
Title:	Local Growth Fund Review and Getting Building Fund Open Call
Purpose:	To update board members on the capital programme, following the meeting of the Capital Programme Sub Group on 7th January 2021.
Recommendation(s):	<ul style="list-style-type: none">i. Note the capital programme summary updateii. Note minutes of the Capital Programme Sub Group on 7th January and approve the reallocation of the remaining £150k LGF as set out in this report.iii. Endorse the outline proposal for Open Call for Getting Building Fund capital projects 2021/22.iv. Note the progress of the Independent LGF Evaluation by Hatch Associates
Impact on Risk Register:	Delivery of LGF and Getting Building Fund Capital Programmes and impact on Annual Performance Review.

1 Capital Programme Update

The Buckinghamshire Local Growth Fund (LGF) programme has continued to make steady progress during 2020/21, however, the impact of Covid-19 has increasingly affected delivery of some remaining projects during the second and third quarters, due to working restrictions and financial uncertainty. Notably this has impacted the delivery of the School of Computing and AI Centre at The University of Buckingham, Healthcare Innovation Hub at Stoke Mandeville Hospital and the Cycling Efficiency Project at Silverstone Sports Innovation Hub.

Overall LGF programme expenditure at the end of the third quarter (October to December) 2020/21, was approximately £56 million (93.5%) of the total LGF capital grant allocation of £60,064,985.

The LGF allocation remains fully contractually committed to live projects, with £3.1 million of forecast expenditure and claims during Q4 expected to achieve total LGF grant spend of over £59.3 million (98.8%).

Following the award of £7.7m Getting Building Fund (GBF) in August 2020, the Disruptive Innovation Space Capability (DISC) project at Westcott (£2m grant), and the Bucks Rural Business Broadband (£710k grant) projects are both making good progress with plans being developed to ensure delivery in 2021/2022. The National Film and Television School Expansion project is in negotiation with the Department for Culture, Media and Sport regarding additional grant contribution, with a decision expected in March.

2 Capital Programme Sub Group and Open Call for Getting Building Fund

The Capital Programme Sub Group met on 7th January to consider programme risks and impact of the decision made by The University of Buckingham on 14th December, to not proceed with their plans to build the new school of computing at the Tingewick Road site.

The Sub Group noted the possible options outlined in the paper provided, to use funds requiring reallocation (currently £750k LGF and £2m GBF to be withdrawn from the University of Buckingham, and £150k LGF to be withdrawn from the NFTS).

The Sub Group supported the recommendation to move to open call before the end of January for expressions of interest for new projects to utilise £2.75m returned GBF funding (£2m from University of Buckingham and £750k 'flipped' at Westcott). The Sub Group also asked that the selection criteria for the open call be carefully considered prior to publication of the call to ensure applications are received under these criteria to assist with scoring/assessment.

Following a further review of LGF programme commitments and planned expenditure, Board Members are invited to consider the following recommendation to ensure the remaining £150k LGF capital grant is committed to and spent before 31st March 2021.

It is recommended that an additional **£50k** LGF reallocated to Satellite Applications Catapult for the DISC at Westcott, committing a total of £800k LGF grant in exchange for £800k of the £2m Getting Building Fund.

£30k LGF is allocated to the additional building works at BNU Pinewood – approved by LEP Board on 4th December.

£70k is allocated to cover Bucks LEP operational LGF programme/project capital costs incurred this year (2020/21), reducing 'in-year' pressure on Bucks LEP revenue budget and reserves.

This provides a total of £2.8m Getting Building Fund that may be reallocated to new and expanded existing projects. The Getting Building Fund must be contractually committed and spent by 31st March 2022.

It is recommended that BLEP announce an open call for projects on Friday 29th January with a closing date of 5th March, allowing a period of 5 weeks, sufficient for applicants to complete and submit their applications and scheme business cases.

Marketing and promotion of the open call would be managed through the LEP and BBF communications and marketing team. These channels include,

- LEP and BBF Websites, including links to Application Form and information
- Press release and other local media sources, including radio broadcast
- Twitter, LinkedIn, and social media channels
- Newsletters, E-shots and engagement through wider BBF and LEP partnership network.

