

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.

Background

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. As previously reported all funds are required to be spent by March 2021. To help manage the hard LGF end date, structured overprogramming has been employed for some time. It was always recognised that this overprogramming would translate into an actual funding requirement in 2020/21 if all schemes delivered as planned, or in 2021/22 otherwise.
3. 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 March 2022.
4. Given there are some £12m of 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, the GBF is being 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.
5. Government requested that specific projects were identified for of the new GBF funding and six existing LGF projects (highlighted in Figure 1) together with the Weston General Stores have been identified as beneficiaries. However, these funds are being used 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.
6. Unlike the LGF, the GBF does not have the same local flexibility and the addition of any new projects to this programme would need Government sign off. This will be progressed at need. It is condition that the GBF is spent within the financial year it was awarded, that being £6.85m 20/21 and £6.85m 21/22.

Current LGF/GBF Position

7. The schemes within the LGF/GBF programme which have grant funding still to be claimed are shown in Figure 1. 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.

Spend £000s	20/21	Total - 15/16-20/21	21/22	Overall Total
Transport Schemes				
MetroWest Phase 1 Development Costs	6,134	21,025		
Sustainable Transport Package 17/18	81	4,936		
West Wick Rbt and North South Link	130	11,311		
Portway Station	-	-	1,553	1,553
A4018 Corridor Improvements	187	187		
Weston-super-Mare Town Centre Enhancement	2,197	3,000		
Keynsham Town Centre Improvements	482	652	848	1,500
South Glos Sustainable Transport Package	1,920	2,795		
Cribbs Patchway MetroBus Extension	2,741	7,365		
Emersons Green Local Transport Enhancements	2,830	3,732	1,318	5,050
FE Skills Capital Schemes				
South Bristol Construction Centre	4,733	6,000		
Bath College Catering & Hospitality Training Hub	1,479	2,503		
SGS Brunel Building (STEAM Centre)	5,291	6,442		
Infrastructure Schemes				
Superfast Broadband SGC	41	1,330		
Town Square, Weston-super-Mare	90	2,949		
Bath Quays Bridge	2,614	2,969		
Bristol Beacon Phase 2 Transformation Project	9,321	11,321		
Bath Quays South Phase 1a Enabling Infrastructure	2,075	10,107	584	10,691
Bath Quays North Phase 1b Relocation of Coach Park	79	1,489		
Bath Quays North Initial Development Works	5,554	5,554		
Purchase of Land at Bristol and Bath Science Park	20	4,929		
Innovation Schemes				
FoodWorks ^{SW} Innovation Centre	757	11,844		
OPCR - Sensor Factory, CAV & KWMC	964	3,340		
Umbrella	2,711	3,482		
Bristol VR Lab	57	295		
Grow-On2 Temporary Building	581	1,004		
	55,069	209,632	4,303	213,935
			1,700	215,635

Total Funds Available LGF	202,096	0	202,096
Total Funds Available GBF	6,850	6,850	13,700
Overprogramming	686	- 847	- 161

Subject to approval of change request

Getting Building Fund projects

Figure 1 - Projects in LGF Programme with Funding to be Claimed in 20/21

Note: schemes which have claimed all grant funding are not shown but are included in the totals

8. As shown in Figure 1, overall forecast spend within the LGF period is some £7.5m over our LGF award and some £700k over the LGF and GBF combined for 20/21. As things stand, should schemes deliver to their latest forecast, we are well placed to deliver full spend. That being said, we expect significant LGF grant claims in Quarter 3 and 4, totalling some £32m, to achieve this.

9. However, in reality it is expected that further mitigation for programme and spend pressures for schemes in the LGF/GBF programme are likely to be required including swops of funding between LGF and EDF. This approach has previously been used to de-risk LGF spend, most recently for Bath Quays projects and MetroWest Phase 1.
10. It should be noted that the mix of the hard deadlines and lack of full flexibility for the GBF will mean that a flexible approach and a number of such swops may be required at year end, and a delegation from the Joint Committee is being sought to enable this. Clearly, we will need to keep delivery and spend under close review as we move through to final LGF claims in April

LGF Dashboard

11. CLoG have provided a spreadsheet tool to enable LEPs to update on progress with the delivery of the LGF programme. This is reported quarterly and includes a dashboard which summarises progress with each project (LGF spend, match funding spend and output/outcome metrics) and the LGF programme overall.
12. 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.'
13. 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.
14. The Quarter 2 20/21 dashboard, which is shown in Appendix 1, was signed off by the LEP Chair and Chief Executive and submitted to CLoG in November.

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Appendix 1: LGF Q2 20/21 Dashboard