

Title: Local Growth Fund programme update.

Purpose: To provide Board Members with a summary update on the Local Growth Fund (LGF) Capital programme, including associated risks and recommendations.

Recommendation:

- i) That Board members note the content of this report, programme delivery, financial position and risks.**

- ii) That a meeting of the LEP Capital Programme Sub-Group is arranged by the end of February to invite the County Council to present latest position regarding the Eastern Link Road South scheme and associated Woodlands major development site.**

- iii) That Board approve an open call for expressions of interest for new schemes to develop the pipeline of future investment opportunities and to help mitigate risk of delays in LGF expenditure.**

1 Summary

The Local Growth Fund (LGF) capital programme was reported to the Cities & Local Growth Unit for the second quarter (Q2) of 2019/20 on 22nd November 2019. The total claimed LGF expenditure was approximately £3.53 million (33%) of the £10.6 million profiled allocation for this financial year. This brought overall expenditure to 79% of grant committed to contract in the current programme.

LGF Claims for the third quarter (Q3) are being processed and will be reported in the next data return due on 21st February 2020. Estimated total LGF claim for Q3 is £1.5 million, bringing in year total expenditure to approximately £5 million (47%) of profiled allocation. The total programme value is £190 million, with private and third sector match £116 million contributing 63% of the total programme.

LGF outputs and performance data continue to be developed working closely with project sponsors and partners to capture the significant impact the LGF programme is having on housing, jobs and skills in Buckinghamshire. These outputs are forecasting higher returns for housing delivery, jobs, skills and commercial space than was initially estimated when the original LGF scheme business cases were submitted and approved for funding.

A tender submission has now been issued to support the whole programme independent review. The commitment to undertake a comprehensive review was an action from our 2019 Annual Performance review.

2 Programme Update

High Wycombe Town Centre Masterplan (£8.48m LGF)

- The new town centre road scheme is complete and was opened to through traffic on Monday 11th November 2019. The developers served by the road scheme, Inland Homes, are rapidly progressing delivery of over 230 new homes, with 73 already completed and sold.
- The scheme will facilitate delivery of over 470 new homes, over 25,000 sqm of new commercial and retail space and over 1000 new jobs. These outputs will be closely monitored, to ensure the scheme benefits are captured and reported through the LEP reporting framework.
- The scheme also addresses town centre congestion and provides improved public realm and cycling and walking links to and through the town centre. All six of the approved phases of the scheme have been delivered within the total £15 million budget and completed on time. This is great example of partnership working between ourselves and Buckinghamshire County Council, Wycombe District Council, contractors and other partners.

A355 Beaconsfield (£6.05m LGF)

- The construction of the LGF funded northern section of the new road link was completed at the end of October 2019. The County and District Councils are engaged in ongoing discussions with developers of the Wilton Park site, Inland Homes, regarding delivery of the southern section of link that connects to the A40 London Road at Pyebush Roundabout, M40 Junction 2.
- Currently this section is planned to be completed in 2021. The scheme will deliver over 300 new homes with potential for an additional 1,000 further homes subject to the ongoing Local Plan process.

A4 Sustainable Travel Link to Crossrail Taplow Station (£1.53m LGF)

- The cycle route was completed and opened on 19th November, providing safer sustainable route to the Taplow station and GWR / Crossrail Services between London and The Southwest.
- The off highway shared use route connects major retail, business and residential developments along the congested A4 London Road corridor and provides direct access to the Jubilee River (Thames Flood Relief Channel) and the Olympic Rowing Lake at Dorney.

Marlow to Maidenhead Rail Improvements – Great Western Railway (£1.7m LGF)

- At the end of last year, Great Western Rail (GWR) regrettably reported that it had been unable to secure Network Rail 'Approval in Principle' as they had expected in October. A critical meeting has therefore been arranged with Network Rail for the end of February 2020 to reach a final decision with Network Rail. This would enable the scheme to progress to the next phase of delivery and approval of the final business case by Buckinghamshire LEP.

