



Lancashire  
Enterprise Partnership

# Lancashire Enterprise Partnership Joint Scrutiny Committee

## Getting Building Fund - Allocation Process

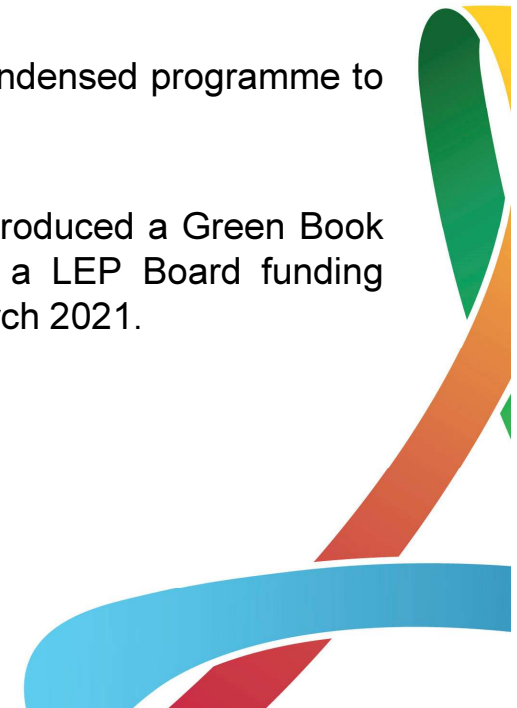
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## **BACKGROUND**

- ❖ The Getting Building Fund (GBF) is a £900 million government programme to deliver jobs, skills and infrastructure across the country. This investment targeted areas facing the biggest economic challenges as a result of the pandemic. It is supporting the delivery of shovel-ready infrastructure projects to boost economic growth, and fuel local recovery and jobs.
- ❖ Lancashire secured **£34.1m** GBF in August 2020, which has been allocated to 10 projects. Total programme value **£111m** (GBF & Match).
- ❖ Allocations to projects were made against strict criteria set by government.
- ❖ Projects are required to fully defray their allocation by **31<sup>st</sup> March 2022** (condensed programme to reflect the nature of the call 'immediate response to the pandemic'.)
- ❖ In accordance with the LEP Assurance Framework, all ten projects have produced a Green Book Business Case, which has been independently appraised and received a LEP Board funding approval. Contracting is expected to complete for all schemes by end of March 2021.
- ❖ By 2025 the programme is expected to bring to Lancashire's Economy:
  - ❖ 1500 Jobs
  - ❖ 1000 Housing
  - ❖ 40,000 sqm Commercial Floor space



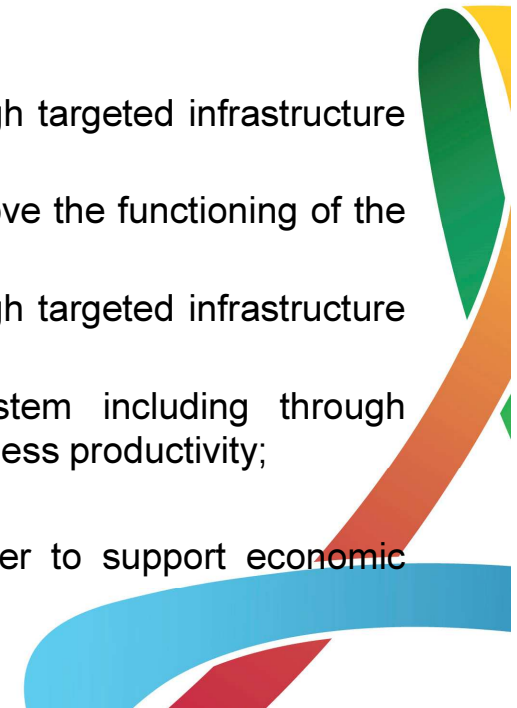


## **INVITATION**

- ❖ 10<sup>th</sup> June 2020 Secretary of State, wrote to all MCA, LEP Chairs, LA Leaders, LA CEOs requesting information on **existing** Government funded projects which could be accelerated using additional government funds to stimulate demand and the economy, over the next 18 months. It was advised they would also consider exceptional, **new / additional** shovel-ready capital projects which could be delivered within 18 months.

