

**West of England Local Enterprise Partnership
Board meeting – 1 October 2020**

Local Growth Fund and Getting Building Fund

Purpose of the report

1. To inform the LEP Board of the integrated programme for these funds and to update on delivery

Recommendation

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

Local Growth Fund

2. The West of England was awarded £202.1m of capital funding through the Local Growth Fund for the period 2015/16 to 2020/21. Whilst requirements around spend in year that were in place for the first two years of the Fund have been relaxed, there has always been a requirement that all funds are to be spent by March 2021.
3. It was hoped that this hard end date for the LGF would be relaxed as the funding period came to a close but, despite lobbying through a number of channels, that has not proved the case. Indeed, as reported to the LEP Board in June, owing to the impact of Covid-19 Government retained 1/3 of the LGF for 2020/21 whilst LEPs provided information on planned delivery and spend. After providing such reassurance, we have now secured the final 1/3 of the LGF for this year.
4. To help manage the hard LGF end date, structured overprogramming has been employed for some time and this stands at some £12m. It was always recognised that this this overprogramming would translate into an actual funding requirement in 2020/21 if all schemes delivered as planned, or in 2021/22 otherwise.

Getting Building Fund

5. In June Government announced the Getting Building Fund (GBF) aimed at funding capital projects which could help to accelerate national recovery. In July we were informed that our award through this fund was £13.7m over 2020/21-21/22 spanning the LEP geography for spend by December 2021.
6. Given there are some £12m of commitments (including £7m of contractual commitments) in place for LGF schemes which are beyond the funding received or expected, and that it was assumed that the overhang would be picked up by any successor programme to the LGF, it is intended that the GBF is used to enable the full funding and completion of the schemes within the LGF programme. It is not expected that any further LGF successor funds will be received for 2021/22.
7. Government requested that specific projects were identified as beneficiaries of the new funding as shown in Figure 1. However, it is planned to use these funds flexibly to dovetail the LGF and GBF programmes and make best use of the extended deadline for the GBF to support schemes which require this.

Scheme	Getting Building Fund Allocation £m
Keynsham Town Centre Improvements	1.3
Bath Quays South Phase 1a Enabling Infrastructure	2.0
Umbrella	2.0
Composites Bridge Construction	3.0
A4018 Corridor Improvements	2.7
Portway Station	1.0
Weston General Stores	1.7
Total	13.7

Figure 1 - Getting Building Fund Initial Allocations

8. In addition to the six LGF schemes identified as beneficiaries, it is proposed one new project is added to the programme. This is the Weston Stores Project that could utilise the balance of £1.7m. This project would repurpose redundant retail space in Weston town centre to deliver workspace and space for collective trading platforms, micro-manufacturing, events and rehearsal and a cycle hub. A business case for this project is expected.

LGF Delivery

9. The schemes within the LGF programme which have grant funding still to be claimed are shown in Figure 2. This illustrates that, based upon the latest reports, four projects are now forecasting spend in 2021/22 that would need to draw on the GBF with its later end date.
10. Other projects report programme and cost pressures that may yet materialise. However, as shown in Figure 2, overall forecast spend within the LGF period is some £6.9m over our LGF award, so we remain well placed to deliver full spend. This allows for a proposed funding swop between LGF and the Economic Development Fund (retained business rates growth in the Enterprise Zone and Areas) for MetroWest Phase 1, with the Cribbs Patchway MetroBus Extension receiving LGF instead of EDF.
11. Clearly, we will need to keep delivery and spend under close review over the course of the year, making best use of the later GBF deadline, and consider any mitigation required to ensure we deliver full spend, such as further funding swops.

Spend £000s	20/21	21/22	Total
Transport Schemes			
MetroWest Phase 1 Development Costs	5,487	-	5,487
Sustainable Transport Package 17/18	81	-	81
West Wick Rbt and North South Link	130	-	130
Portway Station	1,553	-	1,553
A4018 Corridor Improvements	285	2,818	3,103
Weston-super-Mare Town Centre Enhancement	1,997	-	1,997
Keynsham Town Centre Improvements	482	848	1,500
South Glos Sustainable Transport Package	1,920	-	1,920
Cribbs Patchway MetroBus Extension	1,672	-	1,672
FE Skills Capital Schemes			
South Bristol Construction Centre	4,733	-	4,733
Bath College Catering & Hospitality Training Hub	1,479	-	1,479
SGS Brunel Building (STEAM Centre)	5,291	-	5,291
Infrastructure Schemes			
Superfast Broadband SGC	41	-	41
Superfast Broadband CDS	200	-	200
Town Square, Weston-super-Mare	123	-	123
Bath Quays Bridge	1,514	-	1,514
Colston Hall (Bristol Beacon) Phase 2 Transformation	6,405	-	6,405
Bath Quays South Phase 1a Enabling Infrastructure	2,359	-	2,359
Bath Quays North Phase 1b Relocation of Coach Park	79	-	79
Bath Quays North Initial Development Works	6,954	-	6,954
Purchase of Land at Bristol and Bath Science Park	856	-	856
Innovation Schemes			
FoodWorks ^{SW} Innovation Centre	757	-	757
Composites Bridge Construction	2,830	1,318	5,050
OPCR - Sensor Factory, CAV & KWMC	964	-	964
Umbrella	2,914	-	2,914
IAAPS	2,000	-	2,000
Bristol VR Lab	59	-	59
Grow-On2 Temporary Building	581	-	581
Expenditure claimed prior to 20/21 - 155,205	53,746	4,984	213,935
Total LGF Award	202,096		
Overprogramming	6,855		
Total LGF plus £12m GBF			214,096
Overprogramming			-161

Note: includes changes recommended for approval to the October Joint Committee

Figure 2 - Projects in LGF Programme with Funding Left to be Claimed

LGF Dashboard

12. A spreadsheet based update on progress with the delivery of the LGF programme is provided quarterly to CLoG. This includes a dashboard which summarises progress with each project and the LGF programme overall.
13. Guidance requires that 'before submitting to CLoG, you must have appropriate sign off [of the dashboard] by the LEP Board (or Chief Exec if this is not possible in a particular quarter) and the Section 151 Officer.'
14. At the LEP Board meeting in January 2019 it was agreed that where reporting cycles align, then the dashboard will be provided to the LEP Board for approval, but where this is not possible sign off will be via the LEP Chair and Chief Executive.
15. The Quarter 1 20/21 dashboard, which is shown in Appendix 1, was signed off by the LEP Chair and Chief Executive and submitted to CLoG in August.

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Appendix 1: LGF Q1 20/21 Dashboard