- The potential benefits of this scheme should not be underestimated, it offers improvements to north south connectivity, potentially reducing traffic congestion on the A404 Marlow Bypass, managed by Highways England. The scheme would introduce a twice hourly reliable rail service without the need to change trains at Bourne End.
- The scheme has gained universal support and approval of the Globe Business Park BIDCo, Marlow Town Council, local residents, Councils and respective Members, Thames Valley Berkshire LEP and Royal Borough of Windsor and Maidenhead. The total scheme cost is under £5 million, a relatively modest amount such a significant transport improvement.
- Thames Valley Berkshire LEP has provisionally allocated £1.52 million of their own LGF3 capital grant to the scheme which will deliver reciprocal benefits in the Thames Valley Berkshire area, including housing and commercial development directly linked to the scheme. The Thames Valley Berkshire LEP contribution was allocated to be transferred to Buckinghamshire LEP in 2019/20 subject to Network Rail approval and then spent on scheme delivery in 2020/21. This scenario now seems increasingly unlikely.
- From recent discussions with GWR, the level of confidence in the scheme gaining Network Rail approval before the end of March 2020 is low. GWR have expressed great frustration and dissatisfaction with the Network Rail decision making process and has already committed approximately £380k of their own resources to reach this stage of scheme development. This frustration was highlighted at our annual performance review and the Department of Transport representative undertook an action to highlight the concerns and implications of the delay directly with Network Rail.
- However, the scheme is already significantly delayed, over 12 months, and there is an increasing the risk of failure to commitment the LGF grant funding within profiled spend period. This would impact delivery performance and the reputation of both Berkshire and Bucks LEP in equal measure.
- Whilst the inability to deliver through the LGF programme would be a great loss it is necessary to consider contingency plans for potential reallocation of the LGF grant.
- It is therefore recommended that an open call for expression of interest in new schemes is progressed in parallel with ongoing discussions with GWR and Network Rail.

Satellite Applications Catapult Innovation Centre - Westcott Enterprise Zone (£2m LGF loan/grant)

- Planning Approval for the Satellite Applications Catapult Innovation Centre was issued at the beginning of the year. Construction works started in early January and are due to be completed by July 2020.
- The Innovation Centre is being closely coordinated with County Council and delivery of the new dedicated roundabout access on the A41 Bicester Road. The new junction will improve safety at the A41 junction for the benefit of residents and road users. Advanced works on the highway scheme, part funded by the Local Transport Body, started in January and are expected to be completed by September 2020.
- The new building will provide 1,200sqm of commercial space for research and development of satellite systems, skills and commercial applications linked to the national UK Space Agency programme. The facility could form the initial phase of a major future

opportunity at the Westcott site to create one of six potential space sector clusters, generating major investment, skills, job opportunities and other benefits to Buckinghamshire. The Innovation Centre builds on the success of the already established and successful Incubation Centre and 5G 'step out' facility where commercial applications are being developed using the 5G platform.

Bucks Life Science Innovation Centre (£1.3m LGF)

- The 'Health Tech' innovation hub at the Wycombe University campus (Bucks New University) was completed last year and work to create the second Health Tech hub at Stoke Mandeville (Bucks Healthcare Trust) are due to be completed by end March 2020. Oxford Innovation and Bucks Business First are working with partners to stimulate and support SME engagement and development of medical innovation and technology linked to front line clinical services, including upper limb rehabilitation.
- There have been some delays in the construction process for both schemes and discussions with the Healthcare Trust and Bucks New University are ongoing to ensure rapid progress is made in operational delivery.

Digital Innovation Hub – Bucks New University Aylesbury Campus (£1.32m LGF)

- The refit of the ground floor at the University Campus Aylesbury Vale was completed last year, and both the Cyber Security and Mobile Outreach facilities have already demonstrated some success and great future potential.
- There are 65 desks available across the two spaces. Work to ensure strong 4G connectivity throughout the spaces and the building has been completed, with good reception and data speeds on all four major networks now available.
- A café has been constructed to the rear of the building, which employs two staff and is now open to serve incubation centre clients, students, staff and the general public.
- The refurbished ground floor of the Aylesbury Campus building remains mostly vacant and the appointed hub management team at Oxford Innovation is working with the University, LEP and other partners to drive the scheme forward.

Silverstone Sports Science and Innovation Centre

- Silverstone Sports Engineering Hub is now occupied by a number of specialist businesses generating new jobs and investment.

A40 London Road Corridor Improvements High Wycombe – BCC (£2.1million LGF / Local Transport Body)

- Works to the A40 congestion management corridor east of High Wycombe are progressed by Buckinghamshire County Council. The scheme was successful in being awarded additional funding of £4.1million through a successful bid for National Productivity Investment Fund (NPIF) and aims to improve traffic flows and public transport links to support delivery of High Wycombe reserve sites and other growth in the local area.