## **FUNDING CRITERIA**

- ❖ Projects were required to be deliverable by March 2022, addressing the objectives and priorities as detailed below, offering VFM:
- ❖ Objective 1 - Driving up economic growth and jobs
- ❖ Objective 2 - Supporting green recovery
  - ❖ Priority Interest Area 1 - Town and city centre modernisation through targeted infrastructure investments unleashing their longer-term economic potential;
  - ❖ Priority Interest Area 2 - Investment in physical connectivity to improve the functioning of the local economy;
  - ❖ Priority Interest Area 3 - Town and city centre modernisation through targeted infrastructure investments unleashing their longer-term economic potential;
  - ❖ Priority Investment Area 4 - Investment in innovation ecosystem including through improvements to research and development facilities driving up business productivity;
  - ❖ Priority Investment Area 5 - Improvements to human capital;
  - ❖ Priority Investment Area 6 - Improving digital connectivity, in order to support economic performance, particularly in more isolated areas.'



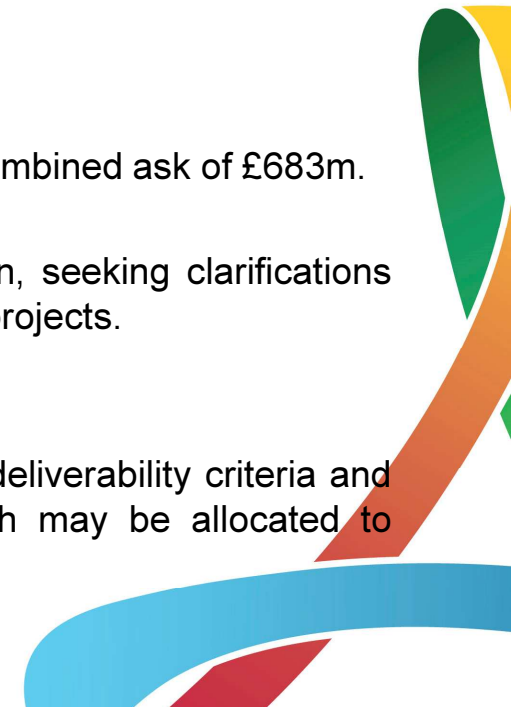


## **PROCESS**

- ❖ It was requested that LEP's and MCA complete a template, containing projects from across Lancashire which met the criteria. This 'call' for projects was made with no appreciation of the level of funds which may become available. The template was very high level with limited information. The deadline for completion was 18<sup>th</sup> June 2020 (one week).
  
- ❖ 10<sup>th</sup> - 15<sup>th</sup> June 2020 – The LEP re-circulated the request from the SoS to organisations, with a deadline for the return of the template for any projects they wish to be considered to the LEP by 16<sup>th</sup> - 17<sup>th</sup> June 2020. The correspondence clearly highlighted the requirement to meet the criteria of the call.
  
- ❖ 16<sup>th</sup> June 2020 – The LEP sent a reminder to organisations re the deadline.
  
- ❖ 17<sup>th</sup> June 2020 – 27 organisations submitted a total of 72 projects, with a combined ask of £683m.
  
- ❖ 17<sup>th</sup> - 18<sup>th</sup> June 2020 – LEP Officers appraised each project submission, seeking clarifications where required from organisations, collating the master template of the 72 projects.

## **PRIORITISATION**

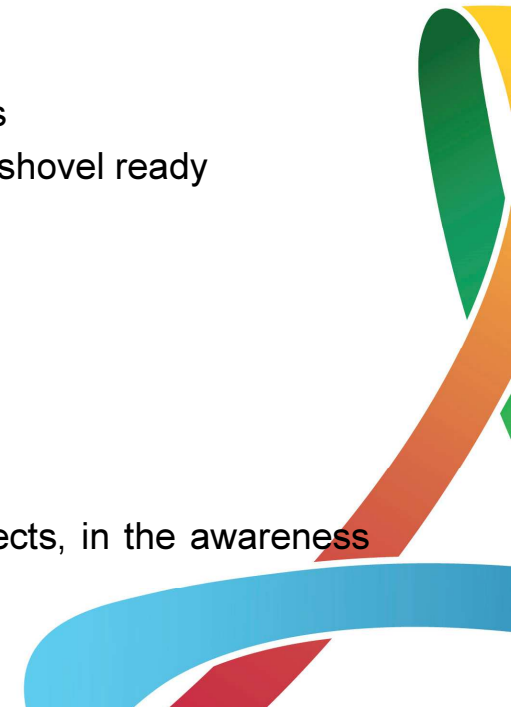
- ❖ Government requested LEPs prioritise the projects which could meet the deliverability criteria and objectives – again without any appreciation of the level of funds which may be allocated to Lancashire.