Initial applications will be shared with Members of the Capital Programme Sub Group and undergo an initial assessment to agree a 'shortlist', which may then be taken forward and independently evaluated by retained consultants Hatch Associates. The evaluation process is expected to take 2 to 3 weeks, during which applicants will be asked to provide further clarification and information to support their bid.

Following independent evaluation, the list of projects will be shared with Capital Programme Sub Group with the view to recommendation to LEP Board for approval of the final list at the end of March.

MHCLG representatives have advised that a formal 'change request' needs to be submitted for departmental approval where there is a substitute project or significant variation to an existing project. This is to be discussed with the area lead in the first instance.

All GBF funding awards will be subject to completing a legally binding Grant Funding Agreement between BLEP and the Project Sponsor.

Selection and Evaluation Criteria

The Getting Building Fund is offered by the Ministry of Housing, Communities and Local Government based on key criteria and performance measures that are set out in the application and guidance for funding bids that were received, assessed, and approved in June/July 2020. These criteria are broadly covered below and they are set out in more detail in the covering Invitation and Application Form.

- Strategic Fit – Alignment with Local Industrial Strategy and Economic Recovery Plan
- Deliverability – expected delivery by March 2022
- Economic Impact – clear measurable benefits and outputs
- Funding – financial commitment and certainty of match funding
- Value for Money – refer to HM Green Book
- Environmental sustainability

It is recommended that the open call for Getting Building Fund adopts the same criteria and in addition, applicants are required to submit a supporting Scheme Business Case, which is based on the adopted HM Treasury Green Book 5-case model, which includes,

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

This approach is consistent with previous calls for Local Growth Fund projects and allows applicants to provide greater levels of detail and assurance around their proposals.

For further information please refer to Appendices 1-4.

3 Independent Impact Evaluation of LGF Programme – Hatch Associates

Hatch is in the final stages of completing the LGF Programme Evaluation. This has entailed extensive research and engagement with stakeholders to amass a holistic view of delivery, performance and emerging impacts, as well as providing a picture of where BLEP has excelled and where there is scope for improvement. The Hatch team would like to extend their thanks for your inputs and cooperation, alongside engagement with project leads.

The evaluation findings will be set out in the final report in full – below are some key headlines of the research which will feature:

- LGF is a complex programme which has evolved over time – the LEP has adapted well to this evolution and established itself as a valued investor of public funds.
- Whilst LGF has limitations in terms of its focus and investment conditions, the LEP has shown a willingness to be flexible, innovative and commercially focused, leading to a wide variety of supported projects.
- Governance, policy, process, reporting and Board focus lie at the heart of the programme’s delivery and ably balance risk with the need to secure returns on public investment.
- At a programme level and based on the expenditure profile to date, the LEP has performed well and has been able to defray funding in line with government expectations.
- Project performance across priority themes is more variable, with complex infrastructure projects posing greater risk to overall programme performance and the achievement of output and impacts targets.
- The impact on value for money is somewhat uncertain given the stage of progress and will be dependent on certain projects unlocking impacts envisaged in their business cases.
- Some projects are at risk of under-delivery or longer gestation and will require close monitoring – there are elements that are within applicant control, others are contextual or harder to mitigate against and reflect inherent complexity.
- Project reviews showcase the opportunity to make enhancements to programme delivery, including the application process and capture of project level information.
- There are projects that have exceeded expectations and added value beyond binary metrics – these illustrate the true reach of LGF investment and show the importance of strategic alignment.
- The programme has exhibited elements of best practice and exemplar performance which should be sustained and transferred to successor investment funds.
- There is an opportunity to better celebrate success and use this to develop a longer-term investment pipeline.
- Key areas for enhancement which would aid LGF delivery and ensure strong projects come forward include increasing BLEP team capacity, enhancing project data capture and refinements to the application process and business case requirements.

The final report will be issued to the LEP team in early February.

Board members are asked to:

- i. Note the Capital programme summary update.**
- ii. Note minutes of the Capital Programme Sub Group on 7th January and approve the reallocation of the remaining £150k LGF as set out in this report.**
- iii. To endorse the outline proposal for Open Call for Getting Building Fund capital projects.**
- iv. To note the progress of the Independent LGF Evaluation by Hatch Associates.**