

LEP – Growth Deal Programme – Lead Anne-Marie Parkinson

Background

The Lancashire Growth Deal is a £320m capital grant programme, delivering 52 projects across Lancashire, aligned with four key priorities, rooted in maximising the area's competitive economic strengths. This Deal is expected to bring to Lancashire's economy; 11,000 jobs, 3,900 homes and attract £1.2bn of private sector investment.

Performance

Approvals and Contracting

As confirmed in the LEP Annual Performance Review (APR) with government in January 2021, the £320m Growth Deal programme is being delivered in accordance with Government's requirements for the fund, with all areas for this programme being 'Met' ('Met' being the highest ranking).

100% of funding has been contracted to 52 projects within the programme, which are at various stages of delivery:

- 100% (52 projects) of projects have commenced their physical works
- 60% (31 projects) of the projects have completed their physical works
- 27% (14 projects) of projects have fully completed (works, spend and outputs)

A full list of the projects and current status can be found at the [LEP website](#).

Key Performance Indicators – as at Qtr. 4 2021/21 (to 31st Mar 2021)

Key Performance Indicators	Actual to Qtr. 4 20/21	Forecast to Qtr. 4 20/21	% Actual v Forecast	Forecast to 2025	Government 'Deal' Target	RAG
Growth Deal Funding defrayed £m	£273.93	£273.93	100%	£273.93	£273.93	Green
Housing Units	3,917	3,689	106%	8,248	3900	Green
Jobs Created, Safeguarded, Apprentices	5,513	5,371	103%	16,017	11000	Green
Commercial Floor space constructed / refurbished (sqm)	54,632	102,901	53%	263,450	43,829	Amber
Public & Private Sector Investment £m *	£178.64	£140	128%	£367.40	£140	Green
New or Refurbished Roads (km)	5	5	100%	10.17	N/A	Green
Length of new cycle way (km)	21	23	91%	28	N/A	Green
New or Improved Training Facility (sqm)	42,963	42,557	101%	42,557	N/A	Green
Additional Learners leading to a qualification (up to L4)	11,853	8,486	140%	10,793	N/A	Green
Specialist equipment	118	117	101%	117	N/A	Green
Enterprises receiving support & Business Assists (SME)	946	1,232	77%	2,025	N/A	Amber
Social and Economic Value £m	£31.1	£31.1	100%	TBC	N/A	Green

The table above identifies the programme is in a positive position, having achieved four of the five Government Deal targets (not due until 2025), and with the majority of all 2020/21 targets either met or exceeded. This is especially impressive given the economic climate.

It should be noted, it is expected that the 2025 forecasted KPI targets for 'Jobs Created' and 'Business Assists' will reduce as a consequence of the current economic climate, however it is unlikely these will fall below the VFM threshold.

The two Amber RAG KPIs relate to:

- Commercial Floorspace – The underperformance against Qtr. 4 2020/21 forecast is due to practical completion slipping on a number of the larger schemes into 2021/22 due to the impact of COVID. The schemes are now all nearing PC, as such it fully expected to achieve the forecasted outputs by Qtr. 2 21/22. However it should be noted that the 'Government Deal' target for the programme, as per the attached table, has been exceeded.
- Enterprises Receiving Support & Business Assists – The underperformance against Qtr. 4 2020/21 forecasts is as a direct consequence of COVID 19, mainly in relation to two projects. Discussions are continuing with the projects, however it is likely these targets will not be fully achieved, which is understandable given that circa 12 month delivery has been lost.

Quarterly Reporting to Government

As part of the governance arrangements for the delivery of the Growth Deal programme, the LEP is required to provide cumulative reporting on the delivery of the Growth Deal programme to the Cities and Local Growth Unit. This is to be provided on a quarterly basis and includes performance against both financial and output metrics for each project within the Growth Deal programme.

No queries have been raised in relation to the last quarterly reporting submitted to Government in May 2021.

Programme Milestones

Milestone	Date	Comments
Programme funding allocated projects	2020	Achieved - 100% allocated
Programme funding contracted to projects	2021	Achieved - 100% contracted
BEIS 2021 APR – Delivery Element.	Annually	Achieved - 'Met' rating achieved
Communications Milestones Identified	Ongoing	Updated on a quarterly basis
Projects complete capital works	2021	On target
Annual State Aid Reporting	2021	Overdue (expected August 2021)
Projects achieve contracted outputs	2025	On target
Programme achieves Deal 'Fact Sheet' Targets	2025	On target - 4 of 5 targets achieved
Social Value embedded within the programme	2016	Achieved - 6 monthly reporting
Programme Evaluation Complete	2021	On schedule – Due Dec 21.

Risks

A Single Portfolio Risk Register for the combined programmes is attached to the main report. A risk to highlight as contained in the risk register is the Annual Reporting of State Aid to government for grants issued to projects under an exemption. Discussion are on-going between BEIS, LEP and LCC in their role as the Accountable Body, in terms of the implementation of the requirements in the context of the new Subsidy Control regulations.