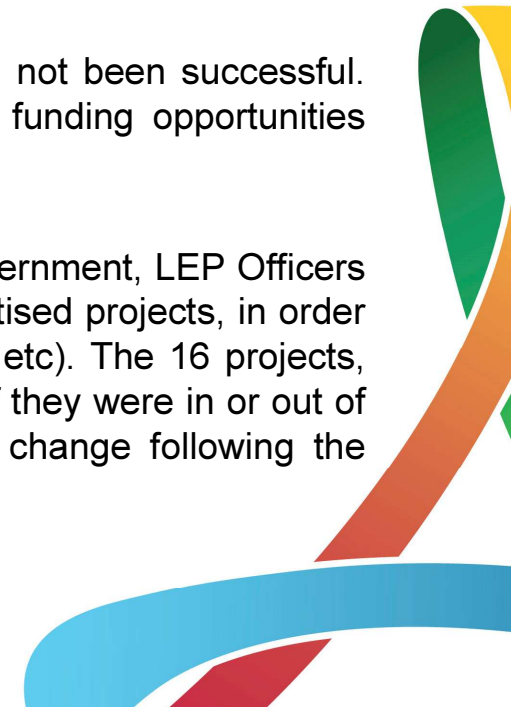
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- ❖ LEP Officers prioritised 16 of the 72 projects against the criteria below, in consideration of clarifications and information provided by the applicant:
  - ❖ Deliverable by March 2022 (planning, funding, risks, delivery partners, state aid etc)
  - ❖ Delivered against Objective 1 and / or Objective 2
  - ❖ Deliverable against which of the 6 Priority Interest Area/s
  - ❖ Provided VFM, in line with the LEP Assurance Framework.
  
- ❖ In terms of reasons why projects were not prioritised, it was a combination of projects either not meeting the Objectives for the call, or that they were unable to demonstrate that the project was deliverable by March 2022. Examples of deliverability issues included:
  - ❖ Large or complex projects which had lengthy lead in and/or funding tails
  - ❖ Gaps in delivery information, which following clarification identified, not shovel ready
  - ❖ Complex delivery arrangements
  - ❖ State Aid and Security Matters
  - ❖ Match Funding not secured
  - ❖ Significant risks (Planning, CPO, land acquisition etc)
  - ❖ Did not offer VFM, as defined in the Assurance Framework
  
- ❖ A number of organisations advised they wanted to submit all potential projects, in the awareness that they did not fully reflect the call, and unlikely to be successful.