Wycombe Reserve Sites – Abbey Barn Highway Improvements BCC (£500k LGF / Local Transport Body)

- Detailed scheme design is being progressed, with construction planned to start in 2020, enabling the delivery of up to 200 new homes on the Abbey Barn North allocated site.

National Centre for Immersive Storytelling (£288k LGF)

- The project was completed in October 2019 and now provides a flagship studio boasting Dolby Atmos authoring. This is the first Film School in Europe offering this facility to students.

Bucks Creates @ Pinewood (£1.645m LGF) – Bucks New University and Creative Media Skills

- Bucks New University and Creative Media Skills has successfully delivered the first phase of the scheme, which is now being used by 40 students in the first year of the programme.
- Phase 2 of the scheme has been approved and application numbers for the second year have reach 230.

School for Computing and Centre for Artificial Intelligence – University of Buckingham (£2m LGF)

- Design work is being progressed to work stage 4 as planned with view to commence procurement and construction this year. However, one of the benefactors of the scheme has yet to honour their funding commitment and the University is therefore considering options.
- The University is liaising closely with Bucks LEP and its partners to manage this situation.

Eastern Link Road South (£10.51m LGF)

- Following the Christmas break, the County Council advised the LEP and scheme promotor Bucks Advantage that there has is a further delay of at least 4 weeks in issuing the final planning decision for the Woodlands and major development site, which includes the LGF funded Eastern Link Road Scheme.
- BCC continues to work closely with the Planning Authority and site promoters Bucks Advantage and LEP to progress the planning application and engrossment of the S106 agreement. BCC has provided indemnity to the landowners to underwrite initial liabilities until the site disposal has been completed – de-risking.
- There should be more certainty on timescales around the issuing of the final planning decision notice in late February 2020. Meanwhile the council is investing £1.5 million to detailed design of the ELR and advance the A41 roundabout junction, which serves the Woodlands and adjacent Hampden Fields major development site. The council has also commenced early contractor engagement through its procurement framework.
- Following the issue of the planning decision, the site promoters will carry out marketing of the Woodlands ELR(S), which provide BCC/AVDC to acquire the land necessary for the road. It remains possible for this to be completed prior to the end of March 31st 2021, however the deadline for LGF spend to acquire the land is an increasing risk.

- Certainty on match funding for the Eastern Link Road is pending a decision from Homes England and MHCLG for the Housing Infrastructure Fund bid that was submitted in September 2017. The County Council has advised that it anticipates a decision from Government, at the latest by 11 March 2020 (budget day).
- The protracted planning process has increased the risk that the LGF grant may not be spent on the timely land acquisition for the ELTS scheme in accordance with the grant offer issued in May 2018.
- The County Council has therefore requested a briefing with the LEP Capital Programme Sub-group to review the current scheme status. Subject to these discussions and subsequent progress, the County Council will be invited to present to the LEP Board at the next meeting on 22nd May 2020.

South East Aylesbury Link Road SEALR (DfT Retained Scheme £13.472m LGF)

- The County Council has confirmed that due to high likelihood of the need for a Compulsory Purchase Order to complete the land assembly, that it now considers that it will not be able to acquire the necessary land by end of March 2021.
- The completion of the land assembly was one of the four conditions set by DfT for the retention of the LGF grant. BCC now intend to engage further with DfT on potential carry over of the spend beyond 31st March 2021, as part of the current national budget process. It will be clearer after the budget statement on March 11 2020, whether it has made provision for tail-end LGF spend.
- The LEP team continues to work closely with the County Council and its partners to ensure successful delivery of this scheme, which is one of the major components of future growth and vision for Aylesbury Garden Town.

3 Future LGF Programme Reporting Dates

Dates for future LGF data reporting are show in the table below.

LGF Reporting Period	Submission Deadline
Q3 (October – December 2019)	21 February 2020
Q4 (January – March 2020)	22 May 2020
Q1 (April – June 2020)	21 August 2020
Q2 (July – September 2020)	20 November 2020
Q3 (October – December 2020)	26 February 2021
Q4 (January – March 2021)	28 May 2021

Revised guidance for Growth Deals reporting and data submission was received in July 2019. No further guidance has been issued since.

Board members are asked to:

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