

GFirst LEP Update for GEGJC meeting November 2016

Gloucestershire Growth Deal

a) Current project funding

The current status of the projects that are going through the approval and funding process is as follows:

Stage of Process	Project/s
Outline Business Cases Approved	All
Conditional funding letters issued	All
Due diligence commenced	17 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Growth Hub expansion; Growth Hub Network; Berkeley Bridges; Cinderford spine road; RAU rural innovation centre; Gloucester Central Transport Hub; Metz Way; A40 Benhall bus lane; A40 Over Roundabout
Due diligence completed	17 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Growth Hub expansion; Growth Hub Network; Berkeley Bridges; Cinderford spine road; RAU rural innovation centre; Gloucester Central Transport Hub; Metz Way; A40 Benhall bus lane; A40 Over Roundabout
Due diligence completed but project not being progressed	1 project: A40 Benhall bus lane
GFirst LEP Investment Panel review of project due diligence findings and recommendation to the LEP Board	1 project: Metz Way; (A40 Over Roundabout scheme to be reviewed by Investment Panel on 22 nd November)
GFirst LEP Board approval for funding agreement	15 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Growth Hub Expansion; Growth Hub Network; Berkeley Bridges; Cinderford spine road; RAU rural innovation centre; Gloucester Central Transport Hub; Metz Way
Funding Agreement in place	12 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Berkeley Bridges; Cinderford spine road; Gloucester Central Transport Hub; RAU rural innovation centre

b) Project reporting

Current figures are reported alongside figures in brackets, which are those reported at the previous GEGJC meeting:

- the out turn from the current Growth Deal programme is £18.499m (£13.169m). Note that there are also pending claims for £401k from Cyber project and £515k from RAU.
- the actual cumulative total spend (including direct leverage/match) is £21.8m (£14.86m)
- the total leverage (direct and follow-on) declared by the projects (ie includes some committed but not yet spent) is £64m (£25.368m)

c) Assurance Framework additional update and refresh

As reported previously, our Assurance Framework was updated in July and published on the GFirst LEP website. In early November, we received confirmation from BEIS that all LEPs and Accountable Bodies have been asked to carry out additional reviews and updates of their assurance frameworks by February 2017. The guidance document for this can be found at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/161109_LEP_Assurance_Framework.pdf

‘This document sets out what Government expects Local Enterprise Partnerships to cover in their local assurance frameworks. The approach remains light touch, but the aim is to provide greater clarity and set out where expectations have increased from those of 2014 as Local Enterprise Partnerships continue to mature and their role and responsibilities develop. The focus remains on implementing practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and deliver value for money. The Local Enterprise Partnerships will continue to have considerable freedom to determine how to implement the practices and standards articulated in this national framework through their own local assurance frameworks.’

Our current Assurance Framework can be found at

<http://www.gfirstlep.com/Home/Assurance-Framework/?Result=1>

The Programme Management Group (PMG) has already started work on its review of the changes and updates necessary to our own Assurance Framework in light of this latest guidance. The PMG will continue this work and complete the required revisions by February 2017.

d) Further refinements to our Growth Deal programme management processes

The Investment Panel has now taken on responsibilities for reviewing the due diligence reports and making recommendations to the LEP Board regarding project funding and funding conditions. The first meeting of the Investment Panel that included Growth Deal projects took place in September, with recommendations going to the LEP Board for its October 2016 meeting. The Metz Way transport scheme was reviewed by the Investment Panel and recommendation for full funding made to the LEP

Board. The LEP Board approved this funding decision at its October meeting. The next Investment Panel meeting is on 22nd November and further details of the Panel members and future meetings can be found at <http://www.gfirstlep.com/gfirst-LEP/Our-Priorities/Projects/> Please follow the link to Infrastructure Investment Fund (GIIF) and the details of the Investment Panel can be found there.

The 'lessons learned' report prepared by the Programme Management Group (PMG) and shared with the LEP Board has been extended further by GFirst LEP staff by asking project promoters for further feedback for inclusion in the report. The final version of this report will be used to inform the LEP's 'Annual conversation' with the Cities and Local Growth team in BEIS in December, along with a range of other programme and project management process and reporting documents. The date for this meeting is still to be confirmed and the GFirst LEP Chair and programme management staff will attend, along with an officer from GCC as Accountable Body for the Growth Deal funding.

e) Audit and project sampling

As explained at the July meeting, GCC undertook an audit of the LEP and Accountable Body processes for Growth Deal. The results of this audit were very positive and findings have been used by the Programme Management Group (PMG) to inform its continuous improvement of the management processes for Growth Deal. In parallel with this audit, BEIS undertook project sampling work on three categories of Growth Deal projects for all LEPs. These were:

- One transport project above £5m (Gloucester Central Transport Hub)
- One transport project below £5m (Berkeley Bridges)
- One other project within the key LGF themes (housing, skills) (GREEN)

The findings of this review are likely to be shared with GFirst LEP and GCC at the Annual Conversation meeting in December.

f) Growth Deal Round 3

GFirst LEP submitted its Growth Deal Round 3 bid in July. This included details of all the proposed projects, projected leverage, outputs and outcomes as well as explanations of the 'fit' with Government priorities, how we are managing our current Growth Deal, etc. The bid document can be found at <http://www.gfirstlep.com/gfirst-LEP/Our-Priorities/Our-Vision/> Please click on 'Strategic Economic Plan' and the Growth Deal 3 Submission is near the bottom of the page.

We were expecting feedback from Government on our bid in September, negotiations over our Growth Deal in October and final confirmation of funds ahead of the Autumn Statement. However, nationally, bids into the Single Local Growth Fund were substantially greater than the money available so the Government has applied the following three criteria to each LEP to help in their decisions over allocations:

Strategy – The quality of the bid itself and its fit with the Strategic Economic Plan (SEP) and other local

strategies. We scored very well on this criterion.

Governance – Areas with metro mayors, combined authorities and devolution deals already in place scored higher than we did.

Private sector match funding – Even though several of our projects included substantial private sector follow-on investment, overall, we didn't score as strongly as some other areas on this criterion.

At the time of writing this report, we are still in negotiation with Government about the amount of funding we are likely to receive from the Single Local Growth Fund in our Growth Deal 3, the specific projects that Government will fund and the timing of the funding availability to support these projects. We now expect to have these three key things confirmed just after the Autumn Statement on 23rd November. We will inform the LEP Board, GEGJC members and project promoters as soon as we have these confirmed.

It is also not yet clear whether or not there will be a Growth Deal round four and we will be discussing this with BEIS at our Annual Conversation in December.

Pete Carr, GFirst LEP

20/11/16