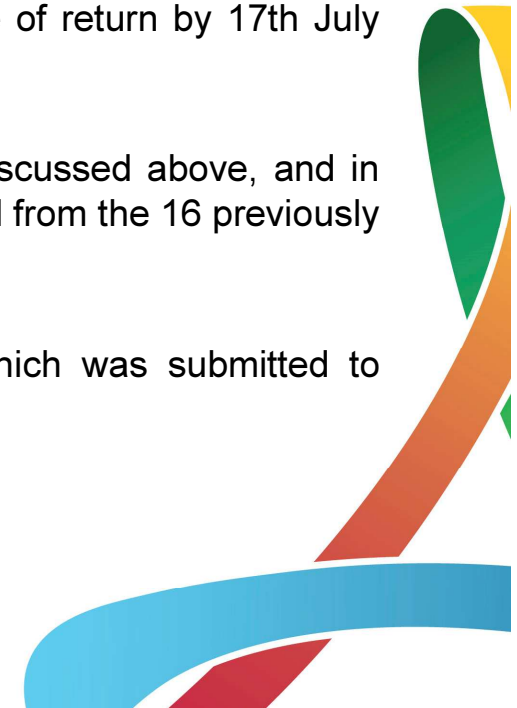


- ❖ 18th June 2020 – LEP CEO gained approval from LEP Board and S151 to submit the combined template, which contained the 72 projects. As requested by government, 16 projects with a combined ask of £62m, were identified within the template as prioritised, having met the core criteria for the call as detailed previously.
- ❖ 2nd July 2020 – Secretary of State notified MPs and the LEP that £34.1m had been allocated to Lancashire. Government advised a further template would be provided for completion, which should only contain those prioritised projects which could fully demonstrate deliverability, including delivery of outputs, ***within the scope*** of the allocation for Lancashire.
- ❖ Projects which were not previously prioritised, were informed that they had not been successful. These projects would remain in the LEP pipeline in anticipation of future funding opportunities suited to their project.
- ❖ 2nd – 10th July 2020 – In anticipation of receipt of the 2<sup>nd</sup> template from government, LEP Officers arranged detailed assurance meetings with the organisations of the 16 prioritised projects, in order to understand the projects in greater detail (deliverability / strategic fit/ risk etc). The 16 projects, which equated to an ask of £62m, were advised based on current findings, if they were in or out of scope of the £34.1m funding envelope. It was advised this ranking may change following the assurance meetings and subsequent information was provided.





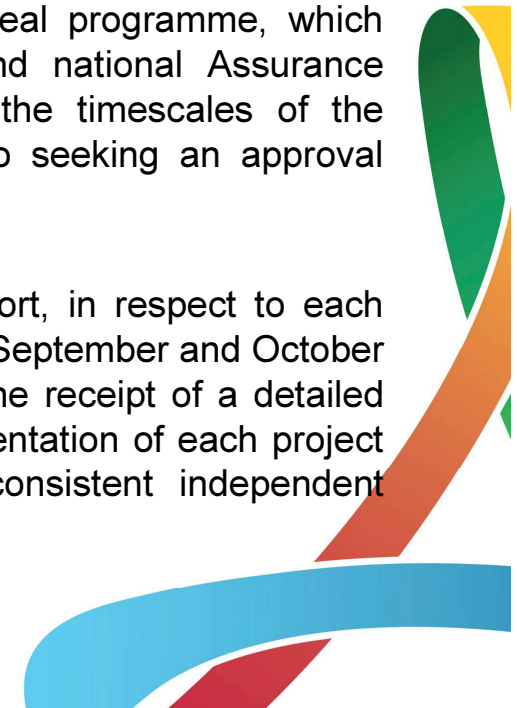
- ❖ Following the assurance meetings, organisations were required to provide; Project Milestones, Output Profile, Expenditure Profile, State Aid, Security, Match Funding, Risk identification and other project specific information i.e. planning status - as these elements are required to ensure the call criteria can be met. The outcome of these discussions, as we drilled down against the criteria, resulted in changes to the ranking of 16 projects.
- ❖ Organisations, were made aware of next steps should they be successful in securing an allocation.
- ❖ 8th July 2020 – Government provided the further template with a deadline of return by 17th July 2020.
- ❖ 17th July 2020 – Following completion of the assurance undertaken as discussed above, and in consultation with the LEP Board and Government, 10 projects were selected from the 16 previously prioritised, equating to the £34.10m allocation.
- ❖ 17th July 2020 – The LEP Board and S151 approved the template, which was submitted to government.





## **APPROVAL**

- ❖ 4th August 2020 – Formal announcement from government detailing which projects had received funding. This reflected the submitted template. Projects which received an allocation were contacted to progress the next steps as follows:
  - ❖ Produce a 5 case green book business case
  - ❖ Independent assurance of the business case
  - ❖ Seek LEP Board Funding Approval
  - ❖ Complete contracting in the form of a Grant Funding Agreement (GFA)
  
- ❖ The steps as detailed above, follow those undertaken in the Growth Deal programme, which provide a consistent and transparent process, compliant with local and national Assurance Frameworks, as verified by government. The only exception, due to the timescales of the programme, was presentation directly to the LEP Board, as opposed to seeking an approval recommendation from the LEP Sub-Committee (GDMB) to the LEP Board.
  
- ❖ LEP Board Approval – Upon receipt of the Independent Assurance Report, in respect to each project business case, two special meetings of the LEP Board were held in September and October 2020, to seek GBF funding approvals for the 10 projects. In addition to the receipt of a detailed approval report for each project, Members were also provided with a presentation of each project from the applicant organisation. All 10 projects followed the same consistent independent transparent process.





