGF programme under review and recommend any relevant changes to the programme and/or funding swaps where relevant.

Author: Pete Davis

Appendix 1: Current Forecast LGF Spend Profile

Appendix 2: Schemes Considered to Present Risk of Full LGF Spend

Appendix 3: LGF Q2 19/20 Dashboard

Appendix 1

Current Forecast LGF Spend Profile (as reported to January Joint Committee)

	19/20 Forecast	19/20 Forecast	Total (for all years)
Transport Schemes			
MetroWest Phase 1 Development Costs	4,941	7,159	22,697
Sustainable Transport Package 17/18	2,436	-	4,936
Sustainable Transport Package/Pinch Points programme	-	450	450
West Wick Rbt and North South Link	4,412	-	11,311
Portway Station	-	1,553	1,553
A4018 Corridor Improvements	210	2,885	3,095
Weston-super-Mare Town Centre Enhancement	1,100	1,433	2,800
Weston-super-Mare: Sustainable Travel Improvements	450	-	450
Keynsham Town Centre Improvements	250	1,250	1,500
South Glos Sustainable Transport Package	1,632	1,163	2,795
Cribbs Patchway MetroBus Extension	4,624	-	4,624
FE Skills Capital Schemes			
Increasing the capacity of the BEMA Training Centre	62	-	75
South Bristol Construction Centre	1,900	4,100	6,000
Bath College Catering & Hospitality Training Hub	2,503	-	2,503
SGS STEAM Centre	1,900	4,501	6,401
Weston College Animal Management Training Centre	990	-	990
Infrastructure Schemes			
Superfast Broadband SGC	-	40	1,310
Superfast Broadband CDS	400	-	400
Town Square, Weston-super-Mare	131	-	2,979
Bath Quays Bridge	1,196	249	1,869
Colston Hall Phase 2 Transformation Project	3,000	3,405	8,405
Bath Quays South Phase 1a Enabling Infrastructure	4,377	1,666	10,391
Bath Quays North Initial Development Works	-	6,594	6,594
Purchase of Land at Bristol and Bath Science Park	856	-	5,765
Innovation Schemes			
FoodWorks ^{SW} Innovation Centre	9,203	-	11,844
Composites Bridge Construction	1,151	3,084	5,050
OPCR - Sensor Factory, CAV & KWMC	2,847	493	3,340
Umbrella	1,718	1,967	3,685
IAAPS	2,000	2,000	10,000
Bristol VR Lab	75	-	295
Grow-On2 Temporary Building	1,004	-	1,004
	55,368	43,992	214,218
Total Funds Available			202,096
Change from allocation			12,122

Subject to approval of reprofiling by the January Joint Committee

Appendix 2

Schemes Considered to Present Risk of Full LGF Spend

South Gloucestershire Sustainable Transport Package

This £3.1m project (£2.8m LGF) involves three elements - upgrading two sections of cycle route in the Filton/Patchway area together with two new signalised crossings on the A38 at M5 J16; delivery of a wide range of walking, cycling and safety improvements in close proximity to a number of schools across South Gloucestershire; and the replacement of 12 Community Transport fleet vehicles with new vehicles with Euro 6 standard engines.

From the September report, the M5 J16 and the schools package report completion in March 2021 (the LGF deadline), although the crossings and fleet replacement elements should be completed a year before this. There is £1.16m profiled in 20/21, and whilst slippage could present issues, given this project comprises a range of works, all of which are underway it is not expected this would have a significant financial impact.

A4018 Corridor Improvements

The A4018 project seeks £3.45m of LGF and consists of four principal elements: upgrading a bus stop to a full bus shelter with real-time passenger information; upgrading a signalised crossing and installing a new one; constructing a segregated bi-directional cycle path; and installing two variable messaging signs along the A4018.

This project seeks approval of the Full Business Case at the January Joint Committee. The form of the scheme has changed considerably since the Outline Business Case in 2017 with the current proposal forecasting construction start in July 2020 and completion in July 2021 with the LGF front ended. Funding has been made available to support detailed design to assist the project in keeping to programme.

Bath Quays Bridge

This £5m project (£1.87m LGF) will deliver a new pedestrian and cycle crossing linking Bath Quays North and South. The project has encountered a number of issues and currently reports completion some two and a half years later than forecast at approval, although works have more recently been progressing to programme.

From the September report the project expects to complete the enabling works and commence the superstructure assembly in Spring 2020, and complete in December 2020, with the bulk of the remaining expenditure to be incurred in the last two quarters of 2019/20.

Composite Bridge Construction

The £6.5m project (£5.05m LGF) involves a package of sustainable transport measures in the Emersons Green area including two new composite footbridges. Completion of the individual package elements spans September 2020 to March 2021.

The latest report seeks the reprofiling of £1.05m of LGF from 2019/20 to 20/21 as a result of the speed of progress with designs and planning issues, and 2020/21 LGF spend now stands at £4.1m. Given this is a package and some elements are better developed and/or

will be delivered earlier, the risk around the magnitude of funding which may be left unspent is reduced, and there may be opportunities to further back end the match funding.

Urban Multi Wireless Broadband and IoT Testing for Local Authority and Industrial Applications (Umbrella)

This project seeks to create a Centre of Excellence for 'open' research and innovation into future Industrial Internet of Things (IIOT) linking key academic, research and economic locations such as National Composites Centre, Bristol & Bath Science Park, and the UWE Bristol Robotics Lab and FutureSpace. The £4.9m project (£3.7m LGF) will deliver an open testbed platform which links, through fibre and wireless connectivity, to multiple testbeds and platforms across different sites.

The project was approved in June 2019 and completion is expected in March 2021. The latest report seeks further reprofiling of £633k of LGF from 19/20 to 20/21 with spend in the final year of the LGF now £2.6m. The project is also innovative and has complexity which appears to add to the possibility of delay.

Advanced Construction Skills Training Centre

The £9m project (£6m LGF) will provide a new 2,500m² centre, built as a linked extension to city of Bristol College's existing South Bristol Skills Academy (SBSA) site at Hengrove. The project would expand the College's existing construction provision to provide a large new civil construction training facility. The project has secured planning consent and is fully approved, with the preferred contractor in place although the final cost breakdown and fixed cost offer will not be confirmed until January.

From the September report, construction start is planned in March 2020 with practical completion in May 2021. The bulk of the spend is to be incurred from this point forward with £4.1m in 20/21 (up £170k from last reported). The College's remaining expenditure is already back ended leaving no further option for advancing LGF spend for match.

STEAM Centre, SGS WISE Campus

This £7.39m project (£6.4m LGF) would see the delivery of a new 1,800m² Science, Technology, Engineering, Art and Maths Centre at South Gloucestershire and Stroud College's WISE campus. This would create a hub, bringing Cyber and Digital Media and a wide range of A Levels from the A38 Filton site, which would in turn enable the A38 Filton campus to accommodate increased provision.

From the September report the project plans to start on site in February 2020, with the build complete in February 2021 and fit out by March 2021. LGF spend is now starting to ramp up but £4.5m of spend is expected in 20/21 (£690k less than last reported owing to advanced spend due to the construction methodology).

Digital and Creative Innovation Centre

This project sits outside the current funded programme but is included here as it was resolved that the funding position would be reviewed once conditions, including securing planning consent, were met.