

Appendix 'G'

LEP – Growth Deal Programme – Lead Anne-Marie Parkinson

Background

The Getting Building Fund is a £900 million government programme to deliver jobs, skills and infrastructure across the country. This investment is targeted in areas facing the biggest economic challenges as a result of the pandemic. It is supporting the delivery of shovel-ready infrastructure projects, agreed with Mayoral Combined Authorities and Local Enterprise Partnerships to boost economic growth, and fuel local recovery and jobs.

In August 2020, government announced a funding allocation of £34.1m to Lancashire LEP from the Getting Building Fund. Following the announcement government undertook a review of the schemes submitted by the Lancashire LEP, where in agreement with the LEP the £34.1m was allocated to ten projects.

Governance

Subject to the contents of the funding offer letter expected from government later this month, the processes to manage the funds allocated to this programme will reflect those in place for the Growth Deal programme. The management of the Growth Deal programme has been highly regarded by CLG, both at the 'Deep Dive' and two previous 'Annual Performance Reviews'. In addition, the processes are fully compliant with the LEP Assurance Framework.

Processes include:

1. Allocation of funds to projects – Agreed by government.
2. Applicant provides to the LEP a project HMT Green Book Five Case Model Business Case.
3. LEP Commission Independent Assurance of the Business Case.
4. Presentation of project to the LEP Board to seek funding approval (subject to positive assurance recommendation).
5. Complete Grant Funding Agreement (same conditions / clauses as Growth Deal).
6. Project applicant submits quarterly reporting / claims to the LEP.
7. Upon completion of the project and all associated outcomes, a Project Exit Report is completed, which formally evaluates and closes the project.

Due to the time constraints of the programme, with projects requiring to commence activity immediately in order to achieve the financial completion date of March 2022, the following two processes have been streamlined, making significant time and cost saving efficiencies.

1. Recommendation of Funding Approval - The recommendation to the LEP Board will be made by the LEP Investment Programme Manager, as opposed to a recommendation by a sub-committee of the LEP. Prior to making a funding decision the LEP Board will receive an introduction to each project, so that members are fully aware of the project detail, and are able to seek clarifications as required. The LEP Board will be fully informed of any associated risks and appropriate mitigation.
2. Independent Assurance – Whilst the independent assurance will consider all five cases within each business case, the focus and findings will be on the 'Economic' and 'Management' Cases, given these are the core criteria for the call (deliverability and VFM). All cases will be scrutinised by LEP Officers as appropriate.

Performance

Delivery

In terms of progress to date:

- All funds are allocated to ten projects
- Nine of the ten project business cases have been submitted to the LEP.
- Independent assurance has been completed on two project business cases.
- Independent assurance has commenced on a further three projects.
- Independent assurance is expected to commence on four further business case during September. The final business case assurance is expected to complete October.
- LEP Board funding approvals are expected to be sought during September and October for all projects – subject to positive assurance recommendations.

Projected Outputs

The table below contains the combined forecasted outputs, as provided by projects when the projects were submitted to government. These output forecasts will be confirmed upon completion of the Business Case Assurance and contracting (GFA).

Output	Quantity
Jobs Created / Safeguarded	1524
Housing Unit Unlocked or Delivered	995
Commercial floor space (sqm)	88247
Learning space improved or created	396
Number of businesses or institutions assisted	56
KG of CO2 emissions avoided	671071
Public Realm or Green Space created	23480
Number of new super/ultrafast broadband connections	102

Programme Milestones

Milestone	Date	Comments
Programme funding allocated projects	Aug 20	Complete
Offer letter received	Sep 20	Not yet received
Programme funding contracted to projects	Oct 20	
Communications Milestones Identified	Oct 20	
Social Value embedded within the programme	Oct 20	
Projects achieve practical completion	Mar 22	
Programme contracted targets achieved	TBA	Targets to be agreed with CLG
Evaluation / Case studies collected	Mar 22	

Risks / Matters of consideration

Risk	Mitigation / Action
Projects do not pass business case or contracting process	Agree with government to consider others in the pipeline submitted.
Programme fails to achieve objectives	Close monitoring and evaluation at quarterly intervals of each project. Reporting to LEP Board re performance. Potential clawback of funds