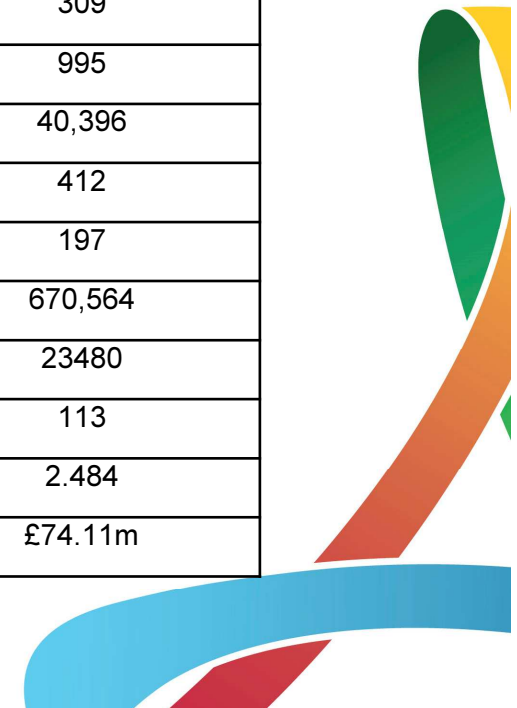


## **PROJECT STATUS**

- ❖ 10 projects have received LEP Board funding approval
- ❖ 1 project has completed contracting (GFA), remaining 9 expected by end of March 2021
- ❖ 6 projects have commenced physical works
- ❖ No issues reported on schemes in terms of delivery at this stage

## **EXPECTED OUTPUTS**

<b>KPI / Output Description</b>	<b>Forecast</b>
Jobs Created / Safeguarded	1474
Construction Jobs	309
Housing Unit Unlocked or Delivered	995
Commercial & R&D floor space (sqm)	40,396
Learning space improved or created (sqm)	412
Businesses or institutions assisted	197
KG of CO2 emissions avoided	670,564
Public Realm or Green Space created (sqm)	23480
New super/ultrafast broadband connections	113
Roads, cycle lanes and walk ways maintained and built (km)	2.484
Other Investment £m	£74.11m

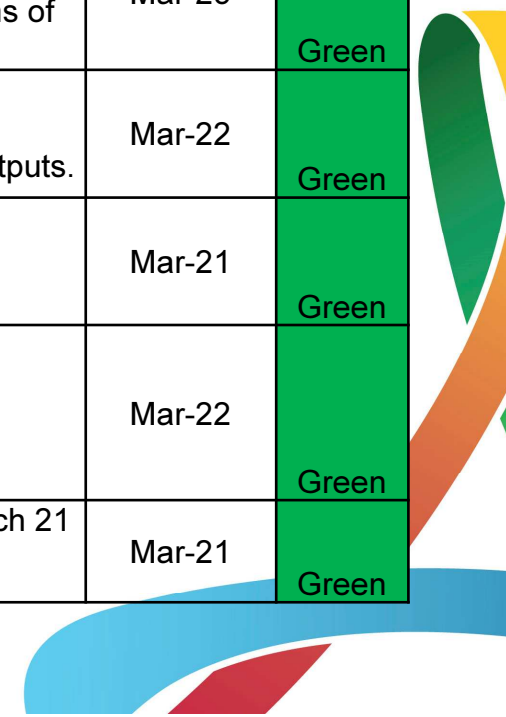




**RISK**

- ❖ The Getting Building Fund feeds into the LEP Operational Risk Register, which is presented to the LEP Board at each meeting. As a minimum risks are reviewed on a quarterly basis by the LEP Programme Manager, or more frequently if relevant. In addition, each project also maintains a Risk Register, as a key component of the business case development, and an on-going reporting requirements to the LEP with each quarterly claim / reporting. At a programme level current risk include:

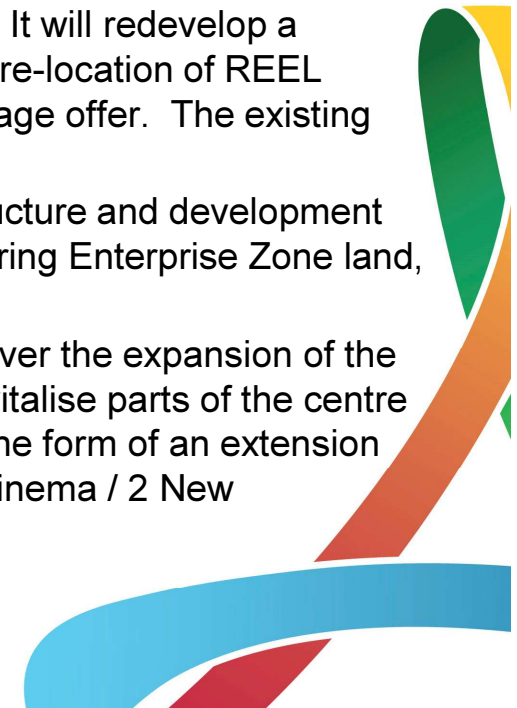
<b>Risk Description</b>	<b>Actions</b>	<b>Target Date</b>	<b>RAG</b>
Failure to deliver the contracted targets (expenditure / outputs)	On-going monitoring, Members Direction, Bring forward projects which address gaps in performance, Change control measurers. Use of Accountable Body Freedom and Flexibilities, in terms of spend slippage post March 2022.	Mar-25	Green
COVID-19 Impact	Work with projects to implement government guidelines to enable them to continue with the projects and support with information regarding the whole programme targets and outputs.	Mar-22	Green
Subsidy Control (previously state aid)	Continue discussions with CLG and LCC colleagues as Accountable body to identify requirements, to ensure compliance.	Mar-21	Green
Unable to attract future funding opportunities re lack of performance	Clear Strategic Pipeline Proactive approach to PR Communication Opportunities MP Engagement Collation of case studies	Mar-22	Green
Complete contracting (GFA) for all schemes	Contracting is expected to be completed by the end of March 21 for the remaining schemes.	Mar-21	Green





## **GETTING BUILDING FUND PROJECTS**

- ❖ ***Abingdon Street Market (Blackpool £3.634m)*** - Abingdon Street indoor market, has declined significantly in recent years, will have a new and rejuvenated retail and service offer which will address the needs and demands of residents and visitors. It will provide a modern experience at the heart, contributing to the growth and sustainability of the town centre.
- ❖ ***Alker Lane (Chorley £2.250m)*** - Will provide much needed new commercial floorspace comprised of affordable office accommodation and new industrial units. Directed towards scale ups, start-ups and new businesses promoting inward investment into Chorley. The development will provide invaluable accommodation and digital connectivity improvements for businesses in the town centre looking to grow.
- ❖ ***Burnley Pioneer Place Retail/Leisure Development (Burnley £3.681m)*** - 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.
- ❖ ***Hillhouse International Park (Wyre - £0.504m)***- Provide essential infrastructure and development works to enable the extension of the Hillhouse Business Park into neighbouring Enterprise Zone land, to deliver a new secure Business Park, Hillhouse International.
- ❖ ***Houndshill Extension Scheme (Blackpool - £5.00m)***- The project will deliver the expansion of the Houndshill Shopping Centre. The aim of the project is to re-purpose and revitalise parts of the centre through the delivery of a currently stalled leisure and retail development in the form of an extension to the HSC. The mixed use development comprises: 9 Screen Imax Style Cinema / 2 New Restaurants / relocated Wilko Store.





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- ❖ **Lancashire Centre for Alternative Technologies – RedCAT (Pan-Lancs £1.500m)**– Work with a first tranche of 6 Lancashire Low Carbon technology innovators, to take their technologies through the commercialisation process, securing for each, a long term consortia of funders to support the development of their technology through the latter stages of development, demonstration, promotion, manufacturing and sale.
- ❖ **Low Carbon Demonstrator - AMRC (Samlesbury EZ £2.500m)** - The project will demonstrate retrofittable smart building technologies, showcasing them within the fabric of the building. Providing access for manufacturers to evaluate and consider adoption in their own factory, reducing the cost of ownership and carbon footprint. The project works in collaboration with RedCAT and the Clean Energy Technology Park to create a local ecosystem of innovation, developing new low carbon energy technologies.
- ❖ **Project Neptune (Wyre £4.030m)** - The first phase of a transformational mixed use development of Fleetwood Docks. 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.
- ❖ **M55 St Anne's Link Road (Fylde £5.790m)** - 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.
- ❖ **Tatton (Chorley £5.210m)** – The scheme will deliver assisted living 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.