Project Name & Summary	Start date	PC Date	GBF £m	Match funding £m	Total cost (£m)
<p>Houndshill Extension Scheme - As part of its strategy to revitalise the town centre Blackpool Council purchased the Houndshill Shopping Centre (HSC) in Nov 19 for £47.6m, the aim being to support its sustainability and to re-purpose parts of it through the delivery of a transformational leisure and retail development. The mixed use development comprises:</p> <ul style="list-style-type: none"> • 9 Screen Imax Style Cinema- (40,575 sqft) • 2 New Restaurants (3760sq ft) • A relocated Wilko Store (22,500 sq. ft) <p>The scheme objectives are to create new complementary leisure uses, secure the site for the tramway terminus, provide land value, amenity, transport, and wider benefits, and promote increased investor confidence in the area.</p>	01/09/20	30/11/21	£ 5.000	£ 14.535	£ 19.535
<p>Abingdon Street Market Acquisition and Rejuvenation - This project will rejuvenate the visitor experience, growth, and sustainability of the town centre. Abingdon Street indoor market, which has declined significantly in recent years and is currently for sale by its private owner, will have a new and rejuvenated retail and service offer which will address the needs and demands of residents and visitors and provide a modern experience at the heart of the town centre.</p>	01/01/21	30/11/21	£ 3.634	£ -	£ 3.634
<p>Alker Lane - The scheme will provide much needed new commercial floorspace comprised of affordable office accommodation and new industrial units. The development will be directed towards scale ups, start-ups and new businesses promoting inward investment into Chorley and will complement the adjacent digital office park which is an incubation hub for digital creative businesses. The development will provide invaluable accommodation and digital connectivity improvements for businesses in the town centre looking to grow. Chorley has an undersupply of such space which has led to a number of companies moving away from town centre to find more suitable accommodation. The retention of this growing agglomeration of local businesses will benefit the Boroughs residents, providing opportunities in skilled employment in a sustainable location.</p>	01/01/21	31/01/22	£ 2.250	£ 6.750	£ 9.000
<p>Burnley Town Centre Master Plan - Pioneer Place Retail/Leisure Development - The Project is identified in the Burnley Town Centre and Canalside Masterplan. It will redevelop a brownfield site and address an identified need for; a leisure anchor with the re-location of REEL cinema from its current out of town location, and; a branded food and beverage offer. The existing cinema site will also be re-developed for a food retailer. The scheme will improve town centre vitality and viability with increased footfall and dwell time, underpinning other masterplan objectives. Funding is required for abnormal infrastructure & public realm.</p>	31/07/21	31/03/22	£ 3.681	£ 19.998	£ 23.680
<p>RedCAT – Lancashire's Centre for Alternative Technologies</p> <ul style="list-style-type: none"> • Building end to end commercialisation funding and support for low carbon technologies • Identifying the viability of technologies, market, early adopter funders, potential buyers, VC and equity investors and global roll out opportunities • Combining capital support from public, private and VC/Equity sources to enable the initial R&D costs of prototype development, demonstration, first sale product and scale up costs to be supported • Additionally, funding capital costs of Lancashire's advanced manufacturers to diversify into low carbon component manufacture • Driving the manufacture and adoption of low carbon tech across Lancashire to drive economic green recovery and resilience 	01/08/20	31/01/22	£ 1.500	£ 1.700	£ 3.200
<p>AMRC Low Carbon Building Demonstrator project - will demonstrate retrofittable smart building technologies. The demonstrator will showcase technologies within the fabric of the building, providing access for manufacturers to evaluate and consider adoption in their own factory. De-risking the adoption of these technologies in legacy manufacturing facilities will enable manufacturers to reduce the cost of ownership and carbon footprint. In addition to the embedded building technologies the facility would demonstrate low carbon manufacturing methods. The project would work in collaboration with RedCAT and the Clean Energy Technology Park to create a local ecosystem of innovation, developing new low carbon energy technologies.</p>	01/08/20	31/01/22	£ 2.500	£ -	£ 2.500
<p>Project Neptune - is the first phase of a transformational mixed use development of Fleetwood Docks. It will pump prime the development and help bring forward the overall site in line with the aspirations for mixed use development in the Local Plan. This first phase includes the development of a modern purpose built Fish Park and the enabling works to bring forward a first phase of serviced land suitable for waterfront residential development with high quality public realm. The Fish Park development will safeguard local jobs and allow new and existing SME businesses to grow.</p>	01/03/21	31/12/21	£ 4.030	£ 3.959	£ 7.989
<p>Hillhouse EZ - Electrical, Water and Access Infrastructure - Thornton Facilities Management will commit to deliver additional and improved electrical and water supply infrastructure alongside repositioning of existing gatehouse security to allow access to the new secure business park; Hillhouse International. The project will assist in delivering 200 new jobs to the area as part of the Enterprise Zone project through improved infrastructure for all existing businesses and new occupants of the planned new-build Hillhouse International Business Park.</p>	01/08/20	30/10/21	£ 0.504	£ 0.126	£ 0.630
<p>M55 Heyhouses Link Road - The road is needed to satisfy the impacts from the Queensway residential development site and to overcome localised congestion problems on the B5261 which is a key corridor for both Fylde and Blackpool. It provides an alternative corridor to the M55 motorway, as well as access to existing employment areas from Lytham. It is required to enable Fylde Council deliver its local plan. It also satisfies future access needs to the Fylde coast for business (including Blackpool's Enterprise Zone), leisure activities and to+C88urism. The road also includes a parallel sustainable corridor satisfying needs of pedestrians, cyclists and equestrians.</p>	01/04/21	01/11/23	£ 5.790	£ 21.264	£ 27.054
<p>Tatton - The scheme will consist of a 63 assisted living units consisting of a mix of a 1-bed and 2-bed units, a new community centre, community café, a GP Surgery and Pharmacy for the NHS, and landscape works to regenerate the existing park and gardens at the Tatton Recreation Ground providing both sporting and civic facilities. There is an identified need for assisted living accommodation and new health facilities in Chorley.</p>	01/01/21	31/01/22	£ 5.210	£ 9.270	£ 14.480
			£ 34.100	£ 77.602	£ 111.702